

# Passion for Fashion



**Rajvir Industries Limited**

13th Annual Report 2016-17

## Forward Looking Statement

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

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

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

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# OUR VALUED Customers

JCPenney

MARKS &  
SPENCER

ANN TAYLOR

Sainsbury's

PRIMARK®

RIVER ISLAND

celio\*

DEBENHAMS

TESCO

PEACOCKS  
QUALITY & VALUE

Bershka

George.

ZARA

MANGO

MATALAN  
MAKES FASHION SENSE

Superdry.  
極度乾燥(しなさい)

mothercare  
m

★ macy's

PUMA®

fcuk®

VICTORIA'S  
SECRET

PINK  
VICTORIA'S SECRET

KOHL'S

intimissimi  
Italian lingerie

Arcadia Group Limited  
BURTON DOROTHY PERKINS GUESS 邦威 361degrees OUTFIT TOPSHOP TOPMAN WOLFE

C&A

H&M

POLO  
RALPH LAUREN

switcher  
made with respect 

NORDSTROM

PENNEYS

OLD NAVY

promod

CHAPS  
RALPH LAUREN

URBN  
URBAN OUTFITTERS INC.

AMERICAN EAGLE  
OUTFITTERS

GAP

TOPSHOP

TOPMAN

ck  
CavnKen

next

ESPRIT

Abercrombie  
& Fitch  
TRADEMARK SINCE 1892

VICTORIA'S  
SECRET

KappAhl



## 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 8000 mélange/heather shades and a range that includes everything from 100% cotton/organic/fair-trade, combed yarns (polyester, viscose, modal, spun silk and flame-retardant) to melange/heather yarns, modal yarns and synthetic yarns.



## Looking Ahead to the Future

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

## Powerfull Presence

Headquartered in Hyderabad, Rajvir Industries has a pan-India presence with two manufacturing facilities in Telangana located in Tandur and Mahboobnagar, 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.

## Awards & Recognition



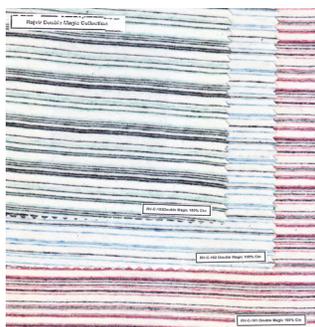
## Certifications



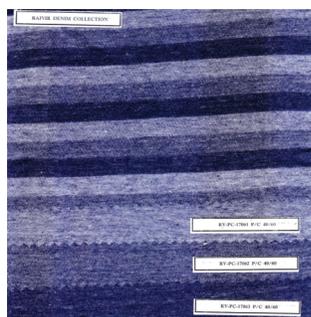
Kanecaron

# A Prolific Product Basket

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



Double Magic



Rajvir Denim



RW Ruffle



RW Sandy



Injected Collection



Twin Galaxy Heathers

## 100% cotton yarns

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

## Technical textile yarns

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

## Eco-Friendly yarns

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

## Fancy yarns

- ❖ Raw white Ruffle Look
- ❖ Raw white Sandy Look
- ❖ Injected collection
- ❖ Double Magic Heather
- ❖ Denim Heather
- ❖ Twin Galaxy Heather
- ❖ Raw white Lurex
- ❖ Blossom Heather

## Super speciality blends

- ❖ Cashmere/angora blends
- ❖ Wool bends
- ❖ Spun silk and blends
- ❖ Nylon Polyamide blends
- ❖ Triblend yarns



## Enchanting Colors, Exciting Range

Rajvir also produces a vast range of yarns which are categorized into four different collections Fashion yarn collection : Rajvir Snow in Triblend of Polyester Cotton, mock twist/grindle, snow heather mélange, denim look effect with cotton, raw white nep/single/multi-coloured neps, magic yarns, slub yarns, irregular patterns, heathers with a touch of metal, Triblend in raw white and 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/micromodal/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 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. The fashion industry has welcomed the brochure and universally acclaimed the collections. The company plans to make this an annual feature in order to update its customers with the latest products news.



# Chairman Speech

Dear Shareholders,

It gives me immense pleasure to welcome you all to the 13th Annual General Body Meeting.

In the FY 2016-17, the overall market conditions for cotton were not very encouraging. Your Company was able to sustain itself due to the following factors:-

- a) R&D initiatives were taken by our team which produced new high fashion yarn which was very much appreciated in the domestic and international market.
- b) The marketing team made its foray into new international markets including,  
Mexico  
Portugal  
Argentina

Our Company could meet all the stringent terms of CDR (Corporate Debt Restructuring)

## Market Size

Rajvir Industries limited continues to be an important player in the south Indian Textile Industry with a basket of products which is unmatched by our competitors. This year we explored new markets in international business by entering countries like Argentina, Guatemala, Iran, and Turkey Besides consolidating our position in our regular markets of USA, Europe, South America and Bangladesh.

During the FY 2016-17, the Company has achieved a sales turnover of 171.60 crores as compared to the sales turnover of 172.76 crores in FY 2015-16. Exports were made to nearly 42 countries with a turnover of 27.43 crores. Keeping in view the lean market conditions globally the company has performed well due to its specialization in high fashion yarn. Keeping in view the marketing efforts undertaken by our team we expect to further consolidate our turnover in the current financial year.

Cotton- based ready-made goods are among the highest foreign exchange earners among textile products, fell two per cent; Cotton fabrics fell a little more than four per cent. The high price of domestic cotton, coupled with heavy duties on import of cheaper Chinese varieties, have hampered production of cotton goods.

The Company continues to perform well in spite of various

adverse conditions due to the efforts of our Marketing team and R&D team which continuously develops new products in high fashion yarn. Our new development in Raw-white and Melange yarns include the following:

- Rajvir Florescent Magic Heathers
- Rajvir Florescent Dyed Twist Heathers
- Rajvir Sandy Look Heathers
- Rajvir Blossom Heathers
- Rajvir Jerry look with Black gold Heathers
- Rajvir Salt & Pepper over Dyed Heathers
- Rajvir Streaky Over Dyed Heathers
- Rajvir Raw White Ruffle Look
- Rajvir Raw White Sandy Look
- Rajvir Raw White denim Washed Out Look
- Rajvir Raw White Streaky Wool Feel Look

As you are aware the cotton prices in the current financial year touched unimaginable heights of Rs 50000/- per candy. This has adversely affected the textile industry which is already reeling under competition from countries like China.

We continue to successfully follow the Zero defect policy and I am pleased to inform that throughout the FY 2016-17, our products were accepted by the clients with Minimal defect. Rajvir is positioned as one of the distinct players in the Indian textile Industry. We have a huge library of over Melange/Heather shades and a range that encompasses everything from 100% Cotton/Organic/Fair trade, Combed yarns, Model yarns and synthetic yarns. Thus it helps us to meet the diverse demands of our various clients across the globe.

In view of the points mentioned above, we are confident of achieving a high turnover of sales and thereby bringing greater financial Stability to the company in the Current Financial Year.

Finally, I take this opportunity to Thank all the Shareholders who continue to have faith in the performance of the Company.



# Corporate Social Responsibility

We are a responsible corporate citizen and we have developed sustainability initiatives for the betterment of the society at large and welfare of the community. Societal well-being is a regular fixture in our list of important tasks. As we evolve we believe in shouldering our responsibilities and evolving sustainable living initiatives.

## Accordingly we have taken up the following social initiatives:

- ◆ We as a Corporate are fully conscious of our responsibilities towards betterment of the society. Constant improvement in the societal matter is accorded top most priority by our Company.
- ◆ Environmental Efforts: We have reduced the impact of natural depilation and have taken steps to conserve water and energy. To develop the green belt zone, we have planted 200 plants in and around factory.
- ◆ We have donated Money and in-kind (Rice and other grams etc) to various charitable trust who are working for child welfare centers.
- ◆ At MBNR we are maintaining a goshala with dozens of milk giving cows. The milk produced is distributed to employee's canteen, temple and other charitable trusts.
- ◆ We are maintaining two temples in MBNR. These temples are being used as a place of worship by villagers who stay in nearby villages. Free food for 250 people is daily provided by the temple.
- ◆ At MBNR we run Vedshala which teaches Vedas/shastras. The education fees, lodging and boarding expenses of all the students are borne by the Company.
- ◆ Under Integrated skills development scheme sponsored by Ministry of Textiles, we have provided Inplant training to many People to acquire basic job knowledge skills in different departments.

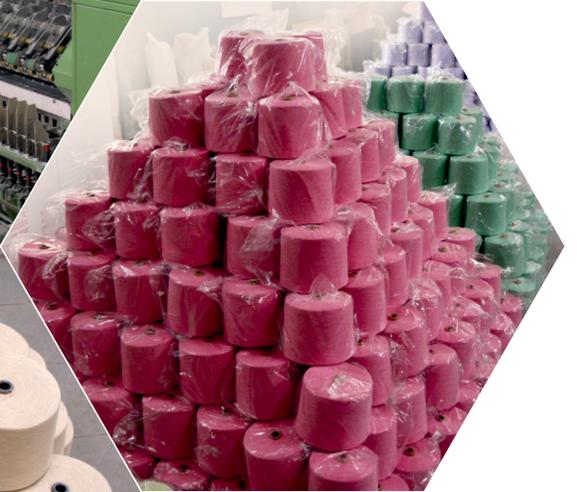
- ◆ Health and medical care: We have organised a Health checkup camp for staff, Workers and for their family members. Almost 200 members participated in the activity and made it successful.
- ◆ Employees are valued partners who play a vital role in sustaining our business. As ethical labour practices, we promote fair labor and safe working conditions.

## Awards and certificates

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

- ◆ Modal partnership with the House of Birla, Aditya Birla Group, for producing modal and modal blends.u Protex Certification from the Kaneka Corporation, Japan to produce flame retardant yarns.
- ◆ Fair Trade Certification from FloCERT GmbH to produce fair trade blended yarns.
- ◆ Better Cotton Initiative ( BCI) from the leading European chain stores to produce yarn under a new concept of sustainable cotton growing mechanism.
- ◆ GOTS/OE Certification from Control Union to produce Organic and Organic blended yarns.
- ◆ A Government of India recognized Export House.
- ◆ The Company also has Fair Trade Certificate from Flo-Cert GmbH.

