



VTX Industries Limited
60th Annual Report 2013 - 14



**Value
Research**

**VTX INDUSTRIES LIMITED**

(Formerly Vijayeswari Textiles Limited)

BOARD OF DIRECTORS**Sri. A.L. Ramachandra***Chairman & Managing Director***Smt. Jayanthi Ramachandra***Managing Director***Sri. S. Shreenivasa Rao****Sri. Mohan Rao****Sri. V. Dharmaraj****Sri. J. Balamurugan****Sri. S.B.P. Pattabi Ramarao****Auditors**

M/s. Suri & Co.,

Chartered Accountants, Coimbatore

Internal Auditor

Smt. Sasirekha Vengatesh

Chartered Accountant, Coimbatore

Cost Auditors

M/s. P. Mohan Kumar & Co.,

Cost Accountants, Coimbatore

Bankers

Andhra Bank

Oriental Bank of Commerce

Indian Overseas Bank

UCO Bank

United Bank of India

Registered Office & Spinning Division at

2/185, Puliampatti (Via), Pollachi,

Coimbatore District - 642 002

CIN: L17111TZ1953PLC000248

Email ID: investors@vtx.co.in

Website:www.vtx.co.in

Weaving Division at

Arakulam, Palladam.

Processing Division at

SIPCOT, Industrial Complex, Perundurai

Madeups Divisions at

Pilchinampalayam, Coimbatore

Corporate Office and Madeups Division at

10/400, Palghat Main Road,

Kuniamuthur, Coimbatore - 641 008.

Subsidiary Companies

Vijayeswari UK Ltd.

Vijayeswari USA LLC

Registrar and Transfer Agents

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound

L.B.S. Marg, Bhandup West Mumbai - 400 078.

Branch Office

Link Intime India Pvt. Ltd.

"Surya" 35, May Flower Avenue

(Behind Senthil Nagar)

Sowripalayam Road, Coimbatore - 641 028.

E-mail : coimbatore@linkintime.co.in

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NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 60th Annual General Meeting of the shareholders of the Company will be held at 4.00P.M. on Tuesday the 30th day of December 2014 at Velayudhasamy Kalyana Mandapam, 2/339, Palladam Road, Puliampatti (via), Pollachi, Coimbatore District - 642 002, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Sri. Shreenivasa Rao (DIN 00027101) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri. Mohan Rao (DIN 05233092) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this connection, to consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions if any of the Companies Act, 2013 and the rules framed there under, as amended from time to time, M/s. Suri & Co, Chartered Accountants, Firm Regn. No: 004283S be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the sixty fifth Annual General Meeting of the Company to be held in the year 2019 (subject to the ratification of their appointment at every AGM) and the Board of Directors of the Company be and is hereby authorized to fix their remuneration, plus service tax and out-of-pocket expenses payable to them.”

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass the following resolution with or without modifications, as Special Resolution.**

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956, (the Act) read with provisions of Schedule XIII of the Act, and provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the new Act) read with provisions of Schedule of the new Act or any amendment or re-enactment thereof, and subject to such other approval as may be necessary, the Company hereby accords its consent and approval to re-appointment of Smt. Jayanthi Ramachandra as Managing Director of the Company for a period of three years with effect from 12th September 2013 on such terms and conditions and payment of remuneration and other perquisites/benefits to Smt. Jayanthi Ramachandra during the said period of three years as recommended by Remuneration Committee of Directors and also set out in Statement under this item annexed to the notice convening this meeting.

“RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to the provisions of Schedule V to the new Act, the Board of Directors of the Company (hereinafter referred to as “the Board” which terms shall be deemed to include any committee which the Board may constitute to exercise its powers,

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including powers conferred by this resolution) be and is hereby authorized to alter and vary the terms and conditions of appointment including remuneration, if necessary, in such manner as may be agreed to by and between the Board and Smt. Jayanthi Ramachandra, within such prescribed limit(s) or ceiling and the agreement between the Company and the Managing Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting.”

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

“RESOLVED THAT Sri. J. Balamurugan (DIN 00023309), an existing Independent Director, who has filed with the Company the required Declaration as per Section 149(7) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five years to hold office up to 29th December, 2019 and that he shall not be liable to retire by rotation as stipulated under Section 149(13) of the Companies Act, 2013.”

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

“RESOLVED THAT Sri. S.B.P. Pattabhi Ramarao (DIN 00108987), an existing Independent Director, who has filed with the Company the required Declaration as per Section 149(7) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five years to hold office up to 29th December, 2019 and that he shall not be liable to retire by rotation as stipulated under Section 149(13) of the Companies Act, 2013.”

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

“RESOLVED THAT in supersession of Resolution No.12 passed at the Annual General Meeting of the Company held on 21st June 2006 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for borrowing from time to time any sum or sums of money, together with the money already borrowed by the Company (apart from temporary Loans obtained or to be obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the paid –up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors shall not exceed the sum of ₹ 500 crores at any one time.

RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

By the Order of the Board
For VTX Industries Limited

A.L. Ramachandra
Chairman & Managing Director

Date : 28.06.2014
Place : Coimbatore

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Notes:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxy in order to be effective must reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
4. Members / proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
5. The Register of members of the Company and the Share Transfer Books will remain closed from 23.12.2014 to 30.12.2014 (both days inclusive).
6. Members holding shares in physical form are requested to notify if any change in their address/bank account to the company's Registrar & Share Transfer Agent and the Members holding shares in electronic form are requested to intimate the changes, if any, to their respective depository participants only.
7. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Compliance officer / Share Transfer Agents of the Company. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 be transferred to the Investor Education and Protection Fund.
8. Brief resume, details of shareholding and Directors inter-se relationship of Directors seeking election/reelection as required under Clause 49 of the Listing Agreement, are provided as Annexure to this notice.
9. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve documents in electronic form.
10. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
11. Electronic copy of the Annual Report and AGM Notice are being sent to all the members whose e-mail id is registered with the Company / Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their E-mail ID, physical copies of Annual Report and AGM Notice for the year 2013-14 are sent through the permitted mode separately.

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of clause - 35B of the Listing Agreements read 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 members facility to exercise their votes for all the

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resolutions detailed in the Notice of the 60th Annual General Meeting scheduled to be held on Tuesday, the 30th December 2014, at 4.00 p.m. by electronic means and the business may be transacted through e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities as per instructions below.

In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to evoting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a postal ballot Form is annexed. A member desiring to exercise vote by postal ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to Sri . C. Prakash, Practising Company Secretary, No.1A, Post Office Road, (First floor), Krishnaswamy Nagar, Ramanathapuram, Coimbatore – 641 045, so as to reach him on or before 26th December, 2014. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received. Kindly note that members can opt for only one mode of voting i.e., either by postal ballot or through e-voting. If members are opting for e-voting then do not vote by postal ballot or vice versa.

However, in case of Members casting their vote both by postal ballot and e-voting, then voting done through evoting shall prevail and voting done by Physical Ballot will be treated as invalid.

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period begins on 22.12.2014 at 10.00 A.M. and ends on 24.12.2014 at 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 of 28.11.2014, 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:

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> <p>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.</p>
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	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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio Please enter the DOB or Dividend Bank Details in order to login. If 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)

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant VTX Industries Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non - Individual Shareholders and Custodians
 - ❖ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

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- ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- ❖ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- ❖ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Statement pursuant to Section 102(1) of the Companies Act, 2013.**Items No. 5**

Smt. Jayanthi Ramachandra was re-appointed as the Managing Director of the Company for a period of three years commencing from 12th September 2010 and her term of office expired on 11th September, 2013. Keeping in mind the significant contribution to the growth and performance of the Company by Smt. Jayanthi Ramachandra, the Board of Directors of the Company at their meeting, re-appointed Smt. Jayanthi Ramachandra as the Managing Director of the Company for a period of three years with effect from 12th September, 2013. The terms of re-appointment including remuneration as approved by the Remuneration Committee and the Board subject to the approval of the Members to be obtained at this Meeting are as follows:-

1. Period

Three years commencing from 12th September 2013

2. Remuneration

Subject to overall limit laid down under Section 198 and 309 of the Companies Act, 1956 and Section 197 & 198 of the Companies Act, 2013, Smt. Jayanthi Ramachandra shall be entitled to receive from Company the following remuneration:-

- a) Salary : ₹ 2,00,000/- per month
- b) Commission : At a rate of 1.5% of the net profits.
- c) Perquisites : In addition to salary and commission, Smt. Jayanthi Ramachandra, Managing Director shall also be entitled to perquisites which shall not exceed a sum of ₹ 2,00,000/- per month.
- d) Contribution to Provident Fund, Super Annuation Fund or Annuity fund, Leave encashment, provision of car with driver, telephone at residence not to be included in the computation of the ceiling on the perquisites.
- e) Gratuity payable shall not exceed half a month's salary for each completed year of service or at the rate as may be modified from time to time.
- f) In the event of loss or inadequacy of profits in any year during the tenure of office, the remuneration payable to her for that year shall be determined and allocated by the Board within the ceiling limit laid down in paragraphs (A) of Section II of Part II of Schedule V to the Companies Act, 2013.



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3. Termination

This re-appointment may be terminated by any party herein, by giving to the other party, a six months notice in writing.

4. The re- appointment of Smt. Jayanthi Ramachandra as Managing Director and remuneration payable to her are in line with Schedule XIII to the Companies Act, 1956, and Schedule V to the Companies Act, 2013 subject to the approval of members to be obtained at this Annual General Meeting and to the extent any of the provisions herein are inconsistent or contrary to terms of such approval, the latter will prevail.
5. As required under the Act, the further particulars pertaining to the Company and the appointee are set out hereinafter.

I General Information

(a) Nature Of Industry

The Company is engaged in the business of textile, it is a global supplier of **Value Luxury** home linen, a design house creating private labels and exclusive product collections for top global brands and retailers, Innovative end to end manufacturer owning niche **Ingredient Brands, 60 year manufacturing heritage synonymous with quality and customer satisfaction**

(b) Date or expected date of commencement of commercial production

The company commenced business on 05th September 1953

(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable

(d) Financial performance based on the given indicators.

Performance over the last three financial years is set out as under.

(Rs. in lakhs)

	2012-13	2011-12	2010-11
Gross Turnover (Including Excise Duty)	17899.92	19136.84	16686.14
Profit for the year before tax	190.93	(3368.91)	845.10
Extra Ordinary Income (Charges)	-	(2233.81)	-
Provision for Taxation	107.92	(745.92)	131.16
Profit after Taxation	83.02	(2623.67)	713.94
Balance brought forward from the previous year	(2035.84)	587.24	-
Balance available for appropriation			
Less: Appropriations	-	-	126.70
Balance carried to Balance Sheet	(1952.82)	(2035.84)	587.24
	2012-13	2011-12	2010-11
Equity Share Capital	1816.92	1816.92	1816.92
Reserves & Surplus	9279.49	9196.48	11819.55
Fixed Assets (Net)	16922.12	20727.70	21512.57
Investments (non current)	1.41	6.53	1.21
Net Current Assets	(1103.56)	(1341.99)	19185.27



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(e) Export Performance

(₹ in lakhs)

	2010-11	2011-12	2012-13
Export earning on FOB basis	11,385.01	16,965.79	12,873.31

(f) Foreign Investments or collaborators if any:

Nil

II Information about the appointee

(a) Background details

Smt. Jayanthi Ramachandra, Managing Director of the Company, is a graduate in Science from the Madras University and has over 28 years of extensive experience in textile designing and product development. She holds Directorships in other companies including M/s. Vijayeswari Exports Limited.

(b) Past Remuneration

- (i) Salary of ₹ 2,00,000/- per month,
- (ii) Commission of 1.5% of Net Profit and
- (iii) Perquisites not exceeding a sum of ₹ 2,00,000/- per month.

(c) Recognition or awards

None

(d) Job profile and her suitability:

Subject to the superintendence, control and direction of the Board, Smt. Jayanthi Ramachandra will manage and superintend the business affairs of the Company and do all such lawful acts and things in relation to such management and superintendence as she shall think fit and reasonable.

She has a very rich experience in textile designing and product development, Creative in Fashion & Sewing techniques

(e) Remuneration proposed

As mentioned in forgoing pages.

(f) Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of Origin.)

The remuneration structure of Smt. Jayanthi Ramachandra is not higher than what is drawn by his peers in comparable Companies.

(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any;

Smt. Jayanthi Ramachandra is one of the Promoter and Shareholder of the company. She is related to Sri. A.L. Ramachandra, Chairman & Managing Director of the company.

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III. Other Information

1) Reasons of loss or inadequate profits

In adequate working capital support over the years from the bankers, unwillingness to execute debt restructuring by the banks, airfreight costs, PO's cancellation due to delayed shipments, inability to utilize the capacity to the optimum feasibility, seasonal industry down trends, increased procurement cost of core materials, power and fuel expenses due to irregular power shut down are some of the major reasons which resulted in loss over the years and peaked in current year due to sarfaesi notification by banks and consequent inventory and receivables provisions.

2) Steps taken or proposed to be taken for improvement

Negotiation with bankers for the debt restructuring, one time settlement, new investor, identify and use noncore assets to reduce debt burden and improve operating cash flow diversification of products and increased customer base and non traditional financial resources for operational needs are some of the measures by which your management is proposing for improvements in operations, turnover , cash flow and profit margins.

3) Expected increase in productivity and profits in measurable terms –

Your management is expecting during the current year stabilization of business by reducing debt burden through One time settlement proposal and new investor investment along with non core assets to be used to improve funds availability.

Once the above goal is achieved and company is brought into stability, with improved cash flow through non traditional financial resources efforts will be made to improve the

Capacity utilization and increase the order book with the customers based on the strong brand image and quality premium product produced by the company.

IV. Disclosures:

- (a) The remuneration package of Smt. Jayanthi Ramachandra has already set out above.
- (b) The necessary disclosures as required under paragraph (B) of Section II of Part II of Schedule XIII of the Companies Act 1956 and paragraph (A) of Section II of Part II of Schedule V of the Companies Act, 2013 are disclosed in this report.
- (c) The Board considers that having regard to the significant contribution of Smt. Jayanthi Ramachandra towards remarkable growth of operational activities of the Company during his current tenure, the re-appointment of Smt. Jayanthi Ramachandra as Managing Director of the Company for a further period of three years is fully justified. As such the Board commends the Special Resolution set out in item 5 of the Notice convening the meeting for the approval of the Shareholder
- (d) A draft of the Agreement between the Company and Managing Director will be available for inspection by the members of the Company at its Registered Office on any working day prior to the date of the Meeting during the usual business hours and will also be available at the Meeting.

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- (e) Except Smt. Jayanthi Ramachandra and Sri. A. L. Ramachandra no other Director/Key Managerial personnel nor any relative of Director or Key Managerial Personnel have any concern or interest in the said resolution.
- (f) The period of appointment of Smt. Jayanthi Ramachandra as Managing Director including payment of remuneration covers applicability of relevant provisions of Companies Act, 1956 and Companies Act, 2013. Hence, approval of the members have been sought both under the above Acts.
- (g) The passing of the aforesaid resolution also does not relate to or affect any other Company.

RESOLUTION AT ITEM Nos. 6 & 7

Sri. Pattabhi Ramarao and Sri. J. Balamurugan are existing Independent Directors under Clause 49 of the Listing Agreement. Upon implementation of the Companies Act, 2013, ('the Act') the Board, at its meeting held on 28th June 2014, formed an opinion that each of them are persons of integrity and possess relevant expertise and experience for being appointed as Independent Directors of the Company. In the opinion of the Board, each of these persons fulfil the conditions specified in the Act and the rules made thereunder and that they are each independent of management They have also at the said Board Meeting filed declarations u/s 149(7) of the Act stating that they can function as Independent Director within the meaning of Section 149(6) of the Act.

In view of the above position, approval of the Members is sought to formally appoint them as Independent Directors as per Section 149(10) of the Act for a period of five years from the conclusion Company's Sixtieth Annual General Meeting to the conclusion of Company's Sixty- fifth Annual General Meeting. The Company and Independent Directors shall abide by the code for Independent Directors specified in schedule V of the Act, and shall be governed and guided by the provisions contained therein. Formal Letters of appointment shall be issued to each Independent Director upon their appointment. The terms and Conditions of appointment shall be open for inspection at the registered office of the Company by any member during normal business hours.

The Board is of opinion that it would be interest of the Company to appoint Sri. Pattabhi Ramarao and Sri. J. Balamurugan as Independent Directors of the Company and Resolutions under the item No. 6 and 7 have been proposed to this end. The Board commends the resolutions to Members for acceptance. Sri. Pattabhi Ramarao and Sri. J. Balamurugan were holding office as retiring Directors and, after their appointment as Independent Directors, they shall not be liable any further to retirement by rotation and shall hold office for aforesaid fixed term of five years and could be eligible for appointment for one more consecutive term of five years.

Sri. Pattabhi Ramarao and Sri. J. Balamurugan should be deemed concerned or interested in the particular Resolutions seeking to appoint each of them as Independent Director. No other Director/Key Managerial personnel nor any relative of the Directors or the Key Managerial personnel have any concern or interest in the aforesaid Resolutions. The passing of the aforesaid resolutions also do not relate to or affect any other Company.

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Appointment of Directors

Name of the Director	: Sri. Mohan Rao
Date of Birth	: 14.02.1953
D O A on the Board	: 10.05.2012
Qualifications	: B. Tech., (Textile Technology) from IIT, Delhi.
Profile of Directors operational experience	: 37 years of multifaceted consulting and in the Textile Industry
No. of Shares Held	: NIL
Other Directorships	: NIL
Chairman/Membership in Committees of other Companies	: NIL
Relationship with other Directors	: None of the Directors of the Company is related to Sri. Mohan Rao.

Name of the Director	: Sri. Shreenivasa Rao
Date of Birth	: 30.10.1950
D O A on the Board	: 10.05.2012
Qualifications	: B. Tech (Elect.) from IIT, Delhi P.G. in Indl. Engg. & Mgt. from NITIE, Mumbai
Profile of Directors presently doing	: Over 38 years vast industrial experience and textile business
No. of Shares Held	: NIL
Other Directorships Pvt. Ltd.	: Spads Textiles Limited Spads Polyplast Products
Chairman/Membership in Committees of other Companies	: NIL
Relationship with other Directors	: None of the Directors of the Company is related to Sri.Shreenivasa Rao

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(Formerly Vijayeswari Textiles Limited)

Name of the Director : **J. Balamurugan**
Date of Birth : 31.03.1961
D O A on the Board : 29.05.2012
Qualifications : B.E (ECE) & MPEF from IIT, Bangalore
Profile of Directors : He is an Entrepreneur and having managing experience in the businesses of Cotton Yarn Spinning, Sheet Metal products, IT infrastructure, On-line services and aftermarket automotive enhancements.

