

# Spinning

a growth Story

# ANNUAL REPORT 2019-2020



**Rajvir Industries Limited**

16th Annual Report 2019-2020



## Forward Looking Statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements -written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward looking statements shall be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and the underlying assumptions undergoing change. Should known or unknown risks or uncertainties emerge, or should underlying assumptions not materialise, the actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements , whether as a result of new information, future events or otherwise.

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## VISION

To create and manufacture a customized range of yarns, which are new and innovative, trendy and appealing, yet economical and excite the garment and retail chains both in India and worldwide.

## MISSION

To achieve a zero defect goal while surpassing our vision and to upgrade our research and development, manpower, production, marketing skills, managements at all levels of production to achieve this mission.

## OVERVIEW

Rajvir Industries Ltd. is an integrated producer of cotton, melange, synthetics, modal, dyed products, compact yarn, flame-retardant, supima, silk, wool, cashmere and angora blends. The Company's spinning capacity is of 1,11,840 spindles. The Company boasts of having a massive collection that encompasses over 8,000 melange/heather shades and a range that covers everything from 100% cotton/organic/ fair-trade, combed yarns, blended yarns (polyester, viscose, modal, spun silk and flame-retardant) melange/heather yarns, modal yarns, synthetic yarns and cheese-dyed yarns.

## EXISTENCE

Headquartered in Hyderabad, Rajvir Industries has a pan-India presence with two manufacturing facilities in Telangana, located in Tandur and Mahabubnagar, along with a dyeing plant. The Company is listed on the National Stock Exchange and the Bombay Stock Exchange. It exports to 42 countries including central America and across continents comprising Asia and Europe.

## LOOKING AHEAD TO THE FUTURE

We aspire to evolve continually by innovation and reinvention. The Company plans to increase its Melange Production in the existing facilities by about 50%, and has been taking the necessary steps to increase its fibre dyeing capacity towards this goal. The company is also actively expanding its range of value added products in the wet spinning route.

## ENCHANTING COLORS, EXCITING RANGE

Rajvir also produces a vast range of yarns which are categorized into four different collections: Fashion yarn collection - Rajvir Snow in Triblend of Polyester Cotton, mock twist/ grindle, snow heather/mélange, denim look effect with cotton, raw white nep/ single/multi-coloured neps, magic yarns, slub yarns, irregular patterns, heathers with a touch of metal, triblend in raw white and melange/heather.

Exotic blends with rich animal hair collection – Cotton with blends of silk, cashmere, wool, linen, angora in raw white and melange/heather. Viscose/modal/micro-modal/ polyester with blends of silk, cashmere, wool, linen, angora in raw white and melange/heather.

Classic Collection - 100% cotton yarn compact in all varieties, combed organic and organic blends with viscose, recycled polyester, modal, micro modal in raw white and melange/heather, 100% fair trade organic and fair trade organic blends with viscose, recycled polyester, modal, micro modal in raw white and melange / heather, 100% BCI and BCI blends with viscose, recycled polyester, modal, micro modal in raw white and melange / heather, 100% pima and pima blends with modal, micro modal in raw white and melange / heather, 100% viscose and viscose blends, 100% polyester and with polyesterblends with Indian, cotton viscose in melange and dope dyed, 100% compact yarns pima and giza.

# Product basket

Rajvir has an attractive and ever expanding range of products just distinguish the company from its competitors. At Rajvir, we endeavour to maintain the highest quality standards for our products and ensure utmost customer satisfaction.

## 100% cotton yarns

- Compact
- Organic cotton and blends
- Fair Trade (Flocert and Ecocert)
- Pima/ Giza cotton
- Better cotton initiative and blends

## Technical textile products

- Anti microbiale yarn
- Protex M/Protex C
- FR/combed cotton/anti-static
- Kermel/anti-static/ARAMID blends

## Eco-friendly yarns

- Modal and modal blends
- Micro modal and micro modal blends
- Linen blends
- Viscose and viscose blends
- Excel and excel blends
- Recycled polyester blends
- Recycled cotton blends

## Fancy yarns

- Raw White Ruffle Look
- Raw White Sandy Look
- Raw White Twin feed
- Raw white Marvel
- Raw White Futter
- Raw White Streaky wool feel
- Injected Collection
- Doubl magic Heather
- Denim Heather
- Twin Galaxy Heather
- Tweeling Injecta
- Raw White Lurex
- Blossom Heather

## Awards & Recognition



## Super speciality blends

- Cashmere/Angora blends
- Wool blends
- Spun silk and blends
- Nylon polyamide blends
- Triblend yarns

## Awards and certificates

Awards and recognitions have always been strong motivators towards better performance and trigger our desire to win more of them in the future. Some of the prestigious awards and certifications received include:

- Better Cotton Initiative (BCI) from the leading European chain stores to produce yarn under a new concept of sustainable cotton growing mechanism.
- GOTS/OE Certification from Control Union to produce Organic and Organic blended yarns.
- Better Cotton Initiative (BCI) from the leading European chain stores to produce yarn under a new concept of sustainable cotton growing mechanism.
- GOTS/OE Certification from Control Union to produce Organic and Organic blended yarns.
- A Government of India recognized Export House.

To conclude, Rajvir Industries is a promising Company having a strong legacy and superior growth perspective in the upcoming years with upgraded technological competencies, innovative product range, fiscal prudence, dedicated efforts and winning customer's faith and confidence.



## CHAIRMAN SPEECH

Dear Shareholders,

It is my privilege to welcome you all, on behalf of the Board of Directors and the Management Team of your Company to the 16th Annual General Meeting.

The world is challenging Covid-19 Pandemic, which has not left any part of the world to face it. Among the massive impact that corona virus had on the economies, textile industry is one of the hardest-hit industries.

However, the industry is grappling with major hurdles in the Import & Exports of raw material, Labour force and employment, Cash flow constraints and Supply chain disruption.

Despite the Challenges the Company has achieved a sales turnover of Rs.3393.96 lakhs in the Financial Year 2019-20 as compared to the sales turnover of Rs. 5787.73 lakhs in the Financial Year 2018-19 by following the Zero defect policy

Given the unfavourable demand scenario, textile firms may not utilise their full capacities or may undertake production cuts, thus bringing down the overall output of textiles during FY21.

According to the Clothing Manufacturers' Association of India (CMAI), On an average, India exports 20-25 million kg of cotton yarn a month to China. Cotton yarn prices have fallen by 3 to 4 per cent in domestic market as traders anticipate a curtailed demand from China due to the prevailing situation there. Further prolonging of the coronavirus will result in a decline in China's imports of cotton yarn and hence, impact the cotton yarn export business of India. This will divert India's surplus cotton yarn to the domestic market, further reducing the price of cotton yarn.

In positive news, global buyers are turning to India to source textiles from the country as China grapples with the deadly coronavirus outbreak. According to the Cotton Textile Export Promotion Council (TEXPROCIL) In the medium to long-term, some demand from the US and the EU markets is expected to shift (though gradually) from China to other major garment manufacturers viz. Vietnam, Bangladesh, India and Cambodia, as the customers will like to decrease their dependence on China

We are expecting the Support package from the government and also rebate of State and Central Taxes for cotton yarn and fabrics since the entire value chain is impacted and also we are hopeful for getting any financial assistance from the Aatmanirbhar Bharat Abhiyan package an-

nounced by the Minister of Finance, GOI.

The Southern India Mills' Association (SIMA) informed that the Association has sent a representation to the Prime Minister appealing him to mandate the banks to provide a moratorium of one year (April 1, 2020 to March 31, 2021) for repayment of principal and interest amount to the banks to enable the Indian textiles and clothing industry to tide over the crisis. (SOURCE:Indian textile journal)

Going forward the textile industry scenario will depend on how the situation evolves in the domestic and international markets and faster return to normalcy will enable the industry to curtail the damages and improve on its growth prospects and only when domestic and overseas markets open and consumer demand comes back.

I express my gratitude to the Statutory and Regulatory Authorities, Government of India, Securities Exchange Board of India (SEBI), all our Bankers for their continued timely support and valuable guidance.

We put our best efforts to overcome all the hurdles and crisis and achieve a high turnover of sale and improve the financial stability to the Company and thanking for your continued support and best wishes.

Regards,  
Upender Kumar Agarwal  
Chairman

# Corporate Information

## RAJVIR INDUSTRIES LIMITED

CIN NO: L17116TG2004PLC044053

## BOARD OF DIRECTORS

Sri Upender Kumar Agarwal (DIN 00513348)	Chairman
Sri Ritesh Kumar Agarwal (DIN 00513341)	Managing Director
Smt. Sheetal B. Dave (DIN 08172386)	Independent Director
Sri. Ritesh Agrawal (DIN 02415143)(upto 31-07-2020)	Independent Director
Sri. Sudhakar Kanneboyina (DIN 02509185)(From 31-07-2020)	Independent Director

## COMPANY SECRETARY

Sri Anadish Srivastava (From 17-04-2019 to 30-05-2020)

## AUDITORS

M/S K C Bhattacharjee & Paul  
8-1-330,5,Vila Grande, Shaikpet  
Hyderabad - 500 008

## Bankers / Financial Institutions

State Bank of India  
Industrial Development Bank of India  
ICICI Bank Ltd  
Axis Bank Limited  
Central Bank of India

## Registered Office:

1st Floor, Surya Towers 105,  
Sardar Patel Road Secunderabad - 500003  
TELANGANA, India  
Telephone Nos : 040- 6225555,  
Website: www.rajvirindustrieslimited.com  
Email: rajvir@rajvirindustrieslimited.com  
CIN NO: L17116TG2004PLC044053

## FACTORIES

- 1) **Mahabubnagar Plant**  
Pillalamarri Road, Mahabubnagar  
Telangana – 509002
- 2) **Dyeing Plant**  
Edira Village, Mahabubnagar  
Telangana – 509002
- 3) **Tandur Plant**  
Gopannapally (Village), Tandur Mandal  
Ranga Reddy District Telangana - 501141

## SALES DEPOT

No.37, Susai Puram  
Sowdambika Towers, Ground Floor  
Tirpur - 641604

## Registrar & Share Transfer Agent M/S XL Softech Systems Limited

3, Sagar Society, Road N0.2, Banjara Hills  
Hyderabad – 500 034  
Ph: 040- 23545913/14/15 Fax: 040-23553214  
Website: www.xlsoftech.com  
Email: xlfield@gmail.com

## NOTICE

NOTICE is hereby given that the 16th Annual General Meeting of RAJVIR INDUSTRIES LIMITED will be held on Wednesday, 30th September 2020 at 3.30 P.M. through Video Conferencing/ Other Audio - Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS

#### 1 ADOPTION OF AUDITED ACCOUNTS AND REPORTS

To receive, consider and adopt the Balance Sheet as at 31st March, 2020, the Profit and Loss Account for the year ended as on that date, Directors' Report and Auditors' Report thereon.

#### 2 APPOINTMENT OF AUDITORS

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

**"RESOLVED THAT** pursuant to the provisions of the Section 139 of the Companies Act, 2013 read with Companies(Audit and Auditor) Rules 2014, M/S K C Bhattacharjee & Paul, Chartered Accountants,(Firm Registration Number:303026E) be and is hereby re-appointed as Statutory Auditors of the Company to hold the Office from the conclusion of this Annual General Meeting of the Company till the conclusion of the next Annual general Meeting of the Company to be held in the year 2021 at such remuneration to be fixed by the Board of Directors in consultation with the Auditors."

### SPECIAL BUSINESS

#### 3 APPOINTMENT OF INDEPENDENT DIRECTOR

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

**"RESOLVED THAT** Shri. Sudhakar Kanneboyina (DIN 02509185) who was appointed as an Additional Director by the Board of Directors with effect from 31st July, 2020 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, but who is eligible for appointment and recommended by the Nomination and Remuneration Committee, be and is hereby appointed as Director of the Company.

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV

to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time, the appointment of Shri. Sudhakar Kanneboyina, who meets the criteria for independence as provided in Section 149(6) of the Act read along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI LODR and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing 31st July, 2020 to 30th July, 2025, be and is hereby approved."

For and on behalf of the Board  
Rajvir Industries Limited

Place : Secunderabad  
Date : : 01-09-2020

Sd/-  
Upender Kumar Agarwal  
Chairman

**NOTES:**

1. In view of the prevailing COVID-19 pandemic across the country and restrictions on the movements apart from social distancing, restriction of gatherings, travel restrictions and other preventive advisories being issued by the Government from time to time, Ministry of Corporate Affairs ("MCA"), vide it's circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars"), permitted the companies to hold their Annual General Meeting ("AGM") through video conferencing ("VC") or other audio visual means ("OAVM") for the calendar year 2020 without the physical presence of the shareholders at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. In compliance with the aforesaid MCA Circulars and the Securities and Exchange Board of India ("SEBI") circular dated May 12, 2020 (hereinafter referred to as "SEBI Circular"), owing to the difficulties involved in dispatching of physical copies of the Annual Report for the financial year 2019-20 including financial statements (along with Board's Report, Auditor's Report or other documents required to be attached therewith), Notice of the 16th AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those shareholders whose email addresses are registered with the Company/ Depositories/ Registrar and Share Transfer Agent of the Company. Shareholders may note that this Notice along with Annual Report for the financial year 2019-20 will also be available on the website of the Company at [www.rajvirindustrieslimited.com](http://www.rajvirindustrieslimited.com) and website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and NSE at [www.nseindia.com](http://www.nseindia.com)
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the AGM is annexed hereto.
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Hence the Proxy Form, Attendance Slip and Route Map are not annexed with this AGM Notice.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.rajvirindustrieslimited.com](http://www.rajvirindustrieslimited.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and NSE at [www.nseindia.com](http://www.nseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated

- May 05, 2020.
9. As per the provisions of Section 103 of the Act, shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum.
  10. The Company has appointed Mr. S.S.Marathi, Practising Company Secretary, (Membership No. FCS 1989 /CP 1937), to act as the Scrutiniser for scrutinising the e-voting process in a fair and transparent manner.
  11. Pursuant to Section 113 of the Act, Corporate shareholders are required to send the scanned copy (in PDF or JPG format) of the certified Board Resolution / Authority Letter from its governing body, as the case may be, authorising their representative(s) to attend this AGM through VC / OAVM and vote on their behalf through remote e-voting or at the AGM, by email from their registered email addresses to the Scrutiniser through e-mail to spcsp@gmail.com, with a copy marked to xlfield@gmail.com or cs@rajvirindustries-limited.com
  12. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020, both days inclusive, for annual closing and for determining the entitlement of the shareholders to the final dividend for the financial year 2019-20, if any.
  13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. SEBI has also mandated that the requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except in the cases of transmission or transposition of securities. In view of above, shareholders holding shares in physical form are requested to open a demat account with a Depository Participant (DP) and deposit their physical shares with such DP and get their shares demat at the earliest to avoid any kind of inconvenience.
  14. Details as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms an integral part of the Notice.
  15. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements shall be available for inspection by the Members on the website of the Company upto the date of AGM.
  16. Procedure for obtaining the Annual Report, AGM Notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios: Members who have not registered their email addresses and in consequence the Annual Report including Notice of AGM and e-voting instructions could not be serviced, may get their email address and mobile number registered with the Company's Registrar and Share Transfer Agent, M/s. XL Softech Systems Limited. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to xlfield@gmail.com.
- Alternatively, members may send an e-mail request at the email id xlfield@gmail.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for obtaining the Annual Report, Notice of AGM and the e-voting instructions.
17. Voting through electronic means (Remote E-Voting):
 

The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting through electronic means. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by NSDL.

    - (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.
    - ii) The "cut-off date" for determining the eligibility for voting either through remote electronic voting system is fixed as Wednesday, September 23, 2020.

The e-voting period commences on Sunday, September 27, 2020 at 9.00 a.m. IST and ends on Tuesday, September 29, 2020 at 5.00 p.m. IST. During this period, a person whose name is recorded in the Register of Members or in the Register of Beneficiary Owners maintained by the depositories, as on the cut-off date, shall be entitled to avail the facility of remote e-voting. The remote-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from

doing so, shall be eligible to vote through e-voting system during the AGM.

click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Only those Members whose names are recorded in the Register of Members of the Company as on the cut-off date shall be entitled to vote. If a person was a Member on the date of the Book Closure date as aforesaid but has ceased to be a Member on the cut-off date, he/she shall not be entitled to vote. Such person should treat this notice for information purpose only.

**Your User ID details are given below :**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

Your password details are given below:

If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on September 27, 2020 at 09:00 A.M. and ends on September 29, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

**The EVEN Number of "rajvir Industries Limited" is 114276**

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1:** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

**Step 2:** Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

### How to Log-in to NSDL e-Voting website?

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials,

If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

**After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.**

**Now, you will have to click on “Login” button.**

**After you click on the “Login” button, Home page of e-Voting will open.**

**Details on Step 2 is given below:**

#### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [spcspl@gmail.com](mailto:spcspl@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs@rajvirindustrieslimited.com](mailto:cs@rajvirindustrieslimited.com) / [xlfield@gmail.com](mailto:xlfield@gmail.com).

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@rajvirindustrieslimited.com](mailto:cs@rajvirindustrieslimited.com) / [xlfield@gmail.com](mailto:xlfield@gmail.com).

Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting sys-

tem in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
- INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
  2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id).
  6. Shareholders who would like to express their views/have questions may send their questions in advance by September 26, 2020 mentioning their name demat account number/folio number, email id, mobile number at [cs@rajvirindustrieslimited.com](mailto:cs@rajvirindustrieslimited.com) / [xlfield@gmail.com](mailto:xlfield@gmail.com). The same will be replied by the company suitably. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
  7. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e., Wednesday, September 23, 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories on the cut-off-date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the Meeting through electronic voting system. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote
  8. The Scrutiniser shall, after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter, count the votes cast through remote e-voting and shall submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or any officer of the Company so authorised by the Board. Result of the voting shall be declared forthwith, but within 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer's report, will be posted on the website of the Company [cs@rajvirindustrieslimited.com](mailto:cs@rajvirindustrieslimited.com) and will be communicated to the Stock Exchanges, where the Company's shares are listed.
  9. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM.
  10. Members are requested to quote their Registered Folio No. in all correspondence(s) with the Company.

**For and on behalf of the Board  
Rajvir Industries Limited**

Sd/-  
Upender Kumar Agarwal  
Chairman

Place: Secunderabad

Date : 01-09-2020

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**ITEM NO.3**

Sri. Sudhakar Kanneboyina (DIN 02509185) was appointed as an additional director categorized as Independent Director on the Board of the Company w.e.f. 31st July, 2020. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Sri. Sudhakar Kanneboyina holds office upto the date of this 16th Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Sri. Sudhakar Kanneboyina as Independent Director of the Company Save and except Sri Sudhakar Kanneboyina none of the Directors / Key Managerial Personnel and their relatives are in any way, are concerned or interested, financially or otherwise, in the resolution set out in item no. 3.

Sri. Sudhakar Kanneboyina is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to be appointed as a Director.

The Board recommends the Resolution at Item No.3 of this Notice for approval of the Members.

None of the Directors or Key Managerial Personnel or their respective relatives other than Mr Sudhakar Kanneboyina is concerned or interested in the Resolution at Item No. 3 of the Notice.

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief profile of Directors seeking re-appointment is furnished herebelow :

Name of Director	Sri. Sudhakar Kanneboyina
Date of Birth	09-06-1956
Date of Appointment	31st July, 2020
Occupation	Business
Other directorship	1- Goldern Press Private Limited
Chairman/Members of the Committee in other Companies	Nil
No of shares held in the Company	Nil

**For and on behalf of the Board  
Rajvir Industries Limited**

Sd/-  
Upender Kumar Agarwal  
Chairman

Place: Secunderabad

Date : 01-09-2020

# Directors' Report

## Dear Members

Your Directors have pleasure in submitting their Sixteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2020.

## FINANCIAL RESULTS

Financial results for the year under review with the corresponding figures of the previous year's figures

Rs.in lakhs

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Sales and other income	3550.39	5813.34
Profit before interest and depreciation	(712.95)	(1669.55)
Interest & Finance charges	1770.24	1688.47
Depreciation & Amortisation	260.17	279.42
Profit/(Loss) before Tax & extraordinary items	(2743.36)	(3637.44)
Extraordinary items:	188.76	-
Profit before Tax	(2554.60)	(3637.44)
Provision for taxation:		
a) Current Tax	-	-
b) Deferred Tax (credit)/expense	393.47	70.46
Profit/(Loss) after Tax from continuing operations	(2948.07)	(3707.90)
(Loss) from discontinued operations	(291.12)	(299.48)
Tax expense/(credit) of discontinued operations	44.85	5.80
Net profit /(Loss) for the period from discontinued operations	(335.97)	(305.28)
Total Profit/(Loss) for the year	(3284.04)	(4013.18)
Add: Profit/(Loss) brought forward from last year	(8925.99)	(4897.61)
Adjustment due to adoption of IND AS	7.10	(15.20)
Total profit /(Loss)	(12202.93)	(8925.99)
<b>APPROPRIATIONS</b>		
Surplus carried forward to Balance sheet	(12202.93)	(8925.99)
Earnings per Equity share:		
Basic	(82.03)	(100.54)
Diluted	(82.03)	(100.54)

## OPERATIONS

During the year under review, the company achieved a turnover of Rs.3550.39 lakhs and net loss of Rs.3276.94 lakhs as against Rs. 5813.34 lakhs and Rs. 4016.58 lakhs in the previous year respectively.

## DIVIDEND

As the company did not earn distributable profits, the board of directors did not recommend any dividend for the financial year under review.

As per the provisions of Section 125(2) of the Companies Act, 2013 unpaid dividend for the year 2010-11 transferred to the Investor Education and Protection Fund.

## REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The future business scenario of our products is bright in the domestic market. we have made forays in to Southern Textile markets and we Expect substantial turnover with them.. We have made an impressive presentation of our new fancy product range in several countries and are confident of securing orders in the future as export scenario improves.

## DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, Directors of your company hereby state and confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such 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 and loss of the company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis; and
- The Directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls and are adequate and operating effectively;

- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.**

The company has adequate internal financial controls and has a separate Audit committee to assess the internal controls and guide the company accordingly.

#### **DETAILS OF SUBSIDIARIES, JOINT VENTURES, ASSOCIATE COMPANIES & THEIR PERFORMANCE**

The Company does not have any subsidiary or joint venture or associate company, as such, their performance details will not arise.

#### **DEPOSITS**

The Company has renewed the fixed deposits received from the public. The amount of deposits outstanding as on 31st March 2020 was Rs.50.00 lakhs. There were no deposits accepted under the provisions of Chapter V of the Companies Act, 2013. The company does not have any deposits lying unpaid or unclaimed as on 31st March 2020. There is an overdue amount of Rs 32.29 lakhs towards interest on fixed deposit as on 31st March 2020 which will be paid subsequently.

#### **RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has formulated and adopted a risk management policy at its Board Meeting. As per the policy, the management continues to review and assess the risk and also the steps for mitigating the same.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility does not apply to the Company. However, your company continues to carry out activities for the communities and society.

#### **RELATED PARTY TRANSACTIONS**

The related party transactions entered into by the company during the financial year under review have been disclosed in the financial statements of the company for the financial year ended 31st March 2018. All the transactions entered into are at an arm's length basis and in the ordinary course of business. The relevant details in form AOC-2 is enclosed hereto at **Annexure -A**.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE**

#### **COMPANIES ACT, 2013**

During the year under review your company has not extended any guarantees or made any investments.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Sri. Sudhakar Kanneboyina (DIN 02509185) was appointed as an additional director categorized as Independent Director w.e.f. 31st July, 2020, and holds office till the date of the ensuing Annual General Meeting. Sri. Sudhakar Kanneboyina has furnished a declaration under Section 149(7) of the Companies Act, 2013 that he fulfils the criteria for being appointed as an independent director. Hence, the Board recommends for his appointment as an Independent Director for a period of five years. The company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature.

The Independent Directors have submitted declarations disclosing to the Board that they fulfil the criteria stipulated under Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules made there under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sri Ritesh Agrawal (DIN: 02415143) who was the director of the company has resigned with effect from 31st July 2020 due to preoccupation.

Sri Anadish Srivastava who was the Company Secretary of the Company resigned with effect from 30th May, 2020. Due to the pandemic Covid-19, the Company could not take steps to appoint a person in his place.

#### **MEETINGS OF THE BOARD**

There were 5 (Five) Meetings of the Board of Directors during the year under review, the details of which are furnished in the report on Corporate Governance.

#### **AUDIT COMMITTEE**

The committee comprises of Smt. Sheetal B Dave, Shri. Sudhakar Kanneboyina, and Shri Ritesh Kumar Agarwal. The recommendations made by the committee have been accepted by the Board.

#### **VIGIL MECHANISM**

Pursuant to the provisions of Section 177 (9) and (10) of the Companies Act, 2013, a vigil mechanism for Directors and employees has been established for reporting their concerns.

## REMUNERATION RATIO OF THE DIRECTORS/KEY MANAGERIAL PERSONNEL/EMPLOYEES

The details as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided at **Annexure B**.

## COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Nomination and Remuneration Committee is vested with the powers to recommend the Appointment of a Director and recommend the remuneration accordingly.

## EVALUATION OF THE BOARD

Since the company was going through severe stress and strain in connection with the financial aspects of the company, it could not formulate a remuneration policy in line with the provisions of the Companies Act, 2013. However, steps have been taken now to comply with the same.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Report and is annexed hereto as "**Annexure C**".

## CORPORATE GOVERNANCE

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as laid down under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance is annexed herewith, as part of the Annual Report along with the Auditor's Certificate on its compliance as "**Annexure D**".

## ANNUAL RETURN

The extracts of the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 in Form MGT 9 is attached to this Report at **Annexure E**.

## STATUTORY AUDITORS

The Company has received a certificate from M/S K C Bhattacharjee & Paul, Chartered Accountants, Auditors, to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Auditors Report does not contain any qualifications, reservations or adverse remarks.

## SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 Secretarial Audit has been conducted for the Financial Year 2020-20 by M/S Marthi & Co., Company Secretaries, Hyderabad, and their Secretarial Audit report for the financial year ended 31st March 2020 is enclosed at **Annexure F**.

## LISTING & TRADING

The Equity Shares of the Company are listed on The Bombay Stock Exchange Limited and National Stock Exchange, Mumbai. The Market price of the Share as on 31st March, 2020 was Rs. 10.37 and Rs.10.40 per share on BSE and NSE respectively. The company could not pay the listing fee to NSE and BSE due to severe financial constraints.

## PARTICULARS OF EMPLOYEES

Information as required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given elsewhere in the report. As per the proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of employees posted and working outside India is NIL.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts Rules), 2014 is attached hereto at **Annexure G**.

## ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed in your Company.

For and on behalf of the Board  
Rajvir Industries Limited

Sd/-  
Upender Kumar Agarwal  
Chairman

Place: Secunderabad

Date : 01-09-2020

**ANNEXURE - A****FORM NO. AOC.2**

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:	
(a) Name(s) of the related party and nature of relationship	Nil
(b) Nature of contracts/arrangements/transactions	Nil
(c) Duration of the contracts/arrangements/transactions	Nil
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e) Justification for entering into such contracts or arrangements or transactions	Nil
(f) date(s) of approval by the Board	Nil
(g) Amount paid as advances, if any:	Nil
(h) Date on which the special resolution was passed in general meeting as required under first provision to Section 188	Not Applicable
2. Details of material contract or arrangement or transactions at arm's length basis:	
(a) Name(s) of the related party and nature of relationship	M/s Balaji Enterprises M/s Sree Lakshmi Enterprises
(b) Nature of contracts/arrangements/transaction	Purchase of Goods / Renting of Godown
(c) Duration of the contracts/arrangements/transactions	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Rs.4,80,000/- P.M is paid as rent for the godown used for storage of goods.
(e) Date(s) of approval by the Board, if any:	29th May 2019
(f) Amount paid as advances, if any: M/s Balaji Enterprises / M/s Sree Lakshmi Enterprises	* Please refer the note given below

**\*NOTE:** The details of names, nature of relationship; nature of such contracts / arrangements / transactions are disclosed in Note No.33 of the Financial Statements.

# ANNEXURE - B

## REMUNERATION RATIO OF THE DIRECTORS/KEY MANAGERIAL PERSONNEL/EMPLOYEES

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014:

(i) The percentage increase in remuneration of each Director, other key managerial personnel (KMP), Ratio of the remuneration of each director to the median remuneration of the employees of the company and the comparison of the remuneration of each KMP against the performance of the Company during the financial year 2019-20 areas under.

S. No	Directors/KMP Manager's Name	Remuneration of Director/KMP for financial year 2019-20(In Rupees)	% increase in Remuneration in the Financial Year 2019	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the company
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1.	Shri Upender Kumar Agarwal	60,00,000	-	17.27	-
2	Shri Ritesh Kumar Agarwal	60,00,000	-	17.27	-
3	Shri Anadish Srivastava	5,69,000	-	-	-
(ii)	Percentage increase in the median remuneration of employees in the financial year 2019-2020 compared to 2018-19			NIL	-

(iii) Number of permanent employees on the rolls of the company:

	As on 31.03.2020	As on 31.03.2019
	105	235

(iv)	Explanation on the relationship between average increase in remuneration and the company performance	-
(v)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	-
(vi)	Average percentile increase in salaries of Employees other than managerial Personnel	Nil

Percentile increase in the managerial remuneration as detailed above

Comparison of above  
The Managerial Remuneration is paid to Chairman and Managing Director of the Company. No Commission has been paid to the Chairman and Managing Director of the Company, since the company has not earned profits.

(v) Key parameters for any variable component of remuneration availed by the Directors  
The Chairman and Managing Director of the Company are eligible for commission besides salary, however in aggregate not exceeding 10% of the profits of the Company as calculated under Section 198 of the Companies Act 2013.

(vi) Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year  
Not Applicable

# ANNEXURE - C

## MANAGEMENT DISCUSSION & ANALYSIS

### Overview

The global spread of the coronavirus is continuously impacting the textile industry. As the coronavirus pandemic spreads, so does its impact. There are two ways of looking at the COVID-19 situation and its impact on the industry. The short or near-term impact is that as the country is going through a COVID-19 scare and potential health risk, we'll witness a fall in sales on account of business being closed.

On the COVID-19 front, India being one of the most populous countries in the world may find itself in a vulnerable spot. Given the negative impact of COVID-19 on the country's economic activities, IMF has forecasted a GDP contraction of 4.5% for FY 2020-21

Even before the pandemic, India had been heading towards an economic slowdown owing to demand contraction. GDP growth in FY 2019-20 has sequentially fallen from 5.8% in Q4 FY 2018-19 to 5% in Q1 2019-20, 4.5% in Q2 2019-20, 4.7% in Q3 2019-20 and further to 4.2% in Q4 2019-20. In an effort to stem this slowdown, government announced a slew of interventions last year, the most important of them being a substantial cut in corporate tax rate from 30% to 22% announced in September 2019.

According to a recent survey by the International Textile Manufacturers Federation (ITMF), on an average 8 per cent orders have dropped worldwide and the expected turnover this calendar year will be down by nearly 10 per cent over 2019 figures.

The industry may take a much longer time to recover. It may take time to see businesses back to normal, as estimates of direct losses are difficult to make now and it is also tough to foresee the issues that will crop up later

### Opportunities, Threats, Risks & Concerns

Presently, the Indian textile industry is facing a problem to compete in the world textile market. This is because of weaknesses like fragmented infrastructure, rigid labour laws, technology obsolescence and many others.

India has more than 2,000 spinning mills with different spindle capacity so an account of huge competition but our Company trying hard to enhance the our brand.

### Internal Control Systems and their Adequacy

The Company has an adequate systems of the internal financial controls The Financial statements are in conformity with the requirements of the Companies Act 2013 and

the company accept accounting Standard. The Management of the Company accepts responsibility for the integrity and objectivity of these financial statements as well as for the estimates and judgements relating to matters not concluded by the year-end. The Company has installed a system of internal controls', which is reviewed, evaluated and updated on an ongoing basis. Our auditors have conducted audits to provide reason-able assurances that the Company's established policy and procedures have been followed.. These financial statements have been audited by M/s K.C Bhattacharjee & Paul, Chartered Accountant Hyderabad, the Statutory Auditors of the Company.

### Human Resources

Due to the COVID 19 and due to reduction in the operations, the man power requirement has come down. Our Company is making sincere efforts to bring diversity in the workforce.

### Disclaimer

Some of the statements in this Management Discussion & Analysis, describing the Company's objectives, projections, estimates and expectations may be "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operation including changes in the industry structure, significant changes in political and economic environment in India, tax laws, import duties, litigation and labour relation

# ANNEXURE - D

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your company strongly believes in the principles of corporate governance and hence has been continuously making efforts to implement and follow in the conduct of its affairs.

### 2. BOARD OF DIRECTORS

Your Company has a balanced mix of Executive and Non-Executive Directors during the year. The composition of the Board is being broadened to represent a blend of professionals from various backgrounds which will further enable the Board to discharge its responsibilities more efficiently and provide effective leadership by taking the Company's business to achieve the goals in future.

The Chairman of the Board for the financial year 2019-2020 was Sri Upender Kumar Agarwal, and Sri Ritesh Kumar Agarwal, Managing Director and at least half of the Board were Independent Directors and therefore the composition of the Board is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### (a) Composition and Category of Directors

The Board of Directors had an optimum combination of Executive and Non-Executive Directors and had one women Director and not less than fifty percent of the Board members are Non-Executive and Independent Directors. At this year end the Board composition consisted of Four Directors comprising two Executive Directors and two Independent Directors

#### Executive Directors

Upender Kumar Agarwal - Chairman

Sri Ritesh Kumar Agarwal - Managing Director

#### Non-Executive/or Independent Directors

Smt Sheetal B Dave - Independent Director

Sri. Sudhakar Kanneboyina - Independent Director

#### Notes:

- 1) None of the Directors are related to each other except Promoter Directors;
- 2) Number of Directorships held in other companies includes all companies, whether listed or unlisted and excludes Foreign Companies, other Bodies Corporate and professional bodies. The limits on the Directorships of Independent Directors and Executive Directors are within the permissible limits.
- 3) The necessary disclosures regarding change in the Committee positions, if any, have been made by all the directors during the year under review. None of the Directors is a member of more than 10 committees or Chairman of more than 5 committees across all Indian Companies
- (4) Independent Director means a Non-Executive Director, who fulfils the criteria as laid down in Section 149 (3) of the Companies Act, 2013.
- (5) The Company has issued formal letter of appointment to its Independent Directors. The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013.
- (6) The Independent Directors of the Company met every time a Board Meeting is held. These Meetings are held the same day as that of the Board Meetings. In the said Meetings the Independent Directors review the matters as stipulated in the SEBI (Listing obligations and disclosure requirements) Regulations 2015 and action items, if any, are communicated and tracked to closure to the satisfaction of the Independent directors. The purpose of these meetings is to promote open and candid discussion among the Independent Directors.

