
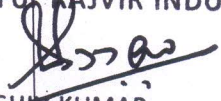
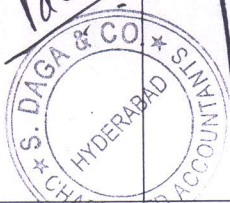
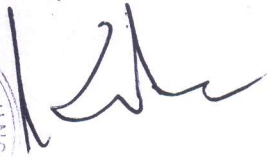


**FORM A**

**FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE  
FILED WITH THE STOCK EXCHANGES.**

1	Name of the Company	<b>Rajvir Industries Limited</b>
2	Annual financial statements for the year ended	<b>31<sup>st</sup> March 2015</b>
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by-  ▪ CEO/Managing Director  ▪ CFO  ▪ Auditors of the company  ▪ Audit Committee Chairman	<b>For Rajvir Industries Limited</b>   <b>Ritesh K Agarwal</b> Managing Director  <b>For RAJVIR INDUSTRIES LIMITED</b>  <b>SHIV KUMAR</b> CHIEF FINANCIAL OFFICER  

# spinning a growth story



Rajvir Industries Limited

11th Annual Report 2014-15



## 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 of future performance.

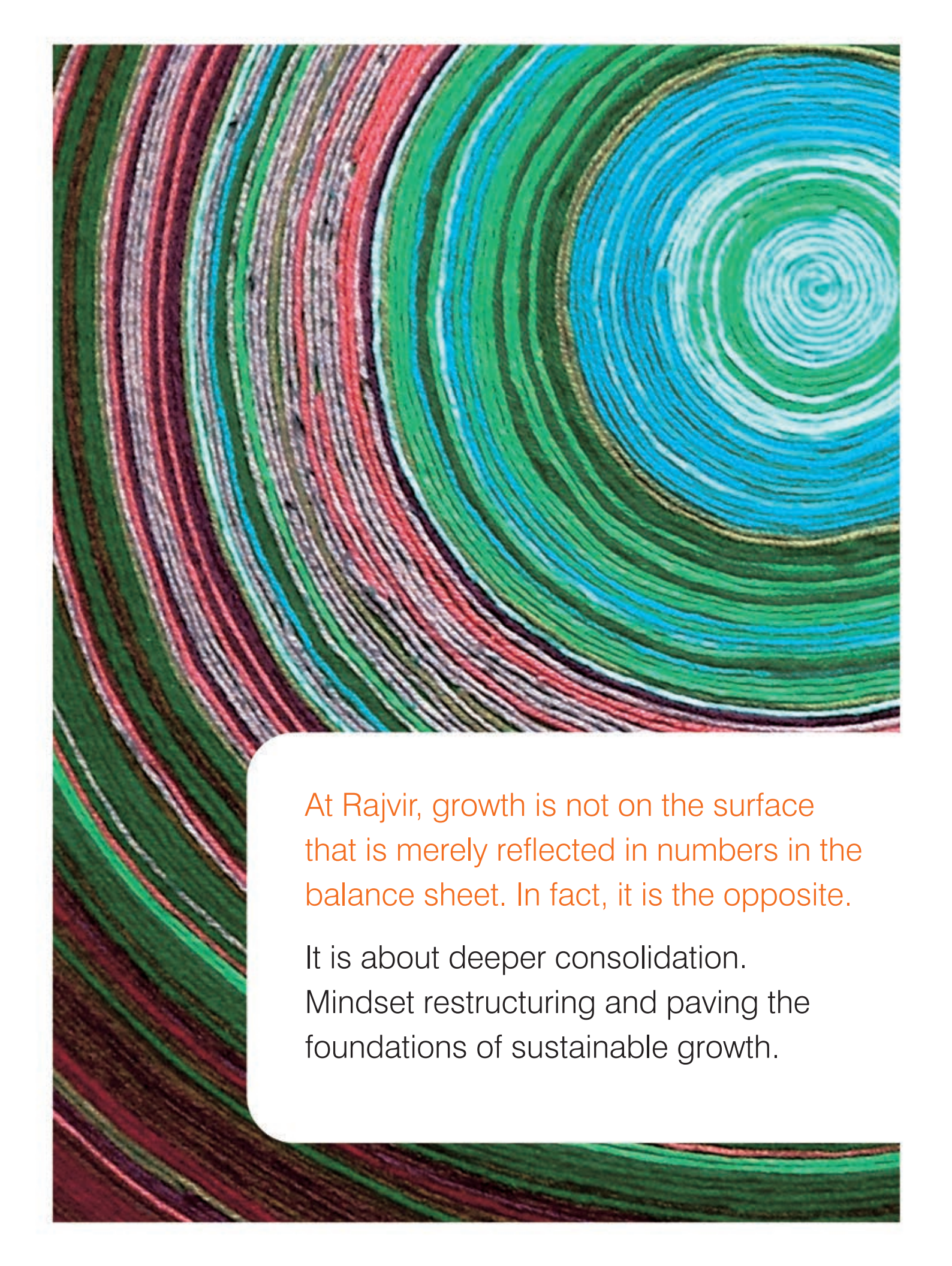
We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and the underlying assumptions undergoing change. Should known or unknown risks or uncertainties materialize, or should underlying assumptions not materialise, 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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At Rajvir, growth is not on the surface that is merely reflected in numbers in the balance sheet. In fact, it is the opposite.

It is about deeper consolidation. Mindset restructuring and paving the foundations of sustainable growth.



## 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, mélange, 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 mélange/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) mélange/heather yarns, modal yarns, synthetic yarns and cheese-dyed yarns.



## the days ahead

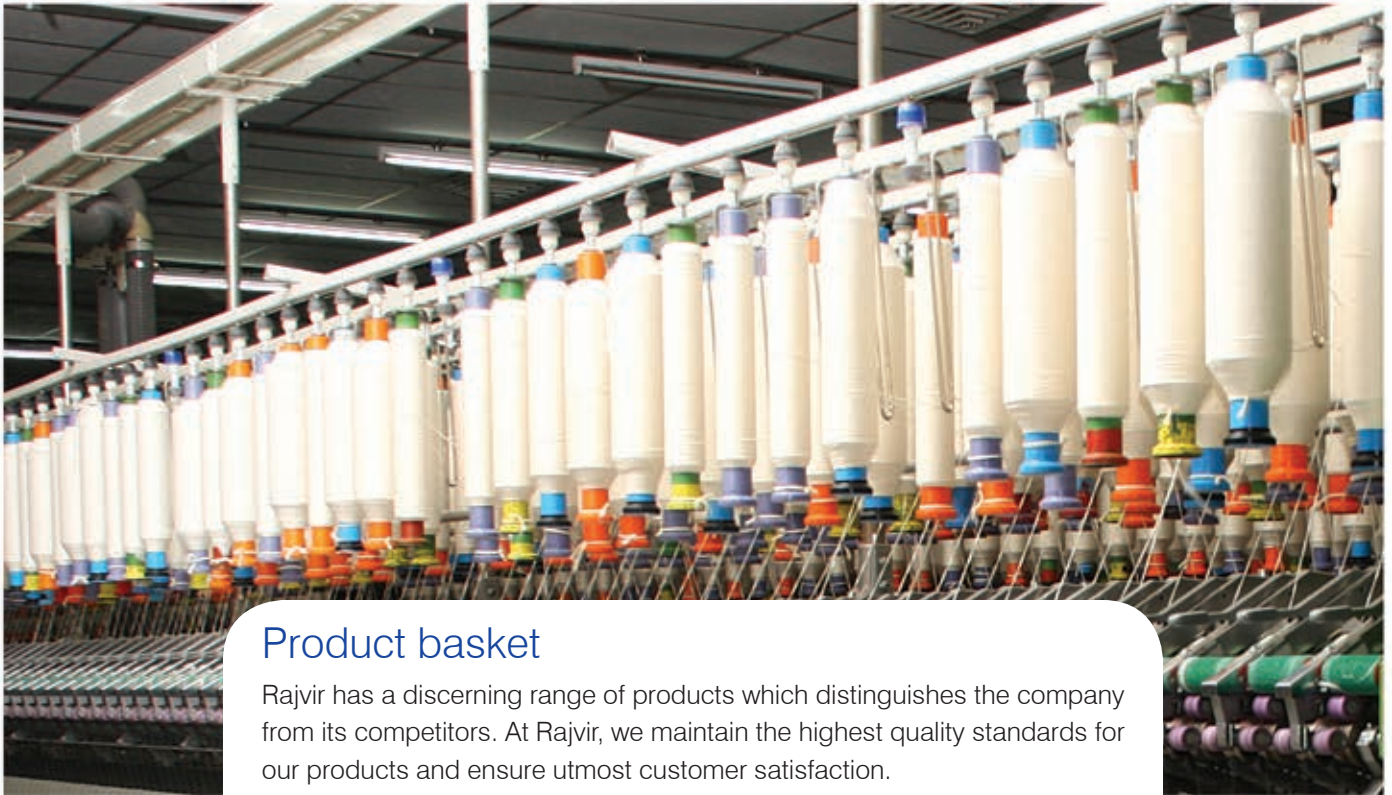
We aspire to evolve continually. The Company plans to increase its Melange Production in the existing facilities by about 50%. For this the Company is taking necessary steps to increase its fibre dyeing capacity already. The Company is also looking to expand in other value added products in the wet spinning route.

## 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 40 countries including central America and across continents comprising Asia and Europe.





## Product basket

Rajvir has a discerning range of products which distinguishes the company from its competitors. At Rajvir, we 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

### 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

- Rajvir snow
- Mock twist / Grindle
- Denim look
- Single Nep / Multi-colour Nep
- Magic
- Irregular patterns
- Neppy yarns
- Metal yarns

### Super speciality blends

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

### Technical textile products

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



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 mélange/heather.

**Exotic blends with rich animal hair collection** – Cotton with blends of silk, cashmere, wool, linen, angora in raw white and mélange/ heather. Viscose/modal/micro-modal/polyester with blends of silk, cashmere, wool, linen, angora in raw white and mélange/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 mélange/heather, 100% fair trade organic and fair trade organic blends with viscose, recycled polyester, modal, micro modal in raw

white and mélange / heather, 100% BCI and BCI blends with viscose, recycled polyester, modal, micro modal in raw white and mélange / heather, 100% pima and pima blends with modal, micro modal in raw white and mélange / heather, 100% viscose and viscose blends, 100% polyester and with polyester blends with Indian, cotton viscose in mélange and dope dyed, 100% compact yarns pima and giza.

#### **Technical Textile Yarn Collection**

- Flame retardant yarns like Protex M/C/W with blends of Indian/giza/ pima, Protex M/C/W with blends of nylon for better strength, Kernal / Lenzing FR / Aramid flame retardant yarns.

The Company has recently launched its Product card / Business brochure – 'Passion for Fashion' with Fashion Yarn collections such as Triblend, Denim look, Dots / Neps, Streaks / Irregular Patterns, magic yarns.





# Chairman's statement

Dear Shareholders,

## The year 2014-15 was one of the important years in the Company's existence.

The external scenario over the past few years impacted the Company's cashflows which in turn affected the Company's debt paying abilities. As a step to correct this, we went back to our lenders and entered into a corporate debt restructuring arrangement. According to the arrangement, the Company has been provided with additional sanction limits and a moratorium period of 18 months which will help the Company in smoothly operate its business on one hand and improve cashflows on the other hand. As promoters, we pumped in additional ₹5 crore of fresh capital to further boost the business. We are confident that this will put the Company back on the profit path.

We continued to be a prominent player in the South Indian textiles industry with a large basket of products on offering along with a significant export presence in countries like Argentina, Peru, Poland, Germany, Srilanka, Bangladesh, Belgium, U.S.A, South Korea and Egypt.

On the other hand, the Indian textile industry continues to hold potential over the foreseeable future. India is one of the largest textile industries in the world and with abundant availability of cotton, wool, jute silk and skilled manpower, the country has emerge as one of the major textile sourcing hubs in the world. The Indian textile industry accounts for nearly 24% of the global spindle capacity and nearly 8% of the global rotor capacities. The textiles industry, currently

estimated at around US \$108 billion, is expected to reach US \$ 141 billion by 2021. The industry is the second largest employer after agriculture, providing direct employment to over 45 million and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to GDP, and 14 per cent to overall Index of Industrial Production (IIP).

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US\$ 1,522.51 million during April 2000 to December 2014.

The country's overall exports of textiles and clothing stood at \$41.4 billion in 2014-15 against US\$39.39.31 bn in 2013-14.

In contrast to the international cotton prices which have been range-bound since November 2014, the domestic cotton prices continue to remain under pressure and have fallen below the international prices as well as domestic support prices since December 2014. Further, as the domestic availability of cotton is expected to remain comfortable in the next cotton season as well and the limited potential for any upside, the domestic prices are expected to trend in line with the international prices, given the surplus availability of cotton in domestic as well as the global markets. The domestic cotton prices have remained below the minimum support price during most of the current cotton season and as a result, CCI has undertaken significant support operations in CY 2014/15. It is estimated that CCI has procured ~20~25% of the domestic cotton production and may surpass the record volume of ~8.9 million bales which were procured in CY 2008/09.



With nearly 120,000 spindles, Rajvir is positioned as one of the distinct players in the Indian textile industry.



Demand for most man-made filaments and fibres were subdued in 2014-15 owing to a decline in prices of cotton yarn during the year which improved its competitiveness compared to synthetic yarn. Moreover, a levy of anti-dumping duty on imports of purified terephthalic acid (PTA), a major input, in July 2014 resulted in a spike in imports of polyester. This further hit the domestic production of polyester filament yarn (PFY).

Barring nylon filament yarn (NFY), output of all other synthetic yarns and fibres either declined or grew at a modest pace during April 2014-February 2015. For the whole year 2014-15, output of PFY and acrylic fibre (AF) is likely to have declined by 6.1 per cent and 4.9 per cent, respectively. Output of viscose filament yarn (VFY) is likely to have increased by a meager 0.8 per cent and that of viscose staple fibre (VSF) by 1.7 per cent. Production of polyester staple fibre (PSF) is expected to have grown by 3.6 per cent. NFY output is likely to have risen by a robust 35.6 per cent supported by a strong demand.

Per-capita consumption of man-made filaments and fibres in India is way below the average per-capita consumption of the world but is expected to change in the coming years. It is expected that the production of PFY to grow by 5.3 per cent and that of PSF by 4.1 per cent in 2015-16.

The performance of the Indian spinning industry is expected to improve in FY 2016. The adequate availability

of cotton in the domestic markets is expected to keep the cotton prices range-bound for CY 2015/16 at around the MSP. Lower inventory levels along with low cotton prices as well as yarn prices will reduce the working capital funding requirement of the spinning mills and also reduce the inventory risk, which had impacted the profit margins of the mills in FY 2015.

The size of India's textile market in 2014 was US\$ 99 billion; the market is expected to expand at a compound annual growth rate (CAGR) of 9.6 per cent over 2014-23 to US\$ 226 billion as per estimates.

With nearly 120,000 spindles, Rajvir is positioned as one of the distinct players in the Indian textile industry. We have a huge library of over 6000 Mélange/Heather shades and a range that encompasses everything from 100% Cotton/Organic/Fair-trade, Combed yarns, Blended yarns (Polyester, Viscose, Modal, Spun Silk and Flame Retardant ) Mélange/ Heather yarns, Modal Yarns, Synthetic yarns and Cheese Dyed yarns. Thus it helps us to meet the diverse demands of our various clients across the globe. As the CDR programme will help us in improving operational environment, we are placed quite attractively to rebound owing to the strong optimism provided by the Indian textile industry.

We must appreciate the patience of our stakeholders to be with us during one of the toughest times we faced in our existence and we are confident to turn the tide and create substantial value for them in the coming years.

**The performance of the Indian spinning industry is expected to improve in FY 2016. The adequate availability of cotton in the domestic markets is expected to keep the cotton prices range-bound for CY 2015/16 at around the MSP.**







# corporate social responsibility

We are a responsible corporate with sustainability initiatives and societal well-being being a regular fixture in our list of importance. We have evolved and we believe shouldering our responsibilities and evolving sustainable living initiatives.