No. of Shares Held : NIL
Other Directorships : Nextgen Communications Limited,
Gama Industries Coimbatore Limited
Spit- Fire Motors Sports Private Limited
Confidign Solutions Pvt Ltd Unity Mills Pvt Ltd
Spitfire Automotive Performance Pvt Ltd
Federation of Motor Sports Club of India P Ltd
Seshraj Energy Pvt Ltd
Sree Karpagambal Mills Ltd
Shanthy Gears Limited

Chairman/Membership in Committees of other Companies : Member of Audit committee of Shanthy Gears Ltd.,

Relationship with other Directors : None of the Directors of the Company is related to Sri. J. Balamurugan

Name of the Director : **Sri. Pattabhi Ramarao**
Date of Birth : 17.11.1972
D O A on the Board : 13.08.2012
Qualifications : BE (ME) , PG- MBA, ITM Chennai
Profile of Directors : He is the Managing Director of Australian Foods India Pvt. Ltd., who implemented a series of measures to line up said company's operations with a strategic focus to leverage market opportunities and became instrumental to build the famous brand-'Cookie Man'

No. of Shares Held : NIL
Other Directorships : Australian Foods India Pvt. Ltd
Australian Foods Franchise Pvt. Ltd.
SSR Foods & Beverages Pvt Ltd
Shop 4 Solutions Pvt Ltd

Chairman/Membership in Committees of other Companies : NIL

Relationship with other Directors : None of the Directors of the Company is related to Pattabhi Ramarao

By the Order of the Board
For VTX Industries Limited

A.L. Ramachandra
Chairman & Managing Director

Date : 28.06.2014
Place : Coimbatore



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

DIRECTORS' REPORT TO SHAREHOLDERS

To

The Members,

Your directors are pleased to present the 60th Annual Report and the Audited Accounts for the financial year ended March 31, 2014.

Financial Results:

	(₹ in lakhs)			
Particulars	2013 - 14		2012- 13	
Profit before Interest, Depreciation and Tax (before extraordinary item)	(17,092.52)		6,067.11	
Extraordinary item	-		-	
Profit before Interest, Depreciation and Tax (after extraordinary item)	(17,092.52)		6,067.11	
Less: Interest	4,655.08	4,205.54		
Depreciation	<u>1,313.63</u>	<u>5,968.71</u>	<u>1,670.64</u>	<u>5,876.18</u>
	(23061.23)		190.93	
Tax expense:				
a) Current tax expense for current year				
b) (Less): MAT credit (where applicable)				
c) Current tax expense relating to prior years	-		-	
d) Net current tax expense				
e) Deferred tax	635.28	635.28	107.91	107.91
Profit / (Loss) for the year	<u>(23,696.51)</u>		<u>83.02</u>	

Review of Operations

During the year under review, The turnover of the company has reduced to ₹ 4,593 lakhs from ₹ 17630 lakhs in the corresponding previous financial year and incurred a loss of ₹ 236.96 lakhs as against profit of ₹ 83.02 lakhs which is, mainly due to working capital shortage and liquidity issue and also due to severe power shortage and suspension of activity in Tamilnadu. M/s. Indian Overseas Bank as lead bankers for Term Loan lender has initiated SARFAESI proceedings against the Company for secured debt repayment.

The reason for losses were mainly due to increase in finance costs since there were increased rate of interest and other borrowing costs.

The deteriorating working capital situation, resultant delayed delivery at higher cost and consequential orders cancellation. The past few years, inventory accumulated because of

exports that reduced critically. There was volatility in cotton price and due to general sluggishness of the economy in the Country as well as in the World over, there was no pick up in demand. Consequently, much progress could not take place in the performance of the company. However, the prospects for textile industry looks promising provided a favourable condition prevails in the Country due to Governments initiatives.

Status of manufacturing:

The units i.e. weaving /processing / madeups units are running on very low capacity mainly on job works and marginal exports which has been further aggravated due to frequent power cuts / load shedding, which forced the company to use alternative mode. The increase in the finance cost to Term Loan and Working Capital facilities availed from the Banks is also making hardship to the company.

**VTX INDUSTRIES LIMITED**

(Formerly Vijayeswari Textiles Limited)

Future

Your Company is confident that the persistent and committed efforts of the management to bring in fresh infusion of funds will be successful, provided that the Lenders show interest and commitment in reviving the operations of your Company instead of the current hostile and negative approach that is proving a major cause of concern to investors.

The Management is in close working with the bankers, to arrive at a beneficial one time settlement.

The management is confident of reviving the business thought prudently reworking the strategy of high value products to improve business of value addition and profitability. They have brought in advisors in business turnaround around the world.

The future of your Company's performance looks promising as it has taken effective measures in the production which would help to reduce cost of production and thereby increase profit margin.

The company could secure good international orders and it has adequate infrastructure to execute and a good brand in the international as well as domestic markets soon.

Your company is making all efforts to explore international markets to expand its customer base and it has progressively entered into hospitality segment comprising hotels and hospitals both in India and abroad.

Dividend

In view of operating losses incurred during the year, your Directors do not recommend payment of any dividend for the financial year 2013-14.

Internal Control System and their adequacy

The Company has an adequate system of internal controls commensurate with its size and nature of business to ensure adequate protection for the Company's resources, provision of accurate and speedy financial

reports and compliance with the company's policies, procedures and legal obligations. The audit Committee meets periodically with the Management, Internal Auditors and Statutory Auditors to review the internal audit and internal control systems.

Subsidiaries

Your company has two subsidiaries viz. Vijayeswari UK Ltd and Vijayeswari USA LLC. The accounts of the subsidiaries are consolidated with the accounts of Company in accordance with Accounting Standard AS-21 on consolidated financial statements and Listing Agreement prescribed by Securities Exchange Board of India. The Consolidated accounts duly audited by the statutory auditors form part of the Annual Report.

Dematerialization

Out of the 181,69,240 shares, 172,67,843 equity shares stands dematerialized as on 31st March 2014. M/s. Link Intime India Private Limited, Mumbai, having its branch office at Coimbatore has been retained as the Registrar and Transfer Agents of the Company for all shares both in electronic and physical form.

Listing of Shares

The shares of your Company have been listed on BSE Limited, Mumbai and Madras Stock Exchange Limited, Chennai.

Directors

Sri. Shreenivasa Rao and Sri. Mohan Rao, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The term of Smt. Jayanthi Ramachandra as Managing Director expired on September 11, 2013 and is eligible herself for re-appointment and it is proposed to re-appoint her for a further period of 3 years as the Board considers that her continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Smt. Jayanthi Ramachandra as Managing Director. Necessary



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resolution for her re-appointment is included in the Agenda of the Annual General Meeting.

Independent Directors

In compliance of the provisions of the Companies Act, 2013 and the Listing Agreement entered into with the Stock Exchanges in which the Companies shares are listed, Independent Directors are required to be appointed for a term not exceeding 5 years at a time besides the other requirements. Accordingly the Board of Directors have proposed to appoint Sri. J. Balmurugan and Sri. Pattabhi Ramarao, Directors, who are retiring by rotation at the ensuing Annual General Meeting, as Independent Directors for a Term of 5 consecutive years, i.e. upto 31.03.2019. Your Directors recommend their appointment.

Details of the proposal for appointment of the above Directors are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 annexed to the Notice of the ensuing Annual General Meeting.

Fixed Deposits

In terms of the provisions of Sec.58A, the company has not accepted any deposits from the public during the financial year under review. There was no refund claim of the Fixed Deposits during the year and the unclaimed Fixed Deposits as on 31.03.2014 was ₹ 11.27 lakhs.

Auditors

The term of Auditors M/s. Suri & Co., Chartered Accountants, Coimbatore, expires at the end of the ensuing Annual General Meeting and they are eligible for re-appointment. The Audit Committee has recommended their re-appointment. The requisite certificate from Auditors, pursuant to Section 139(1) of the Companies Act, 2013 has been received by the Company.

Cost Auditors

The Board of Directors has appointed M/s. P. Mohan Kumar & Co., Cost Accountants, Coimbatore as Cost Auditors of the Company

for the financial year 2013-14. The Cost Auditing for the said financial year is under process and the Cost Audit report along with Auditor's observations and suggestions, and Annexure shall be filed to the Central Government before its due date i.e. within 180 days from the close of the Company's financial year to which the report relates.

Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors do hereby confirm that:

- a. in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected suitable accounting policies and applied them consistently and made judgments 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 of the company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and
- d. the Directors had prepared the Annual Accounts on a going concern basis.

Conservation of Energy, Technology absorption, Foreign Exchange Earnings and Outgo:

The particulars required by Section 217 (1)(e) of the Companies Act, 1956 relating, to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, are provided as the annexure to this report.

Statement of Particulars of Employees:

In terms of Section 217 (2A) of the Companies Act, 1956 read with Rule 1A of Companies

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(Particulars of Employees) Amendment Rules, 2011, the Company has no employee drawing salary exceeding ₹ 60 lakhs per annum or ₹ 5 lakhs per month during the year under review.

Corporate Governance

Your company has complied with Corporate Governance norms as stipulated under clause 49 of Listing Agreement entered into with Stock Exchanges. A detailed report on Corporate Governance forms part of this report. A certificate from statutory Auditors confirming the compliance of governance is attached to corporate governance report.

Management Discussion and Analysis Report

A review of Textile industry, its opportunities and threats, future, outlook of the company etc. are covered under the Management Discussion and Analysis Report, which is attached to this report.

Human Resource Management / Industrial Relations

Your company had always been committed to maintain healthy, cordial and harmonious industrial relations at all levels. The work environment of the company is constantly being upgraded. The labor relations continued to be cordial throughout the year and industrial relations were excellent and harmonious.

General exemption U/s. 212(8) of the Companies Act, 1956

In pursuance of the General Circular vide No.2/2011 dated 08.02.2011, issued by the Ministry of Corporate Affairs, New Delhi, read with Section 212(8) of the Companies Act, 1956, the company is exempted from attaching the Balance Sheet and Profit & Loss Account of the Subsidiaries viz. Vijayeswari UK Ltd and Vijayeswari USA LLC along with the report of

Board of Directors and report of Auditors' thereon, with the company's accounts for the year ended 31st March, 2014. Accordingly, the audited accounts and report of Directors and Auditors of the said subsidiary companies are not attached to the Balance Sheet of the Company. However, the accounts of the subsidiaries are consolidated with the accounts of Company in accordance with Accounting Standard AS-21 prescribed by the Institute of Chartered Accountants of India and Listing Agreement prescribed by Securities Exchange Board of India. The Consolidated accounts duly audited by the statutory auditors' forms part of the annual report.

The annual accounts of the subsidiary companies and the related detailed information shall be made available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will be available at the registered office of the Company and at the respective subsidiary companies and any shareholders can inspect the same during the business hours of any working day.

Industrial Relation

The relationship with employees continued to remain cordial throughout the year under review.

Acknowledgement

Your Directors place on record their appreciation for co-operation and support extended by shareholders, customers, bankers and all governmental and statutory agencies. Your Directors also thank the employees for their valuable contribution during the year and look forward to their continued support in the years to come.

By the Order of the Board
For VTX Industries Limited

A.L. Ramachandra
Chairman & Managing Director

Date : 28.06.2014
Place : Coimbatore



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

FORM A

[As per Rule 2 of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988]

A. Power and Fuel Consumption

	2013-14	2012-13
1. ELECTRICITY		
a) Purchased		
Units	189,036	65,79,296
Total Amount (in ₹)	1,814,787	5,09,85,249
Rate per unit (in ₹)	9.60	7.75
b) Own Generation		
i) Through Diesel Generator		
Units	5,53,860	19,03,679
Units per Litre of Diesel Oil	7.20	3.35
Cost per Unit (in ₹)	9.62	19.16
ii) Through Steam Turbine/Generator/Wind Mill		
Units (Windmill energy produced)	-	33,52,265
Units per litre of Fuel Oil/Gas	-	-
Cost per unit		
2. COAL		
Quantity (Tonnes)	-	-
Total Cost	-	-
Average rate	-	-
3. FURNACE OIL		
Quantity (K. Litres)	-	-
Total Amount (in ₹)	-	-
Average rate (in ₹)	-	-
4. OTHERS/INTERNAL GENERATION		
Quantity	-	-
Total Cost	-	-
Rate per unit	-	-



B. Consumption per unit of production

Units consumed/product (with details)		
Electricity/Furnace oil/Coal/others	-	7.40
1. Electricity		
2. Furnace oil		

C. Research & Development Expenditure :

Our Company is a member of South India Textile Research Association & SIMA Cotton Development and Research Association. Apart from this, Company has not taken up separate research and development work.

D. Foreign Exchange Earnings

The details of Foreign Exchange Earnings are furnished in Note No. 31 forming part of the Financial Statements.

By the Order of the Board
For VTX Industries Limited

A.L. Ramachandra
Chairman & Managing Director

Date : 28.06.2014
Place : Coimbatore

**VTX INDUSTRIES LIMITED**

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REPORT ON MANAGEMENT DISCUSSION & ANALYSIS**Industry Structure and Developments****Textile Industry**

During the year 2013, the country textile and garment industry may witness an increase of 15-20 per cent in exports. Garment exports from India grew by 19 per cent in the period July 2012 - July 2013 to touch US \$1.27 billion, on the back of increasing demand in developed economies such as the US, according to data released by the Apparel Export Promotion Council (AEPC).

Factory compliant manufacturing in India has surged with new and unprecedented export orders in the current season because world-renowned chain stores and international brands have preferred expanding their sourcing of the merchandise from India. Also as the Government has assured full support and is planning to implement some new measures to boost exports, Industry is expecting 15-20 per cent growth in exports this year .

Some of the measures announced by The Government of India are :

To set up a ₹ 100 crore venture capital fund to provide equity support to start-ups in the textile sector, in order to encourage innovative ideas.

To allow 100 per cent FDI in the sector through the automatic route.

To make textile processing units more environment-friendly and globally competitive, the Cabinet Committee on Economic Affairs (CCEA) has approved an Integrated Processing Development Scheme (IPDS) with an investment of ₹ 500 crore.

Under the Technology Up gradation Fund Scheme (TUFS), the textile industry of India will receive subsidy on the capital expenditure done on Hi-tech approved machinery.

Government Resolution on Revised Restructured TUFS has been issued for operation of scheme in the 12th Five Year Plan (2012-17).

Hence, the future for industry looks promising, in both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players into the Indian market.

India's growing population has been a key driver of textile consumption growth in the country. Changing lifestyle, rising incomes and increasing demand for quality products are set to fuel demand for apparel.

Under the above circumstances, the organised apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

Opportunities

The Company is equipped with efficient quality control department with latest quality control and testing equipments, most of which are imported from Switzerland and efficient & trained personnel. This helps the company to ensure internationally recognized high quality products.

- The company expands its export horizon by exploring the markets of developing countries for enlarging its customer base.
- The Company takes necessary measures for brand building of its products in the domestic market as well as international market.
- The company is actively engaging in promotional activities including attending textile fairs in India and abroad to ensure orders and enquiries from International customers and also doing sales campaigns in domestic market so as to establish identity and recognition for its products.



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Threats and Challenges to the Industry

The textile companies are facing liquidity concerns due to delays in bank line enhancements and highly working capital intensive operations. Considering weak credit quality and rising proportion of the textile sector in non-performing assets, banks are cautious and stricter in lending norms to this sector. Credit profiles of companies going for large debt-funded Capex will remain subdued in 2013 given the input price risks and high borrowing costs.

The textile industry is presently facing challenges like slow demand and a loss in margins, but a recovery is expected on account of falling cotton prices, though this could be negated by further volatility in input costs or forex movements. The margin pressure would persist for the textile industry which is driven by rising power & wage costs and higher interest rates.

The union budget for 2013-14 has announced positive packages for accelerating the recovery of the textile industry and there has been sign of recovery in the industry for past few months and some of the positive features of the budget would help this process further. In order to address the slowdowns in the textile industry, the government proposed a debt restructuring package for textile industry. Despite the reigning challenges, the textile industry which otherwise was seen seeking to overcome the depressing blues of reduced demand in overseas market, is witnessing an incipient turn around in the financial year 2014-15.

Threats to the Company

Due to increase in competition globally as well as domestically, there arises need to follow the austere measures in the operational side and the shift of focus would be more on striving for continuous improvement in quality aspects of the products, which would help the company to strengthen its competitiveness in the global arena particularly against the big players in the market. It is identified that the company's large dependence on customers in US and EU region has caused hardship and the company is slowly shifting its focus to new regions like Brazil, South Africa, Argentina, Australia etc. so as to enlarge its customer base.

Setback to the Textile business due to factors such as deep recession in the principal markets of the Company(in the US & Europe), depressed economies around the world, increase in prices of raw materials, in labour costs, and the insurmountable problems due to electricity cuts in Tamilnadu, a mismatch between input and output prices, increase in air freight cost, high interest costs, failure of the lenders to bridge the working capital gap further compounded the situation of the Company affecting maximum utilization of capacity and thereby adversely affecting the productivity of Company. These conditions, which are beyond the Company's control, caused severe liquidity crunch and thus the Company could not meet with its obligation of timely repayment of dues to the lenders.

Segment- wise and Product – wise performance

The entire operations of the Company relate to only one segment viz Textiles therefore, segment/product-wise details are not applicable.

Outlook

With the optimum utilization of very modern machinery and the measures taken by the company to overcome Power crisis, it is expected that the Company would be able to improve efficiency. The company has been taking steps to increase the export sales as well as up-country sales for improving the sales turnover and focusing on the increase on value added products.



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(Formerly Vijayeswari Textiles Limited)

Risks and Concerns

The continued policy of Government controlling free exports and volatile economic environment have a bearing on the overall performance of the company.

Internal Control System and adequacy

The Company has put in place effective control systems in respect of all its operations and such systems are continuously reviewed and upgraded.

Discussion on Financial Performance with Respect to Overall Performance

The key financial data are furnished below for the current year as compared to the previous year

(₹ in Lakhs)

		Current Year 2014	Previous Year 2013
1.	Increase in Net Sales	(13,142.03)	(2,646.93)
2.	Increase in Net Sales (%)	(74.54)	(13.05)
3.	Increase in Exports	(10,811.05)	(3,875.00)
4.	Increase in Exports (%)	(83.46)	(23.03)
5.	Operating Profit Margin before Tax(%)	(502.17)	(0.44)
6.	Operating Profit Margin after Tax (%)	(502.17)	(0.44)
7.	Cash Profit Margin before Tax (%)	(470.90)	9.80
8.	Cash Profit Margin after Tax (%)	(470.90)	9.19
9.	Net Profit Margin before Tax (%)	(499.34)	1.07
10.	Net Profit Margin after Tax (%)	(499.34)	0.46

*Profit Margin calculations are on the basis of Net Sales

Human Resource Development/Industrial relation

The Company continued to enjoy healthy industrial relations during the year. The total number of employees as on 31.3.2014 was 747.

Safety and Environment

The Company ensures high safety and environmental standards in all its operations at all the units. Safety needs are continuously monitored and preventive actions are initiated through departmental safety committees consisting of plant staff and workmen.