The calendar of Board meetings is decided in consultation with the Board and the schedule of such meetings is communicated to all Directors well in advance. Generally, the Board Meetings are held in Secunderabad, where the registered office of your Company is situated. The agenda for the Board Meeting includes applicable matters and agenda matters as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is generally circulated few days prior to the date of the Meeting and includes detailed notes on the items to be discussed at the meeting to enable the Directors to take informed decisions.

Members of the Board and key executives, disclose to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company. The Board and key executives also conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining the confidentiality of information in order to foster a culture for good decision making.

Your Board met Five (5) times during the financial year 2019-20 on 26th April 2019, 29th May 2019, 14th August 2019, 13th November 2019 and 14th February 2020.

The necessary quorum was present for all the Board Meetings and the 15th Annual General Meeting. The maximum interval between any two Board Meetings was well within the maximum gap of one hundred and twenty days.

After each Board Meeting, your Company has a well-articulated system of follow up, review and reporting on actions taken by the Management on the decisions of the Board and Committees of the Board.

(b) Attendance of the Directors at the Board Meetings and the 15th AGM.

The Attendance Record of the Directors at the Board Meetings held for the financial year 2019-20 is as follows :

Sl. No.	Name	Category	Designation	No. of Board Meetings attended	Attendance at previous AGM	No. of Memberships in other Companies (Excl. Private Limited Companies)	
						Board	Committee
1.	Shri Upender Kumar Agarwal	Promoter & Executive Director	Director	5	Yes	Nil	Nil
2.	Shri Ritesh Kumar Agarwal	Promoter & Executive Director	Managing Director	5	Yes	Nil	Nil
3.	Smt Sheetal B	Independent & Non – Executive	Director	5	Yes	Nil	Nil
4.	Shri Ritesh Agrawal	Independent & Non – Executive	Director	5	Yes	Nil	Nil
5.	Sri. Sudhakar Kanneboyina	Independent & Non – Executive	Director	0	No	Nil	Nil

**Directors' Shareholding Details in the Company as on March 31, 2018**

Sl. No.	Name	No. of Shares	Shares as % of Equity
1.	Shri Upender Kumar Agarwal	164628	4.12
2.	Shri Ritesh Kumar Agarwal	441164	11.04
3.	Smt. Sheetal B Dave	Nil	Nil
4.	Shri Ritesh Agrawal	Nil	Nil
5.	Sri. Sudhakar Kanneboyina	Nil	Nil

All changes being additions and deletions are communicated by the Board Members and recorded in the statutory registers and applicable disclosures also made to the Stock Exchanges.

The Board has constituted the following Committees and each Committee has their terms of reference as a Charter.

The Chairman of each Committee along with the other Members of the Committee and if required other Members of the Board, decide the agenda, frequency and the duration of each meeting of that Committee. Currently, the Board has at the end of the year Three Committees:

- (I) Audit Committee;
- (ii) Stakeholders Relationship Committee
- (III) Nomination and Remuneration Committee

I. The Audit Committee was constituted in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Audit Committee reports to the Board and is primarily responsible for:

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment, the replacement or removal of the Auditor (financial) and fixing of audit fees & Approval of payment to Auditors (financial) for any other services rendered by them.
3. Reviewing, with the management, the annual financial statements and auditor's and director's report thereon before submission to the Board for approval.
4. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
5. Valuation of undertakings or assets of the Company, wherever it is necessary.
6. Evaluation of internal financial controls and risk management systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors on any significant findings and follow up there on.
9. Discussion with Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee consists of Three Directors, as per the details given below. All Members are financially literate and have the required accounting and financial management expertise.

Smt. Sheetal B Dave is the Chairman of the Audit Committee and was present at the Fifteenth Annual General Meeting to answer the Shareholders' queries.

The Audit Committee met four times during the financial year 2019-20. They met on 29th May 2019, 14th August 2019, 13th November 2019 and 14th February 2020. and not more than four months had elapsed between two Audit Committee meetings. The necessary quorum was present for all the said Audit Committee Meetings.

The Audit Committee met four times during the financial year 2019-20. They met on 29th May 2019, 14th August 2019, 13th November 2019 and 14th February 2020. and not more than four months had elapsed between two Audit Committee meetings. The necessary quorum was present for all the said Audit Committee Meetings.

**Name of the Director, Category, Position, Number of Audit Committee Meetings held, Attended by the Director**

Directors Name & Committee Position	Category	Position	Meetings attended
Smt Sheetal B Dave	Non Executive and Independent Director	Chairman	3
Shri Ritesh Agrawal (Resigned on 31-07-2020)	Non-Executive and Independent Director	Member	2
Sri. Sudhakar Kanneboyina (Appointed on 31-07-2020)	Non-Executive and Independent Director	Member	1
Shri Ritesh Kumar Agarwal	Managing Director	Member	4

- II. The Nomination and Remuneration Committee is primarily responsible to Identify potential candidates to become Board Members.
  1. Recommending nominees to various Committees of the Board.
  2. Ensuring that appropriate procedures are in place to assess Board's effectiveness.
  3. Developing an annual evaluation process of the Board and its Committees.
  4. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
  5. Formulation of criteria for evaluation of Independent Directors and the Board;
  6. Devising a policy on Board diversity;
  7. Assist the Board in ensuring that affordable, fair and effective compensation philosophy and policies are implemented;
  8. Approve and make recommendations to the Board in respect of salary structure and actual compensation (inclusive of performance based incentives and benefits) of the Executive Directors, including the Chief Executive Officer;
  9. Review and approve the overall budgetary increment proposals for annual increase of compensation and benefits for the employees;
  10. Review and approve any disclosures in the annual report or elsewhere in respect of compensation policies or Directors' compensation;
  11. Any other matter referred to the Remuneration Committee by the Board of Directors of the Company.

The Remuneration Committee is responsible for reviewing the overall goals and objectives of compensation programs, as well as their compensation plans, and making changes to such goals, objectives and plans.

(b) Nomination and Remuneration Committee - salary, benefits, perquisites and allowances (fixed component) and performance incentives, commission (variable component) to its Chairman, Managing Director and other Executive Directors.

The Nomination and Remuneration Committee has met on 29th May 2019, 14th Feb, 2020 under review during the financial year.

#### Details of the Remuneration:

The details of the Remuneration paid to the Directors are as follows:

Sl.No.	Name of the Director	Total (in) Rs.
1	Shri Upender Kumar Agarwal	60,00,000
2	Shri Ritesh Kumar Agarwal	60,00,000

#### III. Details of Composition of the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of following Directors

Sl.No.	Name of the Director	Designation
1.	Smt Sheetal B Dave	Non-Executive & Independent Director
2	Shri Ritesh Agrawal (Resigned on 31-07-2020)	Non-Executive & Independent Director
3	Shri Ritesh Kumar Agarwal	Executive & Managing Director
4	Sri. Sudhakar Kanneboyina (Appointed on 31-07-2020)	Executive & Managing Director

The Stakeholders' Relationship Committee / Share Transfer Committee met on 29th May, 2019, 14th Feb, 2020 under review during the financial year.

TOTAL NO OF SHARES RECEIVED FOR TRANSFER : NIL

TRANSFERRED & DISPATCHED : NIL

TOTAL NO OF SHARES RECEIVED FOR Consolidation : NIL

Consolidated & DISPATCHED : NIL

There are no pending Share Transfers as on 31st March 2020.

Details of complaints / requests etc., received and resolved during the financial year 2019-20 are as below:

No of Complaints received : NIL

Resolved : NIL

The Compliance Officer monitors the share transfer process and reports to the Company's Board in each meeting and the said Officer also directly liaises with the authorities such as SEBI, Stock Exchanges, ROC etc., and investors with respect to implementation of various clauses, rules, regulations and other directives of such authorities and investor service & complaints related matter.

There is no share transfer pending for more than 15 days.

Your Company has a designated e-mail ID, [cs@rajvirindustrieslimited.com](mailto:cs@rajvirindustrieslimited.com) for the redressal of any Stakeholders' related grievances exclusively for the purpose of registering complaints by Members/stakeholders. Your Company has also displayed the said email ID under the investors section at its website, and other relevant details prominently for creating investor/ stakeholder awareness. Your Company maintains a functional website containing necessary information about the Company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company and the contents of the said website are updated at any given point of time as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as per the requirements of the Companies Act, 2013.

Nature of Complaints/ Correspondence/ Requests

Opening Balance	NIL
Received	NIL
Resolved	NIL
Outstanding as on March 31, 2020	NIL

Non-receipt of securities / Annual Report / Correction

### 3. GENERAL BODY MEETINGS :

Date, Time and Location of the last 3 Annual General Meetings are:

AGM	Date	Location	Time
15th	FTAPCCI J.S Krishna Murthy Hall, FTAPCCI, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad 500004	30.09.2019	03.30 P.M.
14th	FTAPCCI Surana Auditorium, FTAPCCI, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad 500004	29.09.2018	03.30 P.M.
13th	KLN Prasad Auditorium FTAPCCI, Federation House, 11-6-841, Red Hills FAPCCI Marg Hyderabad-500004	28.09.2017	03.30 P.M.
12th	FTAPCCI, Federation House, 11-6-841, Red Hills FAPCCI Marg Hyderabad-500004	30.09.2016	03.30 P.M.

### DISCLOSURES

- (i) During the year 2019-20, no materially significant related party transactions have been entered into by the Company with the Promoters, Directors or Management or their relatives that may have a potential conflict with the interests of the Company. None of the Non-Executive Directors / Independent Directors have any pecuniary material relationship or transactions with the Company for the year ended March 31, 2020, and have given undertakings to that effect.
- (ii) No penalty, or stricture was imposed by the Stock Exchanges or SEBI or any other authority, during the last 3 (three) years except under the Circular No LIST/COMP/OPS/16/2019-20 Dated JUNE 11th ,2019 for non-payment of listing fee.
- (iii) The guidelines / accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in preparation of the financial statements of the Company in all material respects.
- (iv) **Whistle Blower Policy**

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### For employees to report concerns about unethical behaviour;

- To establish a mechanism to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Integrity Policy; and
- To ensure that adequate safeguards shall be provided to the whistle blowers against any victimization or vindictive practices like retaliation, threat or any adverse (direct or indirect) action on their employment. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.
- No personnel / person has been denied access to the Audit Committee.

A Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and Board. The Audit Committee on a quarterly basis looks into the matters reported and track matters to close as per law.

**(V) Code of Conduct**

Your company has laid down a code of conduct (“Code”) for all the Board Members and senior management personnel of the company. The Code is available on the website of the company i.e www.rajvirindustrieslimited.com All directors and Senior management personnel of the Company have affirmed the compliance with the company’s code of conduct or the financial year ended March 31, 2020. A declaration signed by the chief executive Officer(C E O) to this effect is attached as Annexure A to the corporate Governance Report in the Annual Report.

**(Vi) Details of compliance**

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of clause 15(2) of SEBI (listing obligations and disclosures Requirements) Regulation 2015 has disclosed and complied up to the period ended 30th December, 2018. The details of these compliances have been given in the relevant sections of the Report.

Among the non-mandatory requirements of clause 15(2) of SEBI (listing obligations and Disclosure requirements) Regulation 2015 the company has followed with the following

- Separate posts of Chairman and CEO The Chairman and Managing Director /CEO are two separate persons. The position of CEO and Chairman is bifurcated in the Company.
- Reporting of internal Auditor-Internal Auditor reports directly to the Audit Committee
- Compliance of prohibition of Insider Trading regulations
- Your company has comprehensive guidelines on prohibiting insider Trading and the company has adopted the code of internal procedures and conduct for listed companies notified by the SEBI

**Appointment and Re-appointment of Directors****A. Appointment**

Shri. Sudhakar Kanneboyina (DIN 02509185) was inducted in the Board as an Independent Director from 31st July 2020.

**Reconciliation of Share Capital Audit**

The ‘Reconciliation of Share Capital Audit’ was undertaken on a quarterly basis and the audit covers the reconciliation of the total admitted capital with NSDL and CDSL and the total issued and listed capital.

The audit has also confirmed that the aggregate of the total issued / paid-up-capital is in agreement with the total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

**Secretarial Audit**

Secretarial Audit was conducted as required under the provisions of Section 204 of the Companies Act, 2013, by M/S Marthi & Co., Company Secretaries, Hyderabad, for the Financial Year 2019-20. The Report is at **Annexure F** to the Director’s Report.

**Compliance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015**

The Auditor’s Certificate obtained from M/s. K C Bhattacharjee & Paul Chartered Accountants (Firm Registration No.303026E) chartered Accountants, (Firm Registration No. 225603 is provided as Annexure-B to the Corporate Governance Report in regard to the compliance of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

## Management Discussion and Analysis

The Management Discussion and Analysis is provided separately in the Annual Report.

## CEO and CFO's Certification

The CEO and CFO's Certification is provided as **Annexure-C** to the Corporate Governance Report in the Annual Report.

The CEO and CFO's Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended March 31, 2020, was placed before the Board of Directors at all their meetings held.

## Means of Communication

Your Company would like to constantly communicate to its investors and stakeholders about its operations and financial results.

- Communication of Audited Results - The Company has regularly furnished, by way of filing through the electronic filing within thirty minutes of closure of the Board Meetings, the quarterly audited as well as annual audited results to the Bombay Stock Exchange and National Stock Exchange.
- - Quarterly and Annual Financial Results are also published in English, and other Regional (Telugu) newspapers, i.e., Financial Express and Nava Telangana.

Website - The Company's website [www.rajvirindustrieslimited.com](http://www.rajvirindustrieslimited.com) contains all the information as may be required by the Shareholders including press releases, financial results, fact sheet reports, additional disclosures, earnings conference, shareholding pattern, Shareholders' reports, investor presentation, Annual Reports, etc.

## Quarterly results are put on the Company's web-site.

The Company submitted a quarterly compliance report to the stock exchanges within 45 days from the close of quarter similarly the company has submitted for the fourth quarter the compliance report to the stock exchanges within 60 days from the close of quarter.

The Sixteenth Annual General Meeting (AGM) of the Company for the financial year 2019-20 scheduled on Wednesday, 30th September 2020 at 3.30 P.M. through Video Conferencing/ Other Audio - Visual Means (OAVM).

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has also extended e-voting facility, for its Members to enable them to cast their votes electronically and also physically on the proposed resolutions in the Notice of the Sixteenth AGM. Instructions for e-voting are listed under the segment "Notes" in the Notice to Sixteenth AGM.

**4. GENERAL SHAREHOLDER INFORMATION :**

A	Registered Office	1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad – 500 003
B	Annual General Meeting	
	Date & Time	30th September, 2020 3.30 PM
	Venue	through Video Conferencing/ Other Audio - Visual Means (OAVM).
C	Financial Calendar	April to March
	Financial Reporting for	
	Quarter ending June 30, 2019	Second week of August 2019
	Quarter ending September, 30 2019	Second week of November 2019
	Quarter ending December, 31 2019	Second week of February 2020
	Quarter ending March 31, 2020	Fifth week of May 2020
	Annual General meeting for FY ended 31st March 2020	30th September, 2020
D	Date of Book Closure	Tuesday the 24.09.2020 to Monday the 30.09.2020
E	Dividend Payment Date	Not Applicable
F	Listing on Stock Exchange	1) Bombay Stock Exchange Limited 2) National Stock Exchange Limited
G	Stock Code	532665
H	ISIN	ISIN INE011H01014
I	Dematerialisation of Shares	98.94% of the paid-up share capital of the company has been dematerialised
J	Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	NIL
K	Market Price Data	The closing market price of equity share on 31st March, 2020 (last trading day of the financial year) was `Rs. 10.37 on BSE and and Rs.10.40 on NSE as compared to the price on 31st March 2019 of ` 15.75 and 21` on BSE and NSE respectively.
L	Registrar and Share Transfer Agents	<b>XL Softech Systems Ltd</b> Plot No 3, Sagar Society, Road No 2, Banjara Hills, Hyderabad – 500034. Ph: 040- 23545913/14/15, Fax : 040-23553214, E mail: xlfield@rediffmail.com.
M	Share Transfer System	Generally the shares have been transferred and returned in 15 days from the date of receipt, so long as the documents have been clear in all respects.
N	Investor Relations	The Company has been maintaining good investor relations.

**5. DISTRIBUTION OF SHAREHOLDING :**

Distribution of Shareholding as on 31st March, 2020

Share Holder or Debenture Holding of Nominal Value of			Share Holder or Debenture Holding of nominal Value of		Share / Debenture Amount	
			Number	% of Total	Number	% of Total
(1)			(2)	(3)	(4)	(5)
Upto	-	5000	1949	89.57	1567840	3.92
5001	-	10000	87	4.00	672830	1.66
10001	-	20000	59	2.71	854560	2.14
20001	-	30000	23	1.06	570590	1.43
30001	-	40000	9	0.41	308570	0.77
40001	-	50000	5	0.23	229550	0.57
50001	-	100000	19	0.87	375490	3.44
100001	and	above	25	1.15	34369170	86.03
<b>TOTAL</b>			<b>2176</b>	<b>100.00</b>	<b>39948600</b>	<b>100.00</b>

**Plant Locations**

1. Mahabubnagar Plant Pillalamarri Road, Mahabubnagar, Telangana - 509002
  2. Tandur Plant Gopannapally (Village), Tandur Mandal, Ranga Reddy District, Telangana - 501141.
  3. Dyeing Plant Edira Village, Mahabubnagar, Hills Telangana - 509002
  4. Address for Correspondence 1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad - 500003, TELANGANA, India
- i) Queries relating to transfer / dematerialization of shares, change of address, dividend, Annual Report and other queries relating to the shares of the company :

**XL Softech Systems Ltd**

Plot No 3, Sagar Society, Road No 2, Banjara Hills, Hyderabad - 500034. Ph: 040- 23545913/14/15

Fax : 040-23553214, E mail: xlfield@rediffmail.com

- ii) Any other queries

The Company Secretary Rajvir Industries Limited 1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad – 500 003

**By the Order of the Board  
For Rajvir Industries Limited**

Sd/-  
Ritesh Kumar Agarwal  
Managing Director

Place: Secunderabad  
Date 01.09.2020

**ANNEXURE - E****Form No. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i. CIN	L17116TG2004PLC044053
ii. Registration Date	01-09-2004
iii. Name of the Company	RAJVIR INDUSTRIES LIMITED
iv. Category / Sub-Category of the Company	Company Limited by shares and Indian Non-Government Company
v. Address of the Registered office and Contact details	1ST FLOOR, SURYA TOWERS, 105, SARDAR PATEL ROAD, SECUNDERABAD - 500 003. Telephone Nos:040 66225555, 27845628, Fax No: 040 27840656
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	XL Softech Systems Limited 3, Sagar Society, Road N0.2, Banjara Hills, Hyderabad-500 034 Telephone No. : 23545913/14/15 Fax : 040-23553214

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cotton Yarn	13111	22%
2	Blended Yarn	13111	30%
3	Melange Yarn	13111	19%
4	PV	13111	29%
<b>Total</b>			<b>100.00</b>

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.					
2.		N	I	L	
3.					
4.					