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



# Directors' Profile



## **Sri UPENDER KUMAR AGARWAL**

Sri U.K. Agarwal is a graduate and has rich experience of more than 38 years in the Cotton Industry. He is the Chairman of Rajvir Industries Limited. He is considered to be an expert in the cotton selection process and has gained considerable expertise in Factory operations, Finance and General Administration. He is widely respected by the industry.



## **Sri RITESH K AGARWAL**

Sri Ritesh K Agarwal graduated with specialization in Business Administration from University of Charleston, West Virginia, USA in 1993. He commenced his career as Chief Executive Officer and acquired experience from the root level in order to achieve command over the day to day operations. After a stint in production, he moved to the field of Marketing of yarn. As Managing Director of the Company, he looks after all the managerial activities besides being the in-charge of the departments, including Marketing, Finance, Exports and Production.



## **Sri K.C. REDDY**

Sri K.C. Reddy is a Commerce graduate from Osmania University having vast experience of more than a decade in the Construction Industry as a Managing Partner/Partner with M/s KPS Builders, M/s KS Associates and M/s Reliable Constructions. An educationalist, he is Honorary Secretary of Maitreyi Educational Society, which runs School, Intermediate and Degree Colleges in Hyderabad.



## **Smt. N. Padma Vijay kumar**

Smt. N. Padma Vijay kumar is a Commerce graduate and has vast experience of 24 years in Financial sector. Her expertise is of considerable help in managing the Financial affairs of the Company.



## **Sri Ankush Tandon**

Sri. Ankush Tandon, is a post -graduated with specialization in finance from Vignana Jyothi Institute of Management known as VJIM is a business school located in Hyderabad. His expertise is of considerable help in managing the financial affairs of the company.



# Corporate Information

## RAJVIR INDUSTRIES LIMITED

CIN NO: L17116TG2004PLC044053

### BOARD OF DIRECTORS

**Sri Upender Kumar Agarwal**

Chairman

**Sri Ritesh Kumar Agarwal**

Managing Director

**Sri K C Reddy**

Independent Director

**Sri Vijay Kumar Gupta** ( Up to 14-02-2017)

Independent Director

**Smt N. Padma Vijay Kumar**

Independent Director

**Sri Ankush Tandon** ( From 29-05-2017)

Independent Director

### CHIEF FINANCIAL OFFICER

**Sri Shiv Kumar**

### COMPANY SECRETARY

**Sri Attal Anand 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

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 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 – 500 034

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 13th Annual General Meeting of RAJVIR INDUSTRIES LIMITED will be held on Thursday the 28th September 2017 at 3.30 P.M. at K.L.N.Prasad Auditorium, FTAPCCI, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad 500004, Telangana 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, 2017, the Statement of Profit and Loss 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 Smt. N.Padma Vijay Kumar who retires by rotation and being eligible offers herself for reappointment.

### 3. APPOINTMENT OF AUDITORS

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

**"RESOLVED THAT** M/S K C Bhattacharjee & Paul, Chartered Accountants, (Firm Registration Number:303026E) 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 till the conclusion of the next Annual General Meeting of the Company to be held in the year 2018 at such 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** pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sri. Ankush Tandon having Director Identification Number

07840833 who was appointed as an Independent Director of the Company, by the Board of Directors effective May 29th, 2017 and who holds office till the date of 13th Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose Sri. Ankush Tandon as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company till the next Annual General Meeting of the company, liable to retire by rotation."

### 5. RE-APPOINTMENT OF SRI UPENDER KUMAR AGARWAL AS CHAIRMAN & WHOLE TIME DIRECTOR OF THE COMPANY.

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

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company, and subject to such permissions, consents, and approvals from various other authorities, as may be necessary, and subject to such modifications, variations, conditions as may be imposed by them while granting their permissions, consents and approvals, approval of the shareholders of the Company be and is hereby accorded for the reappointment of Sri Upender Kumar Agarwal as Chairman & Whole Time Director of the Company, for a period of five years from April 1, 2017 to March 31, 2022 and payment of remuneration for the aforesaid period on the following terms and conditions, as approved by the Nomination & Remuneration Committee and Board in their meeting held on August 21, 2017."

#### 1. SALARY: Rs. 5,00,000/- per month

#### 2. COMMISSION:

At the rate of 1% per annum of the Net Profit of the Company or 50% of annual salary whichever is lower subject to the limits to the extent as permitted under the provisions of Sections 196,



197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013,

### 3. PERQUISITES:

In addition to the salary as stated above Sri Upender Kumar Agarwal shall be entitled to the following perquisites

#### CATEGORY - A

##### (I) HOUSING:

Rent free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water, etc., or HRA to the extent of 30% of the salary.

##### (ii) MEDICAL REIMBURSEMENT:

Expenses incurred for self and his family subject to a ceiling of maximum Rs.12,000/- per month.

#### CATEGORY – B

i) Contributions by the Company to Provident Fund as per the rules of the Company

ii) Payment of gratuity subject to an amount equal to half month's salary for each completed year of service.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment, the Chairman & Whole Time Director shall be paid salary, perquisites and other allowances as set out in the above resolution, as the minimum remuneration, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time.

**"RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

### 6. RE-APPOINTMENT OF SRI RITESH KUMAR AGARWAL AS MANAGING DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act

2013, as amended from time to time thereto and the Articles of Association of the Company, and subject to such permissions, consents, and approvals from various other authorities, as may be necessary, and subject to such modifications, variations, conditions as may be imposed by them while granting their permissions, consents and approvals, approval of the shareholders of the Company be and is hereby accorded for the reappointment of Sri Ritesh Kumar Agarwal as Managing Director of the Company, for a period of five years with effect from April 1, 2017 to March 31, 2022 and payment of remuneration for the aforesaid period on the following terms and conditions, as approved by the Nomination & Remuneration Committee and Board in their Meeting held on August 21, 2017.

1. **SALARY** : Rs.5,00,000/- per month

2. **COMMISSION:**

At the rate of 1% per annum of the Net Profit of the Company or 50% of annual salary whichever is lower subject to the limits to the extent as permitted under the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013,

### 3. PERQUISITES:

In addition to the salary as stated above Sri Ritesh Kumar Agarwal shall be entitled to the following perquisites

#### CATEGORY - A

##### (I) HOUSING:

Rent free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water, etc., or HRA to the extent of 30% of the salary.

##### (ii) MEDICAL REIMBURSEMENT:

Expenses incurred for self and his family subject to a ceiling of maximum Rs.12,000/- per month.

#### CATEGORY – B

i) Contributions by the Company to Provident Fund as per the rules of the Company

ii) Payment of gratuity subject to an amount equal to half month's salary for each completed year of service.



**"RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment, the Managing Director shall be paid salary, perquisites and other allowances as set out in the above resolution, as the minimum remuneration, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

#### 7. APPOINTMENT OF COST AUDITOR

To consider and if thought fit, to pass, with or without modification(s), 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 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 2017-18, be paid a remuneration of Rs.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/-  
**Attal Anand Kumar**  
Company Secretary

Place: Hyderabad  
Date: 21.08.2017

#### 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. The Register of members and share transfer books of the company will remain closed from 26-09-2017 to 28-09-2017 (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.
6. 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, XL Sofetch Systems Ltd, 3, Sagar Society, Road No.02, Banjara Hills, Hyderabad - 500034.
7. Electronic copy of the Notice of the 13th Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email Ids are registered with the Company/Depository



Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their Email address, physical copies of the Notice of the 13th Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that the Notice of the 13th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website [www.rajvirindustrieslimited.com](http://www.rajvirindustrieslimited.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection between 2:00 p.m. to 4:00 p.m. on all working days from Monday to Friday. Even after registering for E-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the Members may also send requests to the Company or to its Registrar and Share Transfer Agent, at the following Email ID : [xlfield@rediffmail.com](mailto:xlfield@rediffmail.com)/[rajvir@rajvirindustrieslimited.com](mailto:rajvir@rajvirindustrieslimited.com).

#### 8. VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 13th Annual Report of the company and the business may be transacted through e-voting. The company has engaged the services of M/s. National Depository Services Limited (NSDL) as the authorized agency to provide the e-voting facility.

The detailed instructions for E-voting are given herebelow.

#### 9. Members are requested to quote their Registered Folio No. on all correspondence(s) with the Company.

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

#### E-VOTING

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 25th September, 2017 at 09.00 a.m. and ends on 27th September, 2017 at 5.00 p.m. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th September, 2017 (cut off date), may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants]:
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.



- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of “Rajvir Industries Limited”.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [spcspl@gmail.com](mailto:spcspl@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM) [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
- (i) Initial password is pasted as below/at the bottom of the Attendance Slip for the AGM)

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD / PIN
107080	-	-

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password / PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16th September, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 16th September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer / RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM).
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of



remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. S.S. Marthi, Company Secretary (Membership No. FCS 1989) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.rajvirindustrieslimited.com](http://www.rajvirindustrieslimited.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE and NSE, Mumbai.

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

(i)

Name of Director	Smt N PADMA VIJAY KUMAR
Date of Birth	16-09-1966
Date of Appointment	31 <sup>st</sup> August 2015
Qualification	Commerce Graduate
Expertise	Finance
Other directorship	Nil
Chairman/Members of the Committee in other Companies	Nil
No of shares held in the Company	Nil

(ii)

Name of Director	Sri ANKUSH TANDON
Date of Birth	10-01-1982
Date of Appointment	29 <sup>th</sup> May 2017
Qualification	Post Graduate
Expertise	Finance
Other directorship	Nil
Chairman/Members of the Committee in other Companies	Nil
No of shares held in the Company	Nil

(iii)

Name of Director	Sri Upender Kumar Agarwal
Date of Birth	19-03-1951
Date of Appointment	25 <sup>th</sup> April 2005
Qualification	Graduate
Expertise	Cotton Industry
Other directorship	Nil
Chairman/Members of the Committee in other Companies	Nil
No of shares held in the Company	164628

(iv)

Name of Director	Sri Ritesh Kumar Agarwal
Date of Birth	28-04-1974
Date of Appointment	25 <sup>th</sup> April 2005
Qualification	Graduate
Expertise	Finance, Marketing & Production
Other directorship	Nil
Chairman/Members of the Committee in other Companies	Nil
No of shares held in the Company	441164

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

### ITEM NO.4

Sri Ankush Tandon was appointed as an Independent Director on the Board of the Company w.e.f. 29th May 2017. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Sri Ankush Tandon holds office upto the date of this 13th Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Sri Ankush Tandon as an Independent Director of the Company, liable to retire by rotation along with the prescribed deposit of Rs.1,00,000/-.