Cautionary Statement

Statements in this report, especially those relating to Management Discussion and Analysis giving details of company's objectives, projections and expectations may be construed as "forward looking statements" within the realm of applicable laws and regulations. Actual results might be liable to differ materially from those either expressed or implied



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

REPORT ON CORPORATE GOVERNANCE

1. Brief statement on Company’s philosophy on code on Governance:

Your company believes in principles of good corporate governance which provides sustained growth and long term benefits for all stake holders. The Corporate Governance policy adopted by the company is aimed to attain the highest levels of transparency, accountability and integrity. By these practices, company ensures that all parties associated with the company obtain requisite information on time, which helps them to make informed decision.

2. Board of Directors

The Board of Directors of the Company consists of seven Directors of which two Directors viz. Chairman & Managing Director and Managing Director are Executive Directors. The remaining five Directors are Non-Executive Independent Directors who bring independent judgment in the Board’s deliberations and decisions. The composition of the Board of Directors is in accordance with provisions of Clause 49 of the Listing Agreement entered into with Stock Exchanges. The Board of Directors overviews the performance of the Company, approves and reviews policies / strategies and evaluates management performance.

The composition of the Board of Directors as on 31st March 2014 and attendance of Directors at the Board Meetings during the year under review and at the last Annual General Meeting, and also the other Directorships are as follows:

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of other Directorship held in Public Companies #	No. of Committee positions held in other Companies as Member / Chairman ©
Sri. A.L. Ramachandra	Chairman & Managing Director/ Promoter	4	Yes	2	-
Smt. Jayanthi Ramachandra	Managing Director/ Promoter	4	Yes	2	-
Sri. V. Dharmaraj	Non-Executive Independent	1	No	-	-
Sri. S. Shreenivasa Rao	Non-Executive Independent	4	Yes	1	-
Sri. Mohan Rao	Non-Executive Independent	4	Yes	-	-
Sri. J. Balamurugan	Non-Executive Independent	3	No	4	1
Sri. SBP. Pattabhi Rama Rao	Non-Executive Independent	1	No	-	-

Excludes the Directorship in Private Companies and Foreign Companies.

© Only Committees formed under Clause 49 of the Listing Agreement are considered.



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Sri. A.L. Ramachandra, Chairman & Managing Director and Smt. Jayanthi Ramachandra, Managing Director are related to each other.

BOARD MEETINGS AND ANNUAL GENERAL MEETING

During the financial year under review, four Board Meetings were convened by giving advance notices to the Directors. The meetings were held on 24.05.2013, 13.08.2013, 13.11.2013 & 28.02.2014.

The Board is given all material information which are incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meetings.

Details of attendance of each Director at the Board Meetings and at the last Annual General Meeting held on 05.09.2013 :

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM
Sri. A.L. Ramachandra	4	Yes
Smt. Jayanthi Ramachandra	4	Yes
Sri. V. Dharmaraj	1	No
Sri. S. Shreenivasa Rao	4	Yes
Sri. Mohan Rao	4	Yes
Sri. J. Balamurugan	3	No
Sri. SBP. Pattabhi Rama Rao	1	No

3. Audit Committee

The Audit Committee of the company comprises 3 Non-Executive Independent Directors. The role, power and functions of the Audit Committee are in strict adherence of Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with the Stock Exchanges. The terms of reference of the Committee are as required by SEBI under Clause 49 of the Listing Agreement.

The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. The committee is authorized to select and establish accounting policies, review reports of the Statutory and Internal Auditors and meet with them to discuss their findings, suggestions, and other related matters. The Committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditors.

The Audit Committee met 4 times on 24.05.2013, 13.08.2013, 13.11.2013 and 28.02.2014 during the year under review. The composition of the Audit Committee and details of Members' attendance at the Meetings held during the year under review are as follows;

Name of the Member	Status	No. of Meetings attended
Sri. Mohan Rao (Chairman)	Non Executive - Independent	4
Sri. S. Shreenivasa Rao	Non Executive - Independent	4
Sri. V. Dharmaraj	Non Executive - Independent	1

The representatives of the Statutory and Internal Auditors of the Company had also attended the meetings. The Minutes of the Audit Committee meetings were placed before the Board



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Meetings where the same was discussed and taken note of. The Audit Committee considered and reviewed the financial reports for the year 2013-14 before it was placed at the Board Meeting.

4. Remuneration Committee

The Remuneration Committee comprises 3 Non-Executive Directors viz. Sri. Mohan Rao, Sri. V. Dharmaraj and Sri. J. Balamurugan. During the year under review, one Remuneration Committee meeting was held on 13.08.2013.

Name of the Member	Status	No. of Meeting attended
Sri. V. Dharmaraj (Chairman)	Non Executive - Independent	1
Sri. Mohan Rao	Non Executive - Independent	1
Sri. J. Balamurugan	Non Executive - Independent	1

The main scope of the Committee is to determine and recommend to the Board, the financial component and incentives / commissions to the Executive Directors on their appointment or re-appointment. The Chairman of the Committee is elected among the members at the time of each meeting.

Details of remuneration paid to the Directors for the year ended 31st March, 2014.

a) Executive Directors

Name	Position	Total Remuneration (₹. in lakhs)	Service Contract
Sri. A.L. Ramachandra	Chairman & Managing Director	20.00	3 years from 01.08.2012
Smt. Jayanthi Ramachandra	Managing Director	20.00	3 years from 12.09.2010

Remuneration include salary & Company’s contribution to Provident Fund.

b) Non Executive Directors

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and Committees thereof and they do not draw any other remuneration from the company. The details of sitting fees paid during the year to the Non-Executive Directors are given below:

Name of the Director	Sitting Fees (in ₹)
Sri. V. Dharmaraj	8,000
Sri. S. Shreenivasa Rao	64,000
Sri. Mohan Rao	64,000
Sri. J. Balamurugan	24,000
Sri. SBP. Pattabhi Rama Rao	8,000

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Independent Directors.



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(Formerly Vijayeswari Textiles Limited)

5. Shareholding of Directors

Details of shares of the Company held by Directors of the Company as on 31st March 2014 are given below:

Name of the Director	No. of Shares	Percentage
Sri. A.L. Ramachandra	9400	0.05
Smt. Jayanthi Ramachandra	18920	0.10
Sri. V. Dharmaraj	129220	0.71

6. Shareholders / Investors Grievance Committee

The function of the Committee is mainly to review and redress shareholders and investors query, grievance and compliant on matters relating to transfer of shares, non-receipt of dividend warrants etc. and to approve transfers, transmissions, consolidation and splitting of the share certificates. The composition of the Shareholders / Investors Grievance Committee and the attendance of the Members at the meetings are given below:

Name of the Member	Status	No. of Meeting attended
Sri. V. Dharmaraj (Chairman)	Non Executive - Independent	2
Sri. A.L. Ramachandra	Chairman & Managing Director	2
Smt. Jayanthi Ramachandra	Managing Director	2

The company has not received any complaints from the Investors for redressal during the year and there was no complaint pending at the beginning of the year for redressal

Sri. Venkkatesan, Assistant Vice President - Finance & Accounts is the Compliance Officer of the Company. In terms of the clause 47(f) of the Listing Agreement, your Company has an exclusive E-mail ID viz. investors@vtx.co.in for registering the investor complaints/grievances, if any.

INSIDER TRADING

In compliance with SEBI Regulations in prevention of insider trading the Company has framed a comprehensive Code of Conduct for its management staff. The Code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the Company.

7. General Body Meetings

a) Annual General Meeting

The details of the Annual General Meetings held during last 3 years are given below:

Year	Venue	Date	Time
2012 - 13	Regd. Office, 2/185, Puliampatti, (via) Pollachi	05.09.2013	4.00 P.M.
2011 - 12	Regd. Office, 2/185, Puliampatti, (via) Pollachi	22.08.2012	4.00 P.M.
2010 - 11	Regd. Office, 2/185, Puliampatti, (via) Pollachi	05.08.2011	4.30 P.M.

No Extra Ordinary General Meeting was held during last three years. There was no resolution passed through postal ballot during the financial year under review.

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b) Special resolutions passed at last three AGMs

Special Resolutions for the following matters were passed at above referred AGMs by the shareholders with requisite majority:

Year	Details of special resolutions passed
2012 - 13	Nil
2011 - 12	Re-appointment of Sri. A.L. Ramachandra as Chairman & Managing Director and fixing of his remuneration.
2010 - 11	1) Revision of the remuneration payable to Sri. A.L. Ramachandra, Chairman & Managing Director. 2) Re-appointment of Smt. Jayanthi Ramachandra, Managing Director, with revision of the remuneration.

8. Disclosures

- a) There were no materially significant related party transactions, which has potential conflict with the interest of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with the Related Parties are disclosed in Note No. 38 forming part of the Financial Statements.
- b) The Disclosure under Clause 5A of the Listing Agreement read with SEBI Circular No. SEBI/CFD/DIL/LA/1/2009/24/04 dated 24th April 2009, is given under:

Particulars	No. of Shareholders	Total No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as on 01.04.2013	34	3750
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account as on 31.03.2014	34	3750

The Company has opened a separate unclaimed shares demat account with M/s. Coimbatore Capital Ltd, Coimbatore solely for the above specific purpose and the voting rights of unclaimed shares as on 31.03.2014 shall remain frozen till the rightful owners of such shares claim these shares.

- c) During the year, there were no penalties or strictures imposed on the Company by either Stock Exchanges or Securities and Exchange Board of India or any statutory authority for non-compliance on any matter related to capital markets.
- d) The Company does not have any Whistle Blower Policy. However, the employees are not denied the direct access to the Managing Director. Besides, the Managing Director is reachable via e-mail and telephone.
- e) The Board of Directors has laid down a CODE OF CONDUCT which ensures prevention of dealing in company's shares by persons having access to unpublished price sensitive

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information. All Board Members and Senior Management personnel have affirmed their compliance with the Code of Conduct for the year under review. The Chairman & Managing Director's declaration to this effect forms part of this report.

- f) The Company has complied with all the mandatory requirements of Corporate Governance Norms as enumerated in Clause 49 of the Listing Agreement with the Stock Exchanges.

9. Means of Communications

The quarterly, half-yearly and yearly financial results of the Company are being sent to the Stock Exchanges immediately after the approval of the Board. The financial results are normally published in the news papers viz. Trinity Mirror (English) and Makkal Kural (Tamil) and displayed on the Company's website www.vtx.co.in. All data relating to quarterly Financial results, Shareholding pattern, Corporate announcement etc. are also available at the website 'www.corpfilings.co.in' being jointly maintained by BSE & NSE.

10. General Shareholders Information**a) Annual General Meeting :**

Day, Date, Time & Venue : Tuesday, 30.12.2014 at 4.00 P.M. at Velayudhasamy Kalyana Mandapam, 2/339, Palladam Road, Puliampatti (via), Pollachi, Coimbatore District - 642 002.

b) Financial Reporting : Financial year - April to March

- (Tentative & subject to change)
- (i) First Quarter Results - second week of Aug. 2014
 - (ii) Half-yearly Results - second week of November 2014
 - (iii) Third Quarter Results - last week of January 2015
 - (iv) Annual Audited Results - last week of May 2015

c) Date of Book Closure : 23.12.2014 to 30.12.2014 (both days inclusive)**d) Dividend :**

Dividend for 2013-14 : In the absence of Profit for the financial year ended 31st March, 2014 the Board of Directors have not recommended any dividend for the financial year 31-3-2014.

e) Listing on Stock Exchange : Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001.

Madras Stock Exchange Ltd. "Exchange Building"
Post Box No. 813, 11, Second Line Beach Chennai - 600 001

Type of security : Equity - Scrip Code: 532824

International Security

Identification No. (ISIN) : INE119G01025

Corporate Identity Number (CIN) : L17111TZ1953PLC000248



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f) Stocks Price Data

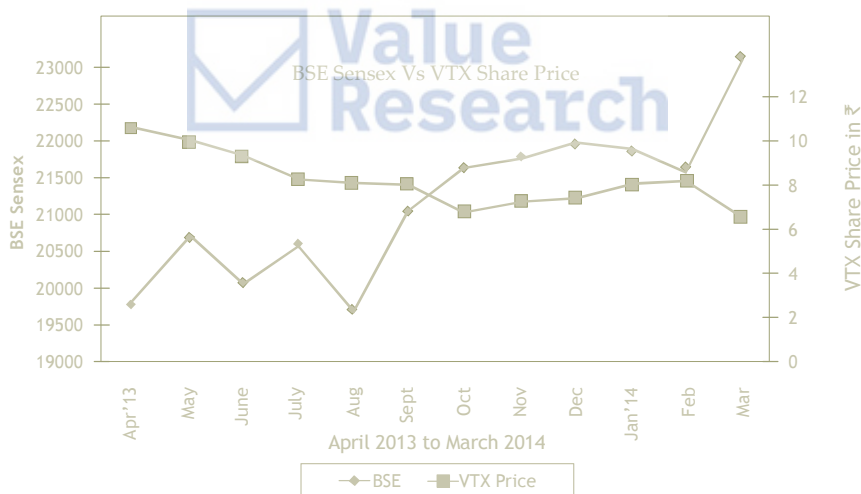
The high and low prices of the Company’s Stock during each month in the last financial year, quoted on Bombay Stock Exchange Limited are given below:

Month	Apr'13	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan'14	Feb	Mar
High Price	10.69	10.00	9.40	8.19	8.00	7.94	6.77	7.35	7.26	8.00	8.19	6.60
Low Price	7.55	8.46	7.04	6.75	6.59	6.05	5.85	5.85	6.12	6.20	6.00	3.28
No. of Shares	58490	31453	45198	52244	4692	51910	65094	45142	7747	26502	27181	149136

No. of Shareholders as on 31.03.2014 : 4288

Details of past Share Issues:

Original Issue : 1954 - 55	Rights Issue : 2003 - 04
Bonus Issue : 1981 - 82	Bonus Issue : 2006 - 07
Bonus Issue : 1991 - 92	Public Issue : 2006 - 07





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g) Registrar & Share Transfer Agents :

M/s. Link Intime India Pvt Ltd, C-13, Pannalal Silk Mills compound, Bhandup (West), Mumbai 400 078, having its branch office at Coimbatore is the Registrar and Transfer Agents of the Company. Share Transfers, Dematerialization of shares and all other investor related activities are attended and processed at the office of the Registrar & Transfer Agent. Share holders/ Investors/Depository Participants are requested to send all their documents and communications pertaining to both physical and demat shares to the Registrar at the following address:

Link Intime India Pvt Ltd.

“Surya”35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028 Phone : 0422-2314792, 2315792. Fax : 0422 - 2314792. E-mail : coimbatore@linkintime.co.in

h) Share Transfer System :

At the Shareholders / Investors Grievance Committee meetings, the proposals for Share Transfer are being placed and the same are processed within 15 days from the date of receipt subject to the transfer instrument being valid and complete in all aspects. Under the same system, the shareholder can approach a Depository Participant (“DP”) with physical share certificates for dematerialization. The DP will generate a Demat request which will be sent to the Registrar & Transfer Agent along with share certificates. On receipt of the same, the Registrar and Transfer Agent will Demat the shares. As at 31st March 2014 there was no equity shares pending for transfer and also there was no Demat request pending as on that date.

The shareholding pattern and distribution of shareholdings as on 31st March 2014 are given below:

i) Shareholding pattern as on 31st March 2014

Classification	No. of Shares	%
Promoters Group	8667194	47.70
Banks/Financial Institutions	1474841	8.12
Private Corporate Bodies	3579098	19.69
Non Resident Indians	171655	0.95
Indian Public	4276452	23.54
Total	18169240	100.00

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ii) Distribution of Shareholdings as on 31st March 2014

Slab (No. of Shares)			No. of Shareholders	No. of Shares	% of shares
1	to	500	3234	531812	3.05
501	to	1000	460	376581	2.12
1001	to	2000	284	448869	2.54
2001	to	3000	84	213722	1.16
3001	to	4000	47	171812	1.06
4001	to	5000	34	159291	0.94
5001	to	10000	69	482788	2.20
		Above 10000	76	15784365	86.93
Total			4288	18169240	100.00

i) Dematerialisation of Shares

As on 31st March 2014, 95.04% of the total equity capital is held in the dematerialized form with NSDL and CDSL. Equity shares of the company are in the compulsory demat mode and trading in equity shares of the company is permitted only in dematerialized form

j) Secretarial Audit

In Keeping with the requirements of the SEBI and the Stock Exchanges, a secretarial audit by a Practicing Company Secretary is carried out to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The said audit confirms that the total issued /paid-up capital tallies with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

k) Plant Locations :

Spinning Division	Weaving Division	Processing Division	Madeups Divisions
Puliampatti (via), Pollachi, Coimbatore	Arakkulam, Palladam	SIPCOT, Industrial Complex, Perundurai	1. Kuniamuthur, Coimbatore 2. Pilchinampalayam, Coimbatore

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1) Address for correspondence

The shareholders may address their communications/suggestions/queries to:

Corporate Office

The Compliance officer

10/400 Palghat Road, Kuniyathur, Coimbatore – 641 008.

Ph: 0422 4333444, Fax: 0422 2251538

Email: investors@vtx.co.in

Registrar and Transfer Agent

Link Intime India Pvt Ltd (Branch Office)

"Surya" 35, May Flower Avenue,

Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028

Ph: 0422 2314792/2315792 Fax: 0422 2314792

Email: coimbatore@linkintime.co.in

The Members holding shares in electronic mode should address their correspondence relating to change of address/ change of bank account, if any, to their respective Depository Participant ('DP').





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**DECLARATION REGARDING COMPLIANCE BY BOARD OF DIRECTORS AND STAFF
WITH THE COMPANY'S CODE OF CONDUCT.**

To

The Members of VTX Industries Ltd.,

This is to confirm that the Company has adopted a Code of Conduct for its Board and Staff of the Company and a declaration to the effect that the same have been complied with has been received from them in respect of the Financial Year Ended 31.03.2014.

Place : Coimbatore

Date : 28.06.2014

For VTX Industries Ltd.

A L Ramachandra

Chairman & Managing Director

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS
OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF
THE LISTING AGREEMENT WITH STOCK EXCHANGES**

To

The Members of VTX Industries Limited,
Puliampatti (Via), Pollachi,
Coimbatore District.

We have examined the compliance of conditions of Corporate Governance by VTX INDUSTRIES LIMITED for the year ended on 31.03.2014 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said

clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Coimbatore

Date : 28.06.2014

For Suri & Co.

Chartered Accountants
Firm Reg. No.004283S

M Sivaram

Partner

Membership No:211916

**VTX INDUSTRIES LIMITED**

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF VTX INDUSTRIES LIMITED,**

Report on Financial Statements

We have audited the accompanying financial statements of VTX Industries Limited ("The Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks

of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the losses for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to Note No.40 of the statement which indicates that the company has incurred a net loss of Rs.23696.51 Lacs during the year ended March 31, 2014 and as of that date, the Company's total liabilities exceeds

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its total assets by Rs.14417.02 Lacs. These conditions along with other matters set forth in Note No.43, indicates the existence of the material uncertainty regarding the Company's ability to continue as a going concern. Attention is also drawn to the fact explained by the management that necessary efforts are being taken for revival of the unit. We have not qualified our opinion in respect of this matter.