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i. Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

## A. Promoter

## 1) Indian

a) Individual/ HUF	2993722	0	2993722	74.94	2993722	0	2993722	74.94	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total(A)(1):-</b>	<b>2993722</b>	<b>0</b>	<b>2993722</b>	<b>74.94</b>	<b>2993722</b>		<b>2993722</b>	<b>74.94</b>	<b>NIL</b>

## 2) Foreign

g) NRIs-Individuals	0	0	0	0	0	0	0	0	NIL
h) Other-Individuals	0	0	0	0	0	0	0	0	NIL
i) Bodies Corp.	0	0	0	0	0	0	0	0	NIL
j) Banks / FI	0	0	0	0	0	0	0	0	NIL
k) Any Other	0	0	0	0	0	0	0	0	NIL
<b>Sub-total (A)(2):-</b>	<b>0</b>								

## B. Public Shareholdin

## 1. Institutions

a) Mutual Funds	0	700	700	0.02	0	700	700	0.02	NIL
b) Banks / FI	22907	0	22907	0.57	22907	0	22907	0.57	NIL

c) Central Govt	0	0	0	0	0	0	0	0	0	NIL
d) State Govt(s)	0	0	0	0	0	0	0	0	0	NIL
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	NIL
f) Insurance Companies	0	0	0	0	0	0	0	0	0	NIL
g) FIs	0	0	0	0	0	0	0	0	0	NIL
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	NIL
i) Others (specify)	0	0	0	0	0	0	0	0	0	NIL
<b>Sub-total (B)(1)</b>	<b>22907</b>	<b>700</b>	<b>23607</b>	<b>0.59</b>	<b>22907</b>	<b>700</b>	<b>23607</b>	<b>0.59</b>	<b>0.59</b>	<b>NIL</b>

## 2. Non Institution

### a) Bodies Corp.

(i) Indian	141775	2115	143890	3.60	139159	2115	141274	3.54	-1.81%
(ii) Overseas									

### b) Individuals

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	558270	39147	597417	14.95	561328	38784	600112	14.95	0.45	
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	218102	0	218102	5.46	217966	0	217966	5.46	-0.06	
c) Others (Specify)										
i) Qualified Foreign Investor	17758	364	18122	0.45	17815	364	18179	0.45	-0.31	
ii) Clearing Members	0	0	5	0	0	0	0	0	-100	
<b>Sub-total (B)(2)</b>	<b>935905</b>	<b>41626</b>	<b>977531</b>	<b>24.47</b>	<b>936260</b>	<b>41263</b>	<b>977531</b>	<b>24.47</b>	<b>NIL</b>	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	958812	42326	1001138	25.06	959175	41963	1001138	25.06	NIL	

C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
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Grand Total (A+B+C)	3952534	42326	3994860	100.00	3952897	41963	3994860	100.00	NIL
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## ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe-red to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe-red to total shares	
1.	U.K Agarwal	421135	10.54	10.54	421135	10.54	10.54	-
2.	Arti Agarwal	491002	5.38	12.29	491002	12.29	5.38	
3.	Upender Kumar Agarwal HUF	285439	7.15	7.15	285439	7.15	7.15	
4.	Usha Agarwal	855943	21.43	5.31	855943	21.43	5.31	
5.	U.K. Agarwal	164628	4.12	4.12	164628	4.12	4.12	-
6.	Ritesh Kumar Agarwal	441164	11.04	11.04	441164	11.04	11.04	-
7.	Radhika Bindal	21500	0.54	0.54	21500	0.54	0.54	-
8.	Neysa Agarwal	30000	0.75	0.75	30000	0.75	0.75	-
9.	Viraj Agarwal	282911	7.08	7.08	282911	7.08	7.08	-
	<b>Total</b>	<b>2993722</b>	<b>74.94</b>	<b>51.91</b>	<b>2993722</b>	<b>74.94</b>	<b>51.91</b>	

## III) Change in Promoter's Shareholding (please specify, if there is no change)

Sr. No	No. of Shares	Shareholding at the Beginning of the year		Cumulative Shareholding during the year	
		% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares

At the beginning of the year

Date wise Increase / Decrease in Promoters share Holding during the year  
Specyfing the reasons for Increase / Decrease (eg. Allotment /transfer / bonus /sweat equity etc.)

NIL

At the end of the year

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment Rs. In Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	15184.92	1823.55	50.00	17058.47
ii) Interest due but not paid	2541.32	111.03	21.31	2673.66
iii) Interest accrued but not due for payment	2.88	0	5.49	8.37
<b>Total (i+ii+iii)</b>	<b>17729.12</b>	<b>1934.58</b>	<b>76.80</b>	<b>19740.50</b>
Change in Indebtedness during the financial year				
Addition	-	58.00	5.50	63.5
(-) Reduction	54.64	78.00	0	132.64
Net Change	-54.64	-20.00	5.50	-69.14
Indebtedness at the end of the financial year				
i) Principal Amount	15,130.28	1803.55	50.00	16983.83
ii) Interest due but not paid	2785.39	111.03	26.79	2923.21
iii) Interest accrued but not due	2.24	0	5.50	7.74
<b>Total (i+ii+iii)</b>	<b>17917.91</b>	<b>1914.58</b>	<b>82.29</b>	<b>19914.78</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Upender kumar Agarwal (Chairman)	Ritesh Kumar Agarwal (Managing Director)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6000000	6000000	12000000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	NIL	-	-
3.	Sweat Equity	NIL	-	-
4.	Commission			
	- as % of profit	1% of the total profit in the Financial year		
	- others, specify...			
5.	Others, please specify			
6.	Total (A)	6000000	6000000	12000000
	Ceiling as per the Act	Rs. 84 Lakhs as per Schedule V of the Companies Act, 2013		

## B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
<b>Independent Directors</b>			
•	Fee for attending board committee meetings	10000	10000
•	Commission	-	-
•	Others, please specify	-	-
	Remuneration	10000	10000
	<b>Total (1)</b>	<b>10000</b>	<b>10000</b>
<b>Other Non-Executive Directors</b>			
•	Fee for attending board committee meetings	-	-
•	Commission	-	-
•	Others, please specify	-	-
	Total (2)	-	-
	<b>Total (B)=(1+2)</b>	<b>10000</b>	<b>10000</b>
Total Managerial Remuneration			
Overall Ceiling as per the Act		Rs. 84 Lakhs as per Schedule V of the Companies Act, 2013	

## C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	569000	-	569000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	19800	-	19800
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-

4. Commission				
- as % of profit	-	-	-	-
- others, specify	-	-	-	-
5. Others, please specify	-	-	-	-
6. Total	-	588800	0	588800

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made. If any(give details)
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**A. Company**

Penalty

Punishment

Compounding

N

I

L

**B. Directors**

Penalty

N

I

L

Punishment

Compounding

**C. Other Officers In Default**

Penalty

N

I

L

Punishment

Compounding

# ANNEXURE F

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To  
The Members  
RAJVIR INDUSTRIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Rajvir Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of:
  - a. Foreign Direct Investment (Not applicable during the

Audit Period);

- b. Overseas Direct Investment (Not applicable during the audit period); and
- c. External Commercial Borrowings (Not applicable during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) SEBI (Listing obligations and disclosures requirements) regulation, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – (not applicable during the Audit Period)
  - (g) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008 - (Not applicable during the Audit Period)
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the Audit Period)
  - (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998 (Not applicable during the Audit Period)

(vi) Other applicable laws, including the following:

- (a) Factories Act, 1948
- (b) Payment of Gratuity Act, 1972
- (c) Employees Provident Fund and Miscellaneous provisions Act, 1952
- (d) Employees State Insurance Act 1948
- (e) Maternity Benefit Act, 1961
- (f) Minimum Wages Act, 1948
- (g) Payment of Bonus Act, 1972
- (h) Payment of Wages Act 1936
- (i) Industrial Dispute Act, 1947
- (j) Environment (Protection) Act, 1986
- (k) Legal Metrology Act, 2009
- (l) Competition Act, 2002
- (m) Income-tax Act 1961
- (n) Indian Stamp Act, 1899
- (o) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (p) Hazardous Wastes (Management and Handling) Rules, 1989
- (q) Hank Yarn Packaging Obligation – Hank Yarn Packaging Notification issued by the Textile Commissioner, Mumbai dated 17th April 2003.

**We have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, to the extent applicable under the Companies Act, 2013
- (ii) The Uniform Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange and SEBI (Listing obligations and disclosures requirements) regulation, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that –**

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that during the audit period –

a. The company has not been regular in the payment of its dues to the financial institutions/banks and some of the banks have marked the company's account as NPA.

b. The company has also not been regular in depositing with the appropriate authorities the undisputed dues pertaining to ESI, PF, TDS, Sales Tax, Excise, Service Tax, GST, Value Added Tax, and Income Tax.

c. The company has not paid interest on public deposits amounting to Rs.32.29 Lakhs.

d. The company has shut down the operations of the Tandur Plant.

e. The company has not paid the listing fee to the Stock Exchanges for the years

i) BSE - 2018-19 and, 2019-20; and

ii) NSE 2017-18, 2018-19, and 2019-20

f. The trading in the equity of the company has been suspended by the Stock Exchanges due to penal reasons.

This report is to be read with the letter of even date which is annexed as “**ANNEXURE A**” and forms an integral part of this report.

**For Marthi & Co.,  
Company Secretaries**

**Sd/-  
S S MARTHI  
Proprietor  
FCS No. 1989, CP No.1937**

**Place : Hyderabad**

**Date : 01st September 2020**

**UDIN:F001989B000646545**

**Annexure – A to Secretarial Audit Report of even date****To the Members of  
M/s. Rajvir Industries Limited**

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2020 is to be read along with this letter.

1.The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2.We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3.While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2020 but before the issue of this report.

4.We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.

5.We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

6.We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

7.We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.

8.Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Marthi & Co.,  
Company Secretaries**

**Sd/-  
S S MARTHI  
Proprietor  
FCS No. 1989, CP No.1937**

**Place : Hyderabad  
Date : 01st September 2020**

**UDIN:F001989B000646545**

# ANNEXURE - G

## ANNEXURE TO DIRECTORS' REPORT

Details as required under Rule 8(3) of the Companies (Accounts) Rules, 2014

### A. CONSERVATION OF ENERGY

Energy conservation measures taken:

- (a) The Company has given priority for Energy Conservation in all its units, and has put continuous efforts to conserve energy
- (b) The Company has been continuously monitoring and has taken steps for replacement of conventional electrical motors etc. with improved technology.

### A. Power and Fuel Consumption

	2019-2020	2018-2019
<b>1. Electricity:</b>		
a) Purchased		
Units (Rs in lakhs of KWH)	67.48	104.70
Total Amount (In lakhs)	482.76	652.75
Average Rate: (Rs/Unit)	7.15	6.23
b) Own Generation:		
Through Diesel Generators		
Units (in lakhs of KWH)	-	-
Units per Litre of Diesel Oil	-	-
Average Cost: Rs. / Unit	-	-
2. Coal (Rs. In lakhs)	-	-
3. Furnace Oil	-	-
4. Others	-	-
<b>B. Consumption per Unit of Production</b>		
Yarn Production (Kgs in lakhs)	13.63	20.79
Electricity (Units/Kg of Yarn)	4.95	5.03

**B. TECHNOLOGY ABSORPTION**

Efforts made in Technology absorption as per Form B

Form of disclosure of Particulars with respect to technology absorption A.

**Research and Development (R & D)**

1. Specific areas in which R& D	The company is having R & D facility for introduction and development of value added products
2. Benefits derived as a result of the above R & D	New value added products were developed
3. Future Plan of Action	To further develop more value added products and improve the quality of the products.
4. Expenditure on R & D	Expenditure on in-house research and development has been shown under the respective heads of expenditure in the profit and loss account.

**B. Technology Absorption, Adoption Innovation**

1. Efforts, in brief, made towards technology absorption	The Company had adapted indigenous technology
2. Benefits derived as a result of, the above efforts	High value products development, increase in eg: Product improvement, cost reduction, product yield and product improvement Development, import substitution etc.
In case of imported technology(imported during the last five years reckoned from the beginning of the financial year)	No technology has been imported during the last five years.

**C. Foreign Exchange Earnings & OUTGO**

- a) Activities relating to exports, initiatives taken to increase exports, development of new export Markets and new export plans.

Exports of the Company accounted as Rs.0.10 Crores as compared to Rs.1.33 Crores during the previous year. The Company has exported its products to various countries like USA, Bangladesh, and other Countries. The Company is exploring new markets for its products.

Rs In Lakhs

b) Expenditure in Foreign Currency during the year on account of	2019-20	2018-19
i) Plant & Machinery (CIF Value)	-	-
ii) Raw Materials (CIF Value)	1.99	8.88
iii) Stores & Spares (CIF Value)	-	-
iv) Foreign Travelling	-	-
v) Export Commission	-	15.37
C) Earnings in Foreign Exchange: FOB Value of Exports	10.00	133.25

For and on behalf of the Board of Directors  
For Rajvir Industries Limited

Sd/-  
U.K. Agarwal  
Chairman

Date: 01-09-2020

Place: Secunderabad

## Annexure-A

### **Declaration by the Managing Director under Clause 15(2) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 regarding compliance with Code of Conduct**

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I hereby confirm that, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2020

Sd/-  
Ritesh Kumar Agarwal  
Managing Director

Place: Secunderabad

Date : 01-09-2020

## Annexure-B

### **Auditor's Certificate on Corporate Governance**

To  
The Members of  
**RAJVIR INDUSTRIES LIMITED**

#### **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement with Rajvir Industries Limited

2. We have examined the compliance of conditions of Corporate Governance by Rajvir Industries Limited, for the year ended on 31st March, 2020 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para c and D of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### **MANAGEMENT'S RESPONSIBILITY**

3. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### **AUDITOR'S RESPONSIBILITY**

4. Responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that perform Audits and Reviews of Historical financial Information, and other Assurance and Related Services Engagements.

#### OPINION

8.. Based on Our examinations of the relevant records and accounting to the information and explanations provided to us and the representations provided by the Managements, we certify that the Company has complied with the conditions of Corporate Governance as

stipulated in regulations 17 to 27 and clauses (b) to (j) of the regulation 46(2) and para c and D of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) during the year ended March 31, 2020.

9. We 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.

For K.C. Bhattacharjee & Paul.,  
Chartered Accountants  
(ICAI FRN: 303026E)

Sd/-  
(Manoj Kumar Bihani)  
Partner  
M. No. 234629

Place: Hyderabad  
Date: 01-09-2020

# Annexure-C

## COMPLIANCE CERTIFICATE BY CEO AND CFO

[See Regulation 17(8) of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

- A. I Mr.Ritesh Kumar Agarwal, CEO & Managing Director of Rajvir Industries Limited hereby certifies that I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of their knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year 2019-20 which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have not come across any reportable deficiencies in the design or operation of such internal controls & disclosed to the auditors and the audit committee
- D. I have indicated to the auditors and the Audit committee:
- (1) significant changes in internal control over financial reporting during the year ended 31st March, 2020;
  - (2) significant changes in accounting policies during the year ended 31st March, 2020 and that the same have been disclosed appropriately in the notes to the financial statements; and
  - (3) There have been no instances of significant fraud of which I have become aware and the involvement therein if any of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-  
Ritesh Kumar Agarwal  
Managing Director

Place: Secunderabad  
Date : 31st July, 2020

# Independent Auditors' Report

To  
The Members of  
Rajvir Industries Limited

## Report on the Audit of the financial statements

### Opinion

We have audited accompanying financial statements of Rajvir Industries Limited ('the Company'), which comprise of the balance sheet as at March 31, 2020, the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereafter referred to as "the audited financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid financial statements give the information required by The Companies Act, 2013, as amended ("The Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

(i) We draw attention to Note No. 36 to the financial statements wherein the company has been incurring significant operational losses since earlier years, whereby the net worth of the company is completely eroded. We have not been able to corroborate the Management's contention regarding preparation of financial statements of the company on going concern basis, notwithstanding the fact that the company continue to incur cash losses, its net worth has been fully eroded, defaulted in repayment of principle and interest to its lenders, loans have been called back by secured lenders, non-current assets are significantly impaired, current liabilities exceeded the total assets of the company, etc., this conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern. That appropriateness of assumption of going concern is critically dependent upon the company's ability to raise requisite finance/generate cash flows in future to meet its obligations.