Save and except Sri Ankush 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.

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

The Board recommends the appointment of Sri Ankush 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

Sri Upender Kumar Agarwal had been re-appointed as Chairman & Whole Time Director of the Company on March 7, 2014 w.e.f April 1, 2014 for a period of 3 years. The term of office of Sri Upender Kumar Agarwal, Chairman & Whole Time Director of the Company has expired on 31st March 2017. Sri Upender Kumar Agarwal was reappointed, subject to the approval of the Shareholders, as the Chairman and Whole-time Director for a further period of 5 years w.e.f., 1st April 2017 at the Board Meeting held on 21st August 2017. The present proposal is to seek the Shareholders' approval for the re-appointment of Sri Upender Kumar Agarwal as the Chairman & Whole Time Director in terms of the applicable provisions of the Companies Act, 2013.

The payment of remuneration has already been approved by the Nomination & Remuneration Committee in its meeting held on August 21, 2017 & subsequently by the Board of Directors in its Board Meeting held on the same date. Therefore the Board proposes to seek approval of the Shareholders of the Company, approving the payment of the said remuneration.

The Board recommends the Resolution as mentioned at Item No.5 for your approval.

Except Sri Upender Kumar Agarwal and Sri Ritesh Kumar Agarwal (relative), none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

#### ITEM No.6

Sri Ritesh Kumar Agarwal had been re-appointed as Managing Director of the Company on March 7, 2014 w.e.f April 1, 2014 for a period of 3 years. The term of office of Sri Ritesh Kumar Agarwal, Managing Director of the Company has expired on 31st March 2017. Sri Ritesh Kumar Agarwal was reappointed, subject to the approval of the Shareholders, as the Managing Director for a further period of 5 years w.e.f., 1st April

2017 at the Board Meeting held on 21st August 2017. The present proposal is to seek the Shareholders' approval for the re-appointment of Sri Ritesh Kumar Agarwal as the Managing Director in terms of the applicable provisions of the Companies Act, 2013.

The payment of remuneration has already been approved by the Nomination & Remuneration Committee in its meeting held on August 21, 2017 & subsequently by the Board of Directors in its Board Meeting held on the same date. Therefore the Board proposes to seek approval of the Shareholders of the Company, approving the payment of the said remuneration.

The Board recommends the Resolution as mentioned at Item No.6 for your approval.

Except Sri Ritesh Kumar Agarwal and Sri Upender Kumar Agarwal (relative), none of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.6 .

#### ITEM NO.7

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 2017-18 for a fee of Rs.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.7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2017-18.

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**

Sd/-  
**Attal Anand Kumar**  
Company Secretary

Place: Hyderabad  
Date: 21.08.2017



# Directors' Report

## Dear Members

Your Directors have pleasure in submitting their Thirteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

## 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:-

	₹ In Lakhs	
	year ended 31-03-2017	year ended 31-03-2016
Sales and other Income	17160.20	17426.32
Profit before Interest and Depreciation	1100.42	1829.97
Interest and Finance Charges	2086.63	2152.38
Depreciation	915.49	940.31
Exceptional Items- Insurance claim	---	337.87
<b>Profit before Tax and Exceptional Items</b>	<b>-1901.70</b>	<b>-924.85</b>
Provision for Taxation		
a) Current Tax	-	-
b) Deferred Tax	581.72	283.27
<b>Profit after tax</b>	<b>-1319.98</b>	<b>-641.58</b>
Add: profit b/f from last year		
	-2621.42	-1301.44
<b>APPROPRIATIONS</b>		
Transferred from Debenture Redemption Reserve	-	-
Transferred to General Reserve	-	-
Dividend	-	-
Dividend Tax	-	-
Surplus Carried Forward to Balance sheet	-1319.98	-641.58
Earning per share(Basic)	-33.04	-17.85
Earning per share(Diluted)	-33.04	-17.85

## OPERATIONS

During the year under review, the company achieved a turnover of Rs. 17160.20 lakhs and net loss of Rs.1319.98 lakhs as against Rs.17426.32 lakhs and Rs. 641.58 lakhs in the previous year respectively.

## DIVIDEND

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

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 we have met forays in Southern Textile markets and we expect to substantial turnover with them. On the Export front the company has captured world major markets in UK, US, Europe, Argentina. We have made an impressive presentation of our new fancy product range in these countries and are confident of securing huge orders in the next few months.

## DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;



- (d) The Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively;
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

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

#### **DEPOSITS**

The Company has renewed the fixed deposits received from the public. The amount of deposits outstanding as on 31st March 2017 was Rs.50.00 lakhs. There were no deposits accepted under the provisions of Chapter V of the Companies Act, 2013. The company does not have any deposits lying unpaid or unclaimed as on 31st March 2017. 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. 2.41 of the financial statements of the company for the financial year ended

31st March 2017. 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**

Smt.N.Padma Vijay Kumar, Director, of the Company retires at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Sri Ankush Tandon was appointed as an Independent Director w.e.f. 29th May 2017, and holds office till the date of the ensuing Annual General Meeting. Shri Ankush Tandon has furnished a declaration under Section 149(7) of the Companies Act, 2013 that he fulfils the criteria for being appointed as an independent director. Hence, the Board recommends for his appointment as an Independent Director for a period of one year. The company has received a notice in writing from a member along with the requisite deposit of Rs.1,00,000/- under Section 160 of the Companies Act, 2013 proposing his candidature.

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

The Board of Directors approved the reappointment of Sri Upender Kumar Agarwal as chairman & whole time director of the company with effect from 1st April 2017 for a tenure of five years period ending 31st March 2022 on the terms and conditions as detailed in the resolution subject to approval of the members of the company in the general meeting.

The Board of Directors approved the reappointment of Sri Ritesh Kumar Agarwal as Managing director of the company with effect from 1st April 2017 for a tenure of five years period ending 31st March 2022 on the terms and conditions as detailed in the resolution subject to approval of the members of the company in the general meeting.

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



Sri Attal Anand Kumar is appointed as a Company Secretary and Compliance Officer of the company.

#### **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 Sri K C Reddy, Vijay Kumar Gupta, Ritesh Kumar Agarwal, N.Padma Vijay Kumar. The recommendations made by the committee have been accepted by the Board.

#### **VIGIL MECHANISM**

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

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

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

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

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

#### **EVALUATION OF THE BOARD**

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

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

#### **CORPORATE GOVERNANCE**

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as laid down under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 qualifications, reservations or adverse remarks.

#### **COST AUDIT**

Pursuant the provisions of the Companies Act, 2013, and the rules framed there under Sri Penumarthy 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 2016-17 by M/S Marthi & Co., Company Secretaries, Hyderabad, and their Secretarial Audit report for the financial year ended 31st March 2017 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, 2017 was Rs. 41.70 and Rs. 46.45 per share on NSE and BSE respectively.

During the year 40,000 Equity Shares of Rs.10/- each were dis-invested by promoter group of the company, to meet the Minimum public Shareholding Requirement in Terms of Rule 19A of Securities Contracts Regulation Rules, 1957(SCRR).The company has received the approval for the said shares from SEBI.

#### **PARTICULARS OF EMPLOYEES**

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

#### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow**



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

#### **ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support

extended to your 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**

Place: Hyderabad  
Date: 21.08.2017

Sd/-  
**U K Agarwal**  
Chairman



# ANNEXURE - A

## FORM NO. AOC.2

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

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

<b>1. Details of contracts or arrangements or transactions not at arm's length basis:</b>	
(a) Name(s) of the related party and nature of relationship	Nil
(b) Nature of contracts/arrangements/transactions	Nil
(c) Duration of the contracts/arrangements/transactions	Nil
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e) Justification for entering into such contracts or arrangements or transactions	Nil
(f) date(s) of approval by the Board	Nil
(g) Amount paid as advances, if any:	Nil
(h) Date on which the special resolution was passed in general meeting as required under first provision to Section 188 Nil	Not Applicable
<b>2. Details of material contract or arrangement or transactions at arm's length basis:</b>	
(a) Name(s) of the related party and nature of relationship	M/s Balaji Enterprises M/s Sree Lakshmi Enterprises
(b) Nature of contracts/arrangements/transactions	Purchase of Goods / Renting of Godown
(c) Duration of the contracts/arrangements/transactions	No Contract for purchase / Rental Agreement valid till 2018.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 4,80,000/- is paid as rent for the godown used for storage of goods.
(e) Date(s) of approval by the Board, if any:	14th February 2017
(f) Amount paid as advances, if any: M/s Balaji Enterprises / M/s Sree Lakshmi Enterprises	* Please refer the note given below

**\*NOTE:** The details of names, nature of relationship; nature of such contracts / arrangements / transactions are disclosed in Note No.2.41 of the Financial Statements.



# ANNEXURE - B

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

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

- (I) The percentage increase in remuneration of each Director, other key managerial personnel (KMP), Ratio of the remuneration of each director to the median remuneration of the employees of the company and the comparison of the remuneration of each KMP against the performance of the Company during the financial year 2016-17 are as under.