We draw attention to Note No.41 of the statement that balances under Trade Receivables, Other Current and Non Current Assets, Loans & Advances, Trade Payables, Other Current Liabilities and Long term and short term borrowings from Banks and financial institutions are subject to confirmation and reconciliation if any. We have not qualified our opinion in respect of this matter.

We draw attention to Note No.42 to the financial statements regarding adoption of depreciation rates applicable to continuous process plant in respect of plant and machinery of spinning and processing units and wind mills which is a technical matter. Due to this policy adopted by the company, the depreciation for the year is lowered by Rs.287.21 Lacs (PY Rs.488.01 Lacs) with consequential effect on the loss for the year and also on reserves and surplus. We have not qualified our opinion in respect of this matter.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

Report on other Legal and Regulatory Requirements:

2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Suri & Co.Chartered Accountants
Firm Regn. No: 004283S**M. Sivaram**
(Partner)

Membership No. :211916

Place : Coimbatore

Date : 28.06.2014



VTX INDUSTRIES LIMITED

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ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in paragraph 1 of our report of even date to the members of VTX Industries Limited of the accounts of the company for the year ended 31st March, 2014:

1. In respect of its fixed assets
 - (a) The company is in the process of updating its fixed asset register.
 - (b) The fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and nature of business. The frequency of verification is reasonable and discrepancies noticed on such physical verification were not material and have been properly dealt with in books of account.
 - (c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its inventories
 - (a) According to information and explanation furnished to us, the inventories have been physically verified by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company has maintained proper records of inventories, and no material discrepancies were noticed on such physical verification of inventories and other discrepancies noticed have been appropriately dealt with.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has neither taken nor granted any loans, secured or unsecured, to or from parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (a) to iii (g) are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in the internal control system.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) According to the information and explanation furnished to us these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956. The company has complied with the directives issued by Reserve Bank of India and the provisions of section 58A and section 58AA of the companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975, With regard to the deposits from the public.
7. As per information & explanations given by the management, the Company has an



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internal audit system commensurate with its size and the nature of its business.

8. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the central government under section 209(1) (d) of the companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities during the year, except the following cases which are outstanding as on 31st March, 2014 for a period of more than 6 months from the date they became payable:

S. No.	Nature of Dues	Amount ₹ in Lakhs
1.	Provident Fund	149.58
2.	Employees State Insurance	20.27
3.	Wealth Tax	0.96
4.	Income Tax	162.68
5.	Fringe Benefit Tax	1.11
6.	Dividend Distribution Tax	17.68
7.	Tax Deducted at Source	17.23
8.	Tax Collection at Source	2.19
9.	Investor Education and Protection Fund	12.08

- (b) There are no disputed dues which are not paid on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty and Cess.

10. The Company has accumulated losses at the end of the financial year, it has exceeded fifty percent of its net worth. The company has incurred cash loss during the financial year covered by our audit but not in the immediately preceding financial year.
11. In our opinion and according to information and explanations given to us, the company has defaulted in repayment of its dues to financial institutions and banks in case of working capital facilities and term loans. In case of term loans the instalments are due from April 2012 to March 2014 of ₹ 6842.29 Lacs (₹ 3699.43 Lacs towards Principal and ₹ 3142.86 Lacs towards interest).
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company not being a chit fund, Nidhi or mutual benefit society. The requirements of clause (xiii) of Paragraph 4 of the order are not applicable to the Company.
14. The Company is not dealing or trading in Shares, securities, debentures and other Investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the order are not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanation given to us the term loans availed by the company were, prima facie applied by the company during the year for the purposes for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that

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- have been used for long-term purposes by the Company.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, we report that no material fraud on or by the Company has been noticed or reported during the year.

Place : Coimbatore

Date : 28.06.2014

For Suri & Co.
Chartered Accountants
Firm Regn. No: 004283S

M. Sivaram
(Partner)

Membership No. :211916





VTX INDUSTRIES LIMITED

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BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in Lakhs)

Particulars	Notes	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	1	1,816.92	1,816.92
Reserves and surplus	2	(14,417.02)	9,279.49
2 Non-current liabilities			
Long-term borrowings	3	5,186.59	7,449.70
Deferred Tax Liabilities (Net)	4	106.03	-
Long-term provisions	5	315.83	269.69
3 Current liabilities			
Short-term borrowings	6	20,861.58	16,508.55
Trade payables	7	3,816.16	2,249.53
Other current liabilities	8	9,658.64	6,007.96
Short Term Provisions	5	145.59	-
TOTAL		27,490.32	43,581.84
II. ASSETS			
1 Non-current assets			
Fixed assets	9		
i) Tangible assets		15,728.12	16,922.11
ii) Intangible assets		-	105.71
Non-current investments	10	1.41	1.41
Deferred tax assets (net)	4	-	255.71
Long-term loans and advances	11	157.50	218.24
Other non-current assets	12	478.73	514.32
2 Current assets			
Inventories	13	3,601.17	15,097.15
Trade receivables	14	6,617.27	9,138.92
Cash and Bank balances	15	51.83	38.75
Short-term loans and advances	11	309.01	440.71
Other current assets	12	545.28	848.81
TOTAL		27,490.32	43,581.84
Significant Accounting Policies			
Notes on Financial Statements	1 to 47		



For and on behalf of the Board of Directors of VTX Industries Ltd.

As per our Report of even date

A.L. Ramachandra
Chairman & Managing Director

Mohan Rao
Director

For Suri & Co.
Chartered Accountants
Firm Regn. No: 004283S

Jayanthi Ramachandra
Managing Director

Venkatesan
Vice President - Finance

M Sivaram
Partner

Coimbatore
28.06.2014

Membership No:211916



VTX INDUSTRIES LIMITED

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014 (₹ in Lakhs)

	Notes	As at 31.03.2014	As at 31.03.2013
INCOME			
Revenue from operations (gross)	16	4,593.13	17,629.79
Other income	17	25.19	270.13
Total Revenue		4,618.32	17,899.92
EXPENDITURE			
Cost of materials consumed	18	1,830.51	6,978.59
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	1,674.23	(2,879.47)
Employee benefits expense	20	1,266.51	1,597.11
Other expenses	21	3,093.36	5,996.41
Depreciation and Amortisation	22	1,313.63	1,670.64
Finance Cost	23	4,655.08	4,205.54
Total Expenditure		13,833.31	17,568.82
Profit / (Loss) before exceptional and extraordinary items		(9,214.99)	331.10
Exceptional Items	24	-	140.17
Profit/ (Loss) before extraordinary items & tax		(9,214.99)	190.93
Extraordinary item	25	13,846.23	-
Profit / (Loss) before tax		(23,061.23)	190.93
Tax expense:			
a) Income Tax - earlier years		273.54	-
b) Deferred tax		361.74	107.91
Profit / (Loss) for the year		(23,696.51)	83.02
Earnings per share (of ₹ 10/- each):	26		
Earning per share before extraordinary item			
Basic and Diluted		(54.21)	0.46
Earning per share after extraordinary item			
Basic and Diluted		(130.42)	0.46
Significant Accounting Policies			
Notes on Financial Statements	1 to 47		

For and on behalf of the Board of Directors of VTX Industries Ltd.

A.L. Ramachandra
Chairman & Managing Director

Jayanthi Ramachandra
Managing Director

Coimbatore
28.06.2014

Mohan Rao
Director
Venkatesan
Vice President - Finance

As per our Report of even date

For Suri & Co.
Chartered Accountants
Firm Regn. No: 004283S

M Sivaram
Partner
Membership No:211916



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

(₹ in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
A. Cash Flow From Operating Activities :-		
Net profit/(Loss) before Tax	(9,214.99)	190.93
Adjustments for :		
Depreciation and Amortisation	1,313.63	1,670.64
Profit on Sale of Assets	-	(89.27)
Interest Receipts	(23.52)	(24.36)
Dividend Received	(0.34)	(0.37)
Bad Debt Written Off	24.05	-
Finance cost	4,655.08	4,205.54
Exceptional Items	-	140.17
	<u>5,968.90</u>	<u>5,902.35</u>
Operating Profit before Working Capital Changes		
Adjustments for :		
(Increase)/Decrease in Trade and Other Receivables	2,497.60	(1,100.86)
(Increase)/Decrease in Inventories	11,495.99	(2,572.91)
(Increase)/Decrease in Long Term Loans & Advances	60.74	(103.39)
(Increase)/Decrease in Other Non Current Assets	35.57	81.91
(Increase)/Decrease in Other Current Assets	303.53	752.56
(Increase)/Decrease in Short Term Loans & Advances	29.29	(2.71)
Increase/(Decrease) in Other Current Liabilities	3,650.69	1,829.61
Increase/(Decrease) in Long Term Provisions	46.14	29.12
Increase/(Decrease) in Trade Payables	<u>1,566.63</u>	<u>273.09</u>
Cash Generated from Operations	<u>16,440.08</u>	<u>5,279.69</u>
Direct Taxes Paid	(25.52)	(4.75)
Cash Flow before Extra Ordinary Items	<u>16,414.56</u>	<u>5,274.94</u>
Extraordinary Items	<u>(13,846.23)</u>	<u>-</u>
Net Cash from Operating Activities (A)	<u>2,568.32</u>	<u>5,274.94</u>
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(13.93)	(79.18)
Sale of Fixed Assets	-	2,357.27
Sale of Investments	-	5.12
Interest Received	23.52	24.36
Dividend Received	0.34	0.37
Net Cash used in Investing Activities (B)	<u>9.93</u>	<u>2,307.94</u>



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014 (Contd.)

(₹ in Lakhs)

	As at 31.03.2014	As at 31.03.2013
C. Cash Flow From Financing Activities :		
Loan from Banks	2,089.90	(3,354.90)
Finance cost	(4,655.08)	(4,205.54)
Net Cash from Financing Activities (C)	(2,565.18)	(7,560.44)
Net increase in Cash & Cash Equivalents (A + B + C)	13.08	22.44
Cash & Cash Equivalents as at the beginning of the year	38.75	16.31
Cash & Cash Equivalents as at the end of the year	51.83	38.75
Components of Cash and Cash Equivalents		
Cash on Hand	6.70	9.98
With banks - on Current Account	45.13	28.77
Total Cash and Cash Equivalent (Note 15)	51.83	38.75



For and on behalf of the Board of Directors of VTX Industries Ltd.

As per our Report of even date

A.L. Ramachandra
Chairman & Managing Director

Mohan Rao
Director
Venkatesan
Vice President - Finance

Jayanthi Ramachandra
Managing Director
Coimbatore
28.06.2014

For Suri & Co.
Chartered Accountants
Firm Regn. No: 004283S
M Sivaram
Partner
Membership No:211916

**VTX INDUSTRIES LIMITED**

(Formerly Vijayeswari Textiles Limited)

SIGNIFICANT ACCOUNTING POLICIES**I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared as of a going concern on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles, and the provisions of the Companies Act, 1956 as adopted consistently the Company.

II. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted principles requires estimates and assumptions to be made which would affect the assets, liabilities, revenues and expenses during the reporting period. Such estimates are revised ongoing basis as a result of new information, or subsequent development. Differences between the actual results and estimates are recognized in the period in which the results are known /materialized.

III. FIXED ASSETS**A. Tangible Assets:**

Fixed assets are stated at original cost net of Tax/duty credits availed, if any, less accumulated depreciation, accumulated amortization and cumulative impairment. Cost includes preoperative expenses (net of income accrued) and all expenses related to acquisition and installation of the concerned assets and those incurred upto the date of commercial production.

B. Intangible Assets:

Expenditure incurred in respect of acquisition and development of designs, patents and other intangibles up to the date of commercialization are recognized as intangible assets if it is identifiable, capable of being controlled and from which future economic benefits are expected to flow to the

enterprise. Intangible assets are stated at cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment.

IV. IMPAIRMENT OF ASSETS

As at each Balance sheet date, the carrying amount of assets is tested for impairment so as to determine

- (i) The extent of recognition of impairment loss, if any, required or
- (ii) The reversal, if any, required of impairment loss recognized in previous periods.

Where the carrying amount of an asset exceeds its recoverable amount; such excess is recognized as impairment loss and charged to the statement of profit and loss.

V. BORROWING COSTS

- (i) Borrowing costs that are attributable to the manufacture, acquisition or construction of qualifying assets, are included as part of the cost of such assets. Other borrowing costs are recognized as expense in the period in they are incurred.
- (ii) A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

VI. DEPRECIATION AND AMORTIZATION

- 1) Depreciation on Fixed assets is charged as under:
 - a) On plant & Machinery of Spinning and Processing division acquired on or after 1.4.1993 and on Wind mills on SLM basis as per Schedule XIV as a continuous process plant. On all other plant and machinery acquired on or after 1.4.1993 at general SLM rates as per Schedule XIV.
 - b) On Buildings on SLM basis as per Schedule XIV rates.

**VTX INDUSTRIES LIMITED**

(Formerly Vijayeswari Textiles Limited)

- c) On all other assets (Including plant and machinery acquired on or before 1.4.1993) on WDV basis at Schedule XIV rates.
- 2) Depreciation on additions and deletions of the fixed assets are charged pro-rata basis.
- 3) Amortization on intangible assets is charged equally over the estimated useful life of the asset, not exceeding three years, commencing from the year of commercialization. The useful life is estimated based on the evaluation of future economic benefits expected to flow from such assets.

VII. INVESTMENTS

- (i) Current investments are carried at lower of cost and fair value. Unquoted investments are carried at cost.
- (ii) Long term investments are carried at cost. However provisions for diminution to recognize a decline, other temporary in the value of investments is made.

VIII. INVENTORIES

Inventories are valued at lower of cost or net realizable value.

Finished Goods – Yarn, Madeups and Waste at weighted average cost or net realizable value whichever is lower.

Raw Materials, Stock in Process, Stores and spares and canteen stock at weighted average cost.

IX. REVENUE RECOGNITION

The Company recognizes income and expenditure on accrual basis and recorded in the financial statements to the period to which they relate. Revenue from sale transaction is recognized as and when significant risks and rewards attached to ownership in the goods is transferred to the buyer. Revenue from service transactions is recognized on the

completion of the contract. Dividend from Investments, Export incentives under Duty Entitlement Pass Book [“DEPB”] Scheme and Duty Drawback Scheme are recognized when the right to receive payment / credit is established and no significant uncertainty as to measurability or collectability exists.

X. FOREIGN CURRENCY TRANSACTIONS

- (i) All Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction.
- (ii) Foreign currency monetary assets and liabilities at reporting date are realigned to the exchange rate prevailing at the said date and difference on realignment is recognized in the Profit & Loss Account.
- (iii) Exchange difference arising on the date of settlement is recognized as income or expense in the period in which they arise.
- (iv) Premium/ discount in respect of Forward Contracts are amortized as expense / income over the period of contract.

- (v) Non-monetary foreign currency items are carried at Cost.

XI. EMPLOYEE BENEFITS

- (a) Short-term employee benefits are recognized as an expense at the nominal values in the profit and loss account of the year in which the related service is rendered.
- (b) Post employment and other long-term benefits, which are defined benefit plans are recognized as an expense in the profit and loss account for the year in which the employee has rendered service. The expense is recognized based on the present value of the obligation determined on actuarial basis. The liability is assessed using

**VTX INDUSTRIES LIMITED**

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Projected Unit Credit (PUC) actuarial method. Actuarial gains & losses are charged to the profit and loss account.

- (c) Payments to defined contribution schemes are charged as expense as and when incurred.
- (d) There is no scheme for encashment of unavailed leave on retirement since the unavailed earned leave is settled annually and accounted on payment.

XII. TAXES ON INCOME

- (i) Taxes on income are accrued in the same period as the revenue and expenses to which they relate.
- (ii) Current Tax on income for the period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.
- (iii) Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- (iv) Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future income will be available against which such deferred tax assets can be realized.

XIII. PRIOR PERIOD ITEMS

Expenses/Income which arise in the current period as a result of errors or omissions of one or more periods are included in the determination of net profit or loss for the current period and are disclosed by way of Notes to the Accounts.

XIV. EXTRAORDINARY ITEMS

Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from

the ordinary activities of the company and, therefore, are not expected to recur frequently or regularly and are disclosed by way of Notes to the Accounts.

XV. PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

- (i) Provision is recognized in respect of present obligations requiring settlement by outflow of resources and of which a reliable estimate on the amount of obligation could be made.
- (ii) Contingent liability is not recognized and disclosed unless the possibility of outflow of resources embodying economic benefit is remote. Possibility obligation that arises from past events and the existence of which is subject to occurrence or non occurrence of uncertain future event/s is disclosed.
- (iii) Contingent assets are neither recognized nor disclosed in the financial statements.

XVI. GOVERNMENT GRANTS:

The company recognizes Government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants relating to fixed assets are shown as deduction from the gross value of the assets. Grants related to revenue is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. The capital grants towards promoters contribution is recognized as capital reserve.

XVII. LEASE

Lease payments on assets taken on lease are recognized as an expense on a straight line basis over the lease term.



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(Formerly Vijayeswari Textiles Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Note - 1 : Share Capital

Particulars	No. of Shares	As at 31.03.2014	No. of Shares	As at 31.03.2013
Authorised				
Equity Share of ₹ 10/- each	20,000,000	2,000.00	20,000,000	2,000.00
Issued				
Equity Share of ₹ 10/- each	18,169,240	1,816.92	18,169,240	1,816.92
Subscribed and fully Paid up				
Equity Share of ₹ 10/- each fully paid	18,169,240	1,816.92	18,169,240	1,816.92
Subscribed but not fully Paid up				
Equity Shares of ₹ 10/- each not fully paid up	-	-	-	-
Total	18,169,240	1,816.92	18,169,240	1,816.92

a) Reconciliation of shares outstanding at the beginning and the end of the reporting period

(₹ in Lakhs)

Particulars	Equity Shares			
	No. of Shares	As at 31.03.2014	No. of Shares	As at 31.03.2013
Shares outstanding at the beginning of the year	18,169,240	1,816.92	18,169,240	1,816.92
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	18,169,240	1,816.92	18,169,240	1,816.92

The terms/ rights attached to Equity Shares:

The company has only one class of Equity Shares having par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

During the year ended 31st March, 2014, the amount of per share dividend recognised as distributions to equity shareholders was Nil (31st March, 2013 : ₹ Nil)

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b) Aggregate number of bonus shares issued, for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Equity shares:	
Fully paid up pursuant to contract(s) without payment being made in cash	NIL
Fully paid up by way of bonus shares by capitalization of securities premium	NIL
Shares bought back	NIL

c) Details of Shareholders holding more than 5% shares in the company

Name of Shareholder	Equity Shares			
	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Seshraj Enterprises Private Ltd	7,846,674	43.19	7,846,674	43.19
IDBI Capital Market Services Ltd	2,992,850	16.47	2,992,850	16.47

Note - 2 : Reserves and Surplus

(₹ in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
a. Capital Reserves		
Opening Balance	42.89	42.89
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	42.89	42.89
b. Securities Premium Account		
Opening Balance	7,906.86	7,906.86
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Closing Balance	7,906.86	7,906.86
c. General Reserve		
Opening Balance	3,282.56	3,282.56
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	3,282.56	3,282.56
d. Surplus		
Balance as per last financial statements	(1,952.82)	(2,035.84)
Profit for the year	(23,696.51)	83.02
Less: Appropriations	-	-
Closing Balance	(25,649.33)	(1,952.82)
Total	(14,417.02)	9,279.49



VTX INDUSTRIES LIMITED

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Note - 3 : Long Term Borrowings

Particulars	Non Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Term loans				
1. Indian Rupee Term Loan from Banks (Secured)				
Term loan from Consortium of Banks	5,168.80	7,365.37	5,529.30	3,394.20
Vehicle loans	2.09	20.85	22.37	23.01
2. From Financial Institutions(Secured)				
TIIC Term Loan	15.70	63.49	119.00	96.72
	5,186.59	7,449.70	5,670.67	3,513.93
The above amount includes				
Secured borrowings	5,186.59	7,449.70	5,670.67	3,513.93
Unsecured borrowings	-	-	-	-
Amount disclosed under the head other current liabilities	-	-	(5,670.67)	(3,513.93)
Total	5,186.59	7,449.70		

(i) Term loan of ₹ 17,500 Lacs was obtained from a consortium of banks during the FY 2007-08. The amount is repayable in 32 quarterly equal instalments commencing from January 2010 to December 2017. The loan is secured by first charge on entire fixed assets of the company on paripassu basis. The period of default is 24 months (PY 12 months) and the amount of default is ₹ 3332.30 Lacs (PY ₹ 1197.20 Lacs) towards principal and ₹ 3076.17 Lacs (PY ₹ 1479.78 Lacs) towards interest.