- Enhanced water availability in the vicinity
- Evolved roads in the nearby villages
- Conducted medical camps, blood donation camps, eye check-up camps and AIDS camps, among others in collaboration with the Red Cross Society
- Furthered the cause of education by starting several schools in the vicinity
- Undertaken 'green' initiatives such as afforestation
- Supported NGOs and other charitable institutions
- Encouraged eco-friendly activities, 'green' initiatives and fair trade practices, among others by working alongside BCI
- An evolved green initiative. The Company started sending notices and documents through electronic media.

## Awards and certificates

Awards and recognitions have always been a strong motivation towards better performance that triggers the desire for winning more in the future. Some of our prestigious awards and certifications are:

- Modal partnership with house of Birla, Aditya Birla Group for producing modal and modal blends.
- Protex certification from Kaneka Corporation, Japan to produce flame retardant yarns.
- Fair trade certification from Flo-cert GmbH to produce fair trade blended yarns.
- Supima certification from Supima Cotton Growers Association in the United States to produce Supima.
- Better Cotton Initiative (BCI) from the leading European chain stores to produce yarn under a new concept from sustainable cotton growing mechanism.
- GOTS/OE certification from Control Union to Produce Organic and Organic blended yarns.
- A Government of India recognized Star Export House.
- The Company also has Fair trade certificate from Flo-cert GMBH.

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

# Directors' Profile



## Sri. UPENDER KUMAR AGARWAL

Sri U. K. Agarwal is a graduate and has more than 38 years of experience in the Cotton Industry. He is the Chairman of M/s Rajvir Industries Limited. He is considered to be an expert in the cotton selection process. Besides this, he has acquired considerable expertise in Factory operations, Finance and General Administration.

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## Sri. RITESH K. AGARWAL

Sri Ritesh Kumar Agarwal, who graduated from the University of Charleston WV, USA in 1993, with specialization in Business Administration, started his business career as Chief Executive Officer, learning his way to higher responsibilities from root level to achieve a command on day to day operations. After a stint in production, he moved forward into the field of Marketing of Yarn. As a Managing Director of the Company, he looks after all the managerial activities besides in-charge for departments including Marketing, Finance, Exports and Production.

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## Sri. K. C. REDDY

Sri K.C. Reddy is a graduate in Commerce from Osmania University having vast experience for more than a decade in Construction Industry by virtue of his association as a Managing Partner / Partners with M/s KPS Builders, M/s K S Associates, and M/s Reliable Constructions, Begumpet. He is also an Educationalist. He is the Honorary Secretary of Maitreyi Educational Society which runs School, Intermediate and Degree Colleges at Hyderabad.

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## Sri. VIJAY KUMAR GUPTA

Sri Vijay Kumar Gupta is a Commerce graduate and had been trained at Administrative Staff College of India in the areas of Management. He has about 43 years of experience in Textiles Trading and Textile processing. He has been in textiles trading since 1968 through proprietary concerns belonging to his family. He has been instrumental in taking up the company to its present status and unprecedented growth. He is the Chairman and Managing Director of M/s Vijay Textiles Limited and also associated with Vijay Infotech Ventures as the main Promoter.

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# Corporate information

## Board of Directors

Sri Upender Kumar Agarwal	Chairman
Sri Ritesh Kumar Agarwal	Managing Director
Sri K.C.Reddy	Non-Executive Director
Sri Vijay Kumar Gupta	Non-Executive Director
Smt Anisha Tandon	Independent Director

## Chief Financial Officer

Sri Shiv Kumar

## Auditors

M/S S Daga & Co

403, Paigah Plaza, Basheerbagh, Hyderabad – 500 063.

## Bankers / Financial Institutions

Industrial Development Bank of India  
IDBI Trusteeship Services Limited  
State Bank of India  
State Bank of Hyderabad  
State Bank of Mysore  
State Bank of Bikaner and Jaipur  
Axis Bank Limited  
Central Bank of India  
ICICI Bank Ltd

## Registered Office:

1st Floor, Surya Towers  
105, Sardar Patel Road  
Secunderabad - 500003  
TELANGANA, India  
Telephone Nos: 040-6225555, 27845628, 27845650  
Fax : 040-27840656  
Website: [www.rajvirindustrieslimited.com](http://www.rajvirindustrieslimited.com)  
Email: [rajvir@rajvirindustrieslimited.com](mailto:rajvir@rajvirindustrieslimited.com)

## 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 Ranag 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 No. 2, Banjara Hills,  
Hyderabad - 500034  
Ph: 040-23545913/14/15, Fax: 040-23553214  
Website : [www.xlsoftech.com](http://www.xlsoftech.com)  
Email: [xlfield@rediffmail.com](mailto:xlfield@rediffmail.com)  
[xlfield@gmail.com](mailto:xlfield@gmail.com)



# Notice

**NOTICE** is hereby given that the Eleventh Annual General Meeting of **RAJVIR INDUSTRIES LIMITED** will be held on **29th August 2015 at 3.30 P.M. at Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016** 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, 2015, the Profit and Loss Account for the year ended as on that date, Directors' Report and Auditors' Report thereon.

### 2. Re-Appointment of Director

To appoint a Director in place of Sri Vijay Kumar Gupta who retires by rotation and being eligible offers himself for reappointment.

### 3. Appointment of Auditors

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

**"RESOLVED THAT** M/S S Daga & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting of the Company until the conclusion of the 13th Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors in consultation with the Auditors."

## Special Business

### 4. 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** Ms. Anisha Tandon., who was appointed as an Women Independent Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company liable to retire by rotation."

### 5. Issue of 9, 59,863 Equity Shares on Preferential Basis to The Promoters of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 13 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications thereto or re-enactment thereof for the time being in force) and pursuant to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") as in force and subject to all other applicable rules, regulations, guidelines, notifications and circulars of the Securities and Exchange Board of India ("SEBI") and provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchange where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchanges and all other authorities as may be required (hereinafter collectively referred to as "Appropriate Authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as "Requisite Approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) be and are hereby authorised on behalf of the Company to issue, offer and allot 9,59,863 equity shares of ₹10/- (Rupees Ten only) each on preferential basis to Ms Usha Agarwal and Ms Arti Agarwal, Promoters of the Company, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit at a price of ₹56.06 ps per share or at the price determined in accordance with Regulation 76 of SEBI (ICDR) Regulations, 2009 whichever is higher.



**FURTHER RESOLVED THAT** the equity shares allotted pursuant to the aforesaid resolution shall in all respect rank pari passu with the existing equity shares of the Company.

**FURTHER RESOLVED THAT** for the purpose of giving effect to the above, Sri U K Agarwal or Sri Ritesh Kumar Agarwal be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desired and to accept any modifications in the above proposal as may be required by the authorities involved in such issue and also to settle any questions or difficulties that may arise in regard to the offer, issue and allotment of equity shares and further to do all such acts and execute such deeds, documents in writing in connection with the issue of equity shares, entering into such other agreements as may be necessary.”

**6. Increase in Remuneration Payable to Sri Upender Kumar Agarwal, Chairman of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and 152 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the company the Board of Directors of the Company be and hereby approve the increase in remuneration from ₹1,33,000/- per month to ₹3,50,000/- to Sri Upender Kumar Agarwal, Chairman of the Company, with effect from 1st August 2015 to 31st March 2017.

Resolved further that all the other terms conditions approved by the members of the company at their meeting held on 30th September 2014 stand unaltered.

Further Resolved that in the event of loss or inadequacy of profit in any Financial year the remuneration as detailed above including perquisites will be paid to Sri Upender Kumar Agarwal.”

**7. Increase in Remuneration Payable to Sri Ritesh Kumar Agarwal, Managing Director of the Company**

To Consider and, if thought fit, to pass with or without Modifications the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 196,

197, 203 and 152 read with schedule V of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the company the Board of Directors of the Company be and hereby approve the increase in remuneration from ₹1,33,000/- per month to ₹3,50,000/- to Sri Ritesh Kumar Agarwal Chairman of the Company, with effect from 1st August 2015 to 31st March 2017.

Resolved further that all the other terms conditions approved by the members of the company at their meeting held on 30th September 2014 stand unaltered.

Further Resolved that in the event of loss or inadequacy of profit in any Financial year the remuneration as detailed above including perquisites will be paid to Sri Ritesh Kumar Agarwal.”

**8. Appointment of Cost Auditor**

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

**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, Sri Penumathy Srinivas, Cost Accountant, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16, be paid a remuneration of ₹65,000/- exclusive of out of pocket expenses and applicable taxes.

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

**By the Order of the Board  
For RAJVIR INDUSTRIES LIMITED**

Sd/-

Place: Hyderabad

**Ritesh Kumar Agarwal**

Date: 29 .07.2015

*Managing Director*



## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Register of members and share transfer books of the company will remain closed from 27.08.2015 to 29.08.2015. (both days inclusive).
3. Members/Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
4. Members, who are holding shares in the identical order of names in more than one folio, are requested to write to the Company to enable it to consolidate their holding in one folio.
5. As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members of the Company in respect of shares held by them. The members, who wish to nominate a person, may furnish the required details to the Company in prescribed form.

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses. In respect of electronic holdings, with the Depository through their concerned Depository Participants and members who hold shares in physical form are requested to register the same with our RTA, M/S XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500 034, Telangana .

### 6. Voting through electronic means

In compliance with the provisions of the Clause – 35B of the Listing Agreement read with Section 108 of the Companies

Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 11th Annual Report of the company and the business may be transacted through e-voting. The company has engaged the services of Central Depository Services Limited (CDSL) as the authorized agency to provide the e-voting facility.

The instructions for shareholders voting electronically are as under:

Sri S. S. Marthi (Membership No.FCS 1989), Practising Company Secretary, is appointed as scrutinizer to conduct E-voting.

### Steps for E-Voting

- i) The voting period begins on August 26, 2015 at 9.00 a.m. and ends on August 28, 2015 at 6.00 p.m. During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 01, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on August 01, 2015.
- iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv) Click on Shareholders.
- v) Now Enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi) Next enter the image verification as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for the relevant RAJVIR INDUSTRIES LTD on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take out print of the voting done by you by clicking on "Click here to print " option on the Voting page.

xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Note for Non-Individual Shareholders & Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

In case you are unable to exercise the voting electronically, the shareholders attending the meeting would be provided with an opportunity to vote through ballot at the venue of the meeting.





**Information required to be furnished under clause 49 of the listing agreement for directors seeking appointment/reappointment in forthcoming annual general meeting:**

(i)

Name of Director	VIJAY KUMAR GUPTA
Date of Birth	03-02-1952
Date of Appointment	16-07-2012
Qualification	B.Com
Expertise	Textile Business
Other directorship	1
Chairman/Members of the Committee in other Companies	1
No of shares held in the Company	Nil

(ii)

Name of Director	MS ANISHA TANDON
Date of Birth	18-07-1980
Date of Appointment	30th March 2015
Qualification	Post Graduate Diploma in Marketing & Foreign Trade
Expertise	Nil
Other directorship	NIL
Chairman/Members of the Committee in other Companies	NIL
No of shares held in the Company	Nil

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

### ITEM NO.4

Ms Anisha Tandon was appointed as an Additional Director on the Board of the Company w.e.f. March 30, 2015. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Ms Anisha Tandon holds office upto the date of this Eleventh Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Ms Anisha Tandon as an Independent Director of the Company, liable to retire by rotation along with the prescribed deposit of ₹1,00,000/-.

Save and except Ms Anisha Tandon none of the other 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. 4.

Ms Anisha Tandon is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given her consent to be appointed as a Director.

The Board recommends the appointment of Ms Anisha Tandon as Independent Director liable to retire by rotation and propose to pass the resolution set out in Item No. 4 of the notice as an Ordinary Resolution.

### ITEM NO. 5

As per the terms and conditions of the CDR sanctioned by the Corporate Debt Restructuring Cell vide their letter Nos. CDR(SSA)/No.359/2014-15 dated 21st August 2014 and CDR(SSA)/No.364/2014-15 dated 21st August 2014 the promoters of the company have to bring in ₹5 crores as their contribution.

Accordingly, Ms Usha Agarwal and Ms Arti Agarwal have brought in the monies and as on 31st March 2015, the amount brought in by them is as follows :

Sl. No.	Name of the Promoter	Amount in ₹
1)	Smt Usha Agarwal	3,60,87,000/-
2)	Smt Arti Agarwal	1,77,23,000/-
	<b>Total</b>	<b>5,38,10,000/-</b>

It is proposed to convert the amounts brought in by Ms Usha Agarwal and Ms Arti Agarwal into equity shares as per the condition stipulated in the CDR package sanctioned. The allotment of shares is to be done on preferential basis at the price arrived on the basis of the SEBI (ICDR) Regulations, 2009.

The price at which the shares are to be allotted as per the Preferential Issue guidelines issued by SEBI comes to ₹56.06 and ₹53.44 on BSE and NSE respectively. Since the highest of the two is to be taken i.e., ₹56.06 ps, it is proposed to issue the shares at ₹56.06 per share. Accordingly, the following number of shares are proposed to be issued.

Sl. No.	Name of the Promoter	Amount to be converted in ₹	No. of shares proposed to be issued
1)	Smt Usha Agarwal	3,60,86,943.20	6,43,720
2)	Smt Arti Agarwal	1,77,22,976.58	3,16,143
	<b>Total</b>	<b>5,38,09,919.78</b>	<b>9,59,863</b>

9,59,863 Equity Shares of ₹10/- each are proposed to be issued at a premium of ₹56.06 per share to the above mentioned promoters.

**Objective of the present Issue**

The objective of the present issue of equity shares on preferential basis is :

To allot equity shares against the monies brought in by Smt Usha Agarwal and Smt Arti Agarwal, Promoters of the Company, as per the terms and conditions of the CDR sanctioned by the Corporate Debt Restructuring Cell vide their letter Nos. CDR (SSA)/No.359/2014-15 dated 21st August 2014 and CDR (SSA)/No.364/2014-15 dated 21st August 2014.

**Pricing**

The issue of equity shares on preferential basis shall be @

₹56.06 ps or at a price determined in accordance with SEBI (ICDR) Regulations, 2009 for preferential issue of equity shares, whichever is higher.

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

The shares are being allotted to Smt Usha Agarwal and Smt Arti Agarwal, Promoters of the Company

**Relevant Date**

"Relevant Date" for this purpose is the date of approval of the Corporate Debt Restructuring Package i.e., 21st August, 2014.

**Shareholding Pattern of the Company before and after the issue**

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

Category	Before the issue		After the issue	
	No. of shares	% of holding	No. of shares	% of holding
Promoter Group	2073859	68.33	3033722	75.94
NRIs	Nil	Nil	Nil	Nil
FII's	Nil	Nil	Nil	Nil
Mutual Funds and UTI	700	0.02	700	0.02
Bank's / Financial Institutions	22907	0.76	22907	0.57
Insurance Companies	Nil	Nil	Nil	Nil
Bodies Corporate	148059	4.88	148059	3.71
Trusts	Nil	Nil	Nil	Nil
General Public	789472	26.01	789472	19.76
GDRs	Nil	Nil	Nil	Nil
<b>Total</b>	<b>3034997</b>	<b>100.00%</b>	<b>3994860</b>	<b>100.00%</b>

After the allotment of preferential issue of shares, the promoters and associates holding will be increased to 75.94%.

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

Name of the Party	Pre-issue holding	% to Equity	Shares to be allotted in the present issue	Post issue / conversion holding	% to Equity
Smt Usha Agarwal	2,12,223	6.99	6,43,720	8,55,943	21.42
Smt Arti Agarwal	2,14,859	7.08	3,16,143	5,31,002	13.29

**Auditor's Certificate**

A Certificate as required under SEBI Guidelines, certifying that the proposed issue is in accordance with the said Guidelines has been obtained from the Auditors of the Company and will be available for inspection seven days prior to the date of AGM at the Registered Office of the Company between 2.00 P.M. to 4.00 P.M. on any working day.

**Lock-in**

The equity shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI (ICDR) Regulations, 2009 in this behalf.