S. No	Directors/KMPs/ Manager's Name	Remuneration of Director/KMP for financial year 2016-17 (In Rupees)	% increase in Remuneration in the Financial Year 2016-17	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the company
1	Shri Upender Kumar Agarwal	4200000	18.65%	9.26	-
2	Shri Ritesh Kumar Agarwal	4200000	18.65%	9.26	
3	Shri Shiv Kumar	2063400	-	5.66	
4	Shri Attal Anand Kumar	443400	-	1.16	
(ii)	Percentage increase in the median remuneration of employees in the financial year 2016-17 compared to 2015-16			Nil	
(iii)	Number of permanent employees on the rolls of the company:				
		As on 31.03.2017		As on 31.03.2016	
		650		850	
(iv)	Explanation on the relationship between average increase in remuneration and the company performance		Increase in the remuneration of the Directors. No increase in the remuneration of 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 parameters for any variable component of remuneration availed by the Directors		The Chairman and Managing Director of the Company are eligible for commission besides salary, however in aggregate not exceeding 10% of the profits of the Company as calculated under Section 198 of the Companies Act 2013.		
(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

## MANAGEMENT DISCUSSION & ANALYSIS

### Introduction

India's textile sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 15 per cent of total exports. The textiles industry is also labor intensive and is one of the largest employers. The textile Industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts, and sericulture, which is operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The textile Industry employs about 51 million people directly and 68 million people indirectly. (Source Ministry of Textiles, TechSci Research)

The Textile Industry is the largest industry of modern India. The Industry accounts for 14 Percent of the total industrial production, contributes to nearly 30 percent of the total exports and is the second largest employment generator after agriculture. Our economy is largely dependent on the textile manufacturing and trade in addition to other major industries. About 27 Percent of the foreign exchange earnings are on account of export of textiles industry. So much so, the textile industry accounts for as large as 21 Percent of the total employment generated in the economy. Around 35 mn people are directly employed in the textile manufacturing activities. Indirect employment including the manpower engaged in agricultural based raw-material production like cotton and related trade and handling could be started to be around another 60 mn. (Source Ministry of Textiles, TechSci Research)

The Indian textiles Industry is extremely varied, with the handspun and handwoven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/hosiery and knitting sector form the largest component of the textiles sector. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world. (Source Ministry of Textiles, TechSci Research)

### Market Size

Meanwhile, the size of India's textile market is expected to touch \$250 bn in the next two years from \$150 bn now. We see tremendous growth potential for the textile

industry and it is expected to touch \$250 bn in the next two years from the present \$150 bn. The domestic market is (currently) estimated at \$110 bn and exports at \$40 bn. (Source- Apparel Views Journal)

Indian khadi products sales increased by 33 per cent year-on-year to Rs 2,005 crore (US\$ 311.31 million) in 2016-17 and is expected to exceed Rs 5,000 crore (US\$ 776.33 million) sales target for 2018-19, as per the Khadi and Village Industries Commission (KVIC). The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.03 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17. Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016, mainly led by bedding bath and home decor products and textiles. (Source: Ministry of Textiles, Indian Textile Journal)

### Investment

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\$ 2.47 billion during April 2000 to March 2017. Foreign direct investment (FDI) of upto 100% is allowed in the textiles sector through the automatic route. The Ministry of Textiles has set up an FDI cell at the Economic Division to attract FDI in the sector. (Source: Ministry of Textiles, Indian Textile Magazine, Invest India.gov.in)

Additionally, the Government has taken various initiatives to promote the growth of textiles industry in India. Some of these are Technology Up-gradation Fund Scheme (TUFS), The Scheme for Integrated Textile Park (SITP) and Integrated Skill Development Scheme. Under the 'Make in India' campaign, the Government has also put a lot of focus on increasing the skill level of the workforce to not only ensure the quantity but also the quality of the workforce. The Integrated Skill Development Scheme (ISDS) is a flagship programme of the Ministry of Textiles under which a target to train 15 lakh candidates has been set. (Source: Ministry of Textiles, Indiantextilemagazine, Invest India.gov.in)

The Government's focus on the farmer and rural sector is expected to boost the economic health of rural India which in return will improve consumption of textiles and apparels. Significantly large expenditure by the government in the rural and agricultural sector will



stimulate demand. Domestic textile market size is anticipated to grow significantly, driven by increased consumption from rural and semi urban areas in the next 2-3 years. Govt. is also focusing on upgrading labour skills by allocating \$330 bn. The recent govt.'s decision of implementation of GST overall looks good for textiles in long run subject to restriction on movement of goods and refund process work smoothly. (Source: Ministry of Textiles, Indian Textile Magazine, Invest India.gov.in)

In today's scenario, the Indian textile industry stands a chance to gain in a big way from the global and domestic opportunities by exploiting the favourable business environment being developed in the country. The combined efforts of the stakeholders can be seen to bear fruitful results. India currently ranks 39 in the Global Competitive Index rising 16 ranks from the previous year's position of 55, as per the World Economic Forum.(Source: Ministry of Textiles, Indian Textile Magazine, Invest India.gov.in)

### Road Ahead

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess, Zara & H&M into the Indian market. The apparel market in India is estimated to grow at a Compound Annual Growth Rate (CAGR) of 11.8 per cent to reach US\$ 180 billion by 2025. The Indian cotton textiles industry is expected to showcase a stable growth in FY 2017-18, supported by stable input prices, healthy capacity utilization and steady domestic demand.(Source: Ministry of Textiles, Indian Textile Journal)

## OPPORTUNITIES, THREATS, RISKS & CONCERNS

### Strength

Your Company has a strong R & D which is constantly engaged in developing new fashion yarns as per the latest market trends and requirements worldwide. During the last few months, we have added a new collection of Raw white fancy yarns which mainly includes.

- Rajvir raw White Ruffle look
- Rajvir raw White Sandy look
- Rajvir raw White Denim Washed out look
- Rajvir raw White Streaky Wool Feel look
- Rajvir raw white Lurex look
- Antimicrobial Yarn for active / Performance wear

Highly skilled and efficient technical production team at the plant with high flexibility in the production facility thereby enabling the change in the product mix rapidly adhering to the ever changing marketing requirements. 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 Brand like H&M, PINK, Marks & Spencer, GAP, JC 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 no availability of such special fibers within India resulting in higher lead times for yarn deliveries.

### Opportunities

Your Company has got the capacity of changing the product mix according to the changing world fashion market. Your Company caters to the requirements of all leading markets in US, UK, and European Countries. Your company had started its business from the new markets including Portugal, Mexico, and Turkey.

### Threat

Your company constantly faces the threat from the competitors to copy our new fancy products in due course and make the same product available in the market at low price. Such practices cannot be stopped. However, your company continuously keeps an edge over these companies by constantly developing new products.

## PRODUCT WISE PERFORMANCE

The company has captured the major world markets in the 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. 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 designer 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 in 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 different categories:

- Injected Slubs
- Economical Fancy Yarns
- Recycle fiber blends in fancy yarns with certification
- Antimicrobial yarns
- Fashion yarns that could be knitted in different structures like PQ, Waffle, Loopback, Fleece, Ribs, etc. This gives the buyers an add-on advantage of using these yarns across all the seasons including Spring, Summer, Autumn, and Winter.

## COMPANY'S OUTLOOK

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 designer 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 in various brands, retailers, and chain stores Worldwide as new fancy products. The companies focused is on increasing export earnings. It is continuously participating in important Fashion exhibitions worldwide in order to showcase fancy yarn products, thereby increasing the export revenue. You shall be pleased to know that in order to boost our exports performance we are in the

process of opening an office at Bangladesh. This shall facilitate receiving of substantial orders. The Company continues to participate in important Fashion exhibitions Worldwide to showcase its fancy yarn production and improve its export revenue.

## 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.

## Financial Performance With Respect to Operational Performance

The Company has achieved a sales turnover of 171.60 crores in FY 2016-17 as compared to the sales turnover of 172.76 crores in FY 2015-16. Exports were made to nearly 42 countries with an annual turnover of 27.43 crores.

The Company continues to perform well in high fashion yarn segment and is expects to perform better in both Domestic and international markets due to greater trust in marketing efforts. The marketing efforts are yielding good orders and we expect to improve our performance in the current Financial Year.

## HUMAN RESOURCES

The Company has 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 the political and economic environment in India, tax laws, import duties, litigation and labor relations.



# ANNEXURE - D

## CORPORATE GOVERNANCE REPORT

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

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

### 2. BOARD OF DIRECTORS

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

The Chairman of the Board for the financial year 2016-17 was Sri Upender Kumar Agarwal, and Sri Ritesh Kumar Agarwal, Managing Director and at least half of the Board were Independent Directors and therefore the composition of the Board is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Board of Directors had an optimum combination of Executive and Non-Executive Directors and had one 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

Sri K C Reddy	-	Independent Director
Sri Vijay Kumar Gupta	-	Independent Director
Smt N. Padma Vijay Kumar	-	Independent Director
Sri Ankush Tandon	-	Independent Director

Notes:

(1) None of the Directors are related to each other except for Promoter Directors;

(2) Number of Directorships held in other companies includes all companies, whether listed or unlisted and excludes foreign companies, other bodies corporate and professional bodies. The limits on 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 Section 149(3) of the Companies Act, 2013.

(5) The Company has issued formal letter of appointment to its Independent Directors. The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013.

(6) The Independent Directors of the Company met every time a Board Meeting is held. These meetings are held the same day as that of the Board Meetings. In the said meetings the Independent Directors review the matters stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is generally circulated few days prior to the date of the Meeting and includes detailed notes on the items to be discussed at the meeting to enable the Directors to take informed decisions.

Members of the Board and key executives, disclose to the Board whether they, directly, indirectly or on behalf



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

Your Board met Five times during the financial year 2016-17 on 30th May 2016, , 13th August 2016, 27th August 2016, 14th November 2016, and 14th February 2017.

The necessary quorum was present for all the Board Meetings and the Twelfth 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 Twelfth AGM**

The Attendance Record of the Directors at the Board Meetings held and the Twelfth AGM for the financial year 2016-17.

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	4	Yes	Nil	Nil
3.	Shri K C Reddy	Independent & Non – Executive	Director	5	Yes	Nil	Nil
4.	Shri Vijay Kumar Gupta	Independent & Non – Executive	Director	1	Yes	1	1
5.	Smt N. Padma Vijay Kumar	Independent & Non – Executive	Director	5	No	Nil	Nil

#### **Directors' Shareholding Details in the Company as on March 31, 2016**

Sl. No.	Name	No. of Shares	Shares as % of Equity
1.	Shri Upender Kumar Agarwal	164628	4.12
2.	Shri Ritesh Kumar Agarwal	441164	11.04
3.	Shri K C Reddy	Nil	Nil
4.	Shri Vijay Kumar Gupta	Nil	Nil
5.	Smt N. Padma Vijay Kumar	Nil	Nil

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

The Board has constituted the following Committees and each Committee has their terms of reference as a Charter. The Chairman of each Committee along with the other Members of the Committee and if required other Members of the Board, decide the agenda, frequency and the duration of each meeting of that Committee. Currently, the Board has at the end of the year Three Committees:



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

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

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

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

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

Mr. K C Reddy, Independent Director, is the Chairman of the Audit Committee and was present at the Twelfth Annual General Meeting to answer the Shareholders' queries.