(ii) The vehicle loan from bank consists of six loans.

Out of this six loans, four loans of ₹ 28.10 Lacs were obtained during FY 2010-11. The amount is repayable in 60 monthly instalments commencing from October 2010 to October 2015. The loans are secured by the respective vehicles purchased. The period of default is 3 months (PY 2 months) and the amount of default is ₹ 1.17 Lacs (PY ₹ 0.56 Lacs) towards principal and ₹ 0.17 Lacs (PY ₹ 0.14 Lacs) towards interest.

One loan of ₹ 25 Lacs was obtained during FY 2010-11. The amount is repayable in 60 monthly instalments commencing from September 2010 to August 2015. The loans is secured by the respective vehicle purchased. The period of default is NIL (PY 2 months) and the amount of default is NIL (PY ₹ 0.83 Lacs towards principal and ₹ 0.32 Lacs towards interest).

The balance one loan of ₹ 25 Lacs was obtained during FY 2010-11. The amount is repayable in 48 monthly instalments commencing from March 2011 to February 2015. The loan is secured by the respective vehicles purchased. The period of default is 2 months (PY 2 months) and the amount of default is ₹ 1.20 Lacs (PY ₹ 1.01 Lacs) towards principal and ₹ 0.19 Lacs (₹ Rs.0.37 Lacs) towards interest.

(iii) The term loan of ₹ 170 Lacs is obtained from TIIC during the FY 2011-12. The loan is repayable in 48 monthly installments commencing from April 2012 to March 2016. The loan is secured by First Charge by way of Hypothecation of over all the movables , machinery, stores, tools & accessories etc, lying at SF No 49/1, 50/1, 51/1A, Valparai Main Road, Pilichinnampalayam Village, Samathur Post, Pollachi Taluk, Coimbatore District and Mortgage over all the piece and parcel of land measuring 1.70 acres at SF No 19/4, and land measuring 1.58 acres



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at SF No 19/5, situated at Kolarpatty Village, Pollachi Taluk, Coimbatore District, totally measuring 3.28 acres. The period of default is 22 months for principal (PY 10 months) and 5 months for interest (PY 10 months) and the amount of default is ₹ 77 Lacs (PY ₹ 35 Lacs) towards principal and ₹ 6.55 Lacs (PY ₹ 19.72 Lacs) towards interest.

Note - 4 : Deferred Tax Liability/Asset (Net)

(₹ in Lakhs)

Particulars	As at	As at
	31-03-2014	31-03-2013
Deferred tax liability		
Depreciation	1,908.82	1,916.95
Gross deferred tax liability	1,908.82	1,916.95
Gross deferred tax asset		
Unabsorbed Depreciation & carried forward losses	1,508.44	2,041.58
Disallowances under Income Tax Act, 1961	294.35	131.08
	1,802.79	2,172.66
Net deferred tax Liability	106.03	-
Net deferred tax Asset	-	255.71

Note - 5 : Provisions

(₹ in Lakhs)

Particulars	Long Term		Short Term	
	31-03-2014	31-03-2013	As at	As at
			31-03-2014	31-03-2013
(a) Provision for employee benefits				
Provision for gratuity	315.83	269.69	-	-
(b) Provision for Taxation (net)	-	-	145.59	-
Total	315.83	269.69	145.59	-

Note - : 6 Short term borrowings

(₹ in Lakhs)

Particulars	As at	As at
	31-03-2014	31-03-2013
(a) Working capital limit from banks (Secured)		
Working Capital Limits from Banks	20,514.04	16,181.17
From Financial Institutions (unsecured)		
Working capital loan	347.54	327.38
Total	20,861.58	16,508.55
The above amount includes		
Secured Borrowings	20,514.04	16,181.17
Unsecured Borrowings	347.54	327.38
Total	20,861.58	16,508.55

- (i) Working capital limits from consortium of banks is secured by entire stock of raw material, work in progress, finished goods and receivables on pari passu basis and also second charge on fixed assets of the company. These facilities are subject to renewal on early basis.
- (ii) The Short term loan of ₹ 500 Lacs was obtained from a financial institution. The loan is repayable in 24 monthly instalments. The loan is guaranteed by Mr.A.L.Ramachandra,Smt.Jayanthi Ramachandra and Seshraj Enterprises P Ltd. The period of default is 17 months (PY 11 months) for principal and interest and the amount of default is ₹ 287.76 Lacs (PY ₹ 187.38 Lacs) towards principal and ₹ 59.78 Lacs (PY ₹ 39.62 Lacs) towards interest.



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(Formerly Vijayeswari Textiles Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Note - 7 : Trade Payables

Particulars	Current	
	As at 31.03.2014	As at 31.03.2013
Trade Payables (Refer Note No. 36 for details of dues to micro and small enterprises)	3,816.16	2,249.53
Total	3,816.16	2,249.53

Note - 8 : Other current Liabilities

(a) Current maturities of long-term borrowings	5,670.67	3,513.93
(b) Interest accrued and due on borrowings	3,083.09	1,541.82
(c) Unpaid dividends	6.34	8.27
(d) Unpaid matured deposits and interest accrued thereon*	11.27	11.27
(e) Other payables :		
Salaries & Wages Payable	453.36	282.61
Statutory Dues payable	267.34	365.34
Interest free deposits from customers	1.01	1.01
Other expenses payable	165.57	283.72
Total	9,658.64	6,007.96

* The deposits from shareholders and public have matured and no Interest is payable on them. Unclaimed matured deposits worth ₹ 11.27 lakhs (from shareholders ₹ 1.68 lakhs and public ₹ 9.59 lakhs) (31st March, 2013 ₹ 11.27 lakhs).

The amount due and outstanding to be credited to Investors Education and Protection Fund and as at 31st March 2014 ₹ 12.08 lakhs (31st March, 2013 ₹ 6.78 lakhs).

Note - 9 : FIXED ASSETS

(₹ in Lakhs)

Details	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Opening Balance as at 01.04.2013	Additions	Deletions	Closing Balance As at 31.03.2014	Opening Balance as at 01.04.2013	For the Year	Deletions	Closing Balance As at 31.03.2014	Balance As at 31.03.2014	Balance As at 31.03.2013
a) Tangible Assets										
Own Assets:										
Land	588.39	-	-	588.39	-	-	-	-	588.39	588.39
Buildings	5,264.59	4.70	-	5,269.29	819.15	168.97	-	988.12	4,281.17	4,445.44
Plant and Equipment	17,474.82	6.99	-	17,481.80	5,834.23	987.49	-	6,821.73	10,660.08	11,640.58
Furniture and Fixtures	99.57	0.85	-	100.42	59.72	7.40	-	67.11	33.31	39.85
Vehicles	320.51	-	-	320.51	211.44	23.63	-	235.06	85.45	109.08
Office equipment	190.63	0.04	-	190.67	133.85	11.25	-	145.10	45.57	56.78
Canteen										
Vessels	25.15	-	-	25.15	19.32	0.98	-	20.30	4.85	5.83
Computer Equipment	326.32	1.35	-	327.67	306.33	8.02	-	314.36	13.32	19.99
Sub Total	24,289.97	13.93	-	24,303.90	7,384.04	1,207.74	-	8,591.78	15,712.12	16,905.93



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(Formerly Vijayeswari Textiles Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note - 9 : FIXED ASSETS (Contd.)

Details	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Opening Balance as at 01.04.2013	Additions/ (Disposal)	Deduction/ Adjustments	Closing Balance As at 31.03.2014	Opening Balance as at 01.04.2013	For the Year		Closing Balance As at 31.03.2014	Balance As at 31.03.2014	Balance As at 31.03.2013
Leased Assets:										
Land	17.80	-	-	17.80	1.62	0.18	-	1.80	16.00	16.18
Sub Total	17.80	-	-	17.80	1.62	0.18	-	1.80	16.00	16.18
Total - A	24,307.77	13.93	-	24,321.70	7,385.66	1,207.92	-	8,593.58	15,728.12	16,922.11
b) Intangible Assets										
Designs	946.07	-	-	946.07	840.36	105.71	-	946.07	-	105.71
Total-B	946.07	-	-	946.07	840.36	105.71	-	946.07	-	105.71
Total-A+B	25,253.84	13.93	-	25,267.77	8,226.02	1,313.63	-	9,539.65	15,728.12	17,027.83
Previous Year	28,868.84	79.18	3,694.18	25,253.84	7,836.26	1,670.64	1,280.89	8,226.02	-	21,032.56
c) Capital Work In Progress	-	-	-	-	-	-	-	-	-	-
d) Intangible assets under Development	-	-	-	-	-	-	-	-	-	-



NOTE - 10 : Non - Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
A. Trade Investments (Valued at cost unless stated otherwise)		
i) Unquoted Equity Instruments		
(a) Investment in Subsidiaries		
1. 19,000 (31.03.2013: 19,000) Equity Shares of ₹ 100 each fully paid up in Vijayeswari USA LLC (At cost less provision for other than temporary diminution in value ₹ 8,93,000 (31.03.2013 - ₹ 8,93,000/-))	-	-
2. 1,000 (31.03.2013: 1,000) Equity shares of ₹ 10 each fully paid up in Vijayeswari UK Ltd.	0.80	0.80
(b) Investments in Associates		
2,600 (31.03.2013: 2,600) Equity shares of ₹ 10 each fully paid in LAW Textile Park P Ltd.	0.26	0.26
(c) Others		
(31.03.2013: 50,600) Equity Shares of ₹ 10 each fully paid in Palladam Hi-Tech Weaving Park P Ltd	-	-
Total (A)	1.06	1.06



VTX INDUSTRIES LIMITED

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 10 : Non - Current Investments (Contd.)

(₹ in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
B. Non Trade Investments		
a) Investment in Equity instruments (Quoted)		
1. 3,400 (31.03.2013:3,400) Equity shares of ₹10 each fully paid up in Andhra Bank	0.34	0.34
2. 5,70,795 (31.03.2013: 5,70,795) Equity shares of ₹ 10 each in Coimbatore Lakshmi Investments & Finance Co Ltd (At cost less provision for other than temporary diminution in value ₹ 1,00,90,000 (31.03.2013 - ₹ 1,00,90,000/-))	-	-
b) Investment in Equity instruments (Unquoted)		
100 (31.03.2013: 100) Equity shares of ₹ 10 each fully paid in Vijayeswari Textiles Employees Co-op Stores Ltd)	0.01	0.01
Total (B)	0.35	0.35
Grand Total (A + B)	1.41	1.41
Aggregate amount of quoted investments (Market value of ₹ 2.17 Lakhs (Previous Year ₹ 3.21 Lakhs)	0.34	0.34
Aggregate amount of unquoted investments	1.07	1.07
Aggregate provision for diminution in value of investments	109.83	109.83

NOTE - 11 : Long Term Loans and Advances

(₹ in Lakhs)

Particulars	Non current		Current	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
a. Capital Advances				
Unsecured, considered good	-	-	-	45.08
	-	-	-	45.08
b. Security Deposits				
Unsecured, considered good	155.12	203.55	103.75	103.75
	155.12	203.55	103.75	103.75
c. Advances recoverable in cash or kind				
Unsecured, considered good	2.38	14.69	180.06	134.03
	2.38	14.69	180.06	134.03
d. Other loans and advances				
Advance Income-tax (Net of provision for Taxation)	-	-	-	102.42
Prepaid Expenses	-	-	25.19	31.39
Balances with statutory/government authorities	-	-	-	24.03
	-	-	25.19	157.84
Total	157.50	218.24	309.01	440.71



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 12 : Other Assets

(₹ in Lakhs)

Particulars	Non current		Current	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
Non Current bank balances	33.62	69.21	-	-
TUF Subsidy Receivable	-	-	-	79.88
MAT	445.11	445.11	-	-
Duty drawback, VAT and Service tax receivable	-	-	536.09	758.66
Other receivables	-	-	9.19	10.27
Total	478.73	514.32	545.28	848.81

NOTE - 13 : Inventories (Valued at lower of cost and net realizable value)

(₹ in Lakhs)

Particulars	As at 31-03-2014	As at 31-03-2013
a. Raw Materials and Components	5.63	61.80
b. Work-in-progress	12,251.28	13,226.30
c. Finished goods	289.85	989.06
d. Stores and spares	815.00	820.00
	13,361.76	15,097.15
Less: Extraordinary Item (Refer Note No.43)	9,760.59	-
Total	3,601.17	15,097.15

NOTE - 14 : Trade receivables

(₹ in Lakhs)

Particulars	Current	
	As at 31-03-2014	As at 31-03-2013
a. Unsecured Considered good unless stated otherwise out- standing for a period exceeding six months from the date they are due for payment	9,727.80	1,606.01
Less: Provision for doubtful debts	3,855.53	100.00
	5,872.27	1,506.01
b. Other receivables		
Unsecured, considered good	744.99	7,632.90
	744.99	7,632.90
Total (a+b)	6,617.27	9,138.92



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 15 : Cash and Bank balances

(₹ in Lakhs)

Particulars	Non current		Current	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
I Cash and Cash equivalents:				
a. Balances with banks in current accounts	-	-	45.13	28.77
b. Cash on hand	-	-	6.70	9.98
	-	-	51.83	38.75
II Other Bank balances:				
Margin money deposit*				
Bank deposits with more than 12months maturity	33.62	69.21	-	-
	33.62	69.21	-	-
Amount disclosed under non-current assets	(33.62)	(69.21)	-	-
Total	-	-	51.83	38.75

*Margin money deposits with a carrying amount of ₹ 33.62 Lakhs (PY ₹ 69.21 Lakhs) are to secure the working capital facilities.

NOTE - 16 : Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31-03-2014	Year ended 31-03-2013
Sale of products		
Finished Goods	3,625.36	16,429.10
Other operating revenues		
Conversion Charges	751.10	228.39
Waste Sales	58.66	183.56
Scrap Sales	52.64	5.87
Wind Mill Power Generation	-	53.12
Export Incentives	105.37	729.75
Revenue from operations(Gross)	4,593.13	17,629.79
Less: Excise duty	-	-
Revenue from operations(Gross)	4,593.13	17,629.79
Details of products sold		
Finished goods		
Yarn	98.88	56.19
Cotton	1.77	144.22
Madeups	2,852.52	12,953.64
Fabric	651.86	3,267.21
Others	20.33	7.84
Total	3,625.36	16,429.10

NOTE - 17 : Other Income

Interest income on		
Bank deposits	6.67	13.18
Others	16.84	11.18
Dividend	0.34	0.37
Foreign Exchange Fluctuation Gain (Net)	-	155.01
Profit on Sale of fixed assets	-	89.27
Other non-operating income	1.33	1.12
Total	25.19	270.13



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NOTE - 18 : Cost of Raw materials consumed

(₹ in Lakhs)

Particulars	Year ended 31-03-2014	Year ended 31-03-2013
Opening stock	61.80	387.51
Add: Purchases	1,774.34	6,652.88
	1,836.14	7,040.39
Less: Closing stock	5.63	61.80
Cost of material consumed	1,830.51	6,978.59
Details of raw materials consumed :		
Yarn	609.33	2,644.81
Cotton	175.11	481.70
Fabric	1,046.07	3,852.08
Total	1,830.51	6,978.59
Details of Inventory :		
Raw materials		
Cotton	5.63	61.80
Total	5.63	61.80

NOTE - 19 : Increase/(Decrease) in inventories

Increase or decrease in:		
Work-in-progress	975.02	(6,215.34)
Finished Goods	699.21	3,335.87
Net (increase) / decrease	1,674.23	(2,879.47)
Inventories at the end of the year :		
Work-in-progress	12,251.28	13,226.30
Finished goods	289.85	989.06
Total	12,541.13	14,215.35
Inventories at the beginning of the year :		
Work-in-progress	13,226.30	7,010.96
Finished Goods	989.06	4,324.92
Total	14,215.35	11,335.88
Work in progress		
Cotton	25.68	28.68
Grey	12,225.60	2,580.61
Cloth	-	10,617.01
Total	12,251.28	13,226.30
Finished goods :		
Madeups	263.90	979.06
Wastes	25.95	10.00
Total	289.85	989.06

NOTE - 20 : Employee benefit expense

Salaries and wages and bonus	1,069.60	1,366.77
Contributions to provident and other funds	98.84	104.34
Gratuity expense	46.14	29.13
Staff welfare expenses	51.93	96.87
Total	1,266.51	1,597.11



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NOTE - 21 : Other expenses

(₹ in Lakhs)

Particulars	Year ended 31-03-2014	Year ended 31-03-2013
Consumption of stores and spare parts	532.76	1,245.91
Rates & Taxes	68.49	45.55
Power and fuel	850.22	1,152.92
Rent	68.64	97.05
Repairs and maintenance		
Building	19.18	16.96
Plant and Machinery	39.77	203.46
Others	50.83	48.74
Insurance	86.77	61.61
Selling Expenses	43.65	15.19
Consultancy Charges	50.37	48.18
Foreign Exchange Fluctuation Loss (Net)	277.84	-
Discount on export sales	-	26.16
Travelling and conveyance	219.85	256.29
Freight and forwarding	275.54	1,290.10
Duty drawback claim expenses	39.84	6.02
Conversion charges	81.41	933.73
Product Development Expenditure	20.58	76.60
Bad Debts written off	24.05	-
Miscellaneous expenses	343.59	471.94
Total	3,093.36	5,996.41
Payment to Auditors*		
As Auditor :		
Audit fees	4.49	4.49
Tax audit fees	0.80	0.80
In other capacity:		
Other services	0.20	0.42
Total	5.49	5.71
* Classified under Miscellaneous Expenses		



NOTE - 22 : Depreciation and amortization expense

Depreciation of Tangible assets	1,207.92	1,471.53
Amortization of intangible assets	105.71	199.11
Total	1,313.63	1,670.64

NOTE - 23 : Finance costs

Interest	4,560.20	3,989.22
Bank charges	94.88	216.32
Total	4,655.08	4,205.54

NOTE - 24 : Exceptional Item*

Loss on Sale of Wind Mill	-	140.17
Total	-	140.17

* The Company has sold the wind mill on slump sale basis during the year.