(ii) The attached financial statements for which no provision for impairment of financial assets has been made by the company as per Ind AS 109 for Assets included under "Assets held for sale and discontinued operations" pertaining to Claim of refund of interest subsidy made under TUFs receivable of Rs. 1288.86 lakhs, Insurance claim receivable of Rs.337.87 lakhs accounted in earlier years pending acceptance by the Insurance company and Incentive receivable from Government of Telangana of Rs.740.09 lakhs pertaining to financial year 2013-14 to 2015-16 has not been recovered till the date of audit for which the management is of view that these financial assets are recoverable.

(iii) During the year under audit, there was sale of land directly by the bankers of the company in the month of June 2019 amounting to Rs.295 lakhs as reported in Form 26AS, which according to company, the transfer of aforesaid property has been challenged and has filed a Securitisation Application numbered as S.A 528 of 2018 by the company and matter pending before Honourable Debt Recovery Tribunal – II, Hyderabad and is subject to final decree and judgement. The said application has also challenged the various unilateral and arbitrary action taken by the bankers. Had the sale of land was accounted in the financial statements, which according to information and explanation given to us, should have been accounted as sale of property resulting in gain on sale of Rs.252.48 lakhs, thereby the losses before tax would have been lower by Rs.252.48 lakhs, deferred tax asset lower by Rs.43.67 lakhs and corresponding retained earnings would have higher by Rs.208.81 lakhs, Property Plant and Equipment would have been lower by Rs.42.52 lakhs and Loans from banks would have been lower by Rs.295 lakhs. The Interest payable on outstanding loans due to bankers is accounted without considering the sale proceeds from sale of Land and thereby the finance cost would have been lower by Rs.26.54 lakhs, losses for the year would have been lower by Rs.26.54 lakhs and corresponding Loans would have been lower by Rs.26.54 lakhs and Retained earnings would have been higher by Rs.26.54 lakhs.

(iv) Note no. 38 of the financial statement wherein the confirmation/reconciliations of balances of secured and unsecured loans, balances with banks, trade payable, trade receivable, other payable and loans and advances have not been received and are subjected to reconciliation, review and adjustment thereof;

We conducted our audit of the financial statements in ac-

cordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independent requirement that are relevant to our audit of the financial statements under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statements.

#### Emphasis of Matter

We draw attention to -

Note no. 31.1(b): contingency related to 'recompense payable in lieu of bank sacrifice' as per Corporate Debt Restructuring by banks, the outcome of which is materially uncertain and cannot be determined currently;

Note No. 36 : The Company continued to present the financials of Tandur unit as discontinued operations which is not in accordance with Ind AS 105 as the specified period of one year from date of classification is completed and there are no evidence for sale to be highly probable.

Note No.37 of the financial statements, as regards to the management's evaluation of COVID – 19 impact on the future performance of the Company.

Our opinion is not qualified in respect of above matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S No.	Key Audit Matter	Auditors Response
1	<p><b>Contingent Liabilities and Commitments:</b></p> <p>The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis of the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.</p>	<p><b>Principal Audit Procedures :</b></p> <p>Our audit procedures included the following: We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities; We held discussions with the person responsible for legal and compliance to obtain an understanding of the factors considered in classification of the matter as 'probable' and 'possible' We read the correspondence from competent authorities and considered legal opinion obtained by the Company from external law firms to challenge the basis used for provisions recognised or the disclosures made in the financial statements; For those matters where Company concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.</p>

2	<p><b>Inventory of raw material, work in progress, finished goods, Stores &amp; Spares etc., (Existence at close of the year)</b></p> <p>Physical verification of Inventory was performed by the management subsequent to the yearend due to the restrictions imposed on account of COVID-19.</p>	<p>With respect to the existence of Inventory as at the yearend:</p> <p>a) Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the inter-im periods.</p> <p>b) Due to the COVID-19 related lock-down we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have participated in the physical verification of inventories conducted by the management subsequent to the year end, through video calls and performed roll back procedures.</p>
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Information other than financial statements and Auditor's report thereon

The company's Board of Directors are responsible for the preparation of the other information. The other information comprises of the information included in the management discussion and analysis, Boards report including Annexure to Boards Report, Corporate Governance and Shareholders information, but does not include the financial statements and our auditor's report thereon. Our opinion on financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statement or other information obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the financial statements

The Company's Board of Directors are responsible for the

matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud

is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and

where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the statement of change in equity, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2019;

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Com-

pany and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

h) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 32;

ii. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts. The Company neither entered into any derivative contract during the year nor have any outstanding derivative contract at the end of the year;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

For K.C. Bhattacharjee & Paul.,

Chartered Accountants

(ICAI FRN: 303026E)

(Manoj Kumar Bihani)

Partner

Membership No. 234629

UDIN No. 20234629AAAABE8536

Place: Hyderabad

Date: 31.07.2020

## Annexure - A to the Independent Auditors' Report

Referred to in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the members of Rajvir Industries Limited on the Ind AS financial statements as of and for the year ended March 31, 2020

1.(a)The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment

(b) Property Plant and Equipment have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

(c) The title deeds of immovable properties, as disclosed in Note no. 1 on Property Plant and Equipment to the financial statements are held in the name of the company except the sale of land by the bankers valued of Rs.42.52 lakhs which is not in the possession of the Company.

2.(a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) On the basis of our examination of the inventory records, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with by the company.

3. The Company has not granted any loans, secured or unsecured loan to companies, firms or other parties, covered in the register maintained under Section 189 of the Companies Act, 2013.

4. In respect of loans, investments, guarantees and securities which are covered under the provisions of Section 185 and 186 of the Companies Act, 2013, as per information and explanations given to us, the company has complied with the provisions of the Act.

5. In our opinion and according to the information and explanation given to us, the company has not paid the interest on public deposits of Rs.32.30 lakhs as on 31.03.2020 and as such has not complied with the relevant provisions of section 73 to 76 and other relevant provisions of the Companies Act and the Companies (Acceptance of Deposit) Rules, 2015 as applicable, with regards to the deposits accepted from members and the public. As informed by the management, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal with regard to the Deposits.

6. We have broadly reviewed the books of accounts main-

tained by the Company pursuant to the rules made by the Central Government of India, the maintenance of cost records specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the Records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is irregular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, value added tax, service tax, custom duty, excise duty, cess, GST and other statutory dues as applicable to it, with appropriate authorities and there have been serious delays in large number of cases. There are no undisputed statutory dues except as stated below which remained unpaid for a period of more than six months as on the reporting date –

Particulars	Period	Amount (In lakhs)
Provident fund	April 2017 to September 2019	45.91
Tax deducted and collected at source	April 2016 to September 2019	166.93
Service Tax	April 2015 to June 2017	22.26
Sales tax deferment	Upto March 2020	354.67
Employees State Insurance	January 2019 to September 2019	10.03

(b) According to the information and explanations given to us, there are no disputed statutory dues as at the year end.

8. According to the records examined by us, the Company has defaulted in principal repayment of dues to financial institutions/banks during the current financial year. The lender wise details of the amount of default as at Balance sheet date are as under:

Particulars (Name of the Lender)	Amount of default as at the Balance sheet date (RS In lakhs)	Period of Default	Remarks, if any
Central Bank of India	142.18	Jan.2018 to March 2020	The account is classified as NPA by bank.
State Bank of India	1532.31	Jan.2018 to March 2020	The account is classified as NPA by S B I.
IDBI Bank	363.96	Jan.2018 to March 2020	The account is classified as NPA by IDBI Bank
Axis Bank	635.05	July 2017 to March 2020	The account is classified as NPA by bank.

9. On the basis of our review of utilization of funds pertaining to term loans on overall basis and related information and explanations as made available to us, the term loans taken by the company has been utilized for the purpose of which they were obtained. Further, the company has not raised moneys by way of initial public offers or further public offers during the year.

10. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company its officers or employees, noticed or reported during the year, nor have we been informed by any such case by the management.

11. The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the company.

13. The company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,

2014.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

15. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For K.C. Bhattacharjee & Paul.,  
Chartered Accountants  
(ICAI FRN: 303026E)

(Manoj Kumar Bihani)  
Partner  
Membership No. 234629

Place: Hyderabad

Date: 31.07.2020

#### **Annexure - B to the Independent Auditors' Report**

Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statements of Rajvir Industries Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the

safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements:

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made

only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the Company's internal financial controls over financial reporting as at March 31, 2020 as regards evaluation of uncertainty on going concern.

A material weakness is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above, the Company has, in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.C. Bhattacharjee & Paul.,

Chartered Accountants

(ICAI FRN: 303026E)

(Manoj Kumar Bihani)

Partner

Membership No. 234629

Place: Hyderabad

Date: 31.07.2020

## Balance Sheet As at 31-03-2020

PARTICULARS	Note No.	Rs.in Lakhs	
		"As at 31-03-2020"	"As at 31-03-2019"
<b>ASSETS</b>			
Non-current assets			
(a) Property, plant and equipment	1	2833.69	3091.15
(b) Financial assets:			
(i) Loans	2	402.83	425.78
(c) Deferred tax asset (net)	3	641.62	1082.45
(d) Other non-current assets	4	52.44	52.16
		<b>3930.58</b>	<b>4651.54</b>
<b>Current assets</b>			
(a) Inventories	5	1441.46	1933.27
(b) Financial assets:			
(i) Trade receivables	6	296.00	405.91
(ii) Cash and cash equivalents	7	54.89	81.98
(iii) Other Financial assets	9	53.68	75.74
(c) Current tax assets (net)	8	31.07	29.80
(d) Other current assets	10	474.60	471.47
		<b>2351.70</b>	<b>2998.17</b>
<b>Assets Classified as held for sale and Discontinued Operations</b>		<b>11782.06</b>	<b>11782.06</b>
<b>TOTAL ASSETS</b>		<b>18064.34</b>	<b>19431.77</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity share capital	11	399.49	399.49
(b) Other equity	12	(9,763.41)	(6,486.49)
		<b>-9363.92</b>	<b>-6087.00</b>
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	5087.43	6779.65
(ii) Other financial liabilities	14	460.86	460.55
(b) Long term provisions	15	77.66	76.51
		<b>5625.95</b>	<b>7316.71</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	5831.97	5813.97
(ii) Trade payables	17		
a) Total outstanding dues of Micro and small enterprises		-	-
b) Total outstanding dues of creditors other than micro and small enterprises		2929.56	2844.31
(iii) Other current financial liabilities	18	8659.26	5428.11
(b) Other current liabilities	19	1185.45	1178.12
(c) Short-term Provisions	20	96.45	90.40
		<b>18702.69</b>	<b>15372.91</b>
Liabilities related to Assets held for sale and Discontinued Operations	30	3099.62	2829.15
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18064.34</b>	<b>19431.77</b>
Significant Accounting Policies & Notes on financial statements	1-39		

The significant accounting policies & notes on financial statements form an integral part of financial statements

For and on behalf of the Board

As per our report attached of even date  
For K.C.Bhattacharjee & Paul.,

Chartered Accountants  
(FRN 303026E)  
(Manoj Kumar Bihani)  
Partner M No. 234629

U.K.Agarwal  
Chairman

Ritesh K Agarwal  
Managing Director

Place: Secunderabad

Date : 31st July 2020

## Statement of Profit and Loss for the year ended 31-03-2020

Particulars	Note No.	Rs.in Lakhs	
		Year ended 31-03-2020	Year ended 31-03-2019
<b>CONTINUING OPERATIONS</b>			
<b>REVENUE</b>			
Revenue from Operations	21	3,393.96	5,787.73
Other income	22	156.43	25.61
<b>Total Revenue</b>		<b>3550.39</b>	<b>5,813.34</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	1,692.12	2,919.61
Changes in inventories	24	406.70	1,846.11
Employee benefits expense	25	871.62	1,124.52
Finance costs	26	1,770.24	1,688.47
Depreciation	1	260.17	279.42
Other expenses	27	1,292.90	1,592.65
<b>Total Expenses</b>		<b>6,293.75</b>	<b>9,450.78</b>
<b>Profit before Extraordinary Items and Tax</b>		(2743.36)	(3637.44)
Extraordinary Items	27.2	188.76	-
<b>Profit before Tax</b>		(2,554.60)	(3,637.44)
Less: Tax expense			
Current tax		-	-
Deferred tax (credit) / expense		393.47	70.46
Profit/(loss) for the period from continuing operations		<b>(2,948.07)</b>	<b>(3,707.90)</b>
Profit/(loss) from discontinuing operations	30	(291.12)	(299.48)
Tax expenses/(income) of discontinuing operations		44.85	5.80
Net profit/(loss) for the period from discontinuing operations		<b>(335.97)</b>	<b>(305.28)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		9.60	(4.59)
Income tax relating to items that will not be reclassified to profit or loss		(2.50)	1.19
Total other comprehensive Income		7.10	(3.40)
<b>Total Comprehensive Income for the period</b>		<b>(3,276.94)</b>	<b>(4,016.58)</b>
<b>Earnings per equity share</b>			
Earnings per share from continuing operations		(73.80)	(92.82)
Earnings per share from discontinuing operations		(8.41)	(7.64)
Earnings per share -Basic and Diluted		(82.21)	(100.46)
Nominal value of share (Rs)		10.00	10.00
Significant Accounting Policies & Notes on financial statements	1-39		

The significant accounting policies & notes on financial statements form an integral part of financial statements  
As per our report attached of even date  
For K.C.Bhattacharjee & Paul.,

Chartered Accountants  
(FRN 303026E)  
(Manoj Kumar Bihani)  
Partner M No. 234629

U.K.Agarwal  
Chairman

For and on behalf of the Board

Ritesh K Agarwal  
Managing Director

Place: Secunderabad  
Date : 31st July 2020

## Statement of Cash flow for the year ended 31-03-2020

Rs. in Lakhs

PARTICULARS	Year ended 31-03-2020	Year ended 31-03-2019
<b>(A) Cash flows from operating activities</b>		
Profit before taxes	(2,554.60)	(3,637.44)
Adjustments:		
Depreciation and amortization expense	260.17	279.42
Loss/(profit) on sale of fixed assets	-	0.35
Provision for doubtful debts/ECL	62.38	23.55
Finance costs	1770.24	1688.47
Interest income	(12.34)	(20.93)
Re-measurement Gain/losses on employee defined benefit plans	(9.60)	4.59
<b>Operating profit before working capital changes</b>	<b>-483.76</b>	<b>-1662.00</b>
Changes in working capital and other provisions:		
<b>Loans and advances and other assets</b>		
Trade receivables	47.54	76.82
Inventories	491.81	1980.70
Loans - non current	22.95	-3.00
Other financial assets - non current	-	-
Other non-current assets	-0.28	-0.63
Loans - current	-	-
Other financial assets - current	22.06	-288.21
Other current assets	-3.13	25.69
Bank balances	-	57.79
Other Liabilities and provisions		
Other financial liabilities - non current	0.31	182.70
Long term provision	1.15	13.28
Other financial liabilities - current	3247.91	2072.68
Trade payable	85.25	-83.06
Other current liabilities	7.33	-28.08
Short term provision	6.05	13.82
<b>Cash generated from operations</b>	<b>3445.20</b>	<b>2358.43</b>
Income taxes paid, net	1.27	1.98
<b>Net cash from/(used in) operating activities</b>	<b>3446.47</b>	<b>2360.41</b>
Net cash from discontinued activities	(291.12)	(299.48)
<b>Net Cash from continuing and discontinued activities</b>	<b>3155.35</b>	<b>2060.93</b>
<b>(B) Cash flows from investing activities</b>		
Purchase of property, plant and equipment and changes in CWIP	(2.71)	(4.74)
Proceeds from sale of property, plant and equipment	0.00	1.50
Interest income	12.34	20.93
Net cash from /(used in) investing activities	<b>9.63</b>	<b>17.69</b>
Net cash from discontinued activities	0.00	0.00
Net Cash from continuing and discontinued activities	<b>9.63</b>	<b>17.69</b>
<b>(C) Cash flows from financing activities</b>		
Bank borrowings	-1,678.61	-
Other borrowings	-13.60	-
Interest expense	(1770.24)	(1688.47)
<b>Net cash generated in financing activities</b>	<b>(3462.45)</b>	<b>(1688.47)</b>
Net cash from discontinued activities	270.47	(299.48)
<b>Net cash from continuing and discontinued activities</b>	<b>(3191.98)</b>	<b>(1987.95)</b>
Net increase/ (decrease) in cash and cash equivalents	(27.00)	(90.67)
Add: cash and cash equivalents at the beginning of the year	(5700.08)	(5790.75)
Effect of exchange gain on cash and cash equivalents	0.00	0.00
<b>Cash and cash equivalents at the end of the period</b>	<b>-5727.08</b>	<b>-5700.08</b>
<b>Cash and cash equivalents from continuing operations</b>	<b>-5727.17</b>	<b>-5700.17</b>
<b>Cash and cash equivalents from discontinued operations</b>	<b>0.09</b>	<b>0.09</b>
<b>Cash and cash equivalents from continuing and discontinued activities</b>	<b>-5727.08</b>	<b>-5700.08</b>

Note: Previous years' figures have been regrouped/reclassified wherever necessary.  
As per our report attached of even date  
For K.C.Bhattacharjee & Paul.,

Chartered Accountants  
(FRN 303026E)  
(Manoj Kumar Bihani)  
Partner M No. 234629

U.K.Agarwal  
Chairman

For and on behalf of the Board

Ritesh K Agarwal  
Managing Director

Place: Secunderabad  
Date : 31st July 2020

## Statement of Changes in Equity for the year ended 31st March, 2020

Rs.in Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
<b>A) Equity Share Capital</b>		
Equity Shares		
Balance at the beginning of the year	399.49	399.49
Changes during the year	-	-
Balance at the end of the year	399.49	399.49

## B) Other Equity

Rs.in lakhs

Particulars	Retained earnings	General Reserve	Share Premium	Other com- prehensive income	Total Equity
Balance as at 01.04.2019	-8910.79	1997.41	442.11	-15.20	-6486.47
Profit for the year	-3284.04	-	-	-	-3284.04
Transfer during the year	-	-	-	-	-
Movement in OCI (Net) during the year	-	-	-	7.10	7.10
<b>Balance as at 31.03.2020</b>	<b>-12194.83</b>	<b>1997.41</b>	<b>442.11</b>	<b>-8.10</b>	<b>-9763.41</b>
Significant Accounting Policies & Notes on financial statements				Note Nos.1-39	

The significant accounting policies & notes on financial statements form an integral part of financial statements  
As per our report attached of even date

For and on behalf of the Board

For K.C.Bhattacharjee & Paul.,

Chartered Accountants  
(FRN 303026E)

(Manoj Kumar Bihani)  
Partner M. No. 234629

U.K.Agarwal  
Chairman

Ritesh K Agarwal  
Managing Director

Place: Secunderabad  
Date :31st July 2020

## Notes to Financial Statements for the Year ended 31 March, 2020

### (1) Brief Background of the company:

Rajvir Industries Limited (the 'Company') is a public limited Company incorporated under the Companies Act, 1956 and existing under the provisions of the Companies Act, 2013. The Company's registered office is at Secunderabad and its principal manufacturing facility is located at Mahabubnagar and Tandur, in the state of Telangana. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company primarily engaged in the business of manufacturing, processing and selling Yarns.