The Audit Committee met four times during the financial year 2016-17. They met on 30th May 2016, 13th August 2016, 14th November 2016 and 14th February 2017 and not more than four months had elapsed between two Audit Committee meetings. The necessary quorum was present for all the said Audit Committee Meetings.

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

Directors Name & Committee Position	Category	Position	Meetings attended
Shri K C Reddy	Non-Executive and Independent Director	Member	4
Smt. N. Padma Vijay Kumar	Non-Executive	Member	4
Shri Vijay Kumar Gupta	Non-Executive and Independent Director	Member	1
Shri Ritesh Kumar Agarwal	Managing Director	Member	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;
11. Any other matter referred to the Remuneration Committee by the Board of Directors of the Company.

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

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

The Nomination and Remuneration Committee has not met during the financial year 2016-17 under review as there were no instances necessitating the meeting.

**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	4200000
2	Shri Ritesh Kumar Agarwal	4200000

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

The Stakeholders' Relationship Committee consists of following Directors

S. No	Name	Designation
1.	Shri K C Reddy	Non-Executive & Independent Director
2.	Shri Vijay Kumar Gupta	Non-Executive & Independent Director
3.	Smt.N.Padma Vijay Kumar	Non-Executive & Independent Director
4	Shri Ritesh Kumar Agarwal	Executive & Managing Director

The Stakeholders' Relationship Committee / Share Transfer Committee met four times during the financial year 2016-17. They met on 30th May 2016, 13th August 2016, 14th November 2016 and 14th February 2017



TOTAL NO OF SHARES RECEIVED FOR TRANSFER	:	30 Shares
TRANSFERRED & DISPATCHED	:	30 Shares
TOTAL NO OF SHARES RECEIVED FOR Consolidation	:	NIL
Consolidated & DISPATCHED	:	NIL

There are no pending Share Transfers as on 31st March 2017.

Details of complaints / requests etc., received and resolved during the financial year 2016-17 are as below:

No of Complaints received	:	NIL
Resolved	:	NIL

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

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

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

Nature of Complaints/ Correspondence/ Requests

Opening Balance	Nil
Received	Zero
Resolved	Zero
Outstanding as on March 31, 2017	Nil

Non-receipt of securities / Annual Report / Correction

### 3. GENERAL BODY MEETINGS:

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

AGM	Date	Location	Time
12th	FTAPCCI, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad-500004, Telangana	30.09.2016	03.30 P.M.
11th	Qutub Shahi Hall, Country Club, 6-3-1219, Begumpet, Hyderabad – 500 0016	29.08.2015	03.30 P.M.
10th	Lotus Hall, 1st Floor, Country Club, 6-3-1219, Begumpet, Hyderabad – 500 0016	30.09.2014	03.30 P.M.

#### Postal Ballot:

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

#### DISCLOSURES

(i) During the year 2016-17, 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, 2017, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, 2017. 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 15(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Company has disclosed and complied with all the mandatory requirements under Clause 15(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The details of these compliances have been given in the relevant sections of this report.

Among the non-mandatory requirements of Clause 15(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has complied with the following:

- Separate posts of Chairman and CEO - The Chairman and Managing Director/ CEO are two separate persons. The position of Chairman and CEO is bifurcated in the Company.
- 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

Sri Ankush Tandon was inducted in the Board as an Independent Director from May 29th, 2017.

B. Reappointment



Smt.N.Padma Vijay Kumar, Independent Director is liable to retire by rotation.

The Board of Directors approved the reappointment of Sri Upender Kumar Agarwal as chairman & whole time director of the company with effect from 1st April 2017 for a tenure of five years period ending 31st March 2022 on the terms and conditions as detailed in the resolution subject to approval of the members of the company in the general meeting.

The Board of Directors approved the reappointment of Sri Ritesh Kumar Agarwal as Managing director of the company with effect from 1st April 2017 for a tenure of five years period ending 31st March 2022 on the terms and conditions as detailed in the resolution subject to approval of the members of the company in the general meeting.

### Reconciliation of Share Capital Audit

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

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

### Secretarial Audit

Secretarial Audit was conducted as required under the provisions of Section 204 of the Companies Act, 2013, by M/S Marthi & Co., Company Secretaries, Hyderabad, for the Financial Year 2016-17. The Report is at Annexure G to the Director's Report.

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

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 regard to the compliance of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Management Discussion and Analysis

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

CEO and CFO's Certification

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

The CEO and CFO's Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended March 31, 2017, was placed before the Board of Directors at all their meetings held.

### Means of Communication

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

- Communication of Audited Results - The Company has regularly furnished, by way of filing through the electronic filing within 15 (fifteen) minutes of closure of the Board Meetings, the quarterly audited as well as annual audited results to the Bombay Stock Exchange and National Stock Exchange.
- Quarterly and Annual Financial Results are also published in English, and other Regional (Telugu) newspapers, i.e., Financial Express and Nava Telangana.

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

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

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



The Thirteenth Annual General Meeting (AGM) of the Company for the financial year 2016-17 is scheduled on Thursday, September 28, 2017 at 03.30 PM at the K.L.N. Prasad Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad 500004, Telangana.

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the Company has also extended e-voting facility, for its Members to enable them to cast their votes electronically and also physically on the proposed resolutions in the Notice of the Twelfth AGM. Instructions for e-voting are listed under the segment "Notes" in the Notice to Thirteenth 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, not less than 48 hours before the meeting for holding the aforesaid meeting.

#### 4. GENERAL SHAREHOLDER INFORMATION:

A	Registered Office	1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad – 500 003
B	Annual General Meeting	
	Date & Time	28th September 2017 at 3.30 PM
	Venue	K.L.N. Prasad Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad - 500004, Telangana.
C	Financial Calendar	
	Financial Reporting for	
	Quarter ending June, 30 2016	Second week of August 2016
	Quarter ending September, 30 2016	Second week of November 2016
	Quarter ending December, 31 2016	Second week of February 2017
	Quarter ending March 31, 2017	Fifth week of May 2017
	Annual General meeting for FY ended 31st March 2016	30th August 2016
D	Date of Book Closure	Wednesday the 26th September 2017 to Friday the 28th September, 2017
E	Dividend Payment Date	Not Applicable
F	Listing on Stock Exchange	1) Bombay Stock Exchange Limited 2) National Stock Exchange Limited
G	Stock Code	532665
H	ISIN	ISIN INE011H01014
I	Dematerialisation of Shares	98.87% 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, 2016 (last trading day of the financial year) was ₹ 46.45 on BSE and ₹ 41.70 on NSE as compared to the price on 31st March 2016 of ₹ 44.25 and ₹ 45.00 on BSE and NSE respectively.
L	Registrar and Share Transfer Agents	<b>XL Softech Systems Ltd</b> Plot No 3, Sagar Society, Road No 2, Banjara Hills, Hyderabad – 500034. Ph: 040- 23545913/14/15, Fax : 040-23553214, E mail: xlfield@rediffmail.com
M	Share Transfer System	Generally the shares have been transferred and returned in 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, 2017

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)	(6)
Upto -	5000	2273	90.09	1822670	4.56
5001 -	10000	90	3.57	695870	1.74
10001 -	20000	72	2.85	1071530	2.68
20001 -	30000	19	0.75	480240	1.20
30001 -	40000	17	0.67	594040	1.49
40001 -	50000	6	0.24	257980	0.65
50001 -	100000	17	0.67	1285070	3.22
100001 and above		29	1.15	33741200	84.46
<b>TOTAL</b>		<b>2523</b>	<b>100</b>	<b>39948600</b>	<b>100</b>

### Plant Locations

1. Mahabubnagar Plant  
Pillalamarri Road, Mahabubnagar, Telangana - 509002
  2. Tandur Plant  
Gopannapally (Village), Tandur Mandal, Ranga Reddy District, Telangana - 501141.
  3. Dyeing Plant  
Edira Village, Mahabubnagar, Hills Telangana - 509002
  4. Address for Correspondence  
1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad - 500003, TELANGANA, India
- i) Queries relating to transfer / dematerialization of shares, change of address, dividend, Annual Report and other queries relating to the shares of the company :
- XL Softech Systems Ltd**  
Plot No 3, Sagar Society, Road No 2, Banjara Hills, Hyderabad - 500034. Ph: 040- 23545913/14/15  
Fax : 040-23553214, E mail: xlfield@rediffmail.com
- ii) Any other queries  
The Company Secretary Rajvir Industries Limited  
1st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad – 500 003

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

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

Place : Hyderabad  
Date : 21.08.2017



# ANNEXURE - E

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017

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

#### I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L17116TG2004PLC044053
ii.	Registration Date	01-09-2004
iii.	Name of the Company	RAJVIR INDUSTRIES LIMITED
iv.	Category / Sub-Category of the Company	Company Limited by shares and Indian Non-Government Company
v.	Address of the Registered office and contact details	1ST FLOOR, SURYA TOWERS, 105, SARDAR PATEL ROAD, SECUNDERABAD – 500 003. Telephone Nos:040 66225555, 27845628, Fax No: 040 27840656
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	XL Softech Systems Limited 3, Sagar Society, Road NO.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	10.02
2	Blended Yarn	13111	31.20
3	Melange Yarn	13111	36.29
4	PV	13111	14.90
	<b>Total</b>		<b>92.41</b>