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE - 25 : Extraordinary Item

(₹ in Lakhs)

	As at 31-03-2014	As at 31-03-2013
Reduction in value of Stock (Refer Note No.43)	9,760.59	-
provision for doubtful debts	3,755.53	-
Foreign exchange loss on account of bills crystalisation	191.22	-
Discount on export sales	138.90	-
Total	13,846.23	-

NOTE - 26 : Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation		
Profit / (loss) for the year after extraordinary item for the calculation of basic and diluted EPS	(23,696.51)	83.02
Add: Extraordinary item	13,846.23	-
Profit / (loss) for the year before extraordinary item for the calculation of basic and diluted EPS	(9,850.27)	83.02
Weighted average number of equity shares in calculation of Basic & Diluted EPS:		
Weighted average No. of Equity Shares	18,169,240	18,169,240

NOTE - 27 : Value of Imports on CIF Basis

i) Raw Materials	-	-
ii) Spares	19.60	2.85
iii) Capital Goods	-	-

NOTE - 28 : Expenditure in Foreign Currency

Expenditure in foreign currency on account of Travelling, Commission, Consulting and professional charges	80.85	68.39
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NOTE - 29 : Value of Raw Materials, Spare Parts and Components Consumed

	2013-14		2012 -13	
	₹ in Lakhs	% of consumption	₹ in Lakhs	% of consumption
Raw Materials				
Imported	-	-	-	-
Indigenously Obtained	1,830.51	100.00	6,978.59	100.00
	1,830.51	100.00	6,978.59	100.00
Stores and Spare Parts				
Imported	7.00	1.31	26.89	2.16
Indigenously Obtained	525.76	98.69	1,219.02	97.84
	532.76	100.00	1,245.91	100.00



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31-03-2014	As at 31-03-2013
30) Amount remitted on Foreign Currency on account of Dividends	NIL	NIL
31) Earnings in Foreign Exchange		
FOB Value of Exports	2,009.46	12,873.31
32) Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	NIL	NIL
33) Income Tax Assessment have been completed upto the AY 2011-2012		
34) Contingent Liability	31-03-2014	31-03-2013
i) Bank Guarantees	48.35	48.35
ii) Letter of Credit	-	553.66
iii) Claim against company not acknowledged	303.04	111.78
35) The integrated operations of the Company are considered under a single broad segment viz., Textiles. These operations in the opinion of the management, in the context of AS 17 on "Segment Reporting" issued under the Companies (Accounting Standards) Rules 2006, constitute one single primary segment.		
36) The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the company. There are no overdues to parties on account of principal amount and /or interest and accordingly no additional disclosures have been made.		
37) In the opinion of the Board of Directors all Current Assets, Loans & Advances have a value on realization in the ordinary course of business of a sum at least equal to the amount at which they are stated and hence no provision is considered necessary in respect thereof.		
38) Related party Disclosures for the year ended March 31, 2014		
Related Party Relationships	Name of Company / Personnel	
Subsidiary Companies	Vijayeswari USA LLC Vijayeswari UK Ltd.	
Associate Companies	LAW Textile Park Pvt. Ltd.	
Key Management Personnel	Sri. A.L. Ramachandra, Chairman & Managing Director Smt. Jayanthi Ramachandra, Managing Director	
Relatives of Key Management Personnel	Smt. R.Mani	
Entities in which Key Management Personnel have significant influence	Lakshmi Apparels & Wovens Limited Seshraj Apparels Private Limited Seshraj Enterprises Private Limited Lakshmi Functional Textiles Private Limited VTX Design Services Private Limited Coimbatore Lakshmi Investments & Finance Co. Limited Kay Arr Enterprises	



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Related party Transactions	Subsidiaries	Associates	Key Management Personnel	Relatives of Key Management Personnel	Others
Sale of Products	1,074.49	-	-	-	1,025.06
	<i>1,429.08</i>	-	-	-	<i>3,002.34</i>
Conversion Charges	-	-	-	-	0.35
	-	-	-	-	659.89
Purchases & Services Received	-	-	-	-	1,496.21
	-	-	-	-	<i>1,133.08</i>
Lease Rent	-	-	12.00	42.24	0.50
	-	-	<i>12.00</i>	<i>42.24</i>	-
Managerial Remuneration	-	-	40.00	-	-
	-	-	<i>96.00</i>	-	-
Financial Guarantee given for loan taken by the company	-	-	500.00	-	500.00
	-	-	<i>500.00</i>	-	<i>500.00</i>
Outstanding Balances					
Receivables / (payables)	3,635.16	67.13	(5.97)	(140.14)	1,826.77
	<i>3,340.21</i>	<i>67.17</i>	<i>(19.77)</i>	<i>(106.62)</i>	<i>3,292.34</i>
Provision made on Receivables	3,635.16	-	-	-	-
	-	-	-	-	-

Note : Figures in italics represents Previous Year amount.

39) As per the Accounting Standard - 15 "Employee Benefits" the disclosures as defined in the Accounting Standard are given below:

a) **Defined Contribution Plan**

(₹ In Lakhs)

	2013-14	2012-13	2011-12
Contribution to defined contribution plan recognised as expense for the year is as under:			
Employers Contribution to Provident Fund	84.24	91.99	86.28

b) **Defined Benefit Plan**

The Company operates a defined benefit plan for payment of post employment benefits in the form of gratuity.

The benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided for in the Payment of Gratuity Act, 1972. The terms of the benefits are common for all the employees of the Company.



VTX INDUSTRIES LIMITED

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Disclosure Report under AS 15 (Revised 2005)

Defined Benefit Plans

(₹ in Lakhs)

Particulars	31.03.2014	31.03.2013	31.03.2012
A. Expense recognised during the year			
1. Current Service cost	22.65	1.96	33.99
2. Interest cost	31.37	25.49	22.45
3. Expected return on plan assets	(6.00)	(6.13)	(7.38)
4. Actuarial Losses / (Gains) during the year	(92.09)	7.80	22.36
5. Total Expense	(44.08)	29.13	71.41
B. Actual return on Plan assets			
1. Expected return on plan assets	6.00	6.13	35.54
2. Actuarial (Loss) / Gain on Plan assets	(6.00)	1.80	(13.18)
3. Actual return on plan assets	-	4.32	22.86
C. Net Asset/(Liability) recognised in the Balance Sheet			
1. Present value of the obligation at the end of the year	300.61	344.69	322.00
2. Fair value of plan assets at the end of the year	75.00	75.00	81.43
3. Funded status surplus/(deficit)	(225.61)	(269.69)	(240.57)
4. Unrecognised past service cost	-	-	-
5. Net Asset/(Liability) recognised in the Balance Sheet	(225.61)	(269.69)	(240.57)
D. Change in Present value of the Obligation during the year			
1. Present value of the obligation at the beginning of the year	344.69	322.00	292.06
2. Current service cost	22.65	1.96	33.99
3. Interest cost	31.37	25.49	22.45
4. Benefits paid	-	(10.75)	(62.05)
5. Actuarial (gain) loss on obligation	(98.09)	5.99	35.54
6. Present value of obligation at the end of the year	300.61	344.69	322.00
E. Change in Assets during the year			
1. Fair value of plan assets at the beginning of the year	75.00	81.43	122.91
2. Expected return on plan assets	6.00	6.13	7.38
3. Contributions made	-	-	-
4. Benefits paid	-	(10.75)	(62.05)
5. Actuarial gain / (loss) on plan assets	(6.00)	(1.80)	13.18
6. Fair value of plan assets at the end of the year	75.00	75.00	81.43
F. Actuarial Assumptions			
1. Discount rate	9.10%	8.05%	8.60%
2. Expected rate of return on plan assets	8.00%	8.05%	8.00%
3. Salary escalation	7.00%	6.00%	6.00%
4. Attrition rate	12.00%	12.00%	12.00%

**VTX INDUSTRIES LIMITED**

(Formerly Vijayeswari Textiles Limited)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 40) The companies operating results continue to be materially affected by various factors like working capital liquidity, non delivery of goods on time, cancellation of order, SARFAESI proceedings initiated by Banks etc., The company has incurred net loss of ₹ 23696.51 lacs during the year ended 31st March 2014, and as of that date, the company's total liabilities exceeded its total assets by ₹ 14417.02 lacs. The company is implementing various measures to improve the company's operating results and cash flows. In addition, the company continues to explore various options to raise capital in order to meet its short term and long term obligations. The company is currently carrying out job work activities to utilize the capacity available. The company is also in the process of identifying potential investors to overcome the present financial situation. The company is also making necessary effort to recover the amount due to it. In view of the foregoing, the company's financial statements have been prepared on a going concern basis whereby the realization of assets and discharge of liabilities are expected to occur in the normal course of business.
- 41) Balances in Trade Receivables, Other Current and Non Current Assets, Loans & Advances, Trade Payables, Other Current Liabilities and Long term and short term borrowings from Banks and financial institutions are subject to confirmation and reconciliation. In the opinion of the Management all assets and liabilities disclosed in the balance sheet would realize atleast to the extent stated therein.
- 42) Based on technical opinion the company classifies the plant and machinery of spinning and processing divisions and wind mills as continuous process plant and accordingly depreciation on these items is charged at rates applicable to continuous process plant under Schedule XIV to the Companies Act, 1956. Due to this technical opinion adopted, depreciation for the year is lower by ₹ 287.21 Lacs (Previous Year ₹ 488.01 Lacs) with consequential effect on the loss for the year.
- 43) During the past few years, due to working capital constrains, the company could not deliver the goods on time. Consequently major export customers of the company cancelled their orders. This resulted in stagnation of stock over the years which were in various stages like Work In Progress, Finished goods. The company could sell part of these goods locally at a very low margin/loss. Further, due to non availability of working capital facilities, the company could not convert the semi finished goods further. Consequently the stock lying at the year end has been valued at the net realizable value which has been disclosed as an extra-ordinary item.
- 44) Impairment Loss recognised in the Statement of Profit and Loss – NIL (PY- NIL).
- 45) Figures have been rounded off to the nearest Lacs.
- 46) The company has reclassified previous year figures to conform to this year's classification.
- 47) The Ministry of Corporate Affairs, Government of India, vide circular No.2 and 3 dated 08.02.2011 and 21.02.2011 respectively has granted a general exemption from compliance with Sec 212 of the Companies Act, 1956, subject to fulfilment of conditions specified in the general circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

For and on behalf of the Board of Directors of VTX Industries Ltd.

A.L. Ramachandra
Chairman & Managing Director**Jayanthi Ramachandra**
Managing DirectorCoimbatore
28.06.2014**Mohan Rao**
Director**Venkatesan**
Vice President - Finance

As per our Report of even date

For Suri & Co.
Chartered Accountants
Firm Regn. No: 004283S**M Sivaram**
Partner
Membership No:211916

**VTX INDUSTRIES LIMITED**

(Formerly Vijayeswari Textiles Limited)

**INDEPENDENT AUDITOR'S REPORT ON
THE CONSOLIDATED FINANCIAL STATEMENTS**

To
The Board of Directors,
VTX Industries Ltd, Coimbatore.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of VTX Industries Limited ("The Company") and its subsidiaries and associates (collectively referred to as "the group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on

the consideration of the financials of subsidiaries and associates certified by the management as noted below, the consolidated financial statements give the true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- in the case of the Consolidated statement of Profit and Loss, of the losses of the Group for the year ended on that date; and
- In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matters:

We draw attention to Note No.36 of the statement which indicates that the Group has incurred a net loss of ₹ 20873.54 Lacs during the year ended March 31, 2014 and as of that date, the Group's total liabilities exceeds its total assets by ₹ 14222.38 Lacs. These conditions along with other matters set forth in Note No.39, indicates the existence of the material uncertainty regarding the Group's ability to continue as a going concern. Attention is also drawn to the fact explained by the management that necessary efforts are being taken for revival of the unit. We have not qualified our opinion in respect of this matter.

We draw attention to Note No.37 of the statement that balances under Trade Receivables, Other Current and Non Current Assets, Loans & Advances, Trade Payables, Other Current Liabilities and Long term and short term borrowings from Banks and financial institutions are subject to confirmation and reconciliation if any. We have not qualified our opinion in respect of this matter.

We draw attention to Note No.38 to the financial statements regarding adoption of depreciation rates applicable to continuous process plant in respect of plant and machinery of spinning and processing units and wind mills which is a technical matter. Due to this policy adopted by the company, the depreciation for the year is lowered by ₹ 287.21 Lacs (PY ₹ 488.01 Lacs) with consequential effect on the loss for the year and also on reserves and surplus. We have not qualified our opinion in respect of this matter.

Other Matter:

We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of ₹ 2180.72 Lacs as at 31st March 2014 and total net loss of ₹ 812.92 Lacs for the year then ended and the financial statements of the associates in which share of loss of the group is ₹ 0.04 Lacs. These financial statements and other financial information are not audited and certified by the management, and our opinion is based solely on it. Our opinion is not qualified in respect of this matter.

For Suri & Co.
Chartered Accountants
Firm Regn. No: 004283S

M Sivaram
Partner

Place : Coimbatore

Date : 28.06.2014

Membership No:211916



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in Lakhs)

Particulars	Notes	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	1	1,816.92	1,816.92
Reserves and surplus	2	(14,222.38)	6,651.16
2 Non-current liabilities			
Long-term borrowings	3	5,186.59	7,449.70
Deferred Tax Liabilities (Net)	4	106.03	-
Long-term provisions	5	315.83	269.69
3 Current liabilities			
Short-term borrowings	6	20,861.58	16,508.55
Trade payables	7	3,200.43	2,585.60
Other current liabilities	8	9,843.72	6,108.25
Short Term Provisions	5	145.59	-
TOTAL		27,254.31	41,389.87
II. ASSETS			
1 Non-current assets			
Fixed assets	9		
i) Tangible assets		15,853.71	17,047.70
ii) Intangible assets		-	105.71
Non-current investments	10	0.34	0.38
Deferred tax assets (net)	4	-	255.71
Long-term loans and advances	11	149.38	210.84
Other non-current assets	12	478.73	514.32
2 Current assets			
Inventories	13	4,104.47	15,791.99
Trade receivables	14	5,696.90	6,099.31
Cash and Bank Balances	15	108.38	67.01
Short-term loans and advances	11	317.12	448.09
Other current assets	12	545.28	848.81
TOTAL		27,254.31	41,389.87
Significant Accounting Policies			
Notes on Financial Statements	1 to 42		

For and on behalf of the Board of Directors of VTX Industries Ltd.

A.L. Ramachandra
Chairman & Managing Director

Jayanthi Ramachandra
Managing Director
Coimbatore
28.06.2014

Mohan Rao
Director
Venkatesan
Vice President - Finance

As per our Report of even date

For Suri & Co.
Chartered Accountants
Firm Regn. No: 004283S

M Sivaram
Partner
Membership No:211916



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014

Particulars	Notes	As at 31.03.2014 ₹ in Lakhs	As at 31.03.2013 ₹ in Lakhs
INCOME			
Revenue from operations (gross)	16	4,950.33	17,705.46
Other income	17	25.19	213.68
Total Revenue		4,975.52	17,919.14
EXPENDITURE			
Cost of materials consumed	18	1,830.51	6,978.59
Changes in inventories of finished goods, work-in-progress and stock-in-trade		1,865.76	(3,039.09)
Employee benefits expense	19	1,286.23	1,614.66
Other expenses	20	4,013.43	6,749.05
Depreciation and Amortisation	21	1,313.63	1,670.64
Finance Cost	22	4,693.12	4,205.60
Total Expenditure		15,002.68	18,179.45
Profit / (Loss) before exceptional and extraordinary items		(10,027.16)	(260.31)
Exceptional Items	24	-	140.17
Profit/ (Loss) before extraordinary items & tax		(10,027.16)	(400.48)
Extraordinary item	25	10,211.06	-
Profit / (Loss) before tax		(20,238.22)	(400.48)
Tax expense:			
a) Income Tax - earlier years		273.54	-
b) Deferred tax		361.74	107.91
Profit / (Loss) for the year		(20,873.50)	(508.39)
Share of loss from Associate		(0.04)	(0.22)
(Loss) for the year		(20,873.54)	(508.61)
Earnings per share (of ₹ 10/- each):			
Earning per share before extraordinary item			
Basic and Diluted	26	(58.68)	(2.80)
Earning per share after extraordinary item			
Basic and Diluted		(114.88)	(2.80)
Significant Accounting Policies			
Notes on Financial Statements	1 to 42		

For and on behalf of the Board of Directors of VTX Industries Ltd.

A.L. Ramachandra
Chairman & Managing Director

Jayanthi Ramachandra
Managing Director
Coimbatore
28.06.2014

Mohan Rao
Director
Venkatesan
Vice President - Finance

As per our Report of even date

For Suri & Co.
Chartered Accountants
Firm Regn. No: 004283S

M Sivaram
Partner
Membership No:211916



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

Particulars	As at	
	31.03.2014 ₹ in Lakhs	31.03.2013 ₹ in Lakhs
A. Cash Flow From Operating Activities :-		
Net Profit/(Loss) before Tax and extraordinary items	(10,027.16)	(400.48)
Adjustments for :		
Depreciation and Amortisation	1,313.63	1,670.64
Profit on Sale of Assets	-	(89.27)
Interest Receipts	(23.52)	(24.36)
Dividend Received	(0.34)	(0.37)
Bad Debt Written Off	24.05	-
Finance cost	4,693.12	4,205.60
Exceptional Items	-	140.17
	6,006.94	5,902.41
Operating Profit before Working Capital Changes	(4,020.22)	5,501.93
Adjustments for :		
(Increase)/Decrease in Trade and Other Receivables	378.37	(560.96)
(Increase) in Inventories	11,687.52	(2,732.52)
(Increase)/Decrease in Long Term Loans & Advances	61.46	(93.54)
(Increase)/Decrease in Other Non Current Assets	35.59	80.83
(Increase)/Decrease in Other Current Assets	303.54	746.56
(Increase)/Decrease in Short Term Loans & Advances	28.55	(10.11)
Increase/(Decrease) in Other Current Liabilities	3,735.47	1,857.82
Increase/(Decrease) in Long Term Provisions	46.14	29.12
Increase/(Decrease) in Trade Payables	614.83	414.22
Cash Generated from Operations	12,871.25	5,233.35
Direct Taxes Paid	(25.52)	(4.75)
Cash Flow before Extra Ordinary Items	12,845.73	5,228.60
Extraordinary Items	(10,211.06)	-
Net Cash from Operating Activities (A)	2,634.66	5,228.60
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(13.93)	(79.98)
Sale of Fixed Assets	-	2,362.39
Sale of Investments	-	5.34
Interest Received	23.52	24.36
Dividend Received	0.34	0.37
Net Cash used in Investing Activities (B)	9.93	2,312.48



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014 (Contd.)