**Change in Management**

The issue of equity shares as aforesaid will not result in any change in the management or control of the company.

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

None of the Directors of the Company except S/Sri Upender Kumar Agarwal and Ritesh Kumar Agarwal or Key Managerial personnel of the company including their relatives are, in any way, are concerned or interested except to the extent of their shareholding in the company.



#### ITEM NO. 6

It is proposed to increase the remuneration of Sri Upender Kumar Agarwal, Chairman of the company. At present, the salary which is being paid is ₹1,33,000/- which was approved at the Annual General meeting of the company held on 30th September 2014. Keeping in view the efforts and amount of time being spent by Sri Upender Kumar Agarwal, it is proposed to be increased to 3,50,000/- per month.

All the other terms and conditions approved at the Annual General Meeting held on 30th September 2014 remain the same. The terms and conditions of his appointment are laid down in the resolution proposed at Item No.6, which may be treated as an abstract of the terms and conditions of appointment set out in the resolution may be considered as the abstract of the contract of appointment under Section 196 (4) of the Companies Act, 2013.

None of the Directors of the Company, except S/Sri Upender Kumar Agarwal and Ritesh Kumar Agarwal, or key managerial personnel of the company including their relatives are concerned or interested except to the extent of the remuneration payable to them by the company.

#### ITEM NO. 7

It is proposed to increase the remuneration of Sri Ritesh Kumar Agarwal, Managing Director of the company due to the extraordinary efforts being put in by him to revive and bring back the company on to rails. At present, the salary which is being paid is ₹1,33,000/- per month which was approved at the Annual General meeting of the company held on 30th September 2014. It is proposed to increase the salary from ₹1,33,000/- per month to 3,50,000/- per month.

All the other terms and conditions approved at the Annual General Meeting held on 30th September 2014 remain the same. The terms and conditions of his appointment are laid down in

the resolution proposed at Item No.7 which may be treated as an abstract of the terms and conditions of appointment may be considered as the abstract of the contract of appointment under Section 196 (4) of the Companies Act, 2013.

None of the Directors of the Company, except S/Sri Upender Kumar Agarwal and Ritesh Kumar Agarwal, or key managerial personnel of the company including their relatives are concerned or interested except to the extent of the remuneration payable to them by the company.

#### ITEM NO.8

The Board on the recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the company for the financial year 2015-16 for a fee of ₹65,000/-, excluding out of pocket expenses and taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2015-16.

None of the Directors of the Company or key managerial personnel of the company including their relatives are concerned or interested in the said resolution.

**By the Order of the Board  
For RAJVIR INDUSTRIES LIMITED**

Place: Hyderabad  
Date: 29 .07.2015

Sd/-  
**Ritesh Kumar Agarwal**  
Managing Director



# Directors' Report

Dear  
Members,

Your Directors have pleasure in submitting their **Eleventh Annual Report** of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

## Financial Results

The Company's financials for the year under review along with the corresponding figures of the previous year's figures are as under:-

## Financial Results

(₹ in Lakhs)

	year ended 31-03-2015	year ended 31-03-2014
Sales and other Income	10286.37	21364.81
Profit before Interest and Depreciation	1490.39	685.35
Interest and Finance Charges	2117.61	2373.26
Depreciation	1017.97	1190.70
<b>Profit before Tax</b>	<b>-1645.19</b>	<b>-2878.61</b>
Provision for Taxation		
a) Current Tax	-	-
b) Deferred Tax	480.76	977.41
<b>Profit after tax</b>	<b>-1164.43</b>	<b>-1901.20</b>
Add: profit b/f from last year	598.69	2499.89
Less: Adjustment of carrying cost of Assets	-94.12	-
	<b>-659.86</b>	<b>598.69</b>
<b>Appropriations</b>		
Transferred from Debenture Redemption Reserve	-917.14	-
Transferred to General Reserve	917.14	-
Dividend	-	-
Dividend Tax	-	-
Surplus Carried Forward to Balance sheet	-659.86	598.69
Earning per share (Basic)	-38.37	-62.64
Earning per share (Diluted)	-38.37	-62.64

## Operations

During the year under review, the company achieved a turnover of ₹10286.37 lakhs and net loss of ₹1164.43 lakhs as against ₹21,364.81 lakhs and ₹1901.20 lakhs in the previous year respectively.

## CDR Package

The Corporate Debt Restructuring Cell vide their letter Nos. CDR(SSA)/No.359/2014-15 dated 21st August 2014 and CDR(SSA)/No.364/2014-15 dated 21st August 2014 have sanctioned a CDR package based on which the existing facilities enjoyed by the company with the banks have been restructured and additional limits have been sanctioned due to which the company is able to carry on its operations more smoothly.

## Dividend

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

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no unpaid dividend pending to be 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 have made forays in Southern Textile markets and we expect substantial turnover with them. On the Export front the company has captured world major markets in UK, US, Europe. We have made an impressive presentation of our new fancy product range in these countries and our confident of securing huge orders in the next few months.

## Share Capital

As per the terms and conditions of the CDR package sanctioned by the Corporate Debt Restructuring Cell vide their letter Nos. CDR(SSA)/No.359/2014-15 dated 21st August 2014 and CDR(SSA)/No.364/2014-15 dated 21st August 2014 the promoters of the company are to bring in monies to the extent of ₹5 Crores upfront. Accordingly, the promoters have brought in the said monies during the year under review against which 9,59,863 Equity shares of ₹10/- each are being allotted to the Promoters Ms Usha Agarwal (6,43,720) and Ms Arti Agarwal (3,16,143) at a price of ₹56.06 ps arrived as per the SEBI (ICDR) Regulations, 2009 for issue of shares on preferential basis.. The necessary resolutions in this regard form part of the notice convening the 11th Annual General Meeting for the approval of the members.

## Directors Responsibility Statement

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

(a) In the preparation of the annual accounts, the applicable



accounting standards had been followed along with proper explanation relating to material departures;

- (b) The Directors had selected 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;
- (c) 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;
- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had laid down internal financial controls to be followed by the company
- (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 2015 was ₹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 2015. Further, there has been no default in repayment of deposits or payment of interest thereon during the year.

### **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 community and society.

### **Related Party Transactions**

The related party transactions entered into by the company during the financial year under review have been disclosed vide Note No. 2.40 of the financial statements of the company for the financial year ended 31st March 2015. 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**

Shri Vijay Kumar Gupta, Director, of the Company retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Ms Anisha Tandon was appointed as an Independent Woman Director w.e.f. 31st March 2015, and holds office till the date of the ensuing Annual General Meeting. Ms Anisha Tandon has furnished a declaration under Section 149(7) of the Companies Act, 2013 that she fulfils the criteria for being appointed as an independent director. Hence, the Board recommends for her appointment as an Independent Director for a period of one year. The company has received a notice in writing from a member alongwith the requisite deposit of ₹1,00,000/- under Section 160 of the Companies Act, 2013 proposing her 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 and Clause 49III(B)(e) of the listing agreement.

Shri Shiv Kumar, CFO, of the company was appointed as Key Managerial Personnel.

Sri Ramesh Atluri, Company Secretary and Compliance Officer of the company resigned with effect from 31st March 2015 and the company is in the process of appointing a new Company Secretary.

## 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 S/Sri K C Reddy, Vijay Kumar Gupta, and Ritesh Kumar Agarwal. The recommendations made by the committee have always 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 of 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 Clause 49 of the Listing Agreement, 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 Clause 49 of the Listing Agreement with the Stock Exchanges. 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 Ms. S Daga & Co, 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 qualification, reservation or adverse remark.

## Cost Audit

Pursuant the provisions of the Companies Act, 2013, and the rules framed there under Sri Penumarthi Srinivas has been appointed as the Cost Auditor of the company.

## Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 Secretarial Audit has been conducted for the Financial Year 2014-15 by M/S Marthi & Co., Company Secretaries, Hyderabad, and their Secretarial Audit report for the financial year ended 31st March 2015 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, 2015 was ₹44.25 and ₹45.00 per share on BSE and NSE respectively.

## 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 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 Companies activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

**For and on behalf of the Board  
For RAJVIR INDUSTRIES LIMITED**

Sd/-  
Place: Hyderabad  
Date: 29.07.2015

**U K Agarwal**  
Chairman





# Annexure – A to the Directors' Report

## 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 arms- 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	M/s Sree Lakshmi Enterprises
(b) Nature of contracts/arrangements/transactions	Purchase of Goods/Renting Rental Agreement valid till 31.03.2018
(c) Duration of the contracts/arrangements/transactions	–
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	–
(e) Justification for entering into such contracts or arrangements or transactions	NOT APPLICABLE
(f) date(s) of approval by the Board	NOT APPLICABLE
(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
(b) Nature of contracts/arrangements/transactions	Purchase of Goods/Renting Rental Agreement valid till 31.03.2018
(c) Duration of the contracts/arrangements/transactions	–
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	–
(e) Date(s) of approval by the Board, if any:	* Please refer the note given below
(f) Amount paid as advances, if any:	

**\*NOTE:** The details of names, nature of relations ship; nature of such contracts / arrangements / transactions are disclosed in Note No.2.40 of the Financial Statements.

## Annexure – B to the Directors' Report

### 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 2014-15 are as under.
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S. No	Directors/KMPs/Manager's Name	Remuneration of Director/KMP for financial year 2014-15 (In Rupees)	% increase in Remuneration in the Financial Year 2014-15	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the company
1	Shri Upender Kumar Agarwal	2231446	-	11.38	The Company could get a CDR Package sanctioned from the Corporate Debt Restructuring Cell and it has been able to turnaround in its performance
2	Shri Ritesh Kumar Agarwal	2229540	-	11.37	
3	Shri Shiv Kumar	1742580	4.31%	8.89	

(ii)	Percentage increase in the median remuneration of employees in the financial year 2014-15 compared to 2013-14	10.54
(iii)	Number of permanent employees on the rolls of the company:	
	As on 31.03.2015	As on 31.03.2014
	780	1015
(iv)	Explanation on the relationship between average increase in remuneration and the company performance	No Increase in the remuneration of the Directors. Marginal increase of 4.31% to the Key Managerial Personnel.
(v)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The company could get its debt restructured and is able to carry on operations in a smooth and profitable manner
(vi)	Average percentile increase in salaries of Employees other than managerial Personnel	8.4
	Percentile increase in the managerial remuneration	Nil
	Comparison of above	Part of the managerial remuneration paid includes commission paid to Chairman and Managing Director, which is variable and dependent upon the net profits of the Company. Since the company has not earned profits, there is no change in the managerial remuneration paid
(vii)	Key parameter 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.
(viii)	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 to the Directors' Report

# Management Discussion & Analysis

### A. Industry Structure & Development

The Spinning industry is the most modern and internationally competitive segment of India's Textile. Cotton is one of the Principal crops of India and is the major raw material for domestic textile industry. India is self sufficient in Cotton which provides India's Textile Industry competitive edge worldwide in terms of low cost of raw material. With the healthy economic growth enjoyed by India over the past decade, the Country's cotton consumption grew at CAGR of 4.8 per cent in the period 2002-03 to 2012-13. While impressive, this growth has been outpaced by the production registering a CAGR of 9.4 per cent resulting from improved yields (especially due to the adoption of Bt Cotton). The domestic demand of cotton yarn is primarily driven by the growth in consumption of readymade garments and home textiles on account of rising income levels, growing organized retail segment and rising consumer class.

Owing to growth in India, Indonesia, Bangladesh and Vietnam, yarn spinning in South and Southeast Asia overtook Chinese yarn spinning in 2011-12, and it has been rising ever since. During the same time, yarn spinning has remained roughly flat in the rest of the world. Over the years, country has achieved significant quantitative increase in cotton production. Since launch of "Technology Mission on Cotton" by Government of India in February 2000 significant achievements have been made in increasing yield and production through development of high yielding varieties, appropriate transfer of technology, better farm management practices, increased area under cultivation of Bt cotton hybrids etc. All these developments have resulted into a turnaround in cotton production in the country since last 6/7 years. The yield per hectare which was stagnant at about 300 kg/ha for more than 10 years, has increased substantially and reached a level of 554 kg/ha in cotton season 2007-08.

The Indian textiles industry accounts for about 24 percent of the World's spindle capacity and 8 percent of global rotor capacity. The potential size of the Indian textiles and apparel industry is expected to reach US\$ 223 billion by 2021, according to a report by Technopak Advisors.

### B. Opportunities, Threats, Risks & Concerns

#### Strength

- A Strong R & D engaged in developing new fashion yarns as per the latest market trends and requirements Worldwide.
- Highly skilled and efficient technical production team at the plant level.

- High flexibility in the production facility thereby enabling change in the product mix rapidly adhering to the ever changing market requirements.
- Fashion Yarn Leader in the Industry with creativity to develop new fashions as per the requirement / foresee of the Industry in the knitting sector.
- Handling all types of fibers- Natural & Manmade-- name it – Exotic like Angora, wool, silk, cashmere or Technical yarns like Fire Retardant etc., apart from normal fibers like Cotton, Modal, Micro Modal, Viscose, Polyester etc.,
- The major world Brands like H&M, Next, Marks & Spencer, GAP, J C Penny, Zara support us by utilizing our creativity / developments of all value added fashion yarn required for their outlets.

#### Weakness

- Logistics – Longer lead times for delivery in yarns, both to domestic markets up north as well as to countries such as South America and Central America, which is always challenging as it hinders garment producers shorter lead times to complete their garment deliveries for good brands.
- Restricted availability of fancy fibers such as Cashmere, Angora and Wool within India forces the Company to buy these fibers from around the World thereby increasing the lead times of exotic yarns to customers Worldwide.
- The Company is forced to import important special fibers like Angelina (Lurex), Cashmere, Angora, wool due to non availability of such special fibers within India resulting in higher lead times for yarn deliveries.

#### Opportunities

- Your Company has made a dent in almost all leading in the US, UK and European Union brands.
- Your Company has got the capacity of changing the product mix according to the changing world fashion market.
- The strong R & D team constantly caters to the varied demand of customer. The new trendy fashion yarns have developed for leading retailers Worldwide.

#### Threat

- The competitors copy the new fancy products developed by your Company in due course and make the product available in the market at lower prices. Such practices cannot be stopped or controlled in the Industry. However, the only way to steer out



of the competition is to constantly develop new products.

### C. Product Wise Performance

The company has captured the major world markets in US, UK, Europe.

While coming out with any new product, your Company keeps in mind the quickest possible lead time and environmental aspects to ensure the product is commercially viable at the time of its launch. One such example of such an innovation is “Rajvir Flutter”. This Innovation means that product comes with pretreatment. The manufacturing unit knit and dyes without doing any acid / chemical wash and still manage to get burn out effect.

Your Company is one of the first spinners to develop the exotic blends in the “Compact Route”. Initial developments have been made for the top UK brand “Marks & Spencer” this again is a unique development of high value added Exotic collections of Cashmere blended with Modal and Micro Modal fibers.

Your Company is supported by several important retailers, brands and chain stores Worldwide as a designated fashion yarn supplier. In certain cases your company works with designed teams of fashion brands in US, UK and European markets. These brands share their fashion forecast with the Company which helps the Company in creating a line of products similar to the fashion forecast provided by the brands and retailers Worldwide. Other than the forecasts that are shared by these retailers the Company also develops several new yarns of its own which are also showcased to various brands, retailers and chain stores Worldwide as new fancy products.

The Company works directly with the design teams of these fashion brands in the US, UK and European market. This gives the Company an edge in showcasing all its new developments to the best brands Worldwide.

Several new products have been introduced by the Company in three different categories:

1. Raw white fashion yarns in blends of cotton and other fibres.
2. Melange/heather fashion yarns.
3. Fashion yarns in non-cotton blends suitable for women and children

### D. Company's Outlook & Concerns

The Textile industry has made major contribution to the National economy in terms of direct and indirect employee remuneration and net foreign exchange

Earnings. This sector contributes nearly 14% to the Industrial production and 4% of the Gross Domestic Production (GDP) and 27% to the Countries Foreign exchange rate. It provides

direct employment to over 45 million people. It is the second largest provider of employment after agriculture. The growth of this industry has direct bearing on the improvement of India's economy.