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

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



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

##### i. Category-wise Share Holding

Category of Share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoter</b>										
<b>1) Indian</b>										
a) Individual/ HUF	2073859	0	959863	75.94	2993722	0	2993722	74.94	-1.32	
b) Central Govt	0	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	0	
d) Bodies Corp	0	0	0	0	0	0	0	0	0	
e) Banks / FI	0	0	0	0	0	0	0	0	0	
f) Any Other	0	0	0	0	0	0	0	0	0	
<b>Sub-total(A)(1):-</b>	<b>2073859</b>	<b>0</b>	<b>959863</b>	<b>75.94</b>	<b>2993722</b>	<b>0</b>	<b>2993722</b>	<b>74.94</b>	<b>-1.32</b>	
<b>2) Foreign</b>										
g) NRIs-Individuals	0	0	0	0	0	0	0	0	NIL	
h) Other-Individuals	0	0	0	0	0	0	0	0	NIL	
i) Bodies Corp.	0	0	0	0	0	0	0	0	NIL	
j) Banks / FI	0	0	0	0	0	0	0	0	NIL	
k) Any Other	0	0	0	0	0	0	0	0	NIL	
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	0	700	700	0.02	0	700	700	0.02	NIL	
b) Banks / FI	22907	0	22907	0.57	22907	0	22907	0.57	NIL	
c) Central Govt	0	0	0	0	0	0	0	0	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>0.59</b>	<b>22907</b>	<b>700</b>	<b>23607</b>	<b>0.59</b>	<b>NIL</b>	
<b>2. Non Institutions</b>										
a) Bodies Corp.										
(i) Indian	139890	2115	142005	3.55	143682	2115	145797	3.65	2.67	
(ii) Overseas										
b) Individuals										



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	
(i) Individual shareholders holding nominal share capital upto ₹2 lakh	503579	45358	548937	13.74	520841	41727	562568	14.08	2.48
(ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	233945	0	233945	5.86	253528	0	253528	6.35	8.37
c) Others (Specify)									
i) Qualified Foreign Investor	12280	364	12644	0.32	15274	364	15638	0.39	23.68
ii) Clearing Members	0	0	0	0	0	0	0	0	NIL
<b>Sub-total (B)(2)</b>	<b>889694</b>	<b>47837</b>	<b>937531</b>	<b>23.47</b>	<b>933325</b>	<b>44206</b>	<b>977531</b>	<b>24.47</b>	<b>-46.38</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>912601</b>	<b>48537</b>	<b>961138</b>	<b>24.06</b>	<b>956232</b>	<b>44906</b>	<b>1001138</b>	<b>25.06</b>	<b>4.16</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</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>0</b>
<b>Grand Total (A+B+C)</b>	<b>2986460</b>	<b>1008400</b>	<b>3994860</b>	<b>100.00</b>	<b>3949954</b>	<b>44906</b>	<b>3994860</b>	<b>100.00</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	421135	10.54	10.54	421135	10.54	10.54	-
2.	Arti Agarwal	531002	13.29	13.29	491002	12.29	5.38	449.09%
3.	Upender Kumar Agarwal HUF	285439	7.15	7.15	285439	7.15	7.15	-
4.	Usha Agarwal	212223	5.31	5.31	855943	21.43	5.31	303.32%
5.	U.K. Agarwal	164628	4.12	4.12	164628	4.12	4.12	-
6.	Ritesh Kumar Agarwal	441164	11.04	11.04	441164	11.04	11.04	-
7.	Radhika Bindal	21500	0.54	0.54	21500	0.54	0.54	-
8.	Neysa Agarwal	30000	0.75	0.75	30000	0.75	0.75	-
9.	Viraj Agarwal	282911	7.08	7.08	282911	7.08	7.08	-
	<b>Total</b>	<b>2390002</b>	<b>59.82</b>	<b>43.67</b>	<b>2993722</b>	<b>74.94</b>	<b>51.91</b>	<b>25.26%</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	3033722	75.94	2993722	74.94
	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):	31st March 2017 – 40000 (For meeting the Minimum Public Shareholding requirement in terms of Rule 19A of Securities Contracts (Regulation) Rules, 1957 ("SCCR"))	-	-1.0	
	At the End of the year	3033722	74.94	2993722	74.94

### V. INDEBTEDNESS

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

₹ In Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-			
i) Principal Amount	15989.12	1834.85	50.00	17873.87
ii) Interest due but not paid	311.43	25.27	0	336.70
iii) Interest accrued but not due for payment	113.99	0	4.95	118.94
<b>Total (i+ii+iii)</b>	<b>16414.54</b>	<b>1860.12</b>	<b>54.95</b>	<b>18329.61</b>
Change in Indebtedness during the financial year				
Addition	75.11	25.27	0	100.38
(-) Reduction	863.52	-	0	863.38
Net Change	298.94	-560.34	0	-763.14
Indebtedness at the end of the financial year				
i) Principal Amount	15200.71	1860.12	50.00	17110.83
ii) Interest due but not paid	105.49	45.63	0	151.12
iii) Interest accrued but not due	98.99	0	5.53	104.52
<b>Total (i+ii+iii)</b>	<b>15405.19</b>	<b>1905.75</b>	<b>55.53</b>	<b>17366.47</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Upender kumar Agarwal (Chairman)	Ritesh Kumar Agarwal (Managing Director)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4200000	4200000	8400000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	NIL	-	-
3.	Sweat Equity	NIL	-	-
4.	Commission			
	- as % of profit	1% of the total profit in the Financial year		
	- others, specify...			
5.	Others, please specify			
6.	<b>Total (A)</b>	<b>4200000</b>	<b>4200000</b>	<b>8400000</b>
	Ceiling as per the Act	₹84 Lakhs as per Schedule V of the Companies Act, 2013		

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Independent Directors		
	• Fee for attending board committee meetings		40000
	• Commission		-
	• Others, please specify		-
	Remuneration		-
	Total (1)		40000
	Other Non-Executive Directors		
	• Fee for attending board committee meetings		-
	• Commission		-
	• Others, please specify		-
	Total (2)		-
	Total (B)=(1+2)		40000
	Total Managerial Remuneration		
	Overall Ceiling as per the Act	₹84 Lakhs as per Schedule V of the Companies Act, 2013	



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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	443400	2063400	2506800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	36600	3660	73200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	480000	2100000	25800000

### 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

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

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

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, 2017 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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of:
  - a. Foreign Direct Investment (not applicable during the Audit Period);
  - b. Overseas Direct Investment (not applicable during the audit period); and
  - c. External Commercial Borrowings (not applicable during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) SEBI (Listing obligations and disclosures requirements) regulation, 2015;
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – (not applicable during the Audit Period)
- (g) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008 - (not applicable during the Audit Period)
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable during the Audit Period)
- (i) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998 (not applicable during the Audit Period)
- (vi) Other applicable laws, including the following:
  - (a) Factories Act, 1948
  - (b) Payment of Gratuity Act, 1972
  - (c) Employees Provident Fund and Miscellaneous provisions Act, 1952
  - (d) Employees State Insurance Act 1948
  - (e) Maternity Benefit Act, 1961
  - (f) Minimum Wages Act, 1948
  - (g) Payment of Bonus Act, 1972



- (h) Payment of Wages Act 1936
- (i) Industrial Dispute Act, 1947
- (j) Environment (Protection) Act, 1986
- (k) Legal Metrology Act, 2009
- (l) Competition Act, 2002
- (m) Income-tax Act 1961
- (n) Indian Stamp Act, 1899
- (o) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (p) Hazardous Wastes (Management and Handling) Rules, 1989
- (q) Hank Yarn Packaging Obligation – Hank Yarn Packing Notification issued by the Textile Commissioner, Mumbai dated 17th April 2003

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

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

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

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

We further report that –

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent

at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that 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. However, the Company has been sanctioned a Corporate Debt Restructuring Package 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.
- 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).
- c. The company has not transferred an amount of Rs.0.90 Lakh to the Investor Education and Protection Fund.
- d. The company has not paid interest on public deposits amounting to Rs.5.48 Lakhs.
- e. The company has shut down the operations of the Tandur Plant temporarily since the same were found to be commercially unviable.

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

Sd/-

**S S MARTHI**

Proprietor

FCS No. 1989, CP No.1937

Place : Hyderabad

Date : 21st August 2017



# Annexure - G

## ANNEXURE TO DIRECTORS' REPORT

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

### A. CONSERVATION OF ENERGY

Energy conservation measures taken:

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

#### A. Power and Fuel Consumption

	2016-2017	2015-2016
1. Electricity:		
a) Purchased		
Units (in lakhs of KWH)	311.96	376.43
Total Amount (₹ In lacks)	1846.88	2163.29
Average Rate: (₹/Unit)	5.92	5.75
b) Own Generation:		
Through Diesel Generators		
Units (in lakhs of KWH)	0.25	0.49
Units per Litre of Diesel Oil	2.83	2.45
Average Cost: ₹ / Unit	28.84	22.16
2. Coal (₹ In lakhs)	-	-
3. Furnace Oil	-	-
4. Others	-	-
B. Consumption per Unit of Production		
Yarn Production (Kgs in lakhs)	61.89	73.04
Electricity (Units/Kg of Yarn)	5.04	5.16

### 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 High value products development, increase in eg: Product improvement, cost reduction, product yield and product improvement Development, import substitution etc.

In case of imported technology( imported during the last five years reckoned from the beginning of the financial year) No technology has been imported during the last five years.

## C. Foreign Exchange Earnings & OUTGO

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

Exports of the Company accounted as ₹25.20 Crores as compared to ₹25.24 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	
b) Expenditure in Foreign Currency during the year on account of	2016-17	2015-16
i) Plant & Machinery (CIF Value)		-
ii) Raw Materials (CIF Value)	308.24	500.04
iii) Stores & Spares (CIF Value)	15.64	16.22
iv) Foreign Travelling	88.42	53.13
v) Export Commission	22.75	12.91
C) Earnings in Foreign Exchange: FOB Value of Exports	2519.71	252380

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

Sd/-  
U.K. Agarwal  
Chairman

Date: 21-08-2017  
Place: Secunderabad



## ANNEXURE - A

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

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I hereby confirm that, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2017.

Sd/-

**Ritesh Kumar Agarwal**  
Managing Director

Place: Hyderabad  
Date : 21-08-2017

## ANNEXURE - B

### Auditor's Certificate on Corporate Governance

To  
The Members of  
**RAJVIR INDUSTRIES LIMITED**

#### INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement with Rajvir Industries Limited ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the Listing Regulations).

#### MANAGEMENTS' RESPONSIBILITY

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

#### AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of



Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### **OPINION**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated

in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.