The financial statements as at March 31, 2020 are approved for issue by the Company's Board of Directors on July 31, 2020.

### (2) Significant Accounting Policies

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below.

Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

#### (a) Statement of compliance and basis of preparation of financial statements

The financial statements have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- (i) certain financial assets are measured either at fair value or at amortized cost depending on the classification; and
- (ii) employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation.

#### (b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### (c) Critical estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reflected in the financial statements and accompanying notes, and related disclosure of contingent assets and liabilities. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and could have a materially adverse effect on reported results. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The areas involving critical estimates or judgements are:

- (i) Assessment of functional currency
- (ii) Assets and obligations relating to employee benefits
- (iii) Key assumptions used in discounted cash flow projections
- (iv) Recognition of deferred tax assets

(v) Estimation of uncertainties relating to the global health pandemic from COVID-19

(d) Property, plant and equipment

An item of property, plant and equipment is recognized as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognized in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognized. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalized. Borrowing costs incurred during the period of construction is capitalized as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognized in the statement of profit and loss.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(e) Depreciation and amortization of Property, plant and equipment and intangible assets

Depreciation or amortization is provided so as to write off, on a straight line basis, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are determined with reference to Schedule II to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Freehold land is not depreciated.

(f) Provision for decommissioning and site restoration costs

Under Ind AS, cost of an item of property, plant and equipment or intangible assets includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. Such cost of decommissioning, restoration or similar liability is to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life.

(g) Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value through statement of profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

"In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for trade receivables."

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected in a separate line in the statement of profit and loss as an impairment gain or loss.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of assets, impairment losses recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### (h) Leases

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated. The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess

whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (shortterm leases) and leases of low value assets. For these shortterm and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### (i) Financial instruments

#### (i) Financial assets

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

The Company derecognizes a financial asset when the

contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The Company's financial assets include security deposits, cash and cash equivalents, trade receivables and deposits with banks. Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

#### (ii) Financial liabilities

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company financial liabilities include Loans and borrowings and trade and other payables.

#### (j) Cash and bank balances:

Cash and bank balances consist of:

(i) Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than three months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdraft but including other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(ii) Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

#### (k) Employee benefits

##### (i) Short term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid towards bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### (ii) Post -employment benefits:

Defined contribution plans:

##### Provident Fund

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. employer contribution is charged to statement of profit and loss. Amounts collected under the provident fund plan are deposited with in a Government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

##### Employee state Insurance Scheme

Eligible employees of the Company are covered under "Employees State Insurance Scheme Act 1948", which are also defined contribution schemes recognized and administered by Government of India.

The Company's contributions to these schemes are recognized as expense in statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

**Defined benefit plans:**

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company. Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in the statement of profit and loss.

**Other long-term employee benefits**

The liabilities for compensated absences which are not expected to occur within twelve months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods.

**(l) Inventories**

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, Stores and Spares, Consumables and Packing materials are valued at Cost on First-In-First-Out (FIFO) basis. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition on normal operating capacity. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and appropriate portion of variable and fixed overhead expenditure, computed on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The company assess the valuation of Inventories at each reporting period and write down the value for different finished goods based on their quality classes and ageing. Inventory provisions are provided to cover risks arising

from slow-moving items, discontinued products, and net realizable value lower than cost. The process for evaluating these write-offs often requires us to make subjective judgments and estimates, based primarily on historical experience, concerning prices at which such inventory will be able to be sold in the normal course of business, planned product discontinuances and introduction of competitive new products, to the extent each of these factors impact the Company's business.

(m) Provisions, contingent liabilities and contingent assets

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**Contingent assets**

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

**(n) Government grants**

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit

and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Total grants received less the amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income.

(o) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of profit and loss except relating to items recognized directly in equity or in other comprehensive income.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognized and carried forward only if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(p) Revenue

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company.

The specific recognition criteria described below must also be met before revenue is recognized:

Goods Sold: Revenue from sale of goods are recognized

when significant risks and rewards are transferred in accordance with the terms of sale, and there is no unfulfilled obligation that could affect the customers' acceptance of the products and is net of trade discounts, sales returns, where applicable. Accordingly export and domestic revenue is recognized as per the relevant delivery term of Incoterms 2010 or such other terms of delivery as agreed with the buyer.

Rendering of services: Revenue is recognized in the period in which the services are rendered.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend Income is recognized when the company's right to receive the payment has been established.

Export Benefits: -Export Entitlement: Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

(q) Foreign currency

Items included in the financial statements of the Company are recorded using the currency of the primary economic environment (INR) in which the Company operates (the 'functional currency').

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the Statement of profit and loss of the year.

(r) Finance income and finance cost

Finance income comprises interest income on funds invested and dividend income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognized on financial assets.

(s) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the peri-

od is adjusted for the effects of all dilutive potential equity shares.

(t) Segment reporting

Each of the reportable segments derives its revenues from the main products and hence these have been identified as reportable segments by the Group's chief operating decision maker ("CODM"). Segment revenue, result, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and unallocated corporate liabilities respectively.

(u) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results -**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020			
Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
1.	Turnover / Total income	3739.15	3739.15
2.	Total Expenditure	6293.75	8660.57
3.	Net Profit/(Loss)	(3276.94)	(5643.76)
4.	Earnings Per Share	(82.21)	(141.27)
5.	Total Assets	18064.34	15697.52
6.	Total Liabilities	27428.26	27428.26
7.	Net Worth	(9363.92)	(11730.74)
	Any other financial items (as felt appropriate by the management)	-	-

**II Audit Qualification (each audit qualification separately) Details of Audit Qualification  
Attention is drawn to –**

Note No.6 of the attached financial results for which no provision for impairment of financial assets has been made by the company as per Ind AS 109 for Assets included under “Assets held for sale and discontinued operations” pertaining to Claim of refund of interest subsidy made under TUFs receivable of Rs. 1288.86 lakhs, Insurance claim receivable of Rs.337.87 lakhs accounted in earlier years pending acceptance by the Insurance company and Incentive receivable from Government of Telangana of Rs.740.09 lakhs pertaining to financial year 2013-14 to 2015-16 has not been recovered till the date of audit for which the management is of view that these financial assets are recoverable.

**Type of Audit Qualification : Qualified Opinion Frequency of qualification: First time**

**For Audit Qualification(s) where the impact is quantified by the audit Management’s Views:**

The management is of the view that the above financial assets are recoverable

For Audit Qualification(s) where the impact is not quantified by the auditor: -NA-

(i) Management’s estimation on the impact of audit qualification

(ii) If management is unable to estimate the impact, reasons for the same:

(iii) Auditors’ Comments on (i) or (ii) above:

**Signatories:**

**Managing Director : Ritesh K Agarwal**

**Audit Committee Chairman : Sheetal B Dave**

**Statutory Auditor : K C Bhattacharjee & Paul., (C.A)**

**Place:- Secunderabad**

**Date: 31.07.2020**

## Notes on Financial statements for the year ended 31st March 2020

Particulars	Property, plant and equipment										Total of property, plant and equipment	
	Land	Buildings	Plant & machinery	Revalued Plant & machinery	Vehicles	Furniture & fixtures	Office equipment	Rs. In Lakhs				
<b>1. Deemed cost (Gross carrying amount)</b>												
Balance as at 1st/April 2019	126.29	1,909.47	8,862.70	533.38	223.38	49.80	141.49	11,846.51				
Relating to discontinued operations	28.37	3,650.24	10,725.42	-	0.40	7.04	17.52	14,428.99				
Additions	-	-	-	-	-	0.09	2.62	2.71				
Disposals/ transfer	-	-	-	-	-	-	-	-				
Balance as at 31st March 2020	126.29	1,909.47	8,862.70	533.38	223.38	49.89	144.11	11,849.22				
Relating to discontinued operations	28.37	3,650.24	10,725.42	-	0.40	7.04	17.52	14,428.99				
<b>2. Accumulated Depreciation</b>												
Balance as at 1st/April 2019	-	856.24	6,983.44	533.38	201.49	46.65	134.16	8,755.36				
Relating to discontinued operations	-	931.17	4,291.00	-	0.38	5.95	13.29	5,241.79				
Depreciation/ amortisation for the year	-	50.96	197.11	-	7.13	0.78	4.19	260.17				
Disposals	-	-	-	-	-	-	-	-				
Balance as at 31st March 2020	-	907.20	7,180.55	533.38	208.62	47.43	138.35	9,015.53				
Relating to discontinued operations	-	931.17	4,291.00	-	0.38	5.95	13.29	5,241.79				
<b>3. Carrying amount (net)</b>												
At 31st March 2019	126.29	1,053.23	1,879.26	-	21.89	3.15	7.33	3,091.15				
At 31st March 2020	126.29	1,002.27	1,682.15	-	14.76	2.46	5.76	2,833.69				

A Part of Land in possession of the Company on which Dyeing Plant is located has been disputed by third party, pending disposal by Judicial Authorities.

## Notes on Financial Statements for the year ended 31st March,2020

Rs. in Lakhs

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
	<b>Financial Assets</b>		
2	<b>Loans</b>		
	Security deposits	403.02	425.97
	Less: pertaining to discontinued operations	0.19	0.19
		402.83	425.78
3	<b>Deferred Tax (Net)</b>		
	Deferred Tax Asset		
	Unabsorbed Losses	1935.56	2313.47
	Others	624.45	609.23
	MAT Credit Entitlement	103.66	103.66
	Deferred Tax Liability		
	Property Plant and Equipment	(2,019.71)	(1,939.86)
	Others	(2.34)	(4.05)
		641.62	1082.45
4	<b>Other non-current assets</b>		
	Capital advances	50.98	50.70
	CENVAT credit receivable	1.46	1.46
		52.44	52.16
5	<b>Inventories</b>		
	Raw Materials	154.49	232.50
	Work-in-process	419.90	419.41
	Finished goods	768.72	1175.97
	Stores and Spares	97.53	104.62
	Cotton Waste	0.83	0.77
		1441.46	1933.27
6	Financial assets:		
	<b>Trade receivables</b>		
	Unsecured considered good	386.31	433.85
	Less: ECL	(90.31)	(27.94)
		296.00	405.91

## Notes on Financial Statements for the year ended 31st March,2020

Rs. in Lakhs

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
7	<b>Cash and bank balances</b>		
	Balances with banks		
	(i) Cash and cash equivalents		
	- Current accounts	52.12	76.48
	(iii) Cash on hand	2.77	4.31
	(iv) Unpaid dividend account	-	1.19
		54.89	81.98
7.1	<b>For the purpose of statement of cash flows, cash and cash equivalents comprises of following</b>		
	Cash and Cash equivalents	54.89	81.98
	Less : Cash credit	5782.06	5782.06
	Total	-5727.17	-5700.08
8	<b>Current tax assets</b>		
	Advance income tax	(1.99)	(1.99)
	TDS	39.30	38.03
	<b>Less: pertaining to discontinued operations</b>	6.24	6.24
		31.07	29.80
9	<b>Other current financial assets</b>		
	Interest subsidy under TUFS receivable	1,288.86	1,288.86
	Other Interest accrued	11.11	11.11
	Incentives Receivable - Govt. of TG	740.09	740.09
	Insurance claim receivable	337.87	337.87
	Export Incentives Receivable	43.58	43.57
	VAT Credit Receivable	25.46	47.53
	<b>Less: pertaining to discontinued operations</b>	2,393.29	2,089.29
		53.68	75.74
10	<b>Other current assets</b>		
	<b>Advance other than capital advances</b>		
	Other advances		
	(a) Advances paid to suppliers	403.90	402.34
	(b) Advances recoverable in cash or kind	41.15	39.73
	(c) Pre-paid expenses	37.96	37.81
	<b>Less: pertaining to discontinued operations</b>	8.40	8.41
		474.60	471.47

**Notes on Financial Statements for the year ended 31st March, 2020**  
Rs. In Lakhs

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
11	<b>Equity share capital</b>		
	<b>(i) Authorized</b>		
	45,00,000 Equity shares of Rs.10/- each	450.00	450.00
		450.00	450.00
	<b>(ii) Issued, Subscribed and paid up</b>		
	39,94,860 Equity shares of ` Rs.10/- each fully paid.	399.49	399.49
		399.49	399.49
11.1	<b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>	<b>As on 31-03-2020</b>	<b>As on 31-03-2019</b>
	<b>Equity shares</b>	No. of shares	No. of shares
	At the beginning of the period	39,94,860	39,94,860
	Issued and allotted during the year	-	-
	<b>Outstanding at the end of the period</b>	39,94,860	39,94,860
11.2	<b>Terms / rights attached to equity shares:</b>		
	(a) The Company has one class of Equity Shares of face value Rs.10 per share. Each holder of Equity shares is entitled to one vote per share.		
	(b) In the event of liquidation of the company, the holders of 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 shareholders.		
11.3	<b>Details of shareholders holding more than 5% shares in the company</b>		
	<b>Particulars</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
	<b>Equity shares of ₹10 /- each fully paid</b>		
	Ritesh K Agarwal		
	Number of equity shares	441164	441164
	% of holding	11.04	11.04
	U.K.Agarwal (Family Trust)		
	Number of equity shares	421135	421135
	% of holding	10.54	10.54
	U.K.Agarwal (HUF)		
	Number of equity shares	285439	285439
	% of holding	7.15	7.15
	Viraj Agarwal		
	Number of equity shares	282911	282911
	% of holding	7.08	7.08
	Usha Agarwal		
	Number of equity shares	855943	855943
	% of holding	21.43	21.43
	Arti Agarwal		
	Number of equity shares	491002	491002
	% of holding	12.29	12.29

## Notes on Financial Statements for the year ended 31st March,2020

Rs.in Lakhs

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
12	<b>Other equity</b>		
	<b>(i) Reserves &amp; Surplus</b>		
	Security Premium Account	442.11	442.11
	General Reserve	1,997.41	1,997.41
	Other comprehensive income		
	Opening balance	-15.20	-11.80
	Movement in OC(net) during the year	7.10	-3.40
		-8.10	-15.20
	<b>(ii) Surplus in Profit &amp; Loss Account</b>		
	(a) Retained earnings	(8,910.79)	(4,897.61)
	(b) Profit/ loss for the year	(3,284.04)	(4,013.18)
		(12,194.83)	(8,910.79)
	<b>Total Other Equity</b>	<b>(9,763.41)</b>	<b>(6,486.49)</b>
13	<b>Borrowings</b>		
	<b>Secured</b>		
	Term loans from banks	2,623.49	4,302.10
	<b>Unsecured</b>		
	(i) Deferred payment liability - Sales Tax	-	48.61
	(ii) Loan and Advances from Related party	258.25	223.25
	(iii) Inter corporate deposits	1,255.69	1,255.69
	Liability component of financial instruments		
	Redeemable Non Convertible Cumulative Preference Shares	950.00	950.00
		<b>5,087.43</b>	<b>6,779.65</b>

## Notes on Financial Statements for the year ended 31st March, 2020

Rs. In Lakhs

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
13.1	<b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>		
	<b>Preference shares</b>	<b>No. of shares</b>	<b>No. of shares</b>
	At the beginning of the period	9,50,000	9,50,000
	Issued and allotted during the year	-	-
	<b>Outstanding at the end of the period</b>	<b>9,50,000</b>	<b>9,50,000</b>
13.2	<b>Terms/rights attached to 12% Redeemable Non Convertible Cumulative Preference shares</b>		
	(a) Entitled to receive dividend @ 12% per annum		
	(b) 6,50,000 Shares issued on 17-10-2011 Redeemable on 16th January, 2025		
	(c) 3,00,000 Shares issued on 14-11-2012 Redeemable on 15th February, 2025		
	(d) The RNCCPS shall have right to attend the General meetings of the company and vote on the Resolutions directly affecting their interest or where the dividend are in arrears for not less than two years on the date of the meeting, on all resolutions at every meeting of the Company.		
	(e) In winding up, the RNCCPS holders of the said shares shall be entitled to preferential right of return of the amount paid up on the shares, together with arrears of cumulative preference dividend due as on the date of winding up, but shall not have any further right or claim over the surplus profits or assets of the Company.		
13.3	<b>Details of shareholders holding more than 5% shares in the company</b>		
		<b>Rs. In Lakhs</b>	
	<b>Particulars</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
	<b>Cumulative Preference shares of ₹100 /- each fully paid</b>		
	Ritesh K Agarwal		
	Number of equity shares	4,15,000	4,15,000
	% of holding	43.68	43.68
	U.K.Agarwal		
	Number of equity shares	3,65,000	3,65,000
	% of holding	38.42	38.42
	U.K.Agarwal (Family Trust)		
	Number of equity shares	1,00,000	1,00,000
	% of holding	10.53	10.53
	U.K.Agarwal (HUF)		
	Number of equity shares	70,000	70,000
	% of holding	7.37	7.37