Your Company while concentrating on increase in export earnings is also trying to boost its revenue in the market through large government exporters with its range of fashionable and trendy yarns.

The Company continues to participate in important Fashion exhibitions Worldwide to showcase its fancy yarn production and improve its export revenue.

### E. Internal Control Systems and their Adequacy

An adequate internal control system and procedures established by the Company in which an Independent Chartered Accountant has been appointed to carry out the internal Audit work. The internal controls are regularly checked by Internal Auditors who have access to all relevant records and information of the Company. The corrective measures, wherever necessary are undertaken by the Board and Management as per the recommendations made by the Internal Auditors.

### F. Financial Performance with Respect to Operational Performance

The Company achieved a Sales turnover of ₹102.86 Crores during the financial year 2014-2015. Exports were made to nearly 40 countries with a turnover of ₹24.8 Crores. During the financial year 2015-16, due to launch of new products and starting of Tandur unit and our entry into new international markets the company expects to achieve a turnover of ₹250 Crores in the financial year 2015-16, on a conservative basis.

### G. Human Resources

The Company has taken adequate steps to prevent and avoid environmental pollution. The Company's dye house runs a zero discharge effluent treatment plant which is in line with the requirements of the State Pollution Control Board. We would like to place on record our appreciation for the efforts made by the employees of the Company.

#### 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 relations.



# Annexure – D to the Directors' Report

## Corporate Governance Report

### 1. Company's Philosophy on Corporate Governance

It is the Company's endeavour to attain highest level of governance. In the conduct of your Company's business and its dealings, it abides by the principles of honesty, openness and doing what is right and fair. Your Company is committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legislation. These principles guide our behavior at all times. This is the road to responsible, sustainable and profitable growth and creating long term value for your Company's stakeholders,

The Company's philosophy on Corporate Governance is thus connected with the ethics, values and morals of the Company and its Directors, who are expected to act in the best interests of the Company and remain accountable to Shareholders and other beneficiaries for their action.

### 2. Board of Directors

Your Company had 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 2014-15 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 Clause 49 of the Listing Agreement.

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

The Board of Directors had an optimum combination of Executive and Non-Executive Directors and had one lady 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 5 Directors comprising Two Executive Directors and Three Independent Directors.

#### Executive Directors

Sri Upender Kumar Agarwal - Chairman  
Sri Ritesh Kumar Agarwal - Managing Director

#### Non-Executive/or Independent Directors

Mr. K C Reddy - Independent Director  
Mr. Vijay Kumar Gupta - Independent Director  
Mrs. Anisha Tandon - Independent Director

#### Notes:

- (1) None of the Directors are related to each other except for Promoter Directors;
- (2) Number of Directorship held in other companies includes all companies, whether listed or unlisted and excludes foreign companies, other bodies corporate and professional bodies. The limits on directorship of Independent Directors and Executive Directors are within the permissible limits.
- (3) The necessary disclosures regarding change in Committee positions, if any, have been made by all the Directors, during the year under review. None of the Director 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 Clause 49(II)(B)(1) of the Listing Agreement.
- (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 stated in Clause 49 (II) (B) (6) (b) and action items, if any, are communicated and tracked to closure to the satisfaction of 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 Annexure X to the Listing Agreement 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 confidentiality of information in order to foster a culture for good decision-making.

Your Board met five times during the financial year 2014-15 on 30th May 2014, 14th August 2014, 14-November 2014, 14th February 2015 and 31st March 2015.

The necessary quorum was present for all the Board Meetings and the Tenth Annual General Meeting. The maximum interval between any two Board Meetings was well within the maximum allowed 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 Tenth AGM

The Attendance Record of the Directors at the Board Meetings held and the Tenth AGM for the financial year 2014-15

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	4	Yes	Nil	Nil
2.	Shri Ritesh Kumar Agarwal	Promoter & Executive Director	Managing Director	3	Yes	Nil	Nil
3.	Shri K C Reddy	Non-Executive & Independent	Director	5	Yes	Nil	Nil
4.	Shri Vijay Kumar Gupta	Non-Executive & Independent	Director	3	Nil	1	2
5	Smt. Anisha Tandon	Non-Executive & Independent	Director	1	Nil	Nil	Nil

Directors' Shareholding Details in the Company as on March 31, 2015

Sl. No.	Name	No. of Shares	Shares as % of Equity
1.	Shri Upender Kumar Agarwal	285439	9.40
2.	Shri Ritesh Kumar Agarwal	137092	4.52
3.	Shri K C Reddy	Nil	Nil
4.	Shri Vijay Kumar Gupta	Nil	Nil
5.	Smt. Anisha Tandon	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 Listing Agreement.

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.

Mr. Vijay Kumar Gupta, Independent Director, is the Chairman of the Audit Committee and was present at the Tenth Annual General Meeting to answer the Shareholders' queries.

The Audit Committee met four times during the financial year 2014-15. They met on 30th May 2014, 14th August 2014, 14th November 2014 and 14th February 2015 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	Meetings attended
Shri K C Reddy	4
Shri Vijay Kumar Gupta	2
Shri Ritesh Kumar Agarwal	3

## 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;
12. Any other matter referred to the Remuneration Committee by the Board of Directors of the Company.

The Nomination and Remuneration Committee met 2 times during the financial year 2014-15. They met on 14th August 2014 and 14th November 2014. The necessary quorum was presents for all the said Committee Meetings.

Name of the Director, Category Position, Number of Remuneration Committee Meetings Held/ Attended by the Director

Directors Name & Committee Position	Meetings attended
Shri Ritesh Kumar Agarwal	2
Shri K C Reddy	2
Shri Vijay Kumar Gupta	2



**Details of the Remuneration:**

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

Name of the Director	Total (in ₹)
1. Shri Upender Kumar Agarwal	22,31,446
2. Shri Ritesh Kumar Agarwal	22,29,540

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

The Share Transfer Committee was reconstituted and has been named as Stakeholders' relationship Committee as required under the Companies Act, 2013.

The Stakeholders' Relationship Committee consists of following Directors

Sl. No.	Name	Designation
1.	Shri K C Reddy	Non-Executive & Independent Director
2.	Shri Vijay Kumar Gupta	Non-Executive & Independent Director
3.	Shri Ritesh Kumar Agarwal	Executive & Managing Director

The Stakeholders' Relationship Committee/Share Transfer Committee met four times during the financial year 2014-15. They met on 30th May 2014, 14th August 2014, 14th November 2014, and 14th February 2015.

Total No of Shares Received for Transfer	: 36 Shares
Transferred & Dispatched	: 36 Shares
Total No of Shares Received for Consolidation	: Nil
Consolidated & Dispatched	: Nil

All the Share Transfers were effected on time and there are no pending Share Transfers as on 31st March 2015.

Details of complaints/ requests etc., received and resolved during the financial year 2014-15 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 clause, 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 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 Clause 54 of the Listing Agreement, 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, 2015	: Nil

**3. General Body Meetings :**

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

AGM	Date and Location	Time
10th	30.09.2014 Lotus H all, 1st Floor, Country Club, 6-3-1219, Begumpet, Hyderabad – 500 0016	03.30 P .M
09th	30.09.2013 Lotus Hall, 1st Floor, Country Club, 6-3-1219, Begumpet, Hyderabad – 500 0016	03.30 P .M
08th	28.09.2012 Lotus Hall, 1st Floor, Country Club, 6-3-1219, Begumpet, Hyderabad – 500 0016	03.30 P .M

**Postal Ballot:**

No Special Resolution was passed during the previous year, through Postal Ballot process.

**Disclosures**

(i) During the year 2014-15, 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, 2015, 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,.

(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 Listing Agreement:

- For employees to report concerns about unethical behavior;
- To establish a mechanism to report to the management, concerns about unethical behavior, 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 high level 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 matters reported and track matters to closure 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](http://www.rajvirindustrieslimited.com). All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2015. A declaration signed by the Chief Executive Officer (CEO) to this effect is attached as Annexure A to the Corporate Governance Report in the Annual Report.

(vi) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement. The Company has disclosed and complied with all the mandatory requirements under Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this report.

Among the non-mandatory requirements of Clause 49 of the Listing Agreement, the Company has complied with the following:

- Separate posts of Chairman and CEO - The Chairman and Managing Director/ CEO are two separate persons.
- Reporting of Internal Auditor - The 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**

Ms. Anisha Tandon was inducted in the Board as an Independent Woman Director from March 31, 2015,

**B.Reappointment**

Mr.Vijay Kumar Gupta, Independent Director is liable to retire by rotation.

**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**

During the Financial Year 2014-15 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, and the Secretarial Audit Report is at Annexure G to the Director's Report.

#### Compliance with Clause 49 of the Listing Agreement

The Auditor's Certificate obtained from M/s. S.Daga & Co. Chartered Accountants, (Firm Registration No. 225603) is provided as Annexure-B to the Corporate Governance Report in the Annual Report for compliance with Clause 49 of the Listing Agreement.

#### Management Discussion and Analysis

As required by Clause 49 of the Listing Agreement, the Management Discussion and Analysis is provided separately in the Annual Report.

#### CEO and CFO's Certification

As required by Clause 49 of the Listing Agreement, the CEO and CFO's Certification is provided as Annexure-C to the Corporate Governance Report in the Annual Report.

As required under Clause 49(IX) of the Listing Agreement, 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, 2015, 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 Pursuant to Clause 41(I) (f) of the Listing Agreement, the Company has regularly furnished, by way of filing through the electronic filing within 15 (fifteen) minutes of closure of the Board Meetings, the quarterly audited as well as annual audited results to the Mumbai 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 Prajashakti.

Website Pursuant to Clause 54 of the Listing Agreement, 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.

The Eleventh Annual General Meeting (AGM) of the Company for the financial year 2014-15 is scheduled on Saturday, August 29, 2015 at at 03.30 PM at the Qutub Shahi Hall 1st Floor, Country Club, 6-3-1219, Begumpet, Hyderabad - 500 016, Telangana, India.

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 Clause 35B of the Listing Agreement with the Mumbai Stock Exchange (BSE) and National stock Exchange (NSE), 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 Eleventh AGM. Instructions for e-voting are listed under the segment "Notes" in the Notice to Eleventh AGM.

Those of the Shareholders/ Members, who cannot attend the AGM in person, can appoint a proxy to represent them in the AGM, for which the Shareholder/ Member needs to fill in a proxy form and send it to the Company, to its Registered Office address, on or before 11.00 AM on August 27, 2015.

## 4. General Shareholder Information:

A	Registered Office	1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad – 500 003
B	Annual General Meeting	
	Date & Time	29th August 2015 at 3.30 PM
	Venue	Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad – 500 016.
C	Financial Calendar	
	Financial Reporting for	
	Quarter ending June, 30 2014	Second week of August 2014
	Quarter ending September, 30 2014	Second week of November 2014



	Quarter ending December, 31 2014	Second week of February 2015
	Quarter ending March 31, 2015	Fifth week of May 2015
	Annual General meeting for FY ended 31st March 2014	30th September 2014
D	Date of Book Closure	Thursday the 27th August 2015 to Saturday the 29th August, 2015
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	INE011H01014
I	Dematerialisation of Shares	98.37% 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, 2015 (last trading day of the financial year) was ₹44.25 on BSE and ₹45.00 on NSE as compared to the price on 31st March 2014 of ₹44 on BSE and NSE ₹43 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 30 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, 2015

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	2283	90.60	1901260	6.26
5001	-	10000	81	3.21	614490	2.02
10001	-	20000	66	2.62	968310	3.19
20001	-	30000	22	0.87	545700	1.80
30001	-	40000	18	0.71	635120	2.09
40001	-	50000	7	0.28	307980	1.01
50001	-	100000	14	0.56	1029970	3.39
100001	and	above	29	1.15	24347140	80.22
<b>Total</b>			<b>2520</b>	<b>100%</b>	<b>30349970</b>	<b>100</b>



## Plant Locations

### Yarn Divisions

1. Pillalamarri Road,  
Mahabubnagar District,  
Telangana – 509002
2. C C I Road, Gopannapalli Village,  
Tandur Mandal,  
Ranga Reddy District,  
Telangana – 501 141.

### Dyeing Division

Edira Village, Mahabubnagar District,  
Telangana – 509002

### Address for Correspondence

1st Floor, Surya Towers  
105, Sardar Patel Road  
Secunderabad - 500003  
TELANGANA, India

- i) Queries relating to transfer /dematerialization of share, 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  
Phone Nos: 040-6225555, 27845628, 27845650  
Fax No : 040 – 27840656  
Email: cs@rajvirindustrieslimited.com

**By the Order of the Board  
For RAJVIR INDUSTRIES LIMITED**

Place: Hyderabad  
Date: 29 .07.2015

Sd/-  
**Ritesh Kumar Agarwal**  
*Managing Director*



# Annexure – E to the Directors' Report

## Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2015

[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	09-01-2004
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 040- 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	27.21
2	Blended Yarn	13111	29.20
3	Melange Yarn	13111	32.18
4	PV	13111	11.41
	<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 Shareholders		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	
<b>A.</b>	<b>Promoter</b>									
<b>1)</b>	<b>Indian</b>									
a)	Individual/ HUF	2073859	0	2073859	68.33	2073859	0	2073859	68.33	NIL
a)	Central Govt	0	0	0	0	0	0	0	0	0
b)	State Govt(s)									
c)	Bodies Corp									
d)	Banks / FI									
e)	Any Other									
	<b>Sub-total(A)(1):-</b>	<b>2073859</b>	<b>0</b>	<b>2073859</b>	<b>68.33</b>	<b>2073859</b>	<b>0</b>	<b>2073859</b>	<b>68.33</b>	<b>NIL</b>
<b>2)</b>	<b>Foreign</b>									
a)	NRIs-Individuals	0	0	0	0	0	0	0	0	NIL
b)	Other-Individuals	0	0	0	0	0	0	0	0	NIL
c)	Bodies Corp.	0	0	0	0	0	0	0	0	NIL
d)	Banks / FI	0	0	0	0	0	0	0	0	NIL
e)	Any Other....	0	0	0	0	0	0	0	0	NIL
	<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NIL</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
a)	Mutual Funds	0	700	700	0.02	0	700	700	0.02	NIL
b)	Banks / FI	22907	0	22907	0.76	22907	0	22907	0.76	NIL
c)	Central Govt	0	0	0	0	0	0	0	0	NIL
d)	State Govt(s)	0	0	0	0	0	0	0	0	NIL
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
f)	Insurance Companies	0	0	0	0	0	0	0	0	NIL
g)	FIs	0	0	0	0	0	0	0	0	NIL
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
i)	Others (specify)	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>0.78</b>	<b>22907</b>	<b>700</b>	<b>23607</b>	<b>0.78</b>	<b>NIL</b>
<b>2.</b>	<b>Non Institutions</b>									
a)	Bodies Corp. (i) Indian (ii) Overseas	139526	601	140127	4.62	147787	2115	149902	4.95	0.33
b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹1 lakh	500364	50483	550847	18.15	495692	46190	541882	17.85	-0.3
	(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	232613	0	232613	7.66	232732	0	232732	7.67	0.01



Category of Shareholders		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	
c)	Others (Specify)									
	i) Qualified Foreign Investor	13580	364	13944	0.46	12234	364	12598	0.42	Nil
	ii) Clearing Members	0	0	0	0	417	0	417	0.01	0.01
	<b>Sub-total (B)(2)</b>	<b>886083</b>	<b>51448</b>	<b>937531</b>	<b>30.89</b>	<b>888862</b>	<b>48669</b>	<b>937531</b>	<b>30.89</b>	<b>0</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>908990</b>	<b>52148</b>	<b>961138</b>	<b>31.67</b>	<b>911769</b>	<b>49369</b>	<b>961138</b>	<b>31.67</b>	<b>0</b>
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	<b>Grand Total (A + B + C)</b>	<b>2982849</b>	<b>52148</b>	<b>3034997</b>	<b>100</b>	<b>2985628</b>	<b>49369</b>	<b>3034997</b>	<b>100</b>	<b>0</b>