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

**For S.DAGA & CO.,**  
Chartered Accountants  
(ICAI FRN: 000669S)

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

Place: Hyderabad  
Date : 21.08.2017



# 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 Rajvir Industries Limited, to the best of our knowledge, information and belief, certify that:

- 1) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017:
  - 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 2016-17;
  - 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.

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

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

Place: Hyderabad  
Date : 21-08-2017



# 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, 2017, 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 auditors 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. 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 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, 2017 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. 2.26(e): contingency related to 'recompense payable in lieu of bank sacrifice' as per Corporate Debt Restructuring by banks, the outcome of which is materially uncertain and cannot be determined currently;
- (b) Note no. 2.31: 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. 2.26(f): The company has made a claim of refund of interest subsidy under TUFs receivable on eligible machinery and accounted in earlier years, which is still pending for final decision before appropriate authorities. The management expects full realization thereof.
- (d) Note No 2.26(g): The Company has made and accounted Insurance claim receivable of Rs.337.87 lakhs in earlier years pending acceptance by the Insurance Company, which is not yet confirmed or realized from the Insurance Company. The management expects full realization thereof.
- (e) Note No. 2.4.1: The Company has recognised deferred tax assets on the reasonable certainty that company would have future taxable income.
- (g) Note No. 2.33, the company has shut down temporarily the Tandur manufacturing unit and has been incurring losses resulting in accumulated net loss in statement of profit and loss as on 31.03.2017, these financial results have been prepared on a going concern basis for the reasons stated in the said Note 2.33. Our report is not qualified in respect of this matter.
- 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, 2016, 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.
- © 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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:
- The Company has disclosed the impact of pending litigations as on March 31, 2017 on its financial position in its financial statements;
  - 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;
  - The Company has not transferred amount of Rs.0.90 lakhs, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
- g) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 2.34 to the financial statements.

**For S Daga & Co.**  
Chartered Accountants  
(ICAI FRN: 000669S)

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

Place: Hyderabad  
Date: 29.05.2017



## Annexure - A to the Independent Auditors' Report

Referred to in paragraph 10 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, 2017

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
  - (c) The title deeds of immovable properties, as disclosed in Note no. 2.11 on fixed assets to the financial statements are held in the name of the company.
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - (b) On the basis of our examination of the inventory records, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with by the company.
3. The Company has not granted any loans, secured or unsecured loan to companies, firms or other parties, covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In respect of loans, investments, guarantees and securities which are covered under the provisions of Section 185 and 186 of the Companies Act, 2013, as per information and explanations given to us, the company has complied with the provisions of the Act.
5. In our opinion and according to the information and explanation given to us, the company has not complied with the provisions of section 73 to 76 and other relevant provisions of the Companies Act and the Companies (Acceptance of Deposit) Rules, 2015 as applicable, with regards to the deposits accepted from members and the public. As informed by the management, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal with regard to the Deposits.

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

Particulars	Period	Amount (In lakhs)
Employee State insurance	May 2015 to September 2016	32.87
Provident fund	August 2016 and September 2016	7.78
Tax deducted and collected at source	April 2015 to September 2016	71.51
Service Tax	April 2015 to September 2016	18.34
Sales tax deferment	Upto March 2017	300.44

- (b) According to the information and explanations given to us, there are no disputed statutory dues as at the year end.
8. According to the records examined by us, the Company has defaulted in repayment of dues to financial institutions/banks during the current financial year. The lender wise details of the amount of default as at Balance sheet date are as under:



Particulars (Name of the Lender)	Amount of default as at the Balance sheet date (In lakhs)	Period of Default	Remarks, if any
Central Bank of India	39.81	April 2016 to March 2017	The Account is classified as NPA by the Central Bank of India.
State Bank of Bikaner and Jaipur (SBI)- FITL	2.94	January to March 2017	---
IDBI Bank Bond holder	41.43	Due since March 2012	The company has not paid and has disputed the same pending before Supreme Court. The company has deposited by way of fixed deposit a sum of Rs.75 lakhs with IDBI Bank.

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

10. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company its officers or employees, noticed or reported during the year, nor have we been informed by any such case by the management.
11. The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the company.

13. The company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For S Daga & Co.**  
Chartered Accountants  
(ICAI FRN: 000669S)

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

Place: Hyderabad  
Date: 29.05.2017



## Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Rajvir Industries Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S Daga & Co.**  
Chartered Accountants  
(ICAI FRN: 000669S)

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

Place: Hyderabad  
Date: 29.05.2017



## Balance Sheet As at 31st March, 2017

₹ In Lakhs

Note No	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE HOLDERS' FUNDS</b>		
Share capital	2.1	1349.49
Reserves and surplus	2.2	-135.14
		1184.84
	<b>1214.35</b>	<b>2534.33</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	2.3	10557.03
Other long-term liabilities	2.5	460.80
Long-term provisions	2.6	63.29
	<b>11081.12</b>	<b>12465.43</b>
<b>CURRENT LIABILITIES</b>		
Short-term borrowings	2.7	4869.76
Trade payables	2.8	3924.12
Other current liabilities	2.9	4155.82
Short-term provisions	2.10	6.83
	<b>12956.53</b>	<b>11602.15</b>
<b>TOTAL</b>	<b>25252.00</b>	<b>26601.91</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Fixed assets		
Tangible assets	2.11	12875.00
Capital work-in-progress		38.76
	<b>12913.76</b>	<b>13754.76</b>
Deferred Tax Assets (Net)	2.4	1096.42
Long-term loans and advances	2.12	665.39
Other Non - Current Assets	2.13	256.16
	<b>14931.73</b>	<b>15122.03</b>
<b>CURRENT ASSETS</b>		
Inventories	2.14	6101.60
Trade Receivables	2.15	946.91
Cash and Bank balances	2.16	187.71
Short-Term Loans and Advances	2.17	508.37
Other Current Assets	2.18	2575.68
	<b>10320.27</b>	<b>11479.88</b>
<b>TOTAL</b>	<b>25252.00</b>	<b>26601.91</b>

Significant Accounting Policies & Notes on 1 & 2  
Financial statements

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)

For and on behalf of the Board

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

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

Place : Secunderabad  
Date : 29th May, 2017

Sd/-  
**Attal Anand Kumar**  
Company Secretary

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

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



## Statement of Profit and Loss For The Year Ended 31st March, 2017

₹ In Lakhs

	Note No	Year ended 31.03.2017	Year ended 31.03.2016
<b>INCOME</b>			
Revenue from operations	2.19	17,051.72	17,275.82
Other income	2.20	108.48	150.50
<b>TOTAL REVENUE</b>		<b>17,160.20</b>	<b>17,426.32</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	2.21	8,779.22	8,666.65
Changes in Inventories of Finished goods and work-in-process	2.22	771.17	-58.29
Employee Benefits Expenses	2.23	2,155.32	2,313.52
Finance Costs	2.24	2,086.63	2,152.38
Depreciation / Amortisation	2.11	915.49	940.31
Other Expenses	2.25	4,354.07	4,674.47
<b>TOTAL EXPENSES</b>		<b>19,061.90</b>	<b>18,689.04</b>
<b>Profit / (Loss) before tax and exceptional items</b>		<b>-1,901.70</b>	<b>-1,262.72</b>
<b>Exceptional items - insurance claim</b>		<b>-</b>	<b>337.87</b>
		<b>-1,901.70</b>	<b>-924.85</b>
<b>Tax expense:</b>			
Current tax :		-	-
Deferred tax (charge) / release		581.72	283.27
<b>TOTAL TAX EXPENSE</b>		<b>581.72</b>	<b>283.27</b>
<b>Profit / (Loss) for the year</b>		<b>-1,319.98</b>	<b>-641.58</b>
<b>Earnings per equity share(face value of Rs.10/-per share)</b>			
(a) Basic	2.29 (₹)	-33.04	-17.85
(b) Diluted	2.29 (₹)	-33.04	-17.85
Significant Accounting Policies & Notes on Financial Statements 1 & 2			

The Significant Accounting Policies & Notes on Financial Statements form an integral Part of Statement of Profit and Loss.

As per our report attached of even date

For and on behalf of the Board

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

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

Place : Secunderabad  
Date : 29th May, 2017

Sd/-  
**Attal Anand Kumar**  
Company Secretary

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

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

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



## Cash Flow Statement for the period ended 31st March, 2017

₹ In Lakhs

Particulars	31.03.2017	31.03.2016
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	(1901.70)	(1262.72)
Add: Depreciation	<b>915.49</b>	940.31
Interest & Finance charges	<b>2086.63</b>	2152.38
(Profit)/Loss on sale of fixed assets (net)	<b>29.65</b>	0.33
	3031.77	3093.02
Operating profit before working capital changes	1130.07	1830.31
Adjustments for working capital changes		
Trade Receivables	<b>260.23</b>	30.52
Current liabilities and provisions	<b>1341.41</b>	1581.06
Inventories	<b>1010.66</b>	(477.33)
Loans & Advances	<b>0.15</b>	(58.06)
Other Current Assets	<b>(215.41)</b>	(891.01)
	2397.04	185.17
Cash generated from Operations	3527.11	2015.47
CASH FLOW BEFORE EXTRAORDINARY ITEMS	3527.11	2015.47
Add: Exceptional items	-	337.87
CASH FLOW FROM OPERATING ACTIVITIES	3527.11	2353.34
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Outflow: Capital Work-in-Progress	8.61	(13.70)
Long Term Loans & Advances	(68.99)	(53.45)
Sale of Fixed Assets	16.38	3.50
Increase in Equity Shares/Securities Premium	-	538.10
(Increase)/Decrease in Deposits with bank	1.01	
Acquisition of fixed assets	(129.13)	(42.97)
	(172.12)	431.48
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	<b>(2086.63)</b>	(2152.38)
Increase/(Decrease) in bank borrowings	<b>(1187.50)</b>	(825.99)
Unsecured Loans	<b>(178.98)</b>	(431.20)
Hire purchase loan	<b>(4.88)</b>	(7.37)
	(3457.98)	(3416.94)
NET CASH FROM FINANCING ACTIVITIES	(3457.98)	(3416.94)
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)	(102.99)	(632.11)
ADD: CASH/CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	216.59	848.70
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR	113.60	216.59

Note: Previous years' figures have been regrouped/reclassified wherever necessary to confirm to 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 : 29th May, 2017

Sd/-  
**Attal Anand Kumar**  
Company Secretary

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

For and on behalf of the Board

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

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



## Notes to Financial Statements For the year ended 31st March, 2017

### 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.



## Notes to Financial Statements For the year ended 31st March, 2017

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.