## Notes on Financial Statements for the year ended 31st March, 2020

13.4	<b>Term and Working Capital facilities from banks</b>
	<p>During the financial year 2014-15, the Company had availed various financial facilities from the secured lenders under the Corporate Debt Restructuring Proposal, which was approved by the CDR Empowered Group ('CDREG'). The Master Restructuring Agreement ('MRA') between the Borrowers and the CDR Lenders has been executed, by virtue of which the restructured facilities are governed by the provisions specified in the MRA having cut off date of 1st April, 2014.</p> <p><b>Repayments Schedule and interest:</b></p> <p>1.a Repayment of Restructured Term Loans ('RTL') and reschedulement of corporate loan after moratorium of 18 months from cut off date in 34 structured quarterly instalments commencing from October 2015 to March 2024.</p> <p>b. Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL'). Repayment of WCTL after moratorium of 18 months from cut off date in 34 structured quarterly instalments commencing from October 2015 to March 2024, subject to mandatory prepayment obligation on realisation of proceeds from certain receivables.</p> <p>c. Restructuring of existing fund based and non fund based financial facilities, subject to renewal and reassessment every year.</p> <p>d. The interest payable on RTL, Corporate loan and WCTL during moratorium period of 12 months from cut off date shall be converted to FITL and funding of Interest on Cash Credit for 6 months from cut-off date.</p> <p>e. Fresh term loan availed as Priority debt and Additional term loan. Priority debt is to be repaid in 22 structured quarterly instalments commencing from 1st October 2015 to March 2021. Additional term loan is to be repaid in 34 structured quarterly instalments commencing from October 2015 to March 2024."</p> <p>"f. The rate of interest on RTL, rescheduled term loan, WCTL, FITL, priority loan and a ditional term loan shall be SBI Base rate + 250 bps effective 12.50% p.a.</p> <p>g. Sanction of fund based working capital with funding interest falling due of cash credit for 6 months cut-off date i.e. from 1st April, 2014 to 30th September, 2014 and to carry rate of interest of SBI Base rate + 200 bps effective 12% p.a. from cut-off date.</p> <p>h. Waiver of existing events of defaults, penal interest and charges etc in accordance with MRA.</p> <p>i. Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA."</p> <p>2. As per the MRA executed by the Borrowers and the CDR lenders during the financial year ended March 31, 2015 as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifice made as per of the CDR Proposal. The recompense payable by the borrowers is contingent on various factors including improved performance of the borrowers and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate outstanding sacrifice made by CDR Lenders as per the MRA is approximately Rs. 15.79 Crore.</p> <p>3. Unsecured loan not to be taken back by the company till CDR.</p> <p>4. Security: Working Capital shall be secured by way of first pari passu charge on the entire current assets of the company, both present and future and second pari pasu charge on the entire fixed assets of the company, both present and future.</p> <p>All existing Term Loans, Corporate Loans, WCTL, FITL, Additional Term Loan and Priority Debt shall be secured by way of first pari passu charge on the entire fixed assets of the company, both present and future and second pari passu charge on the entire current assets of the company, both present and future and Pledge of shareholding (both present and future) held by the promoters and promoter group representing 51.91% shares (2073859 shares)."</p> <p>Unsecured loans from related party Unsecured Loans from Directors and their relatives are long term loans carrying no interest, and other long term loans are also carrying no interest.</p>



## Notes on Financial Statements for the year ended 31st March, 2020

Rs. In Lakhs

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
17.1	Disclosure in accordance with Section 22 of micro, small and medium enterprises development Act, 2006		
	Particulars		
a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid at the year end	-	-
b)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	-	-
c)	Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
d)	Interest paid, under section 16 of MSMED Act, to suppliers registered under the Act, beyond the appointed day during the year	-	-
e)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
f)	Interest accrued and remaining unpaid at the end of accounting year	-	-
g)	Further interest remaining due and payable for earlier years	-	-

The information as 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, regarding the status of registration of such vendor under the said Act, as per the information received from them on the request made by the company.

## Notes on Financial Statements for the year ended 31st March, 2020

Rs. In Lakhs

Note No.	Particulars	As at 31-03-2020	As at 31-03-2019
18	<b>(iii) Other financial liabilities</b>		
	(i) Current maturities of long-term debt		
	(a) Term loans from banks, secured	4,441.42	2,926.57
	(b) Deferred Payment Liabilities - Sales Tax	400.64	407.03
	(ii) Interest accrued on loans but not due	2.24	2.88
	(iii) Interest accrued & due on loans	4,536.41	2,541.32
	(iv) Others -		
	Unpaid dividends	-	1.19
	Less: pertaining to discontinued operations	721.45	450.88
		<b>8,659.26</b>	<b>5,428.11</b>
19	<b>Other current liabilities</b>		
	Other payables		
	Advances from customers	122.36	266.55
	Liabilities for expenses	1,063.09	911.57
		<b>1,185.45</b>	<b>1,178.12</b>
20	<b>Provisions</b>		
	Provision for employee benefits		
	(a) Gratuity	34.31	32.39
	(b) Leave encashment (un-funded)	62.14	58.01
		<b>96.45</b>	<b>90.40</b>

## Notes on Financial Statements for the year ended 31st March, 2020

Note No.	Particulars	Rs. In Lakhs	
		Year ended 31-03-2020	Year ended 31-03-2019
<b>21</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of products		
	(i) Sale of yarn	3,381.30	5,774.96
	(ii) Sale of waste	12.66	11.44
	Other operating revenues		
	(i) Duty drawback and other export incentives	-	1.33
	<b>Total</b>	<b>3,393.96</b>	<b>5,787.73</b>
<b>22</b>	<b>OTHER INCOME</b>		
	(i) Interest Income	12.34	20.93
	(ii) Net gain on foreign currency transaction and translation	2.71	-
	(iii) Packing & Forwarding Receipts	0.79	1.33
	(iv) Miscellaneous receipts	2.43	1.46
	(v) Scrap sale	-	1.69
	(vi) Sundry credit balances written back	138.16	0.20
	<b>Total</b>	<b>156.43</b>	<b>25.61</b>
<b>23</b>	<b>COST OF MATERIALS CONSUMED</b>		
	Opening stock	232.50	314.02
	Add: Purchases	1,614.11	2,838.09
		1,846.61	3,152.11
	Less: Closing stock	154.49	232.50
	Net material consumption	<b>1,692.12</b>	<b>2,919.61</b>
<b>24</b>	<b>Change In Inventories Of Finished Goods &amp; Work-In-Process</b>		
	<b>Opening Inventory</b>		
	Yarn	1,175.97	2,384.65
	Work-in-process	419.41	1,057.46
	Cotton waste	0.77	0.15
		<b>1,596.15</b>	<b>3,442.26</b>
	<b>Closing Inventory</b>		
	Yarn	768.72	1,175.97
	Work-in-process	419.90	419.41
	Cotton waste	0.83	0.77
		<b>1,189.45</b>	<b>1,596.15</b>
	<b>Net (Increase)/ Decrease</b>	<b>406.70</b>	<b>1,846.11</b>
<b>25</b>	<b>EMPLOYEES BENEFITS EXPENSE</b>		
	Salaries and wages	808.24	1,029.67
	Contribution to provident funds and other funds	23.37	33.97
	Gratuity & Leave Encashment	25.38	36.41
	Staff welfare expenses	24.64	37.52
	Less: Pertaining to discontinued operations	10.01	13.05
	<b>Total</b>	<b>871.62</b>	<b>1,124.52</b>

## Notes on Financial Statements for the year ended 31st March, 2020

25.1 -	<b>Employee benefits:</b>		
	<b>Defined benefit plan</b>		
	Gratuity - Gratuity is payable to all the eligible employees of the Company on resignation, death, Permanent disablements in terms of the Payment of Gratuity Act, 1972.		
	Leave Encashment - Entitlement of annual leave is recognised when they accrue to employees Annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves.		
	<b>a) Retiring gratuity:</b>		
	(i) The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:		<b>Rs. In Lakhs</b>
Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
	<b>Change in defined benefit obligations:</b>		
	Obligation at the beginning of the year	108.90	95.13
	Current service costs	8.49	12.27
	Interest costs	8.33	7.35
	Remeasurement (gain)/losses	(6.64)	5.04
	Past service cost	-	-
	Benefit paid	(7.11)	(10.89)
	Obligation at the end of the year	111.97	108.90
	<b>Particulars</b>	<b>Year ended 31-03-2020</b>	<b>Year ended 31-03-2019</b>
	Change in plan assets:		
	Fair value of plan assets at the beginning of the year	-	-
	Interest income	-	-
	Return on Plan assets excluding net interest	-	-
	Employers' contributions	-	-
	Benefits paid	-	-
	Fair value of plan assets at the end of the year	-	-
	Amounts recognised in the balance sheet consists of:		
	<b>Particulars</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
	Fair value of plan assets at beginning/end of the year	-	-
	Present value of obligation at the beginning/ end of the year	111.97	108.90
		111.97	108.90
	<b>Recognised as:</b>		
	Retirement benefit liability - Current	34.31	32.39
	Retirement benefit liability - Non-current	77.66	76.51
	Expenses recognised in the statement of profit and loss consists of:		
	<b>Particulars</b>	<b>Year ended 31-03-2020</b>	<b>Year ended 31-03-2019</b>
	<b>Employee benefits expenses:</b>		
	Current service costs	8.49	12.26
	Interest costs	8.33	7.35
	Past service cost -(vested benefits)	-	-
		<b>16.82</b>	<b>19.61</b>
	Other comprehensive income:		
	(Gain)/loss on plan assets	-	-
	Actuarial (gain)/loss arising from changes in financial assumption	-	-
	Actuarial (gain)/loss arising from changes in experience adjustments	-	-
	Others	(6.64)	5.04
		<b>(6.64)</b>	<b>5.04</b>
	Expenses recognised in the statement of profit and loss	<b>10.18</b>	<b>24.65</b>

## Notes on Financial Statements for the year ended 31st March, 2020

Rs. In Lakhs

(ii) The key assumptions used in accounting for retiring gratuity is as below:			
	Particulars	As at 31-03-2020	As at 31-03-2019
	Discount rate (per annum)	6.80%	7.65%
	Rate of escalation in salary (per annum)	4.00%	4.00%
(iii)	The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.		
(iv)	The company expects to contribute ₹25.00 lakhs to its gratuity plan for the next year.		
(v)	(v) The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.		
	<b>As at March 31, 2020</b>		
	Assumption	Change in assumption	Impact on scheme liabilities
	Discount rate	Increase by 1%, decrease by 1%	Decrease to ₹119.63lakhs, Increase to ₹105.30 lakhs
	Salary rate	Increase by 1%, decrease by 1%	Increase to ₹121.05 lakhs, Decrease to ₹104.18 lakhs
	<b>As at March 31, 2019</b>		
	Assumption	Change in assumption	Impact on scheme liabilities
	Discount rate	Increase by 1%, decrease by 1%	Decrease to ₹116.29 lacs Increase to Rs.102.48 lacs.
	Salary rate	Increase by 1%, decrease by 1%	Increase to ₹117.89 lakhs, Decrease to ₹101.22 lkhs
The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.			
<b>b) Compensated absence:</b>			
(i) The following table sets out the amounts recognised in the financial statements in respect of compensated absence:			
Particulars	Year ended 31-03-2020	Year ended 31-03-2019	
<b>Change in defined benefit obligations:</b>			
Obligation at the beginning of the year	58.01	44.67	
Current service costs	4.13	13.34	
Interest costs	4.44	3.45	
Remeasurement (gain)/losses	(2.96)	(0.44)	
Past service cost	-	-	
Benefit paid	(1.48)	(3.01)	
<b>Obligation at the end of the year</b>	<b>62.14</b>	<b>58.01</b>	
Particulars	Year ended 31-03-2020	Year ended 31-03-2019	
<b>Change in plan assets:</b>			
Fair value of plan assets at the beginning of the year	-	-	
Interest income	-	-	
Return on Plan assets excluding net interest	-	-	
Employers' contributions	-	-	
Benefits paid	-	-	
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>	
<b>Amounts recognised in the balance sheet consists of:</b>			
Particulars	As at 31-03-2020	As at 31-03-2019	
Fair value of plan assets at beginning/end of the year	-	-	
Present value of obligation at the beginning/ end of the year	62.14	58.01	
	62.14	58.01	
Recognised as:			
Retirement benefit liability - Current	62.14	58.01	
Retirement benefit liability - Non-current	-	-	

## Notes on Financial Statements for the year ended 31st March, 2020

Expenses recognised in the statement of profit and loss consists of:		Rs. In Lakhs	
Particulars	Year ended 31-03-2020	Year ended 31-03-2019	
Employee benefits expenses:			
Current service costs	4.13	13.34	
Interest costs	4.44	3.45	
Past service cost -(vested benefits)	-	-	
	8.57	16.79	
Other comprehensive income:			
(Gain)/loss on others	(2.96)	(0.44)	
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-	
Actuarial (gain)/loss arising from changes in financial assumption	-	-	
Actuarial (gain)/loss arising from changes in experience adjustments	-	-	
	(2.96)	(0.44)	
<b>Expenses recognised in the statement of profit and loss</b>	<b>5.61</b>	<b>16.35</b>	
<b>(ii) The key assumptions used in accounting for retiring gratuity is as below:</b>			
Particulars	As at 31-03-2020	As at 31-03-2019	
Discount rate (per annum)	6.80%	7.65%	
Rate of escalation in salary (per annum)	4.00%	4.00%	
(iii) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.			
(iv) The company expects to contribute ₹25.00 lakhs to its gratuity plan for the next year.			
(v) The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.			
<b>As at March 31, 2020</b>			
Assumption	Change in assumption	Impact on scheme liabilities	
Discount rate	Increase by 1%, decrease by 1%,	Decrease to ₹67.56 lakhs, Increase to ₹57.45 lakhs	
Salary rate	Increase by 1%, decrease by 1%	Increase to ₹69.65 lakhs, Decrease to ₹55.72 lakhs	
<b>As at March 31, 2019</b>			
Assumption	Change in assumption	Impact on scheme liabilities	
Discount rate	Increase by 1%, decrease by 1%,	Decrease to ₹62.98 lakhs, Increase to ₹53.73 lakhs	
Salary rate	Increase by 1%, decrease by 1%	Increase to ₹65.06 lakhs, Decrease to ₹52.03 lakhs	
The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.			
Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
26	<b>FINANCE COSTS</b>		
	<b>Interest expense</b>		
	On Borrowing	2,025.02	1,930.95
	To Others	8.53	9.49
	Other Borrowing cost	0.69	11.29
	Amortisation of Processing charges	6.58	6.58
	Less: Pertaining to discontinued operations	270.58	269.84
<b>Total</b>	<b>1,770.24</b>	<b>1,688.47</b>	

Notes on Financial Statements for the year ended 31st March, 2020

Rs. In Lakhs

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
27	<b>OTHER EXPENSES</b>		
	Consumption of stores and spares	18.10	38.29
	Consumption of Dyes and Chemicals	14.05	58.19
	Consumption of Packing material	35.67	54.09
	Power and fuel	497.61	653.05
	Repairs to		
	Buildings	3.86	2.67
	Machinery	16.23	29.90
	Others	6.27	19.23
	Rent	71.31	76.76
	Rates and taxes	47.39	42.61
	Insurance	22.15	34.30
	Freight and forwarding & other selling expenses	44.08	87.95
	Professional charges	39.66	39.23
	Travelling and conveyance	71.37	78.58
	Vehicle maintenance	18.05	27.68
	Sales commission	86.12	57.91
	Business Promotion expenses	35.96	30.81
	Bad debts written off	28.30	0.03
	Expected credit loss	62.38	23.55
	Office maintenance	48.41	45.68
	Miscellaneous Expenses	136.49	285.26
	Less: Pertaining to discontinued operations	10.53	16.59
	<b>Total</b>	<b>1,292.90</b>	<b>1,669.18</b>
27.1	<b>Auditors remuneration</b>		
	Statutory audit	2.25	2.25
	Certification	0.75	0.75
	Out of pocket expenses	0.42	0.40
		3.42	3.40
27.2	<b>Extraordinary items</b>		
	Compensation received from Revenue Divisional officer ,Mahabubnagar for compulsory acquisition of the part of the land admeasuring 1573 sq.yards.	188.76	-
28	<b>Earnings per share (EPS)</b>		
	Face value of equity share	10.00	10.00
	Weighted average number of equity shares outstanding	39,94,860	39,94,860
	Profit / (loss) for the year (continuing operations)	-2948.07	(3,707.90)
	Weighted average earnings per share (basic and diluted) (in ₹)	-73.80	-92.82
	Profit / (loss) for the year (discontinued operations)	-335.97	(305.28)
	Weighted average earnings per share (basic and diluted) (in ₹)	-8.41	(7.64)
	Profit / (loss) for the year (total operations)	-3276.94	(4,016.58)
	Weighted average earnings per share (basic and diluted) (in ₹)	-82.21	(100.46)
29	<b>Income taxes</b>		
	A) Income tax expense/(benefit) recognised in the statement of profit and loss		
	Current tax from continuing operations	-	-
	Deferred tax from continuing operations	398.47	70.46
	Deferred tax from discontinued operations	44.85	5.80
	Deferred tax on comprehensive income	-2.50	1.19
	<b>Total</b>	<b>440.82</b>	<b>77.45</b>