## 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 / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	U K Agarwal Family Trust	421135	13.88	0	421135	13.88	13.88	0
2.	Ritesh Kumar Agarwal	304072	10.2	0	304072	10.2	10.2	0
3.	Upender Kumar Agarwal HUF	2,85,439	9.4	0	2,85,439	9.4	9.4	0
4.	Viraj Agarwal	2,82,911	9.32	0	2,82,911	9.32	9.32	0
5.	Usha Agarwal	2,12,223	6.99	0	2,12,223	6.99	6.99	0
6.	Arti Agarwal	1,64,568	5.42	0	1,64,568	5.42	5.42	0
7.	Ritesh Kumar Agarwal	1,37,092	4.52	0	1,37,092	4.52	4.52	0
8.	U K Agarwal	1,00,900	3.32	0	1,00,900	3.32	3.32	0
9.	Upendra Kumar	60,000	1.98	0	60,000	1.98	1.98	0
10.	Radhika Bindal	21,500	1.66	0	21,500	1.66	1.66	0
11.	Arti Agarwak	50,291	0.99	0	50,291	0.99	0.99	0
12.	Neysa Agarwal	30,000	0.71	0	30,000	0.71	0.71	0
13.	U K Agarwal	3,728	0.12	0	3,728	0.12	0.12	0
	<b>Total</b>	<b>2073859</b>	<b>68.33</b>	<b>0</b>	<b>2073859</b>	<b>68.33</b>	<b>68.33</b>	<b>0</b>



### iii. Change in Promoters' Shareholding ( please specify, if there is no change

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2073859	68.33	2073859	68.33
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	2073859	68.33	2073859	68.33

## V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans paid excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	₹ In Lakhs			
Indebtedness at the beginning of the financial year				
i) Principal Amount	12287.22	2047.36	138.00	14472.58
ii) Interest due but not paid	122.97	6.94	0	129.91
iii) Interest accrued but not due	61.9	0	13.66	75.56
<b>Total (i+ii+iii)</b>	<b>12472.09</b>	<b>2054.30</b>	<b>151.66</b>	<b>14678.05</b>
Change in Indebtedness during the financial year				
Addition	3952.63	551.51	0	4504.14
(-) Reduction	549.67	224.55	88.00	862.63
<b>Net Change</b>	<b>3402.96</b>	<b>326.55</b>	<b>88.00</b>	<b>3641.51</b>
Indebtedness at the end of the financial year				
i) Principal Amount	15690.18	2373.91	50.00	18114.09
ii) Interest due but not paid	22.51	46.56	0	69.07
iii) Interest accrued but not due	223.88	0	4.95	228.83
<b>Total (i+ii+iii)</b>	<b>15936.57</b>	<b>2420.47</b>	<b>54.95</b>	<b>18411.99</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
		Chairman	M D	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2218800	2218800	4437600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	29146	27240	56386
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	NIL	-	-
3	Sweat Equity	NIL	-	-
4.	Commission	1% of the total profit in the Financial year	1% of the total profit in the Financial year	-
	- as % of profit			
	- others, specify...			



Sl. No.	Particulars of Remuneration	Name of MD/WT D/ Manager		Total Amount
		Chairman	M D	
5	Others, please specify	-	-	-
6	Total (A)	2247946	2246040	4493986
	Ceiling as per the Act	₹42 Lakhs as per Schedule V of the Companies Act, 2013	₹42 Lakhs as per Schedule V of the Companies Act, 2013	₹84 Lakhs as per Schedule V of the Companies Act, 2013

#### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WT D/ Manager				Total Amount
	Independent Directors					
	• Fee for attending board committee meetings	-	-	-	24000	24000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	<b>24000</b>	<b>24000</b>
	Other Non-Executive Directors					
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B) = (1 + 2)</b>	-	-	-	<b>24000</b>	<b>24000</b>
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	1% of the Net Profit of the Company.				

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

Sl. No.	Particulars of Remuneration	Name of MD/WT D/ Manager			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	725640	1727580	2453220
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	31500	31500	63000
3	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>757140</b>	<b>1759080</b>	<b>2516220</b>

## 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)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding		N	I	L	
<b>B. Directors</b>					
Penalty		N	I	L	
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty		N	I	L	
Punishment					
Compounding					



# Annexure – F to the Directors' Report

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2015

[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 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, 2015 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, 2015 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) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
- (d) 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;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – (not applicable during the Audit Period)
- (f) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008 - (not applicable during the Audit Period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the Audit Period)
- (h) 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 Packing 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 Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange. 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 there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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.
- b. The Company has also not been regular in depositing with the appropriate authorities the undisputed dues pertaining to ESI, PF, TDS, Sales Tax Deferment, and Income Tax( for the financial year 2012-13).

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

Sd/-

**S S Marthi**  
*Proprietor*

Place : Hyderabad

Date : 30th July 2015

FCS No. 1989, CP No.1937



## Annexure – G to the 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

	2014-2015	2013-2014
1. Electricity:		
a) Purchased		
Units (in lakhs of KWH)	196.87	354.84
Total Amount (₹ In lacks)	1400.91	2802.38
Average Rate: (₹/Unit)	7.12	7.90
b) Own Generation:		
Through Diesel Generators		
Units (in lakhs of KWH)	0.48	0.15
Units per Litre of Diesel Oil	2.50	2.52
Average Cost: ₹ / Unit	22.00	25.82
2. Coal (₹ In lakhs)	2.18	5.79
3. Furnace Oil	-	-
4. Others	-	-
<b>B. Consumption per Unit of Production</b>		
Yarn Production (Kgs in lakhs)	38.42	66.97
Electricity (Units/Kg of Yarn)	5.14	5.30

#### B. Technology Absorption

Efforts made in Technology absorption as per Form B

##### 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 carried by the Company	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 as no separate account is maintained

**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 eg: Product improvement, cost reduction, product Development, import substitution etc.	High value products development, increase in yield and product improvement
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 ₹24.08 Crores as compared to ₹47.28 Crores during the previous year. The Company has exported its products to various countries like USA, Korea, Taiwan, Egypt, Turkey, Spain, Mauritius, South Africa, Bangladesh, Pakistan and other Countries. The Company is exploring new markets for its products.

₹ in Lakhs

	2014-15	2013-14
b) Expenditure in Foreign Currency during the year on account of		
i) Plant & Machinery (CIF Value)	--	--
ii) Raw Materials (CIF Value)	889.20	1048.34
iii) Stores & Spares (CIF Value)	2.74	10.16
iv) Foreign Traveling	36.50	10.98
v) Export Commission	24.65	56.36
C) Earnings in Foreign Exchange: FOB Value of Exports	2408.21	4727.77

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

Place: Secunderabad  
Date: 29-07-2015

Sd/-  
**U.K. Agarwal**  
Chairman



## Annexure – A

### Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct

In accordance with Clause 49 (II) (E) of the Listing Agreement with the Stock Exchanges, 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, 2015.

Place: Hyderabad  
Date : 29-07-2015

Sd/-  
**Ritesh Kumar Agarwal**  
*Managing Director*

## Annexure – B

### Auditors' Certificate on Corporate Governance

#### To the Members of Rajvir Industries Limited

We have examined the compliance of conditions of Corporate Governance by Rajvir Industries Limited ('the Company'), for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management.

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

**For S Daga & Co**  
*Chartered Accountants*  
Firm Registration No. 000669S

Hyderabad  
Dated: 29-07-2015

Sd/-  
**Pavan Kumar Bihani**  
*Partner*  
Membership No. 225603

## Annexure – C

### Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, Ritesh Kumar Agarwal, CEO & Managing Director and Shiv Kumar, Chief Financial Officer, of M/s Rajvir Industries Limited of Rajvir Industries Limited, to the best of my knowledge, information and belief, certify that:

- 1) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present, in all material respects, a true and fair view of the Company's affairs, the financial condition and results of operations and are in compliance with applicable accounting standards, laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's code of conduct.
- 3) We are responsible for establishing and maintaining internal controls over financial reporting by the Company and we have:
  - a) Designed such controls to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others;
  - b) Designed or caused to be designed, such internal control systems over financial reporting, so as to provide reasonable assurance regarding the preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India; and
  - c) Evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
- 4) During the year, we have disclosed to the Company's Auditors and the Audit Committee of the Board of Directors:
  - a) Any change, that has materially affected or is reasonably likely to materially affect, the Company's internal control over financial reporting;
  - b) Any significant changes in accounting policies during the year, and that the same have been disclosed appropriately in the notes to the financial statements;
  - c) Instances of significant fraud, if any, that we are aware especially, if any, Member of management or employee involved in financial reporting related process. No such instances were noticed during the year 2014-15;
  - d) All significant changes and deficiencies, if any, in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data; and
  - e) Any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
- 5) In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive which was inflated on account of such mistakes or omissions.
- 6) We affirm that we have not denied any employee, access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
- 7) We further declare that, all Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the current year.

Hyderabad

Dated: 29-07-2015

**Shiv Kumar**

*Chief Financial Officer*

**Ritesh Kumar Agarwal**

*Chief Executive Office*





# Independent Auditor's Report

## To the Members of Rajvir Industries Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Rajvir Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and Cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its Loss and its Cash Flows for the year ended on that date.

### Emphasis of Matter

9. We draw attention to Notes to accounts of the accompanying financial statement in respect of:
  - (a) Note no. 2.27(e): contingency related to 'recompense payable in lieu of bank sacrifice' outcome of which is materially uncertain and cannot be determined currently;
  - (b) Note no. 2.32: the confirmation of balances of trade payable, trade receivable, debit and credit to the parties are subject to reconciliation, review and adjustment thereof;

- (c) Note no. 2.18.1: interest subsidy under TUFS receivable, towards claim of refund made in earlier years, against eligible machinery, which is pending, for final decision before appropriate authorities. The management expects full realization thereof.

Our opinion is not qualified in respect of above matters.

### Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ( hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

11. 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 and the Cash Flow Statement dealt with by this Report are in agreement with the 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 Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 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 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 as on March 31, 2015 on its financial position in its financial statements;
- 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, 2015.

**For S Daga & Co.**

*Chartered Accountants*

(ICAI FRN: 000669S)

**(Pavan Kumar Bihani)**

*Partner*

Place: Hyderabad

Date: 30.05.2015

M. No. 225603



# Annexure to the Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Rajvir Industries Limited on the financial statements as of and for the year ended March 31, 2015

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management during the year and there is regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory has been physically verified by the management during the year. In respect of inventory lying with the parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the registers maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the Information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 73 to 76 and other relevant provisions of the Companies Act and the Companies (Acceptance of Deposit) Rules, 2014 as applicable, with regards to the deposits accepted from members and the public. 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.
- (vi) We have broadly reviewed the books of accounts maintained 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.
- (vii) (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the company has been regular in depositing with appropriate authorities undisputed statutory dues including wealth tax, sales-tax, customs duty, investor education

and protection fund and any other material statutory dues applicable to it except as stated below, where the company is irregular in payment of undisputed statutory dues and which remained unpaid for a period of more than six months as on the date of reporting.

Particulars	Period	Amount (In lakhs)
Employee State insurance	October 2013 to September 2014	29.19
Provident fund	March 2014 to September 2014	26.71
Tax deducted and collected at source	April 2014 to September 2014	14.42
Sales tax deferment	Upto 31st March 2015	187.89
Income Tax	For the financial year 2012-13	98.10

- (b) According to the information and explanations given to us, there are no disputed statutory dues as at the year end.
- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made there under.
- (viii) The company has accumulated losses as at the close of the year and are not more than 50% of its net worth. The company has incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- (ix) According to the records examined by us, the Company has defaulted in repayment of dues to financial institutions/banks and same has been rescheduled under Corporate Debt Restructuring dated 13th August 2014 during the current financial year. There are no over-dues as on 31st March 2015. In case of bond holder of ₹41.43 lacs (Pr. year ₹41.43 lacs), the company has not repaid and has disputed the same pending before High Court. As per information and explanation given to us, the company has deposited by way of fixed deposit a sum of Rs75 lacs (Pr. year ₹55 lacs) with the bank against the same.
- (x) In our opinion and according to the information and the explanations given to us, the company has not given any guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied on an overall basis for the purposes for which they were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit nor have been informed of such case by the Management.

**For S Daga & Co.**

Chartered Accountants  
(ICAI FRN: 000669S)

Sd/-

**(Pavan Kumar Bihani)**

Partner

Place: Hyderabad

Date: 30.05.2015

M. No. 225603

# Balance Sheet

As at 31st March, 2015

₹ in lakhs

	Note No	As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share capital	2.1	1253.50	1253.50
Reserves and surplus	2.2	1384.31	2642.86
		<b>2637.81</b>	<b>3896.36</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	2.3	13192.92	3738.59
Deferred tax liabilities (net)	2.4	-	291.42
Other long-term liabilities	2.5	516.46	546.28
Long-term provisions	2.6	43.84	41.76
		<b>13753.22</b>	<b>4618.05</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	2.7	4372.67	7862.20
Trade payables	2.8	3286.39	5274.13
Other current liabilities	2.9	2291.87	4711.89
Short-term provisions	2.10	70.16	74.66
		<b>10021.09</b>	<b>17922.88</b>
<b>Total</b>		<b>26412.12</b>	<b>26437.29</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	2.11	14607.98	15744.70
Capital work-in-progress		33.67	31.32
		<b>14641.65</b>	<b>15776.02</b>
Deferred Tax Assets (Net)	2.4	231.43	-
Long-term loans and advances	2.12	542.95	830.37
Other Non - Current Assets	2.13	56.16	56.16
		<b>15472.19</b>	<b>16662.55</b>
<b>CURRENT ASSETS</b>			
Inventories	2.14	6634.93	5359.70
Trade Receivables	2.15	1,237.65	889.80
Cash and Bank balances	2.16	916.66	424.62
Short-Term Loans and Advances	2.17	450.46	404.02
Other Current Assets	2.18	1700.23	2696.60
		<b>10939.93</b>	<b>9774.74</b>
<b>Total</b>		<b>26412.12</b>	<b>26437.29</b>
Significant Accounting Policies & Notes on Financial Statements	1 & 2		

The Significant Accounting Policies & Notes on Financial Statements form an integral Part of Balance Sheet.

As per our report attached of even date  
**for S.Daga & Co.,**  
Chartered Accountants  
(ICAI FRN 000669S)

Sd/-  
**(Pavan Kumar Bihani)**  
Partner  
M.No.225603

Place : Secunderabad  
Date : 30th May, 2015

**For and on behalf of the Board**  
Sd/-  
**U.K.Agarwal**

Sd/-  
**Shiv Kumar**  
Chief Executive Officer

Chairman  
Sd/-  
**Ritesh K Agarwal**  
Managing Director



# Statement of Profit and Loss

For the year ended 31st March, 2015

₹ in lakhs

	Note No	Year ended 31.03.2015	Year ended 31.03.2014
<b>INCOME</b>			
Revenue from operations	2.19	10,166.07	19,919.97
Other income	2.20	120.30	1,444.84
<b>Total Revenue</b>		<b>10,286.37</b>	<b>21,364.81</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	2.21	5,314.62	10,940.82
Purchases of Stock-in-trade	2.22	-	323.92
Changes in Inventories of Finished goods and work-in-process	2.23	-1,148.03	2,546.74
Employee Benefits Expenses	2.24	1,529.40	1,894.22
Finance Costs	2.25	2,117.61	2,373.26
Depreciation / Amortisation	2.11	1,017.97	1,190.70
Other Expenses	2.26	3,099.98	4,973.76
<b>Total Expenses</b>		<b>11,931.55</b>	<b>24,243.42</b>
<b>Profit / (Loss) before tax</b>		<b>-1,645.19</b>	<b>-2,878.61</b>
<b>Tax expense:</b>			
Current tax :		-	-
Deferred tax (charge) / release		480.76	977.41
<b>Total Tax Expense</b>		<b>480.76</b>	<b>977.41</b>
<b>Profit / (Loss) for the year</b>		<b>-1,164.43</b>	<b>-1,901.20</b>
<b>Earnings per equity share (face value of ₹10/-per share)</b>			
(a) Basic	2.30	-38.37	-62.64
(b) Diluted	2.30	-38.37	-62.64
Significant Accounting Policies & Notes on Financial Statements	1 & 2		

The Significant Accounting Policies & Notes on Financial Statements form an integral Part of Balance Sheet.