	As at 31.03.2014 ₹ in Lakhs	As at 31.03.2013 ₹ in Lakhs
C. Cash Flow From Financing Activities :		
Loan from Banks	2,089.90	(3,355.56)
Finance cost	(4,693.12)	(4,205.60)
Net Cash from Financing Activities (C)	(2,603.22)	(7,561.16)
Net increase in Cash & Cash Equivalents (A + B + C)	41.37	(20.08)
Cash & Cash Equivalents as at the beginning of the year	67.01	87.09
Cash & Cash Equivalents as at the end of the year	108.38	67.01
Components of Cash and Cash Equivalents		
Cash on Hand	6.70	9.97
With banks - on Current Account	101.68	57.04
Total Cash and Cash Equivalent (Note 15)	108.38	67.01

For and on behalf of the Board of Directors of VTX Industries Ltd.

A.L. Ramachandra
Chairman & Managing Director

Jayanthi Ramachandra
Managing Director
Coimbatore
28.06.2014

Mohan Rao
Director
Venkatesan
Vice President - Finance

As per our Report of even date

For Suri & Co.
Chartered Accountants
Firm Regn. No: 004283S

M Sivaram
Partner
Membership No:211916



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A. PRINCIPLES OF CONSOLIDATION

The Consolidated financial statements relates to VTX Industries Limited (“the Company”), its subsidiaries and associate. The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary Companies are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating the intra – group balances and intra - group transactions in accordance with Accounting Standard (AS) 21 - “Consolidated Financial Statements”.

In case of foreign subsidiaries, being integral foreign operations, revenue items are consolidated at average rate prevailing during the year. In respect of all assets and liabilities being monetary items are converted at rates prevailing at the end of the year. In case of inventories are converted at average rate and the other assets and liabilities are converted at transaction rate. Any exchange difference arising on consolidation is recognized in the statement of profit and loss.

The investment in associate company has been accounted under the equity method as per (AS 23) - “Accounting for Investments in Associates in Consolidated Financial Statements”.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prepared in the same manner as the company’s separate financial statements.

- B. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investments”.
- C. Other Significant Accounting Policies
These are set out “Significant Accounting Policies” as given in the Company’s separate financial statements.

Notes on consolidated Financial Statements for the year ended 31.03.2014

Note - 1 : Share Capital

(₹ in Lakhs)

Particulars	No. of Shares	As at 31.03.2014	No. of Shares	As at 31.03.2013
Authorised				
Equity Share of ₹ 10/- each	20,000,000	2,000.00	20,000,000	2,000.00
Issued				
Equity Share of ₹ 10/- each	18,169,240	1,816.92	18,169,240	1,816.92
Subscribed and fully Paid up				
Equity Share of ₹ 10/- each fully paid	18,169,240	1,816.92	18,169,240	1,816.92
Subscribed but not fully Paid up				
Equity Shares of ₹ 10/- each not fully paid up	-	-	-	-
Total	18,169,240	1,816.92	18,169,240	1,816.92



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

a) Reconciliation of shares outstanding at the beginning and the end of the reporting period

(₹ in Lakhs)

Particulars	Equity Shares			
	No. of Shares	As at 31.03.2014	No. of Shares	As at 31.03.2013
Shares outstanding at the beginning of the year	18,169,240	1,816.92	18,169,240	1,816.92
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	18,169,240	1,816.92	18,169,240	1,816.92

The terms/ rights attached to Equity Shares:

The company has only one class of Equity Shares having par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

During the year ended 31st March, 2014, the amount of per share dividend recognised as distributions to equity shareholders was Nil (31st March, 2013 : ₹ NIL)

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

b) Aggregate number of bonus shares issued, for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Particulars	Aggregate No. of Shares (for last 5 Financial Years)
Equity shares:	
Fully paid up pursuant to contract(s) without payment being made in cash	NIL
Fully paid up by way of bonus shares by capitalization of securities premium	NIL
Shares bought back	NIL

c) Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	Equity Shares			
	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Seshraj Enterprises Private Ltd	7,846,674	43.19	7,846,674	43.19
IDBI Capital Market Services Ltd	2,992,850	16.47	2,992,850	16.47



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

Note - 2 : Reserves and Surplus

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2014	31.03.2013
a. Capital Reserves		
Opening Balance	42.89	42.89
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	42.89	42.89
b. Securities Premium Account		
Opening Balance	7,906.86	7,906.86
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Closing Balance	7,906.86	7,906.86
c. General Reserve		
Opening Balance	3,282.56	3,282.56
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	3,282.56	3,282.56
d. Surplus		
Balance as per last financial statements	(4,581.15)	(4,072.54)
Profit for the year	(20,873.54)	(508.61)
Less: Appropriations		
Closing Balance	(25,454.69)	(4,581.15)
Total	(14,222.38)	6,651.16

Note - 3 : Long Term Borrowings

(₹ in Lakhs)

Particulars	Non Current Portion		Current Maturities	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Term loans				
Indian Rupee Term Loan from Banks (Secured)				
1. Term loan from Consortium of Banks	5,168.80	7,365.37	5,529.30	3,394.20
2. Vehicle loans	2.09	20.85	22.37	23.01
From Financial Institutions (Secured)				
TIIC Term Loan	15.70	63.49	119.00	96.72
	5,186.59	7,449.70	5,670.67	3,513.93
The above amount includes				
Secured borrowings	5,186.59	7,449.70	5,670.67	3,513.93
Unsecured borrowings	-	-	-	-
Amount disclosed under the head other current liabilities	-	-	(5,670.67)	(3,513.93)
Total	5,186.59	7,449.70	-	-



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

- (i) Term loan of ₹ 17,500 Lacs was obtained from a consortium of banks during the FY 2007-08. The amount is repayable in 32 quarterly equal instalments commencing from January 2010 to December 2017. The loan is secured by first charge on entire fixed assets of the company on pari passu basis. The period of default is 24 months (PY 12 months) and the amount of default is ₹ 3332.30 Lacs (PY ₹ 1197.20 Lacs) towards principal and ₹ 3076.17 Lacs (PY ₹ 1479.78 Lacs) towards interest.
- (ii) The vehicle loan from bank consists of six loans.

Out of this six loans, four loans of ₹ 28.10 Lacs were obtained during FY 2010-11. The amount is repayable in 60 monthly instalments commencing from October 2010 to October 2015. The loans are secured by the respective vehicles purchased. The period of default is 3 months (PY 2 months) and the amount of default is ₹ 1.17 Lacs (PY ₹ 0.56 Lacs) towards principal and ₹ 0.17 Lacs (PY ₹ 0.14 Lacs) towards interest.

One loan of ₹ 25 Lacs was obtained during FY 2010-11. The amount is repayable in 60 monthly instalments commencing from September 2010 to August 2015. The loans is secured by the respective vehicle purchased. The period of default is NIL (PY 2 months) and the amount of default is NIL (PY ₹ 0.83 Lacs towards principal and ₹ 0.32 Lacs towards interest).

The balance one loan of ₹ 25 Lacs was obtained during FY 2010-11. The amount is repayable in 48 monthly instalments commencing from March 2011 to February 2015. The loan is secured by the respective vehicles purchased. The period of default is 2 months (PY 2 months) and the amount of default is ₹ 1.20 Lacs (PY ₹ 1.01 Lacs) towards principal and ₹ 0.19 Lacs (PY ₹ 0.37 Lacs) towards interest.
- (iii) The term loan of ₹ 170 Lacs is obtained from TIIC during the FY 2011-12. The loan is repayable in 48 monthly installments commencing from April 2012 to March 2016. The loan is secured by First Charge by way of Hypothecation of over all the movables, machinery, stores, tools & accessories etc, lying at SF No 49/1, 50/1, 51/1A, Valparai Main Road, Pilichinnampalayam Village, Samathur Post, Pollachi Taluk, Coimbatore District and Mortgage over all the piece and parcel of land measuring 1.70 acres at SF No 19/4, and land measuring 1.58 acres at SF No 19/5, situated at Kolarpatty Village, Pollachi Taluk, Coimbatore District, totally measuring 3.28 acres. The period of default is 22 months for principal (PY 10 months) and 5 months for interest (PY 10 months) and the amount of default is ₹ 77 Lacs (PY ₹ 35 Lacs) towards principal and ₹ 6.55 Lacs (PY ₹ 19.72 Lacs) towards interest.

Note - 4 : Deferred Tax Liability/Asset (Net)

(₹ in Lakhs)

Particulars	As at 31-03-2014	As at 31-03-2013
Deferred tax liability		
Depreciation	1,908.82	1,916.95
Gross deferred tax liability	1,908.82	1,916.95
Gross Deferred tax asset		
Unabsorbed Depreciation & carried forward losses	1,508.44	2,041.58
Disallowances under Income Tax Act, 1961	294.35	131.08
	1,802.79	2,172.66
Net Deferred Tax Liability	106.03	-
Net Deferred Tax Asset	-	255.71



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

Note - 5 : Long Term Provisions

(₹ in Lakhs)

Particulars	Long Term		Short Term	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
(a) Provision for employee benefits				
Provision for gratuity	315.83	269.69	-	-
(b) Provision for Taxation (net)	-	-	145.59	-
Total	315.83	269.69	145.59	-

Note - 6 : Short term borrowings

(₹ in Lakhs)

Particulars	As at	As at
	31-03-2014	31-03-2013
(a) Working capital limit from banks (Secured)		
Working Capital Limits from Banks	20,514.04	16,181.17
From Financial Institutions (unsecured)		
Working capital loan	347.54	327.38
Total	20,861.58	16,508.55
The above amount includes		
Secured Borrowings	20,514.04	16,181.17
Unsecured Borrowings	347.54	327.38
Total	20,861.58	16,508.55

- (i) Working capital limits from consortium of banks is secured by entire stock of raw material, work in progress, finished goods and receivables on pari passu basis and also second charge on fixed assets of the company. These facilities are subject to renewal on early basis.
- (ii) The Short term loan of ₹ 500 Lacs was obtained from a financial institution. The loan is repayable in 24 monthly instalments. The loan is guaranteed by Mr. A.L. Ramachandra, Smt. Jayanthi Ramachandra and Seshraj Enterprises P Ltd. The period of default is 17 months (P.Y. 11 months) for principal and interest and the amount is ₹ 287.76 Lacs (P.Y. ₹ 187.38 Lacs) towards principal and ₹ 59.78 Lacs (P.Y. ₹ 39.62 Lacs) towards interest.

Note - 7 : Trade Payables

(₹ in Lakhs)

Particulars	Current	
	As at 31.03.2014	As at 31.03.2013
Trade Payables	3,200.43	2,585.60
Total	3,200.43	2,585.60

Note - 8 : Other current Liabilities

(a) Current maturities of long-term borrowings	5,670.67	3,513.93
(b) Interest Accrued and due on borrowings	3,083.09	1,541.82
(c) Unpaid dividends	6.34	8.27
(d) Unpaid matured deposits and interest accrued thereon*	11.27	11.27
(e) Other payables :		
Salaries & Wages Payable	453.36	282.61
Statutory Dues payable	267.34	365.34
repositos from customers	1.01	1.01
Other expenses payable	350.65	384.01
Total	9,843.72	6,108.25

* The deposits from shareholders and public have matured and no Interest is payable on them. Unclaimed matured deposits worth ₹ 11.27 lakhs (from shareholders ₹ 1.68 lakhs and public ₹ 9.59 lakhs) (31st March 2013 ₹ 11.27 lakhs).

The amount due and outstanding to be credited to Investors Education and Protection Fund as at 31st March 2014 is ₹ 12.08 Lacs. (31st March 2013 ₹ 6.78 lakhs).



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

Note - 9 : FIXED ASSETS

₹ in Lakhs

Details	GROSS BLOCK				DEPRECIATION /AMORTISATION				NET BLOCK	
	Opening Balance as at 01.04.2013	Additions	Deletions	Closing Balance As at 31.03.2014	Opening Balance as at 01.04.2013	For the Year	Deletions	Closing Balance As at 31.03.2014	Balance As at 31.03.2014	Balance As at 31.03.2013
a) Tangible Assets										
Own Assets:										
Land	713.17	-	-	713.17	-	-	-	-	713.71	713.17
Buildings	5,297.21	4.70	-	5,301.91	824.15	168.97	-	993.12	4,308.79	4,473.06
Plant and Equipment	17,449.94	6.99	-	17,456.93	5,837.18	987.49	-	6,824.67	10,632.26	11,612.76
Furniture and Fixtures	100.37	0.85	-	101.22	59.70	7.40	-	67.10	34.12	40.67
Vehicles	320.51	-	-	320.51	211.26	23.63	-	234.89	85.62	109.25
Office equipment	190.63	0.04	-	190.67	133.85	11.25	-	145.10	45.56	56.78
Canteen Vessels	25.15	-	-	25.15	19.32	0.98	-	20.30	4.85	5.83
Computer Equipment	326.33	1.35	-	327.68	306.33	8.02	-	314.36	13.32	20.00
Sub Total - I	24,423.31	13.93	-	24,437.24	7,391.79	1,207.74	-	8,599.53	15,837.71	17,031.52
Leased Assets:										
Land	17.80	-	-	17.80	1.62	0.18	-	1.80	16.00	16.18
Sub Total - II	17.80	-	-	17.80	1.62	0.18	-	1.80	16.00	16.18
Total-A (I+II)	24,441.11	13.93	-	24,455.04	7,393.41	1,207.92	-	8,601.33	15,853.71	17,047.70
b) Intangible Assets										
Designs	946.07	-	-	946.07	840.36	105.71	-	946.07	-	105.71
Total-B	946.07	-	-	946.07	840.36	105.71	-	946.07	-	105.71
Total-A+B	25,387.18	13.93	-	25,401.11	8,233.77	1,313.63	-	9,547.40	15,853.71	17,153.41
Previous Year	29,001.38	79.98	3,694.18	25,387.18	7,844.01	1,670.64	1,280.89	8,233.76	-	21,157.36
c) Capital Work In Progress	-	-	-	-	-	-	-	-	-	-
d) Intangible assets under Development	-	-	-	-	-	-	-	-	-	-



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

NOTE - 10 : Non - Current Investments

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2014	31.03.2013
A. Trade Investments (Valued at cost unless stated otherwise)		
i) Unquoted Equity Instruments		
(a) Investment in Associates		
2,600 (31.03.2013:2,600) Equity shares of ₹ 10 each fully paid up in LAW Textile Park P Ltd	0.26	0.26
Less : Post acquisition loss	0.27	0.23
Total (A)	(0.01)	0.03
B. Non Trade Investments		
(a) Investment in Equity instruments (Quoted)		
1. 3,400 (31.03.2013:3,400) Equity shares of ₹ 10 each fully paid up in Andhra Bank	0.34	0.34
2. 5,70,795 (31.03.2013: 5,70,795) Equity shares of ₹ 10 each in Coimbatore Lakshmi Investments & Finance Co Ltd (At cost less provision for other than temporary diminution in value ₹ 1,00,90,000 (31.03.2013 - ₹ 1,00,90,000/-))	-	-
b) Investment in Equity instruments (Unquoted)		
100 (31.03.2013: 100) Equity shares of ₹ 10 each fully paid in Vijayeswari Textiles Employees Co-op Stores Ltd)	0.01	0.01
Total (B)	0.35	0.35
Grand Total (A + B)	0.34	0.38
Aggregate amount of quoted investments (Market value of ₹ 2.17 Lakhs (Previous Year ₹ 3.21Lakhs)	0.34	0.34
Aggregate amount of unquoted investments	-	0.04
Aggregate provision for diminution in value of investments	109.83	109.83

NOTE - 11 : Long term Loans and Advances

(₹ in Lakhs)

Particulars	Non current		Current	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
a. Capital Advances				
Unsecured, considered good	-	-	-	45.08
	-	-	-	45.08
b. Security Deposits				
Unsecured, considered good	147.00	196.15	111.87	111.15
	147.00	196.15	111.87	111.15



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

(₹ in Lakhs)

Particulars	Non current		Current	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
c. Advances recoverable in cash of kind Unsecured, considered good	2.38	14.69	180.06	134.03
	2.38	14.69	180.06	134.03
d. Other loans and advances Advance Income-tax (Net of provision for Taxation)	-	-	-	102.42
Prepaid expenses	-	-	25.19	31.39
Balances with statutory/government authorities	-	-	-	24.02
	-	-	25.19	157.83
Total	149.38	210.84	317.12	488.09

NOTE - 12 : Other Assets

Non Current bank balances	33.62	69.21	-	-
TUF Subsidy Receivable	-	-	-	79.88
MAT	445.11	445.11	-	-
Duty drawback, VAT and Service tax receivable	-	-	536.09	758.66
Other receivables	-	-	9.19	10.27
Total	478.73	514.32	545.28	848.81

NOTE - 13 Inventories (Valued lower of cost or net realizable value)

(₹ in Lakhs)

Particulars	As at 31-03-2014	As at 31-03-2013
a. Raw Materials and components	5.63	61.80
b. Work-in-progress	12,251.28	13,226.30
c. Finished goods	793.15	1,683.89
d. Stores and spares	815.00	820.00
	13865.06	15791.99
Less: Extraordinary Item (Refer Note No.39)	(9,760.59)	-
Total	4,104.47	15,791.99

NOTE - 14 : Trade receivables

(₹ in Lakhs)

Particulars	Current	
	As at 31-03-2014	As at 31-03-2013
a. Unsecured Considered good unless stated otherwise outstanding for a period exceeding six months from the date they are due for payment		
Less: Provision for doubtful debts	5,480.12	1,606.01
	220.36	100.00
	5,259.76	1,506.01
b. Other receivables Unsecured, considered good	437.14	4,593.30
	437.14	4,593.30
Total (a+b)	5,696.90	6,099.31



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

NOTE - 15 : Cash and Bank balances

(₹ in Lakhs)

Particulars	Non current		Current	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
I. Cash and cash equivalent:				
a. Balances with banks On current accounts	-	-	101.68	57.04
b. Cash on hand	-	-	6.70	9.97
	-	-	108.38	67.01
II. Other Bank balances				
Margin money deposit*				
Deposits with maturity more than 12 months	33.62	69.21	-	-
Amount disclosed under non-current assets	(33.62)	(69.21)	-	-
Total	-	-	108.38	67.01

*Margin money deposits with a carrying amount of ₹ 33.62 Lakhs (PY ₹ 69.21 Lakhs) are to secure the working capital facilities.