## Notes on Financial Statements for the year ended 31st March, 2020

Rs.in lakhs

	Year ended 31-03-2020	Year ended 31-03-2019
<b>B) Reconciliation of income tax expense</b>		
Profit / (loss) before tax from continuing operations	-2554.60	(3,637.44)
Profit / (loss) before tax from discontinued operations	-291.12	(299.48)
Other comprehensive Income	9.60	(4.59)
Effective tax rate	26.00%	30.90%
Computed effective tax expense	-	-
Current tax provision (A)	-	-
Continued operations	395.97	(69.27)
Discontinued operations	44.85	(5.80)
Deferred tax provision (B)	440.82	(75.07)
Tax expense recognised in the statement of profit and loss (A+B)	440.82	(75.07)
<b>Effective tax rate</b>	<b>15.54</b>	<b>1.90</b>

Rs.in lakhs

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
30	<b>Discontinued Operations working</b>		
	Sales	-	-
	Other Income	-	-
	Total Revenue	-	-
	Expenses		
	Raw material consumption	-	-
	Depreciation	-	-
	Finance Cost	270.58	269.84
	Employee benefit expenses	10.01	13.05
	Changes in stock	-	-
	Other expenses	10.53	16.59
	Total expenses	291.12	299.48
	Income from Discontinued operations	(291.12)	(299.48)
	The major classes of assets and liabilities of the discontinued operations are as under:	<b>As on 31-03-2020</b>	<b>As on 31-03-2019</b>
	Assets		
	Property, plant and equipment	9,187.21	9,187.21
	Capital work-in-progress	-	-
	Financial Assets - Security Deposit	0.19	0.19
	Inventories	186.63	186.63
	Cash and cash equivalents	0.09	0.09
	Bank balances other than cash	-	-
	Other current financial assets - Claims	2,393.29	2,393.29
	Other current assets	8.40	8.41
	Current tax assets (net)	6.24	6.24
	Assets classified as held for sale (A)	11,782.06	11,782.06
	Liabilities		
	Non current Borrowings	2,158.72	2,158.72
	Other financial liabilities	721.45	450.88
	Other current liabilities	219.45	219.56
	<b>Liabilities directly associated with assets classified as held for sale (B)</b>	<b>3,099.62</b>	<b>2,829.16</b>
	<b>Net assets / (liabilities) directly associated with disposal group (A-B)</b>	<b>8,682.44</b>	<b>8,952.90</b>

## Notes on Financial Statements for the year ended 31st March, 2020

Note No.	
31	<p>Related party disclosures :</p> <p>As per IND AS 24, the disclosures of transactions with the related parties are given below : List of related parties where control exists and related parties with whom transactions have taken place and relationships:</p> <p>a) Names of the associates: M/s Balaji Enterprises, M/s Sri Laxmi Enterprises, U.K.Agarwal (Family Trust), U.K.Agarwal (HUF), M/s U.K.Cotton Exports</p> <p>b) Names of Key management personnel Sri U.K.Agarwal, Sri Ritesh K. Agarwal, and Sri.Anadish Srivatsava</p> <p>c) Names of relatives Mrs. Usha Agarwal, Mrs. Arti Agarwal, Master Viraj Agarwal, Miss Neysa Agarwal</p> <p>d) Name of non-executive director " Mrs Sheetal Vora, and Mr.Ritesh Agarwal</p> <p>A. Compensation of key management personnel of the company The amount mentioned below represents remuneration paid and debited to the company. The compensation includes salary, employer's contribution to PF, LTA, bonus, medical benefits, gratuity &amp; leave encashment. The Chairman, MD, Non Executive Directors, CFO and Company Secretary are regarded as Key management personnel in terms of Companies act, 2013.</p>

Particulars	Rs. In Lakhs	
	Year ended 31-03-2020	Year ended 31-03-2019
Short-term employee benefits	127.83	136.45
Post-employment pension, provident fund and medical benefits	-	-
Termination benefits*	-	-
Commission and other benefits paid to non-executive independent directors	-	0.10
Total compensation paid to key management personnel	127.83	136.55
* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information.		

## B. Transactions with KMP and other related parties

Rs. In Lakhs

Nature of the transaction	Non-executive directors	Key management personnel	Associates/ other related parties	Relatives	Total
Purchases of Goods	-	-	-	-	-
Expenses	-	-	-	-	-
Remuneration	-	127.83	-	-	127.83
	-	(136.45)	-	-	(136.45)
Sitting fee & commission	-	-	-	-	-
Rent	(0.10)	-	57.60	-	(0.10)
Interest Accrued	-	-	(57.60)	-	57.60
Loans & advances taken	-	-	-	-	-
Loans repaid	-	-	-	-	-
Outstanding's	-	(2.64)	-	-	(2.64)
Payable	-	40.94	929.51	217.31	1,187.76
	-	(40.94)	(885.44)	(182.31)	(1,108.69)

## Notes on Financial Statements for the year ended 31st March, 2020

Rs. In Lakhs

	Particulars	Relationship	Year ended 31-03-2020	Year ended 31-03-2019
	Disclosure in respect of material related party transactions during the year:			
<b>1</b>	<b>Purchases of Good</b>			
	Sri Laxmi Enterprises	Associate	-	-
<b>2</b>	<b>Expenses</b>			
	Remuneration			
	Sri U.K.Agarwal	Key management personnel	60.00	60.00
	Sri Ritesh K Agarwal	Key management personnel	60.00	60.00
	Sri.Attal Anand Kumar	Key management personnel	-	7.10
	Sri.Anadish Srivatsava	Key management personnel	5.69	-
	Sri.Vinay Goel	Key management personnel	1.62	9.35
	Rent			
	Balaji Enterprises	Associate	57.60	57.60
<b>3</b>	<b>Loans &amp; advances taken</b>			
	Usha Agarwal	Relatives	58.00	-
<b>4</b>	<b>Loans repaid</b>			
	Sri U.K.Agarwal	Key management personnel	-	0.21
	Sri Ritesh K Agarwal	Key management personnel	-	2.43
	Usha Agarwal	Relatives	23.00	-
<b>5</b>	<b>Outstanding's</b>			
	Payable			
	Sri Laxmi Enterprises	Associate	867.77	867.77
	Balaji Enterprises	Associate	51.93	7.86
	U.K.Cotton Exports	Associate	9.81	9.81
	Loans			
	Sri U.K.Agarwal	Key management personnel	6.81	6.81
	Sri Ritesh K Agarwal	Key management personnel	34.13	34.13
	Arti Agarwal	Relatives	14.42	14.42
	Neysa Agarwal	Relatives	3.99	3.99
	Usha Agarwal	Relatives	97.73	62.73
	Viraj Agarwal	Relatives	91.26	91.26
	U.K.Agarwal (Family Trust)	Associate	1.03	1.03
	U.K.Agarwal (HUF)	Associate	8.88	8.88

## Notes on Financial Statements for the year ended 31st March, 2020

Rs.in lakhs

Note No.	Particulars	Year ended 31-03-2020	Year ended 31-03-2019
32	Contingent liabilities and commitments		
32.1	Contingent liabilities not provided for		
	a) Suits filed but by a creditor for recovery of amount, which has been disputed by Company not acknowledged as debt. The Company expects no liability in this regard	26.80	26.80
	b) Compensation payable in lieu of bank sacrifice	2,961.00	2,449.00
	c) Interest subsidy under TUFs receivable represents the refund claim made in earlier years against the eligible machinery, pending for final decision before the appropriate authority. The management expects full realization thereof.	1,288.86	1,288.86
	d) Insurance claim receivable represents claim made in earlier years pending acceptance by the Insurance company. The management expects full realization thereof.	337.87	337.87
	e) Other commitments :		
	f) Company remains exposed to liability towards fuel surcharge adjustment, which are notified by Power Distribution Companies of Telangana pertaining to earlier years, which are being adjusted in future tariff payable for consumption. Accordingly charges are accounted in the year payment / bill raised for the same.		
	g) A few law suits have been filed on the company by some of their suppliers/third parties and by the company for recoveries against receivables. The matters are pending for hearing before respective courts, the outcome of which is uncertain. The management has provided for as a matter of prudence which it believes shall be probable outflow of resources.		
	<b>Particulars</b>	<b>31-03-2020</b>	<b>31-03-2019</b>
32.2	<b>Capital Commitments :</b> Contracts remaining to be executed	-	-
33	<b>Segment Reporting</b> The operations of the company predominantly comprises of "Manufacturing of yarn"(made of Cotton, Polyester and Viscose). These activities constitute the Primary segment. Secondary segmental reporting is made on the basis of geographical location of the customers. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. The company's major exports are made to four principal geographical areas in the World. In India, its home country, the company carries out manufacturing of Yarn and Trading of raw cotton. The following table shows the distribution of the company's turnover by geographical locations.		
	<b>Particulars</b>	<b>31-03-2020</b>	<b>31-03-2019</b>
	Revenue attributable to location of customers:		
	India	3,383.70	5,603.99
	Asia	10.27	182.41
	Rest of the World	-	-
	Total	3,393.97	5,786.40
34	Capital management The company's adjusted net debt to equity ratio is as follows:		<b>Rs. In Lakhs</b>
	<b>Particulars</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
	Gross debt	10919.40	12611.62
	Less: Cash and bank balances	54.89	81.98
	Adjusted net debt	10864.50	12529.64
	Total equity	(9,363.92)	(6,087.00)

## Notes on Financial Statements for the year ended 31st March, 2020

35	<p>Financial instruments Accounting classifications and fair values The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:</p>						
	31-03-2020			Rs.in lakhs			
	Particulars	Carrying Amount			Fair Value		
		Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
	<b>Financial assets measured at fair value</b>	-	-	-	-	-	-
	Financial assets not measured at fair value						
	Security deposits	402.83	-	402.83	-	-	-
	Inventories	1,441.46	-	1,441.46	-	-	-
	Trade receivables	296.00	-	296.00	-	-	-
	Cash and cash equivalents	54.89	-	54.89	-	-	-
	Bank balances	-	-	-	-	-	-
	Other current financial assets	2,446.97	-	2,446.97	-	-	-
	<b>Total</b>	<b>4,642.15</b>	-	<b>4,642.15</b>	-	-	-
	<b>Financial liabilities not measured at fair value</b>						
	Term loans from banks	2,623.49	-	2,623.49	-	-	-
	Loan from Related party	258.25	-	258.25	-	-	-
	Loans from others	1,255.69	-	1,255.69	-	-	-
	Preference Shares	950.00	-	950.00	-	-	-
	Current Financial Liability	8,761.53	-	8,761.53	-	-	-
	Other financial liabilities	9,120.12	-	9,120.12	-	-	-
	<b>Total</b>	<b>22,969.08</b>	-	<b>22,969.08</b>	-	-	-
	31-03-2019			Rs.in lakhs			
	Particulars	Carrying Amount			Fair Value		
		Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
	<b>Financial assets measured at fair value</b>	-	-	-	-	-	-
	Financial assets not measured at fair value						
	Security deposits	425.78	-	425.78	-	-	-
	Inventories	1,933.27	-	1,933.27	-	-	-
	Trade receivables	405.91	-	405.91	-	-	-
	Cash and cash equivalents	81.98	-	81.98	-	-	-
	Bank balances	-	-	-	-	-	-
	Other current financial assets	2,469.03	-	2,469.03	-	-	-
	<b>Total</b>	<b>5,315.97</b>	-	<b>5,315.97</b>	-	-	-

31-03-2019

## Notes on Financial Statements for the year ended 31st March, 2020

Rs.in lakhs

Particulars	Carrying Amount			Fair Value		
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
Financial liabilities not measured at fair value						
Term loans from banks	4,302.10	-	4,302.10	-	-	-
Deferred payment liability - Sales Tax	48.61	-	48.61	-	-	-
Loan from Related party	223.25	-	223.25	-	-	-
Loans from others	1,255.69	-	1,255.69	-	-	-
Preference Shares	950.00	-	950.00	-	-	-
Current Financial Liability	8,676.28	-	8,676.28	-	-	-
Other financial liabilities	5,888.66	-	5,888.66	-	-	-
Total	21,344.59	-	21,344.59	-	-	-

**Financial risk management****1. Overview**

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements. "

**2. Risk management framework:**

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board is responsible for developing and monitoring the company's risk management policies.

**• Credit risk**

1. Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.
2. Trade and other receivables: The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period."

The following table provides information about the exposure to credit risk and measurement of loss allowance using Life time expected credit loss for trade receivables:

Rs. In Lakhs

Particulars	As at 31-03-2020	As at 31-03-2019
Not due	77.63	226.79
Upto 1 year	155.82	62.60
1 to 2 years	39.98	100.92
2 to 3 years	102.85	3.89
More than 3 years	10.03	39.65
Total	386.31	433.85

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Rs.in lakhs

Movements in allowance for credit losses of receivables is as below:	As at 31-03-2020	As at 31-03-2019
Balance at the beginning of the year	27.94	4.39
Charge in statement of profit and loss	62.38	23.55
Release to statement of profit and loss	-	-
Utilised during the year	-	-
Balance at the end of the year	90.31	27.94

3. **Cash and cash equivalents:** The company held cash and cash equivalents of ₹54.89 lakhs (31st March 2019: ₹81.98) lakhs). The cash and cash equivalents are held with public sector banks. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

• **Liquidity risk**

- Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.
- The company aims to maintain the level of its cash and cash equivalents and investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. This excludes potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters."

3. **Exposure to Liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. 31-03-2020

Rs.in lakhs

	Particulars	Carrying amount	1 year or less	1-3 years	More than 3years
	Borrowings- secured	15,014.59	10,223.39	4,791.20	-
	Borrowings- un-secured	1,964.58	-	-	1,964.58
	Preference Shares	950.00	-	-	950.00
	Trade payables	2,929.56	2,929.56	-	-
	Other financial liabilities	447.36	27.85	-	419.51
	<b>31-03-2019</b>				
	Particulars	Carrying amount	1 year or less	1-3 years	More than 3years
	Borrowings- secured	15,184.92	8,983.65	3,064.96	3,136.31
	Borrowings- un-secured	1,984.59	407.03	98.62	1,478.94
	Preference Shares	950.00	-	-	950.00
	Trade payables	2844.31	2,844.31	-	-
	Other financial liabilities	447.05	27.54	-	419.51

• **Market risk**

- Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates prices, will affect the company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Amount in USD

	Particulars	As at 31-03-2020	As at 31-03-2019
	Trade receivables ( including bill discounting)	-	24,412

- Currency risk: The company is exposed to foreign exchange risk arising from foreign currency transaction. The company also imports and the risk is managed by regular follow up . The company has a policy which is implemented when the foreign currency risk become significant. A 10% appreciation/depreciation of the foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit before tax by approximately Rs. Nil .(March 31, 2019: ₹1.70 lakhs)..
- Interest rate risk : Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss by ₹ Nil.( 31st March 2019: ₹154.48 lakhs). This analysis assumes that all other variables remain constant.

## Notes on Financial Statements for the year ended 31st March, 2020

### • Operational risk

1. Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.
2. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.
3. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:
  - Requirements for appropriate segregation of duties, including the independent authorization of transactions
  - Requirements for the reconciliation and monitoring of transactions
  - Compliance with regulatory and other legal requirements
  - Documentation of controls and procedures
  - Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
  - Requirements for the reporting of operational losses and proposed remedial action
  - Development of contingency plans
  - Training and professional development
  - Ethical and business standards
  - Risk mitigation, including insurance when this is effective.
4. Compliance with company's standards is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the audit committee and board of the company."
36. The company has shut down the Tandur manufacturing unit on commercial expediency and has been incurring losses resulting in overall net losses in the statement of profit and loss as on 31.03.2020 shown as discontinued operations. All these have resulted in temporary financial constraints on the company, losses in the operations, erosion of networth and calling back of loans by the secured lenders. Further the promoters of the company have supported the company since inception and will continue to do so in future in their capacity as promoters. Pending such resolutions and on considering the facts as above Accounts have been prepared on going concern bases. No provision for impairment of non current assets have been considered.
37. "The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In view of the lock down across the country due to COVID-19 pandemic, operations in factories were scaled down or shut down in compliance with the directives/ orders issued by the local Panchayat / Municipal Corporation / State / Central Government authorities. The Company has made initial assessment of its cash flow for the next one year and of the carrying values of its assets as at the balance sheet date and has concluded that there are no adjustments required in the financial statements. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of financial statements as on 31st March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from the estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions."

**Notes on Financial Statements for the year ended 31st March, 2020**

38. The confirmation of balances of trade payables, trade receivables, debit and credit to the parties are subject to reconciliation and adjustment thereof.
39. Previous year figures are regrouped, rearranged and reclassified wherever considered necessary in order to confirm to the current years presentation.

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The significant accounting policies & notes on financial statements form an integral part of financial statements

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As per our report attached of even date  
For K.C.Bhattacharjee & Paul.,  
Chartered Accountants  
(FRN 303026E)  
(Manoj Kumar Bihani)  
Partner M No. 234629

U.K.Agarwal  
Chairman

For and on behalf of the Board

Ritesh K Agarwal  
Managing Director

Place: Secunderabad  
Date : 31st July 2020