As per our report attached of even date

**for S.Daga & Co.,**  
Chartered Accountants  
(ICAI FRN 000669S)

Sd/-  
**(Pavan Kumar Bihani)**  
Partner  
M.No.225603

Place : Secunderabad  
Date : 30th May, 2015

**For and on behalf of the Board**

Sd/-  
**U.K.Agarwal**

Sd/-  
**Shiv Kumar**  
Chief Executive Officer

Chairman  
Sd/-  
**Ritesh K Agarwal**  
Managing Director



# Cash Flow Statement

For the period ended 31st March, 2015

₹ in lakhs

Particulars	31.03.2015	31.03.2014
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	(1645.19)	(2878.61)
Add: Depreciation	1017.97	1190.70
Interest & Finance charges	2117.61	2373.26
(Profit)/Loss on sale of fixed assets (net)	-	-
	3135.58	3563.96
Operating profit before working capital changes	<b>1490.40</b>	<b>685.35</b>
Adjustments for working capital changes		
Sundry debtors	(347.85)	1365.54
Current liabilities	(7901.79)	(1747.94)
Inventories	(1275.23)	3649.99
Loans & Advances	(46.44)	(12.26)
Other Current Assets	996.37	(1222.76)
	<b>(8574.94)</b>	<b>2032.57</b>
Cash generated from Operations	(7084.55)	2717.92
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(7084.55)	2717.92
CASH FLOW FROM OPERATING ACTIVITIES	<b>(7084.55)</b>	<b>2717.92</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Outflow: Capital Work-in-Progress	(2.35)	(11.12)
Long Term Loans & Advances	391.94	(283.49)
Sale of Fixed Assets	1.50	-
Acquisition of fixed assets	(18.96)	(69.97)
	<b>372.13</b>	<b>(364.58)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(213.12)	(2373.26)
Increase in bank borrowings	7056.74	1037.01
Unsecured Loans	639.51	(44.50)
Hire purchase loan	(3.56)	8.95
	7479.58	(1371.80)
Outflow: Repayment of term loans	0.00	(1311.89)
Long term loans & Advances	(27.73)	(1.17)
Public fixed deposits	(88.00)	(12.00)
Hire Purchase Loans repaid	-	(115.73)
	(20.03)	(1345.09)
NET CASH FROM FINANCING ACTIVITIES	<b>7363.84</b>	<b>(2716.89)</b>
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)	651.41	(363.55)
ADD: CASH/CASH EQUIVALENTS AT THE BEGININGOF THE YEAR	197.29	560.84
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR	<b>848.70</b>	<b>197.29</b>

Note: Previous years' figures have been regrouped/reclassified wherever necessary to confirm to the current years classification

As per our report attached of even date  
**for S.Daga & Co.,**  
Chartered Accountants  
(ICAI FRN 000669S)

Sd/-  
**(Pavan Kumar Bihani)**  
Partner  
M.No.225603

Place : Secunderabad  
Date : 30th May, 2015

**For and on behalf of the Board**  
Sd/-  
**U.K.Agarwal**

Sd/-  
**Shiv Kumar**  
Chief Executive Officer

Chairman  
Sd/-  
**Ritesh K Agarwal**  
Managing Director



# Notes on Financial Statements for the year ended 31st March 2015

## Note No. 1

### 1. Significant Accounting Policies

#### 1.1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on accrual basis to comply in all material aspects and in accordance with Indian General Accepted Accounting Principles (GAAP), which comprises of mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The accounting policies have been consistently applied by the Company unless otherwise stated.

#### 1.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialized.

#### 1.3 Revenue Recognition

- (i) The company recognises revenues on the sale of products, when the products are dispatched / delivered to the customer/dealer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the customer/ dealer.
- (ii) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- (iii) Revenue from services is recognized as per the terms of the contracts with the customers when the services are performed.
- (iv) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### 1.4 Recognition of Expenditure

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities.

#### 1.5 Fixed Assets

- (i) Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any.
- (ii) The cost of Fixed Asset comprises its purchase price, including non-refundable taxes & duties and directly attributable cost of bringing the asset (including leasehold improvements) to its working condition for its intended use.
- (iii) All costs, including borrowing costs till commencement of commercial production, attributable to fixed assets are capitalized.

#### 1.6 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

#### 1.7 Capital Work-in-Progress

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their internal use at the balance sheet date.

#### 1.8 Depreciation

Depreciation is provided on assets on Straight Line method at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

#### 1.9 Inventories

Inventories are valued as follows:

Raw Material	At lower of cost or net realizable value.
Work-in-progress	At lower of cost or net realizable value.
Stores & Spares	At lower of cost or net realizable value.
Finished Goods	At lower of cost or net realizable value.

Obsolete, slow moving and defective inventories are identified at the time of physical verification and necessary provision is made for such inventories. The cost is determined on weighted basis for raw material, stores and spares, packing materials and trading goods. Cost includes the purchase price and attributable direct cost less discounts.

In case of work-in-progress and finished goods cost includes material cost, direct labour and production overheads.

#### 1.10 Employee Benefits

Short-term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

# Notes on Financial Statements for the year ended 31st March 2015

## 1.11 Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are restated at the appropriate rates of exchange prevailing on the date of transaction.
- (ii) Monetary assets and liabilities denominated in foreign currencies are restated at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.
- (iii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.
- (iv) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on underlying assets/ liabilities. Further, in case of other contracts with committed exchange rates, the underlying is accounted at the rate so committed. Profit or loss on cancellation / renewals of forward contracts is recognized during the year. In case of option contracts, the losses are accounted on mark to market basis.

## 1.12 Leases

Operating lease payments are recognized as expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

## 1.13 Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to Statement of Profit & Loss.

## 1.14 Government Grants

Grants and subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that all the underlying conditions will be complied with.

Grants and Subsidies related to specific fixed asset is shown as deduction from the gross value of the asset concerned and subsidies not related to specific fixed asset are treated as Capital Reserve.

## 1.15 Accounting for Taxes on Income

The Current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company on the computed total income for the year.

Deferred Tax assets and liabilities are recognized on timing differences between taxable income and accounting income,

originating in one period and expected to reverse in subsequent periods.

The Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date.

Minimum alternative tax (MAT) under the provisions of Income Tax Act 1961 is recognized as current tax in the Statement of Profit and Loss.

The Credit available under the Act in respect of MAT paid is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal Income Tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability.

MAT credit recognized as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exist.

## 1.16 Segment Reporting

The operations of the company predominantly comprises of "Manufacturing of yarn". These activities constitute the Primary segment and is the only reportable segment.

## 1.17 Provisions, Contingent Liabilities and Contingent Assets

- (i) **Provisions:** Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.
- (ii) **Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.
- (iii) **Contingent Assets:** Contingent Assets are neither recognized or disclosed in the financial statements.



# Notes on Financial Statements for the year ended 31st March 2015

## Note No. 2

### Note No. - 2.1 : SHARE CAPITAL

₹ in lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>AUTHORISED</b>		
45,00,000 (Previous Year 45,00,000) Equity Shares of ₹10 each	450.00	450.00
9,50,000 (Previous Year 9,50,000) 12% Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each	950.00	950.00
	1,400.00	1,400.00
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>		
30,34,997 (Previous year 30,34,997) Equity shares of ₹10/- each fully paid.	303.50	303.50
9,50,000 (Previous Year. 9,50,000 ) 12% Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each	950.00	950.00
<b>Total</b>	<b>1,253.50</b>	<b>1,253.50</b>

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

	No. of Shares	No. of Shares
<b>Equity Shares</b>		
At the beginning of the period	3,034,997	3,034,997
Issued during the period	-	-
Outstanding at the end of period	<b>3,034,997</b>	<b>3,034,997</b>
<b>12% Redeemable Non-convertible cumulative Preference shares</b>		
At the beginning of the period	950,000	950,000
Issued during the period	-	-
Outstanding at the end of period	<b>950,000</b>	<b>950,000</b>

#### b) Terms/rights attached to equity shares:

The Company has one class of Equity Shares of face value ₹10 per share. Each holder of Equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Share holders in ensuing Annual General Meeting.

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.

#### c) Terms/rights attached to 12% Redeemable Non Convertible Cumulative Preference shares

- Entitled to receive dividend @ 12% per annum
- 6,50,000 Shares issued on 17.10.2011 Redeemable on 16th January, 2025
- 3,00,000 Shares issued on 14.11.2012 Redeemable on 15th February, 2025
- 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 dividends are in arrears for not less than two years on the date of the meeting, on all resolutions at every meeting of the Company.
- 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.

## Notes on Financial Statements for the year ended 31st March 2015

d) Details of Equity and Redeemable Preference Shareholders holding more than 5% of Shares along with No. of Shares held at the beginning and at the end of the reporting period are as given below:-

Shareholders holding more than 5 percent of the aggregate shares of the Company:

Particulars	As at 31, March 2015		As at 31, March 2014	
		%		%
<b>Equity shares</b>				
U.K.Agarwal	164628	5.42	164628	5.42
Ritesh K Agarwal	441164	14.50	441164	14.50
U.K.Agarwal (Family Trust)	421135	13.88	421135	13.88
U.K.Agarwal (HUF)	285439	9.41	285439	9.41
Viraj Agarwal	282911	9.32	282911	9.32
Usha Agarwal	212223	6.99	212223	6.99
Arti Agarwal	214859	7.08	214859	7.08
<b>12% Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each</b>				
Ritesh K Agarwal	415000	43.68	415000	43.68
U.K.Agarwal	365000	38.42	365000	38.42
U.K.Agarwal (Family Trust)	100000	10.53	100000	10.53
U.K.Agarwal (HUF)	70000	7.37	70000	7.37

### Note No. - 2.2 : RESERVES AND SURPLUS

₹ in lakhs

Particulars	As at		As at	
	31, March 2015		31, March 2014	
<b>RESERVES</b>				
<b>Capital reserve</b>		46.76		46.76
<b>Debenture Redemption Reserve</b>				
Balance as per last balance sheet	958.57			958.57
Less: Transferred to General Reserve	917.14			-
		<b>41.43</b>		<b>958.57</b>
<b>General reserve</b>				
Balance as per last balance sheet	1,038.84			1,038.84
Add: Transferred from Debenture Redemption Reserve	917.14			-
		<b>1,955.98</b>		<b>1,038.84</b>
<b>SURPLUS IN THE STATEMENT OF PROFIT AND LOSS</b>				
Balance as per last balance sheet	598.69			2,499.89
Add: Net Profit / (Loss) after Tax transferred from statement of Profit and Loss	(1,164.43)			(1,901.20)
Balance available for Appropriations		<b>(565.74)</b>		<b>598.69</b>
Less: Adjustment of carrying amount of assets (Net of Tax of ₹42.09 lakhs) pursuant to enactment of Schedule -II to the Companies Act, 2013		(94.12)		
Net Surplus/(Defecit)		<b>(659.86)</b>		<b>598.69</b>
<b>Total</b>		<b>1,384.31</b>		<b>2,642.85</b>
<b>Note No. 2.2 .1</b>				
Capital reserve represents capital subsidy received from Central Government		46.76		46.76





# Notes on Financial Statements for the year ended 31st March 2015

## Note No. - 2.3 : LONG TERM BORROWINGS

₹ in lakhs

Particulars	Non-current Portion		Current Maturities	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>SECURED</b>				
Term loans from Banks (Refer Note No. 2.3.1)	11048.13	2086.90	298.80	2,451.13
Hire Purchase Loans - Banks (Refer Note No. 2.3.3)	13.62	17.19	6.94	7.81
<b>UNSECURED</b>				
Deferred payment liabilities - Sales Tax	432.34	487.19	242.75	412.85
Loans and advances from related parties (Refer Note No. 2.3.2)	618.93	110.64		
Loans from Others	1,079.90	1,036.68		
	13,192.92	3,738.59	548.49	2,871.79
Amount disclosed under the head "Other Current Liabilities" (Note No. 2.9)	-	-	548.49	2,871.79
<b>Total</b>	<b>13,192.92</b>	<b>3,738.59</b>	<b>-</b>	<b>-</b>

### NOTE NO. 2.3.1 - Term and Working Capital facilities from banks

During the financial year ended March 31, 2015, 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 ('CDR EG'). 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.

#### The key features of the CDR Proposal are as follow:

- 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.
- 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.
- Restructuring of existing fund based and non fund based financial facilities, subject to renewal and reassessment every year.
- 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.
- 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.
- The rate of interest on RTL, rescheduled term loan, WCTL, FITL, priority loan and additional term loan shall be SBI Base rate + 250 bps effective 12.50% p.a.
- 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.
- Contribution of ₹5 crores in the company by the Promoters, their friends, relatives and business associates in lieu of bank sacrifice to be brought in upfront.
- Waiver of existing events of defaults, penal interest and charges etc in accordance with MRA.
- Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA.

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 ₹15.79 Crore.

# Notes on Financial Statements for the year ended 31st March 2015

## 3. Unsecured loan not to be taken back by the company till CDR.

## 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 passu charge on the entire fixed assets of the company, both present and future.

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 Pledge of entire shareholding (both present and future) held by the promoters and promoter group representing 68.33% shares (2073859 shares).

### Note 2.3.2

Unsecured Loans from Directors and their relatives are long term loans carrying rate of interest @ 8% per annum and others long term loans are carrying rate of interest 12% per annum.

### Note 2.3.3

Hire purchase loans are vehicle loans secured by hypothecation of respective financed asset of the company.

## Note No. - 2.4 : DEFERRED TAX LIABILITY (NET)

₹ in lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Deferred Tax Liabilities</b>		
Depreciation	1668.17	1626.63
<b>Total</b>	<b>1,668.17</b>	<b>1,626.63</b>
<b>Deferred Tax Assets</b>		
On Unabsorbed Losses	1,884.56	1,330.08
On Others	15.04	5.13
<b>Total</b>	<b>1,899.60</b>	<b>1,335.21</b>
<b>Net Deferred Tax (Asset) /Liability</b>	<b>(231.43)</b>	<b>291.42</b>

## Note No. - 2.5 : OTHER LONG TERM LIABILITIES

Security Deposits	21.66	19.94
Others	494.80	526.34
<b>Total</b>	<b>516.46</b>	<b>546.28</b>

## Note No. - 2.6 : LONG TERM PROVISIONS

Provision for gratuity	42.51	40.82
Provision for Leave Encashment	1.33	0.94
<b>Total</b>	<b>43.84</b>	<b>41.76</b>

## Note No. - 2.7 : SHORT TERM BORROWINGS

From Banks - Secured ( Refer Note No.2.3.1)	4,322.67	7,724.20
Fixed Deposits from Public- Unsecured	50.00	138.00
<b>Total</b>	<b>4,372.67</b>	<b>7,862.20</b>

### Note 2.7.1 :

Fixed Deposits from public are repayable in one year carrying interest rate of 11% p.a



# Notes on Financial Statements for the year ended 31st March 2015

## Note No. - 2.8 : TRADE PAYABLES

₹ in lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Other than MSMED Enterprises		
Trade Payables	3,286.39	5,274.13
<b>Total</b>	<b>3,286.39</b>	<b>5,274.13</b>
<b>Note 2.8.1 :</b>		
The disclosure in accordance with Section 22 of Micro, Small, and Medium Enterprises Development Act, 2006:		
Principal amount remaining unpaid and interest due thereon	-	-
Interest paid in terms of Section 16	-	-
Interest due and payable for the period of delay in payment	-	-
Interest accrued and remaining unpaid	-	-
Interest due and payable even in succeeding 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 information available with the company, regarding the status of registration of such vendor under the said Act, as per the intimation received from them on the request made by the Company.