NOTE - 16 : Revenue from operations

(₹ in Lakhs)

Particulars	As at 31-03-2014	As at 31-03-2013
Sale of products		
Finished Goods	3,982.56	16,504.77
Other operating revenues		
Conversion charges	751.10	228.39
Waste Sales	58.66	183.56
Scrape Sales	52.64	5.87
Wind Mill Power Generation	-	53.12
Export Incentives	105.37	729.75
Revenue from operations (Gross)	4,905.33	17,705.46
Less : Exercise duty	-	-
Revenue from operations (Gross)	4,950.33	17,705.46
Details of products sold		
Finished goods		
Yarn	98.88	56.19
Cotton	1.77	144.22
Madeups	3,209.72	13,029.31
Fabric	651.86	3,267.21
Others	20.33	7.84
Total	3,982.56	16,504.77

NOTE - 17 : Other Income

Interest income on		
Bank deposits	6.67	13.18
Others	16.84	11.18
Dividend	0.34	0.37
Foreign Exchange Fluctuation Gain (Net)	-	98.56
Profit on Sale of fixed assets	-	89.27
Other non-operating income	1.33	1.12
Total	25.19	213.68



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

NOTE - 18 : Cost of Raw materials consumed

(₹ in Lakhs)

Particulars	As at 31-03-2014	As at 31-03-2013
Opening stock	61.80	387.51
Add: Purchases	1,774.34	6,652.88
	1,836.14	7,040.39
Less: Closing stock	5.63	61.80
Cost of materials consumed	1,830.51	6,978.59
Details of raw materials consumed:		
Yarn	609.33	2,644.81
Cotton	175.11	481.70
Fabric	1,046.07	3,852.08
Total	1,830.51	6,978.59
Details of Inventory:		
Raw materials		
Cotton	5.63	61.80
Total	5.63	61.80

NOTE - 19 : Increase/(Decrease) in inventories

Increase or decrease in:		
Work-in-progress	975.02	(6,215.34)
Finished Goods	890.74	3,176.25
Net (increase) / decrease	1,865.76	(3,039.09)
Inventories at the end of the year:		
Work-in-progress	12,251.28	13,226.30
Finished goods	793.15	1,683.89
Total	13,044.43	14,910.19
Inventories at the beginning of the year:		
Work-in-progress	13,226.30	7,010.96
Finished Goods	1,683.89	4,860.14
Total	14,910.19	11,871.10
Details of Inventory:		
Work in progress		
Cotton	25.68	28.68
Grey	12,255.60	2,580.61
Cloth	-	10,617.01
Total	12,251.28	13,226.30
Finished goods		
Madeups	767.20	1,673.89
Wastes	25.95	10.00
Total	793.15	1,683.89



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the yearended 31.03.2014

NOTE - 20 : Employee benefit expense

(₹ in Lakhs)

Particulars	As at 31-03-2014	As at 31-03-2013
Salaries and wages and bonus	1,089.32	1,384.32
Contributions to provident and other funds	98.84	104.34
Gratuity expense	46.14	29.13
Staff welfare expenses	51.93	96.87
Total	1,286.23	1,614.66

NOTE - 21 : Other expenses

Consumption of stores and spare parts	532.76	1,245.91
Rates & Taxes	81.46	145.84
Power and fuel	850.22	1,152.92
Rent	68.98	125.35
Repairs and maintenance		
Building	19.18	16.96
Plant and Machinery	39.77	203.46
Others	50.83	50.17
Insurance	87.53	62.83
Selling Expenses	321.59	273.47
Consultancy Charges	71.43	85.63
Foreign Exchange Fluctuation Loss (Net)	834.42	-
Discount on export sales	-	26.15
Travelling and conveyance	220.06	256.30
Freight and forwarding	275.54	1,290.10
Duty drawback claim expenses	39.84	6.02
Conversion charges	81.41	933.73
Product Development Expenditure	20.58	76.60
Bad Debts written off	24.05	-
Miscellaneous expenses	393.80	797.60
Total	4,013.43	6,749.05
Payment to Auditors*		
As Auditor :		
Audit fees	6.08	4.49
Tax audit fees	0.80	0.80
In other capacity:		
Other services	0.20	0.42
Total	7.08	5.71

* Classified under Miscellaneous expenses

NOTE - 22 : Depreciation and amortization expense

Depreciation of Tangible assets	1,207.92	1,471.53
Amortization of intangible assets	105.71	199.11
Total	1,313.63	1,670.64

NOTE - 23 : Finance costs

Interest	4,560.20	3,989.22
Bank charges	132.92	216.38
Total	4,693.12	4,205.60



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

NOTE - 24 : Exceptional Item*

(₹ in Lakhs)

Particulars	As at 31-03-2014	As at 31-03-2013
Loss on sale of Wind Mill	-	140.17
Total	ssse	140.17

*The Company has sold the wind mill on slump sale basis during the year

NOTE - 25 : Extraordinary Item

(₹ in Lakhs)

Particulars	As at 31-03-2014	As at 31-03-2013
Reduction in value of Stock (Also Refer Note No.39)	9,760.59	-
Provision for doubtful debts	120.36	-
Foreign exchange loss on account of bills crstilisation	191.22	-
Discount on export sales	138.90	-
Total	10,211.06	-

NOTE - 26 : Earnings per share (EPS)

Profit / (Loss) for the year after extraordinary item for the calculation of basic and diluted EPS	(20,873.50)	(508.39)
Add: Extraordinary item	10,211.06	-
Profit / (Loss) for the year before extraordinary item for the calculation of basic and diluted EPS	(10,662.43)	(508.39)
Weighted average number of equity shares in calculating Basic & Diluted EPS:		
Weighted average No. of Equity Shares	18,169,240	18,169,240

27) The associate company considered in the consolidated financial statements and their reporting dates are as under:

Name of the Company	Country of incorporation	% of voting power	Reporting date as at
LAW Textile Park P Ltd	India	26	31.03.2014

In the absence of Audited financial statements of the associate as on 31st March 2014, the unaudited financial statements certified by the management have been used for the purposes of consolidation.

28) The subsidiary companies considered in the consolidated financial statements and their reporting dates are as under:

Name of the Company	Country of incorporation	% of voting power	Reporting date as at
Vijayeswari USA LLC	United States of States	100	31.03.2014
Vijayeswari UK Ltd	United Kingdom	100	31.03.2014

In the absence of audited financial statements of both the subsidiary companies as on 31st March 2014 and in case of Vijayeswari USA LLC as on 31st March 2013, the unaudited financial statements certified by the management have been used for the purposes of consolidation.



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

Net prior year audit adjustments up to year ended 31st March 2013 have been given effect to in the consolidated financial statements in the case of Vijayeswari UK Ltd. Balances in accounts with subsidiaries are subject to reconciliation. In the opinion of the management the audit adjustments that may arise on completion of audit / reconciliation of the subsidiaries for the financial year 2013-14 in case of Vijayeswari UK Ltd and for Vijayeswari USA LLC upto the financial year 2013-14 are not likely to be material.

	(₹ in Lakhs)	
	As at 31-03-2014	As at 31-03-2013
29) Estimated Amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	NIL	NIL
30) Income Tax Assessment have been completed upto the AY 2011-12.		
31. Contingent Liability		
i) Bank Guarantees	48.35	48.35
ii) Letter of Credit	-	553.66
iii) Claims against the group not acknowledged as debt	303.04	111.78
32) The integrated operations of the Group are considered under a single broad segment viz., Textiles. These operations in the opinion of the management, in the context of AS 17 on "Segment Reporting" issued under the Companies (Accounting Standards) Rules 2006, constitute one single primary segment.		
33) In the opinion of the Board of Directors all Current Assets, Loans & Advances have a value on realization in the ordinary course of business of a sum at least equal to the amount at which they are stated and hence no provision is considered necessary in respect thereof.		
34) Related party Disclosures for the year ended March 31, 2014		
Related Party Relationships	Name of Company / Personnel	
Key Management Personnel	Sri. A.L. Ramachandra, Chairman & Managing Director Smt. Jayanthi Ramachandra, Managing Director	
Relatives of Key Management Personnel	Smt. R. Mani	
Entities in which Key Management Personnel have significant influence	Lakshmi Apparels & Wovens Limited Seshraj Apparels Private Limited Seshraj Enterprises Private Limited Coimbatore Lakshmi Investments & Finance Co. Limited Kay Arr Enterprises VTX Design Service Private Ltd Lakshmi Functional Textile Private Ltd	



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the yearended 31.03.2014

(₹ in Lakhs)

Related party Transactions	Key Management Personnel	Relatives of Key Management Personnel	Others
Sale of Products	-	-	1,025.06
	-	-	3,002.34
Conversion Charges	-	-	0.35
	-	-	659.89
Purchases & Services Received	-	-	1,496.21
	-	-	1,133.08
Lease Rent	12.00	42.24	0.50
	12.00	42.24	-
Managerial Remuneration	40.00	-	-
	96.00	-	-
Financial Guarantee given for loan taken by the company	500.00	-	500.00
	500.00	-	500.00
Outstanding Balances Receivables / (payables)	(5.97)	(140.14)	1,826.77
	(19.77)	(106.62)	3,292.34

Note : Figures in italics represents Previous Year amount.

35) As per the Accounting Standard - 15 "Employee Benefits" the disclosures as defined in the Accounting Standard are given below:

a) **Defined Contribution Plan**

(₹ in Lakhs)

	2013-14	2013-12	2012-11
Contribution to defined contribution plan recognised as expense for the year is as under:			
Employers Contribution to Provident Fund	84.24	91.99	86.28

b) **Defined Benefit Plan**

The Company operates a defined benefit plan for payment of post employment benefits in the form of gratuity.

The benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided for in the Payment of Gratuity Act, 1972. The terms of the benefits are common for all the employees of the Company.



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

Disclosure Report under AS 15 (Revised 2005)

Defined Benefit Plans

(₹ In Lakhs)

	31.03.2014	31.03.2013	31.03.2012
A. Expense recognised during the year			
1. Current Service cost	22.65	1.96	33.99
2. Interest cost	31.37	25.49	22.45
3. Expected return on plan assets	(6.00)	(6.13)	(7.38)
4. Actuarial Losses / (Gains) during the year	(92.09)	7.80	22.36
5. Total Expense	(44.08)	29.13	71.41
B. Actual return on Plan assets			
1. Expected return on plan assets	6.00	6.13	35.54
2. Actuarial (Loss) / Gain on Plan assets	(6.00)	1.80	(13.18)
3. Actual return on plan assets	-	4.32	22.36
C. Net Asset/(Liability) recognised in the Balance Sheet			
1. Present value of the obligation at the end of the year	300.61	344.69	322.00
2. Fair value of plan assets at the end of the year	75.00	75.00	81.43
3. Funded status surplus/(deficit)	(225.61)	(269.69)	(240.57)
4. Unrecognised past service cost	-	-	-
5. Net Asset/(Liability) recognised in the Balance Sheet	(225.61)	(269.69)	(240.57)
D. Change in Present value of the Obligation during the year			
1. Present value of the obligation at the beginning of the year	344.69	322.00	292.06
2. Current service cost	22.65	1.96	33.99
3. Interest cost	31.37	25.49	22.45
4. Benefits paid	-	(10.75)	(62.05)
5. Actuarial (gain) loss on obligation	(98.09)	5.99	35.54
6. Present value of obligation at the end of the year	300.61	344.69	322.00
E. Change in Assets during the year			
1. Fair value of plan assets at the beginning of the year	75.00	81.43	122.91
2. Expected return on plan assets	6.00	6.13	7.38
3. Contributions made	-	-	-
4. Benefits paid	-	(10.75)	(62.05)
5. Actuarial gain / (loss) on plan assets	(6.00)	(1.80)	13.18
6. Fair value of plan assets at the end of the year	75.00	75.00	81.43
F. Actuarial Assumptions			
1. Discount rate	9.10%	8.05%	8.60%
2. Expected rate of return on plan assets	8.00%	8.05%	8.00%
3. Salary escalation	7.00%	6.00%	6.00%
4. Attrition rate	12.00%	12.00%	12.00%

36. The Group's operating results continue to be materially affected by various factors like working capital liquidity, non delivery of goods on time, cancellation of order, SARFAESI proceedings initiated by Banks in case of the holding company etc., The Group has incurred net loss of ₹ 20873.54 lacs during the year ended 31st March 2014, and as of that date, the Group's total liabilities exceeded its total assets by ₹ 14222.38 lacs. The Group is implementing various measures to improve its operating results and cash flows. In addition, the Group continues to explore various options to raise capital in order to meet its short term and long term obligations. The Group is currently carrying out job work activities to utilize the capacity

**VTX INDUSTRIES LIMITED**

(Formerly Vijayeswari Textiles Limited)

Notes on consolidated Financial Statements for the year ended 31.03.2014

available. The Group is also in the process of identifying potential investors to overcome the present financial situation. The Group is also making necessary effort to recover the amount due to it. In view of the foregoing, the Group's financial statements have been prepared on a going concern basis whereby the realization of assets and discharge of liabilities are expected to occur in the normal course of business.

- 37) Balances in Trade Receivables, Other Current and Non Current Assets, Loans & Advances, Trade Payables, Other Current Liabilities and Long term and short term borrowings from Banks and financial institutions are subject to confirmation and reconciliation. In the opinion of the Management all assets and liabilities disclosed in the balance sheet would realize atleast to the extent stated therein.
- 38) Based on technical opinion the group classifies the plant and machinery of spinning and processing divisions and wind mills as continuous process plant and accordingly depreciation on these items is charged at rates applicable to continuous process plant under Schedule XIV to the Companies Act,1956. Due to this technical opinion adopted, depreciation for the year is lower by ₹ 287.21 Lacs (Previous Year ₹ 488.01 Lacs) with consequential effect on the loss for the year.
- 39) During the past few years, due to working capital constraints, the Group could not deliver the goods on time. Consequently major export customers of the Group cancelled their orders. This resulted in stagnation of stock over the years which were in various stages like Work In Progress, Finished goods. The Group could sell part of these goods locally at a very low margin/loss. Further, due to non availability of working capital facilities, the Group could not convert the semi finished goods further. Consequently the stock lying at the year end has been valued at the net realizable value which has been disclosed as an extra-ordinary item.
- 40) Impairment Loss recognised in the Statement of Profit and Loss – NIL (PY- NIL).
- 41) The Group has reclassified previous year figures to conform to this year's classification.
- 42) Figures have been rounded off to the nearest Lacs.

For and on behalf of the Board of Directors of VTX Industries Ltd.

A.L. Ramachandra
Chairman & Managing Director

Jayanthi Ramachandra
Managing Director
Coimbatore
28.06.2014

Mohan Rao
Director
Venkatesan
Vice President - Finance

As per our Report of even date

For Suri & Co.
Chartered Accountants
Firm Regn. No: 004283S

M Sivaram
Partner
Membership No:211916

VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)



Disclosures of information relating to the subsidiary companies as required by the Ministry of Corporate Affairs, Government of India vide general circular No. 02/2011 dt 08.02.2011:

(₹ in Lakhs)

Sl. No	Particulars	31.03.2014		31.03.2013	
		Vijayeswari UK Ltd.	Vijayeswari USA LLC	Vijayeswari UK Ltd.	Vijayeswari USA LLC
a	Share Capital	0.80	8.93	0.80	8.93
b	Reserves & Surplus	(1,110.06)	(2,331.81)	(624.92)	(2,004.03)
c	Total Assets	1,409.34	771.38	370.54	755.32
d	Total Liabilities	2,518.60	3,094.27	994.66	2,750.42
e	Details of Investments	-	-	-	-
f	Net Sales and Services including other Income	1,358.41	-	1,179.25	170.49
g	Profit/(Loss) Before Tax	(485.14)	(327.78)	(167.46)	(424.74)
h	Provision for Taxation	-	-	-	-
i	Profit/(Loss) After Tax	(485.14)	(327.78)	(167.46)	(424.74)
j	Proposed Dividend	-	-	-	-
k	Reporting Currency	INR	INR	INR	INR

Note : 1) The financial statements of foreign subsidiaries are converted into Indian rupee on the basis of appropriate exchange rate.

2) The accounts of the subsidiary companies and related detailed information will be made available to the share holders seeking such information.

VALUE RESEARCH PREMIUM

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



VTX INDUSTRIES LIMITED

CIN: L17111TZ1953PLC000248

Registered Office 2/185, Puliampatti (Via), Pollachi,
Coimbatore District - 642 002

Email ID: investors@vtx.co.in Website: www.vtx.co.in

60th ANNUAL GENERAL MEETING 30th December, 2014

Name of the member(s):

Registered address:

E-mail ID:

Folio No/Client ID:

DP ID:

I/We being the member(s) of  shares of VTX industries Limited, hereby appoint:

1) Name:.....Address.....

Email ID.....Signature.....or failing him;

2) Name:.....Address.....

Email ID.....Signature.....or failing him;

3) Name:.....Address.....

Email ID.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 60th Annual General Meeting of the Company, to be held on **Tuesday, December 30, 2014 at 4.00 P.M** at **Velayudhasamy Kalyana Mandapam, 2/339, Palladam Road, Puliampatti (via), Pollachi, Coimbatore District - 642 002**, and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

P.T.O.



VTX INDUSTRIES LIMITED

(Formerly Vijayeswari Textiles Limited)

S.No	Resolutions	Optional*	
		For	against
Ordinary Business			
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2014		
2	Re-appointment of Sri. S. Shreenivasa Rao, Director retiring by rotation, has offered himself for re-appointment		
3	Re-appointment of Sri. Mohan Rao, Director retiring by rotation, has offered himself for re-appointment		
4	Re-appointment of Auditors of the Company		
Special Business			
5	Re-appointment of Smt. Jayanthi Ramachandra as Managing Director		
6	Appointment of Sri. J. Balamurugan as an Independent Director		
7	Appointment of Sri. Pattabhi Ramarao as an Independent Director		
8.	Approval of borrowing limits under section 180(1)(c)		

Signed this day of 2014

Signature of Shareholder

Signature of Proxy holder(s)

Notes

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting**
- For the resolutions, explanatory statements and Notes, please refer to the Notice of 60th Annual General Meeting
- * It is optional to put '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate
- Please complete all details including details of member(s) in the above box before submission.

VALUE RESEARCH PREMIUM



VTX INDUSTRIES LIMITED

CIN: L17111TZ1953PLC000248

Registered Office 2/185, Puliampatti (Via), Pollachi,
Coimbatore District - 642 002

Email ID: investors@vtx.co.in Website:www.vtx.co.in

ATTENDANCE SLIP

60th ANNUAL GENERAL MEETING

30th, December, 2014

DPID	Folio No.
Client ID	No. of Shares
Name of Member	The logo for Value Research, consisting of a blue square with a white envelope icon and the text 'Value Research' in a blue, sans-serif font.
Name of Proxy	

30th December, 2014 at 04.00 P.M. at Velayudhasamy Kalyana Mandapam, 2/339, Palladam Road,
Puliampatti (via), Pollachi, Coimbatore District - 642 002,

Member's / Proxy's Signature



VTX INDUSTRIES LIMITED
(Formerly Vijayeswari Textiles Limited)



NOTES





**Value
Research**



VTX Industries Limited
10/400, Palghat Road, Kuniyamuthur
Coimbatore - 641 008
tel : 0422 4333444 fax : 0422 2251538
email : investors@vtx.co.in
web : www.vtx.co.in
CIN: L17111TZ1953PLC000248