## Note No. - 2.9 : OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Current maturities of long term debts:		
Current maturities of term loans from Banks (Secured) - Refer Note No.2.3	298.80	2,451.13
Current maturities of finance lease (Secured) - Refer Note No.2.3	6.94	7.81
Deferred Payment Liabilities - Sales Tax	242.74	412.85
Interest accrued but not due on Borrowings	270.44	61.90
Interest accrued and due on Borrowings	22.51	129.91
Unpaid Dividends	4.18	5.36
Unpaid matured debentures (Note 2.9.1 )	41.43	41.43
Other payables		
Advances from customers	403.25	497.35
Liabilities for expenses	1,001.57	1,104.15
<b>Total</b>	<b>2,291.87</b>	<b>4,711.89</b>

### Note No. 2.9.1 :

The 9.5% Redeemable Non Convertible Debentures are secured by fixed deposits with IDBI Bank and charge on assets of the Company guaranteed by one director of the Company. These debentures are under redemption and pending litigation.

### Note No. 2.9.2 :

Unpaid dividends do not includes any amounts,due and outstanding which are required to be credited to Investor Education and Protection Fund.

### Note No. 2.9.3

Interest accrued but not due on Borrowings includes ₹121.49 lakhs which are yet to be transferred to FITL account by State Bank of Bikaner and Jaipur and Central Bank of India.

# Notes on Financial Statements for the year ended 31st March 2015

## Note No. - 2.10 : SHORT TERM PROVISIONS

₹ in lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
<b>Employee benefits:</b>		
Provision for Gratuity	4.20	3.97
Provision for Leave Encashment	0.62	0.57
<b>Others:</b>		
Provision for tax (net of taxes paid)	65.34	70.12
<b>Total</b>	<b>70.16</b>	<b>74.66</b>

## Note No. - 2.11 : FIXED ASSETS

### TANGIBLE ASSETS

₹ in lakhs

Tangible assets	Gross block				Depreciation / Amortisation					Net Block	
	Balance as at 1 April, 2014	Additions	Disposals	Balance as at 31st March 2015	Balance as at 1 April, 2014	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Transfer to Reserves as per Co's Act 2013	Balance as at 31st March 2015	Balance as at 31 March, 2015	Balance as at 31 March, 2014
Freehold Land	147.88	6.78	-	154.66	-				-	154.66	147.88
Buildings	5,551.30	-	-	5,551.30	1,132.42	181.43		24.12	1,337.97	4,213.33	4,418.88
Plant and Machinery	19,514.97	2.68	-	19,517.65	8,552.04	786.35		64.13	9,402.52	10,115.13	10,962.93
Furniture and Fixtures	52.63	0.01	-	52.64	32.29	9.06		5.70	47.05	5.59	20.34
Office Equipment	132.73	5.76	-	138.49	86.45	13.49		25.64	125.58	12.91	46.28
Vehicles	282.64	5.06	7.06	280.64	134.25	27.64	4.23	16.62	174.28	106.36	148.39
Revalued Plant & machinery	533.38	-	-	533.38	533.38	-			533.38	-	-
	<b>26,215.53</b>	<b>20.29</b>	<b>7.06</b>	<b>26,228.76</b>	<b>10,470.83</b>	<b>1,017.97</b>	<b>4.23</b>	<b>136.21</b>	<b>11,620.78</b>	<b>14,607.98</b>	<b>15,744.70</b>
Capital work in progress	31.32	22.64	20.29	33.67	-	-	-		-	33.67	31.32
<b>Total</b>	<b>26,246.85</b>	<b>42.93</b>	<b>27.35</b>	<b>26,262.43</b>	<b>10,470.83</b>	<b>1,017.97</b>	<b>4.23</b>	<b>136.21</b>	<b>11,620.78</b>	<b>14,641.65</b>	<b>15,776.02</b>
<b>Previous year</b>	<b>26,165.76</b>	<b>151.06</b>	<b>69.97</b>	<b>26,246.85</b>	<b>9,280.13</b>	<b>1,190.70</b>	<b>-</b>	<b>-</b>	<b>10,470.83</b>	<b>15,776.02</b>	<b>16,885.63</b>

#### NOTE NO. 2.11.1.

Transfer of depreciation to Reserves during the year represents in case of the assets whose useful life have ended, pursuant to the provisions of Schedule II of the Companies Act, 2013 effective from 01.04.2014, the carrying values, net of residual values as at 01.04.2014 amounting to ₹136.21 lacs has been transferred to retained earnings.

#### NOTE NO. 2.11.2.

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 2015

## Note No. - 2.12 : LONG TERM LOANS AND ADVANCES (Unsecured Considered Good)

₹ in lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Capital advances	55.69	53.84
Security deposits	485.80	775.07
CENVAT credit receivable	1.46	1.46
<b>Total</b>	<b>542.95</b>	<b>830.36</b>

## Note No. - 2.13 : OTHER NON- CURRENT ASSETS

### Unsecured, Considered good

Deposits with maturity for more than 12 months	<b>56.16</b>	<b>56.16</b>
<b>Total</b>	<b>56.16</b>	<b>56.16</b>

## Note No. - 2.14 : INVENTORIES

Raw Materials	693.60	522.62
Work-in-process	1,637.80	1,735.72
Finished goods	3,864.32	2,619.27
Stores and Spares	437.63	481.41
Cotton Waste	1.58	0.69
<b>Total</b>	<b>6,634.93</b>	<b>5,359.70</b>

### NOTE NO. 2.14.1

Stock of finished goods includes lying with consignment agents	129.45	115.44
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## Note No. - 2.15 : TRADE RECEIVABLES

### (Unsecured Considered Good)

Exceeding Six months	157.50	258.57
Others	1,080.16	631.23
<b>Total</b>	<b>1,237.65</b>	<b>889.80</b>

## Note No. - 2.16 : CASH AND BANK BALANCES

₹ in lakhs

Particulars	Non-current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>Cash and Cash Equivalents:</b>				
Balances with Banks*			713.00	32.26
Cash on hand			114.04	159.67
Deposits - Margin Money with maturity less than 3 months			17.48	-
In Unpaid Dividend Account			4.18	5.36
<b>Other Bank balances:</b>				
Deposits with Banks with maturity more than 3 months but less than 12 months			67.96	227.33
Deposits with maturity more than 12 months	56.16	56.16		
Amount disclosed under the head Other Non - Current Assets	-56.16	-56.16		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>916.66</b>	<b>424.62</b>



## Notes on Financial Statements for the year ended 31st March 2015

### Note No. - 2.17 : SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good) ₹ in lakhs

Particulars	As at 31st March, 2015	As at 31st March, 2014
Advances to employees	4.55	13.63
Prepaid expenses	40.85	80.90
MAT Credit entitlement	103.66	103.66
Advances to suppliers	301.40	205.84
<b>Total</b>	<b>450.46</b>	<b>404.02</b>

### Note No. - 2.18 : OTHER CURRENT ASSETS

Interest subsidy under TUFs receivable	1288.86	1288.86
Other Interest accrued	30.88	56.32
Incentives Receivable - Govt. of A.P.	134.12	859.37
Export Incentives Receivable	146.36	155.04
VAT Credit Receivable	100.01	337.01
<b>Total</b>	<b>1,700.23</b>	<b>2,696.60</b>

#### NOTE NO.2.18.1

Interest subsidy under TUFs receivable represents the claim made in earlier years of refund of Interest subsidy against the eligible machinery, pending for final decision before the appropriate authority.

### Note No. - 2.19 : REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Sale of products	9,995.61	19,689.13
Other operating revenues	170.46	230.84
<b>Total</b>	<b>10,166.07</b>	<b>19,919.97</b>
Note:		
(i) Sale of products		
Manufactured goods		
Yarn	9,928.37	18,896.25
Waste	67.24	483.94
Traded goods	-	308.94
<b>Total</b>	<b>9,995.61</b>	<b>19,689.13</b>
(ii) Other operating revenues		
Duty drawback and other export incentives	170.46	230.63
Jobwork charges	0.01	0.21
<b>Total</b>	<b>170.47</b>	<b>230.84</b>

### Note No. - 2.20 : OTHER INCOME

Interest income	44.30	93.53
Net gain on foreign currency transactions and translation	23.03	74.62
Insurance claims (net)	-	9.79
Other non-operating Income	52.97	1,266.90
<b>Total</b>	<b>120.30</b>	<b>1,444.84</b>



## Notes on Financial Statements for the year ended 31st March 2015

### Note No. - 2.21 : COST OF MATERIALS CONSUMED

₹ in lakhs

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Opening stock	522.62	1,573.32
Add: Purchases	5,485.60	9,890.11
	6,008.22	11,463.43
Less: Closing stock	693.60	522.62
<b>Cost of material consumed</b>	<b>5,314.62</b>	<b>10,940.82</b>
<b>Material consumed comprises:</b>		
Cotton	2,871.45	7,781.13
Polyester staple Fibre	1,941.36	2,473.34
Viscose staple Fibre	501.81	686.35
<b>Total</b>	<b>5,314.62</b>	<b>10,940.82</b>

### Note No. - 2.22 : PURCHASE OF TRADED GOODS

Cotton	-	323.92
<b>Total</b>	<b>-</b>	<b>323.92</b>

### Note No. - 2.23 : CHANGE IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROCESS

<b>Opening Inventory</b>		
Yarn	2,619.27	4,818.87
Work-in-process	1,735.72	2,071.53
Cotton waste	0.69	12.01
	<b>4,355.67</b>	<b>6902.41</b>
<b>Closing Inventory</b>		
Yarn	3,864.32	2,619.27
Work-in-process	1,637.80	1,735.72
Cotton waste	1.58	0.69
	<b>5,503.70</b>	<b>4355.67</b>
<b>Net (Increase) / Decrease</b>	<b>-1148.03</b>	<b>2546.74</b>

### Note No. - 2.24 : EMPLOYEE BENEFIT EXPENSES

Salaries and wages	1,370.08	1,669.70
Contributions to provident and other funds	69.79	87.79
Gratuity & Leave encashment	11.92	11.94
Staff welfare expenses	77.61	124.79
	<b>1,529.40</b>	<b>1,894.22</b>

#### NOTE NO. 2.24.1: Employee Benefit:

As per Accounting Standard 15 "Employees Benefits" the disclosures of Employees Benefit as defined in the Accounting Standard are given below:

#### Defined Contributions:

Employers Contribution to Provident Fund	38.29	43.35
Employers Contribution to ESI	25.95	37.65
Employers Contribution to Labour Welfare fund	1.00	0.03

# Notes on Financial Statements for the year ended 31st March 2015

## Note No. - 2.24.1 : EMPLOYEE BENEFIT EXPENSES (Contd.)

### Defined Benefit Plans:

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.

The assumptions and other disclosures relating to the Actuarial valuation of gratuity and leave encashment are as under:

₹ in lakhs

Particulars	Gratuity		Leave Encashment	
	As At 31.03.2015	As At 31.03.2014	As At 31.03.2015	As At 31.03.2014
<b>a) Change in Present Value of obligation</b>				
Present value of obligation at beginning of period	44.80	47.37	1.50	1.76
Interest cost	3.58	3.79	0.12	0.14
Current Service cost	5.65	5.38	0.13	0.08
Benefits paid	-3.10	-8.37	-6.46	-3.57
Actuarial (gain) / Loss on obligation	-4.21	-3.37	6.65	3.09
Present value of obligation at the end of period	46.72	44.80	1.94	1.50
<b>b) Amounts to be recognised in the balance sheet and statement of Profit &amp; Loss</b>				
Present value of obligation at end of period	46.72	44.80	1.94	1.50
Fair value of Plan Assets at end of period	-	-	-	-
Funded status	(46.72)	(44.80)	(1.94)	(1.50)
Unrecognised Actuarial Gain/(Loss)	-	-	-	-
Net Asset/(Liability) recognized in the balance sheet	(46.72)	(44.80)	(1.94)	(1.50)
<b>c) Expense recognised in the statement of Profit &amp; Loss</b>				
Current service cost	5.65	5.38	0.13	0.08
Interest cost	3.58	3.79	0.12	0.14
Expected return on Plan asset	-	-	-	-
Net Actuarial (Gain)/Loss recognised for the period	-4.21	-3.37	6.65	3.09
Expense recognised in the statement of Profit & Loss	5.02	5.80	6.90	3.31
<b>d) Movements in the Liability recognised in Balance sheet</b>				
Opening Net liability	44.80	47.37	1.50	1.76
Expenses as above	5.02	5.8	6.90	3.31
Contribution paid	-	-	-	-
Benefits paid	-3.10	-8.37	-6.46	-3.57
Closing Net Liability	46.72	44.80	1.94	1.50
Assumptions:				
Mortality	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Discount rate	8%	8%	8%	8%
Rate of increase in compensation	4%	4%	4%	4%
Rate of return (expected) on plan assets	N.A.	N.A.	N.A.	N.A.
Attrition rate	10%	10%	10%	10%
Expected average remaining service of Employees in years	21.98	23.52	-	-

**Note :** The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



## Notes on Financial Statements for the year ended 31st March 2015

### Note No. - 2.25 : FINANCE COST

₹ in lakhs

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Interest Expenses	1,961.99	2,210.88
Other Borrowing Cost	155.62	162.38
	<b>2,117.61</b>	<b>2,373.26</b>

### Note No. - 2.26 : OTHER EXPENSES

Consumption of stores and spares		120.45	249.16
Consumption of Dyes and Chemicals		139.54	114.97
Consumption of Packing material		124.34	229.05
Power and fuel		1,413.82	2,812.07
Repairs to			
Buildings	5.34		9.27
Machinery	74.02		140.81
Others	20.13	99.49	29.19
Rent		16.59	22.07
Rates and taxes		75.42	68.47
Insurance		56.24	65.17
Freight and forwarding & other selling expenses		307.30	584.16
Professional charges		160.15	33.84
Travelling and conveyance		142.05	87.31
Vehicle maintenance		22.90	30.90
Sales commission		163.00	223.60
Miscellaneous Expenses		258.68	273.71
<b>Total</b>		<b>3,099.98</b>	<b>4,973.76</b>

### Note No. - 2.27

₹ in lakhs

Particulars	31 March, 2015	31 March, 2014
<b>Contingent Liabilities not provided for:</b>		
a) Letters of credit	287.73	Nil
b) Bank Guarantees	10.00	610.00
c) Bills Discounted & outstanding	283.17	668.23
d) Suits filed 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
e) Compensation payable in lieu of bank sacrifice	535.00	0.00
f) Other commitments :		
Company remains exposed to liability towards fuel surcharge adjustment, which are notified by Power Distribution Companies of Andhra Pradesh 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.		

# Notes on Financial Statements for the year ended 31st March 2015

## Note No. - 2.28 : CAPITAL COMMITMENTS

₹ in lakhs

Particulars	31 March, 2015	31 March, 2014
Contracts remaining to be executed	18.22	Nil

## Note No. - 2.29 : DEPRECIATION & AMORTIZATION

### Depreciation on Tangible assets

	1,017.97	1,190.73
(a) In accordance with the provisions of Schedule II of the Companies Act, 2013 effective from 1st April 2014, the carrying value(net of residual value) amounting to ₹94.12 Lacs (net of deferred tax of ₹42.09 Lacs ) as a transitional provision has been recognised in the retained earnings.		
(b) Further, in case of assets acquired prior to 1st April, 2014, the carrying value of assets (net of residual value)is depreciated over the remaining useful life as determined effective from 1st April,2014.		
(c) Depreciation & Amortization expenses for the year would have been higher by ₹172.86 Lacs, had the company continued with the previous assessment of useful life of such assets.		

## Note No. - 2.30 : EARNING PER SHARE

No of Equity Shares	3034997	3034997
Profit available to Equity Share Holders	-1164.43	-1901.20
Nominal per Equity share (₹)	10	10
Basic & Diluted Earning per share (₹)	-38.37	-62.64

## Note No. - 2.31 : PAYMENTS TO STATUTORY AUDITORS TOWARDS

Statutory Audit Fee	2.25	2.25
Fee for Audit under the Income-Tax Act, 1961	0.40	0.40
Fee for Certification and other services	1.85	1.75
Reimbursement of expenses	0.17	0.23
	<b>4.67</b>	<b>4.63</b>

## Note No. - 2.32

The confirmation of balances of trade payables, trade receivables, debit and credit to the parties are subject to reconciliation and adjustment thereof.

## Note No. - 2.33 : LEASES

The company has operating leases Godown premises and retail outlets, that are

- (a) Renewable on a periodic basis and are cancellable by giving a notice period ranging from 1 month to 6 months and
- (b) Are non-cancellable for specifieds under arrangements. Rent escalation clauses vary from contract to contract.

Rent expenses included in Statement of Profit & Loss towards operating leases	16.59	22.07
Minimum Lease obligation under non-cancellable contracts amounts to:		
Within 1 year	21.20	16.59
After 1 year but before 5 years	85.00	77.05
After 5 years	Nil	Nil
<b>Total</b>	<b>122.79</b>	<b>115.71</b>





## Notes on Financial Statements for the year ended 31st March 2015

₹ in lakhs

	%	31 March, 2015	%	31 March, 2014
<b>Note No. - 2.34</b>				
<b>Value of Raw Materials Consumed</b>				
Imported	20.13	1069.73	14.43	1578.28
Indigenous	79.87	4244.89	85.57	9362.54
	<b>100.00</b>	<b>5314.62</b>	<b>100.00</b>	<b>10940.82</b>
<b>Note No. - 2.35</b>				
<b>Value of Stores &amp; Spares Consumed</b>				
Imported	2.27	2.74	7.71	19.21
Indigenous	97.73	117.71	92.29	229.95
	<b>100.00</b>	<b>120.45</b>	<b>100.00</b>	<b>249.16</b>
<b>Note No. - 2.36</b>				
<b>Value of imports on CIF basis in respect of</b>				
Raw Materials		889.2		1048.34
Stores and Spares		2.74		10.16
<b>Note No. - 2.37</b>				
<b>Earnings in Foreign Exchanges</b>				
FOB Value of Exports		2408.21		4727.77
<b>Note No. - 2.38</b>				
<b>Expenditure in Foreign Currency</b>				
Travelling Expenses		36.50		10.98
Commission		24.65		56.36

### Note No. - 2.39

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 to shows the distribution of the company's turnover by geographical locations.

<b>SECONDARY (GEOGRAPHICAL) SEGMENTS</b>		
Revenue attributable to location of customers:		
India	9254.51	14899.69
Asia	135.63	3737.20
Europe	288.52	311.14
Africa	143.81	529.11
Rest of the World	173.14	211.98
	<b>9995.61</b>	<b>19689.12</b>

# Notes on Financial Statements for the year ended 31st March 2015

## Note No. - 2.40 : RELATED PARTY TRANSACTIONS

### NAMES OF ASSOCIATES FIRMS

M/s Balaji Enterprises, M/s Sri Laxmi Enterprises U.K.Agarwal (Family Trust)  
U.K.Agarwal (HUF) M/s U.K.Cotton Exports

### NAMES OF KEY MANAGEMENT PERSONNEL

Sri U.K.Agarwal Sri Ritesh K. Agarwal

### NAMES OF RELATIVES OF KEY MANAGEMENT PERSONNEL.

Mrs. Usha Agarwal - Wife of Sri. U.K.Agarwal  
Mrs. Arti Agarwal - Wife of Sri. Ritesh K Agarwal  
Master Viraj Agarwal - Son of Sri. Ritesh K Agarwal  
Miss Neysa Agarwal - Daughter of Sri. Ritesh K. Agarwal

(₹ in lakhs)

Name of the Transaction	Associates		Key Management Personnel		Relatives		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Purchase of Goods</b>								
Sri Laxmi Enterprises	1127.04	744.06					1127.04	744.06
Rent Paid								
Balaji Enterprises	9.60	9.60					9.60	9.60
Remuneration Paid to Directors			44.36	45.35			44.36	45.35
Sri U.K.Agarwal			22.18	23.18			22.18	23.18
Sri Ritesh K Agarwal			22.18	22.17			22.18	22.17
Loans Received			32.60	42.05	559.91	36.80	592.51	78.85
Sri U.K.Agarwal			2.60	6.29			2.60	6.29
Sri Ritesh K Agarwal			30.00	35.76			30.00	35.76
Arti Agarwal					153.91	-	153.91	-
Neysa Agarwal								
Usha Agarwal					406.00	36.80	406.00	36.80
Viraj Agarwal								
U.K.Agarwal (Family Trust)								
U.K.Agarwal (HUF)								
Loans repaid		1.55	11.43	32.48	81.54	39.22	92.97	73.25
Sri U.K.Agarwal			6.63	1.76			6.63	1.76
Sri Ritesh K Agarwal			4.80	30.72			4.80	30.72
Arti Agarwal					-	-	-	-
Usha Agarwal					81.54	39.22	81.54	39.22
U.K.Agarwal (Family Trust)		1.55					0.00	1.55
U.K.Agarwal (HUF)	-	-					-	-
Interest accrued	0.60	0.61	3.51	0.53	42.44	8.43	46.55	9.57
Sri U.K.Agarwal			0.76	0.32			0.76	0.32
Sri Ritesh K Agarwal			2.75	0.21			2.75	0.21
Arti Agarwal					10.56	0.93	10.56	0.93
Usha Agarwal					26.08	2.64	26.08	2.64
Viraj Agarwal					5.56	4.65	5.56	4.65
Neysya Agarwal					0.24	0.21	0.24	0.21



# Notes on Financial Statements for the year ended 31st March 2015

## Note No. - 2.40 : RELATED PARTY TRANSACTIONS (Contd.)

(₹ in lakhs)

Name of the Transaction	Associates		Key Management Personnel		Relatives		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
U.K.Agarwal (Family Trust)	0.06	0.16					0.06	0.16
U.K.Agarwal (HUF)	0.54	0.45					0.54	0.45
Balances as on 31.03.2015								
Creditors								
Sri Laxmi Enterprises	900.03	1382.79					900.03	1382.79
Balaji Enterprises	30.58	22.13					30.58	22.13
U.K.Cotton Exports	9.81	9.81					9.81	9.81
Loans (Cr)								
Sri U.K. Agarwal			6.09	9.44			6.09	9.44
Sri Ritesh K Agarwal			35.83	8.16			35.83	8.16
Arti Agarwal					177.23	13.83	177.23	13.83
Neysa Agarwal					3.24	3.03	3.24	3.03
Usha Agarwal					360.87	6.47	360.87	6.47
Viraj Agarwal					74.14	69.15	74.14	69.15
U.K.Agarwal (Family Trust)	0.84	0.78					0.84	0.78
U.K.Agarwal (HUF)	7.21	6.73					7.21	6.73

## Note No. - 2.41 : PARTICULARS OF SALES, CLOSING & OPENING INVENTORY

₹ in lakhs

			31.03.2015	31.03.2014
	Sales Values		Closing Inventory	Opening Inventory
	2014-15	2013-14	2014-15	2013-14
Manufactured Items				
Yarn	9928.37	18896.25	3864.32	2619.27
Waste	67.24	483.94	1.58	0.69
	<b>9995.61</b>	<b>19380.19</b>	<b>3865.90</b>	<b>2619.96</b>
Traded Goods				
Cotton	-	308.94	-	-
	<b>-</b>	<b>308.94</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9995.61</b>	<b>19689.13</b>	<b>3865.90</b>	<b>2619.96</b>

## Note No. - 2.42

Previous period's figures have been recast / restated to confirm with the current year's classification.

As per our report attached of even date  
for **S.Daga & Co.,**  
Chartered Accountants  
(ICAI FRN 000669S)

Sd/-  
**(Pavan Kumar Bihani)**  
Partner  
M.No.225603

Place : Secunderabad  
Date : 30th May, 2015

For and on behalf of the Board  
Sd/-  
**U.K.Agarwal**

Sd/-  
**Shiv Kumar**  
Chief Executive Officer

Chairman  
Sd/-  
**Ritesh K Agarwal**  
Managing Director



## RAJVIR INDUSTRIES LIMITED

Regd. Office: 1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad -500 003

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide its circular no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who have not yet registered their email address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their e-mail address at which they would like to receive the above documents electronically, either to the company or to its Registrar and Share Transfer Agent. Shareholders are requested to fill the consent form below and send it to the Registrar and Share Transfer Agent, M/s XL Softech Systems Limited or to the company.

### CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To

**M/S XL Softech Systems Limited**

3, Sagar Society, Road NO.2, Banjara Hills

Telangana – 509002

Hyderabad – 500 034

Dear Sir,

I/We shareholder (s) of RAJVIR INDUSTRIES LIMITED, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email).

I/We request you to kindly register my / our below mentioned email id in the Company's records for sending such communication through email.

Folio No...../DP ID No.\*.....and Client ID No.\*.....

\*Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder : \_\_\_\_\_

Name of the Joint Shareholders (if any) : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

E-mail id for receipt of documents in

Electronic mode : \_\_\_\_\_

Date :

Place:

Signature: \_\_\_\_\_

(Sole / First Shareholder)

#### Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agents XL SOFETECH SYSTEM LIMITED, as and when there is change in their registered email-id.
2. For shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.



## RAJVIR INDUSTRIES LIMITED

Regd. Office: 1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad -500 003

### PROXY FORM

Regd. Folio No. / DPID – Client ID No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a member / members  
of Rajvir Industries Limited hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Saturday 29th August, 2015 at 03.30 P.M. at Qutub Shahi Hall, 1st Floor, Country Club, 6-3-1219, Begumpet, Hyderabad- 500 016.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Affix  
1 Rupee  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Shareholder/s

**Note:** The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.



## RAJVIR INDUSTRIES LIMITED

Regd. Office: 1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad -500 003

(To be handed over at entrance of the Meeting Venue)

### ATTENDANCE SLIP

Regd. Folio No. / DPID – Client ID No. \_\_\_\_\_

SHAREHOLDER'S NAME: \_\_\_\_\_  
(in Block Capitals)

In case of Proxy  
NAME OF PROXY: \_\_\_\_\_  
(in Block Capitals)

No. of Shares held \_\_\_\_\_

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the Company held on Saturday, the August 29, 2015 at 03.30 P.M.

Regd. Office: 1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad -500 003

\_\_\_\_\_  
Signature of Shareholder/s / Proxy

**Note:** Please bring this Attendance Slip when coming to the Meeting.



**FORM NO. MTG-12****POLLING PAPER**

[Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule 21 (1) (C) of the Companies  
(Management and Administration) Rules, 2014]

Name of the Company	RAJVIR INDUSTRIES LIMITED
CIN	L17116TG2004PLC044053
Registered Office	1ST FLOOR, SURYA TOWERS, 105,S.P. ROAD, SECUNDERABAD TELANGANA INDIA – 500003
Telephone	040 6622 5555, 2784 5628 Fax : 040 2784 0656
Website	www.rajvirindustrieslimited.com

**BALLOT PAPER**

Sr. No.	Particulars	Details
1.	Name of the First Named Shareholder (In BLOCK letters)	
2.	Postal address	
3.	Registered Folio No./ *DP ID and Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary/ Special Resolution/s enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sr. No.	ITEM NO.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
<b>ORDINARY BUSINESS</b>				
1.	To receive, consider and adopt the Balance Sheet as at 31st March, 2015, the Profit and Loss Account for the year ended as on that date, Directors' Report and Auditors' Report thereon.			
2.	To appoint a Director in place of Sri Vijay Kumar Gupta who retires by rotation and being eligible offers himself for reappointment.			
3.	To consider and if thought fit to pass the following resolution with or without modification(s) as Ordinary Resolution: "RESOLVED THAT M/S S Daga & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting of the Company until the conclusion of the 13th Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors in consultation with the Auditors."			





Sr. No.	ITEM NO.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
4.	<b>SPECIAL BUSINESS</b> <b>APPOINTMENT OF INDEPENDENT DIRECTOR</b> To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution : “RESOLVED THAT Ms. Anisha Tandon., who was appointed as an Women Independent Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company liable to retire by rotation.”			
6.	<b>ISSUE OF 9,59,863 EQUITY SHARES ON PREFERENTIAL BASIS TO THE PROMOTERS OF THE COMPANY</b> To consider and if thought fit to pass the following resolution with or without modification(s), if Any, as <b>special resolution</b> : “ <b>RESOLVED THAT</b> pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 13 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications thereto or re-enactment thereof for the time being in force) and pursuant to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI Regulations”) as in force and subject to all other applicable rules, regulations, guidelines, notifications and circulars of the Securities and Exchange Board of India (“SEBI”) and provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchange where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchanges and all other authorities as may be required (hereinafter collectively referred to as “Appropriate Authorities”), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as “Requisite Approvals”), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) be and are hereby authorised on behalf of the Company to issue, offer and allot 9,59,863 equity shares of ₹10/- (Rupees Ten only) each on preferential basis be issued to Ms Usha Agarwal and Ms Arti Agarwal, Promoters of the Company, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit at a price of ₹56.06 ps per share or at the price determined in accordance with Regulation 76 of SEBI (ICDR) Regulations, 2009 whichever is higher. FURTHER RESOLVED THAT the equity shares allotted pursuant to the aforesaid resolution shall in all respect rank pari passu with the existing equity shares of the Company. FURTHER RESOLVED THAT for the purpose of giving effect to the above, Sri U K Agarwal or Sri Ritesh Kumar Agarwal be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desired and to accept any modifications in the above proposal as may be required by the authorities involved in such issue and also to settle any questions or difficulties that may arise in regard to the offer, issue and allotment of equity shares and further to do all such acts and execute such deeds, documents in writing in connection with the issue of equity shares, entering into such other agreements as may be necessary.”			

Sr. No.	ITEM NO.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
6.	<p><b>INCREASE IN REMUNERATION PAYABLE TO SRI UPENDER KUMAR AGARWAL, CHAIRMAN OF THE COMPANY</b></p> <p>To consider, and if thought fit, to pass with or without Modification(s) the following resolution as a <b>Special Resolution</b></p> <p><b>“RESOLVED THAT</b> pursuant to the provisions of Section 196, 197, 203 and 152 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the company the Board of Directors of the Company be and hereby approve the increase in remuneration from ₹1,33,000/- per month to ₹3,50,000/- to Sri Upender Kumar Agarwal, Chairman of the Company, with effect from 1st August 2015 to 31st March 2017.</p> <p><b>FURTHER RESOLVED THAT</b> all the other terms conditions approved by the members of the company at their meeting held on 30th September 2014 stand unaltered.</p> <p>Further Resolved that in the event of loss or inadequacy of profit in any Financial year the remuneration as detailed above including perquisites will be paid to Sri Upender Kumar Agarwal.”</p>			
7.	<p><b>INCREASE IN REMUNERATION PAYABLE TO SRI RITESH KUMAR AGARWAL, MANAGING DIRECTOR OF THE COMPANY</b></p> <p>To Consider and , if thought fit, to pass with or without Modifications the following resolution as a <b>Special Resolution</b></p> <p><b>“RESOLVED THAT</b> pursuant to the provisions of Section 196, 197, 203 and 152 read with schedule V of the Companies Act, 2013 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to Articles of Association of the company the Board of Directors of the Company be and hereby approve the increase in remuneration from ₹1,33,000/- per month to ₹3,50,000/- to Sri Ritesh Kumar Agarwal Chairman of the Company, with effect from 1st August 2015 to 31st March 2017.</p> <p>Resolved further that all the other terms conditions approved by the members of the company at their meeting held on 30th September 2014 stand unaltered.</p> <p>Further Resolved That in the event of loss or inadequacy of profit in any Financial year the remuneration as detailed above including perquisites will be paid to Sri Ritesh Kumar Agarwal.”</p>			
8.	<p><b>APPOINTMENT OF COST AUDITOR</b></p> <p>To consider and if thought fit, to pass, with or without modification(s), the following Resolution as <b>Special Resolution</b>:</p> <p><b>RESOLVED THAT</b> pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, Sri Penumarthy Srinivas, Cost Accountant, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16, be paid a remuneration of ₹65000/- exclusive of out of pocket expenses and applicable taxes.</p> <p><b>RESOLVED FURTHER THAT</b> the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”</p>			

Place:

Date:

(Signature of the shareholder)



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