### 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.



## Notes to Financial Statements For the year ended 31st March, 2017

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 nor disclosed in the financial statements.



## Notes to Financial Statements For the year ended 31st March, 2017

### NOTE NO. 2

₹ In Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
<b>Note No. - 2.1</b>		
<b>SHARE CAPITAL</b>		
<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
	<b>1,400.00</b>	<b>1,400.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>		
3994860 (Previous year 3994860) Equity shares of ₹10/- each fully paid.	399.49	399.49
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>1,349.49</b>	<b>1,349.49</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	3,994,860	3,034,997
Issued during the period		959,863
<b>Outstanding at the end of period</b>	<b>3,994,860</b>	<b>3,994,860</b>
<b>12% Redeemable Non-convertible cumulative Preference shares</b>		
At the beginning of the period	950,000	950,000
Issued during the period	-	-
<b>Outstanding at the end of period</b>	<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.

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.



## Notes to Financial Statements For the year ended 31st March, 2017

### NOTE NO. 2.1

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

- (i) Entitled to receive dividend @ 12% per annum
  - (ii) 6,50,000 Shares issued on 17.10.2011 Redeemable on 16th January, 2025
  - (iii) 3,00,000 Shares issued on 14.11.2012 Redeemable on 15th February, 2025
  - (iv) 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.
  - (v) 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.
- 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 2017		As at 31, March 2016	
		%		%
<b>Equity shares **</b>				
Ritesh K Agarwal	441164	11.04	441164	11.04
U.K.Agarwal (Family Trust)	421135	10.54	421135	10.54
U.K.Agarwal (HUF)	285439	7.15	285439	7.15
Viraj Agarwal	282911	7.08	282911	7.08
Usha Agarwal	855943	21.43	855943	21.43
Arti Agarwal	491002	12.29	531002	13.29
<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

\*\*\* Of the Shares held by Promoters and promoter group, 51.91% shares (2073859 equity shares) of the Share Capital are pledged to the banks as per terms of CDR."



## Notes to Financial Statements For the year ended 31st March, 2017

₹ In Lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
<b>NOTE NO.2.2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>RESERVES</b>		
Capital reserve	46.76	46.76
Security Premium Account	442.11	442.11
Debenture Redemption Reserve	41.43	41.43
General reserve	1955.98	1,955.98
<b>SURPLUS IN THE STATEMENT OF PROFIT AND LOSS</b>		
Balance as per last balance sheet	(1,301.44)	(659.86)
Add: Net Profit / (Loss) after Tax transferred from statement of Profit and Loss	(1,319.98)	(641.58)
Surplus/(deficit)	(2,621.42)	(1,301.44)
<b>TOTAL</b>	<b>(135.14)</b>	<b>1,184.84</b>
<b>NOTE NO. 2.2 .1</b>		
Capital reserve represents capital subsidy received from Central Government	46.76	46.76

₹ In Lakhs

	Non-Current Portion		Current Maturities	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
<b>NOTE NO. 2.3</b>				
<b>LONG TERM BORROWINGS</b>				
<b>SECURED</b>				
Term loans from Banks (Refer Note No. 2.3.1)	9034.66	10222.14	1,339.98	1,008.68
Hire Purchase Loans - Banks (Refer Note No. 2.3.3)	1.38	6.26	4.93	7.39
<b>UNSECURED</b>				
Deferred payment liabilities - Sales Tax	187.88	437.99	384.77	160.16
Loans and advances from related parties (Refer Note No. 2.3.2)	152.94	144.15		
Loans from Others	1,180.17	1,117.83		
	10,557.03	11,928.38	1,729.68	1,176.23
Amount disclosed under the head "Other Current Liabilities" (Note No. 2.9)	-	-	1,729.68	1,176.23
<b>TOTAL</b>	<b>10,557.03</b>	<b>11,928.38</b>	<b>-</b>	<b>-</b>



## Notes to Financial Statements For the year ended 31st March, 2017

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

During the financial year 2014-15, the Company had availed various financial facilities from the secured lenders under the Corporate Debt Restructuring Proposal, which was approved by the CDR Empowered Group ('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.

#### 1. Repayments Schedule and interest:

- a. Repayment of Restructured Term Loans ('RTL') and reschedulement of corporate loan after moratorium of 18 months from cut off date in 34 structured quarterly instalments commencing from October 2015 to March 2024.
  - b. Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL'). Repayment of WCTL after moratorium of 18 months from cut off date in 34 structured quarterly instalments commencing from October 2015 to March 2024, subject to mandatory prepayment obligation on realisation of proceeds from certain receivables.
  - c. Restructuring of existing fund based and non fund based financial facilities, subject to renewal and reassessment every year.
  - d. The interest payable on RTL, Corporate loan and WCTL during moratorium period of 12 months from cut off date shall be converted to FITL and funding of Interest on Cash Credit for 6 months from cut-off date.
  - e. Fresh term loan availed as Priority debt and Additional term loan. Priority debt is to be repaid in 22 structured quarterly instalments commencing from 1st October 2015 to March 2021. Additional term loan is to be repaid in 34 structured quarterly instalments commencing from October 2015 to March 2024.
  - f. 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.
  - g. Sanction of fund based working capital with funding interest falling due of cash credit for 6 months cut-off date i.e. from 1st April, 2014 to 30th September, 2014 and to carry rate of interest of SBI Base rate + 200 bps effective 12% p.a. from cut-off date.
  - h. Waiver of existing events of defaults, penal interest and charges etc in accordance with MRA.
  - i. 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 terms of the CDR Proposal. The recompense payable by the borrowers is contingent on various factors including improved performance of the borrowers and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate outstanding sacrifice made by CDR Lenders as per the MRA is approximately Rs. 15.79 Crores.

#### 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 shareholding (both present and future) held by the promoters and promoter group representing 51.91% 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.



## Notes to Financial Statements For the year ended 31st March, 2017

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
<b>NOTE NO. 2.4</b>		
<b>DEFERRED TAX LIABILITY (NET)</b>		
Deferred Tax Liabilities		
Depreciation	1674.71	1686.38
<b>Total</b>	<b>1,674.71</b>	<b>1,686.38</b>
Deferred Tax Assets		
On Unabsorbed Losses	2,749.46	2,182.70
On Others	21.67	18.38
<b>Total</b>	<b>2,771.13</b>	<b>2,201.08</b>
<b>Net Deferred Tax (Asset) /Liability</b>	<b>(1,096.42)</b>	<b>(514.70)</b>

### NOTE NO.2.4.1

The Company has recognised Deferred tax asset on losses on the basis of reasonable certainty that the company would have future taxable income.

### NOTE NO. 2.5

#### OTHER LONG TERM LIABILITIES

Security Deposits	27.79	25.82
Others	433.01	457.52
<b>Total</b>	<b>460.80</b>	<b>483.35</b>

### NOTE NO.2.6

#### LONG TERM PROVISIONS

Provision for gratuity	61.62	52.24
Provision for Leave Encashment	1.67	1.45
<b>Total</b>	<b>63.29</b>	<b>53.70</b>

### NOTE NO. 2.7

#### SHORT TERM BORROWINGS

From Banks - Secured ( Refer Note No.2.3.1)	4,819.76	4,744.65
Fixed Deposits from Public- Unsecured	50.00	50.00
<b>Total</b>	<b>4,869.76</b>	<b>4,794.65</b>

### NOTE NO. 2.7.1

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



## Notes to Financial Statements For the year ended 31st March, 2017

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
<b>NOTE NO. 2.8</b>		
TRADE PAYABLES		
Other than MSMED Enterprises		
Trade Payables	3,924.12	3,673.15
<b>Total</b>	<b>3,924.12</b>	<b>3,673.15</b>

### NOTE NO. 2.8.1

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

Current maturities of long term debts:		
Current maturities of term loans from Banks (Secured) - Refer Note No.2.3	1,339.98	1,008.68
Current maturities of finance lease (Secured) - Refer Note No.2.3	4.93	7.39
Deferred Payment Liabilities - Sales Tax	384.76	160.15
Interest accrued but not due on Borrowings	98.99	113.99
Interest accrued and due on Borrowings	105.49	311.43
Unpaid Dividends	2.92	2.92
Unpaid matured debentures (Note 2.9.1 )	41.43	41.43
Other payables		
Advances from customers	458.20	346.39
Liabilities for expenses	1,719.12	1,136.19
<b>Total</b>	<b>4,155.82</b>	<b>3,128.58</b>



## Notes to Financial Statements For the year ended 31st March, 2017

### 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 includes Rs.0.90 lakhs due and outstanding required to be credited to Investor Education and Protection Fund. The Company is in process to transfer the amount to IEPF account shortly.

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
<b>NOTE NO. 2.10</b>		
<b>SHORT TERM PROVISIONS</b>		
<b>Employee benefits:</b>		
Provision for Gratuity	6.07	5.13
Provision for Leave Encashment	0.76	0.64
<b>Total</b>	<b>6.83</b>	<b>5.77</b>



## Notes to Financial Statements For the year ended 31st March, 2017

### NOTE NO. 2.11 FIXED ASSETS

#### TANGIBLE ASSETS

₹ in lakhs

Tangible assets	Gross block		Depreciation / Amortisation				Net Block			
	Balance as at 1 April, 2016	Additions	Disposals	Balance as at 31.03.2017	Balance as at 1 April, 2016	Depre- ciation / amortisa- tion	Eliminated on disposal of assets	Transfer to Reserves as per Co's Act 2013	Balance as at 31 March 2017	Balance as at 31 March, 2016
Freehold Land	154.66	-	-	154.66	-	-	-	-	154.66	154.66
Buildings	5,559.71			5,559.71	1,513.25	172.24		-	3,874.22	4,046.46
Plant and Machinery	19,543.74	112.51	68.53	19,587.72	10,132.89	709.48	22.50	-	8,767.85	9,410.85
Furniture and Fixtures	54.01	2.35		56.36	48.74	2.10		-	5.52	5.27
Office Equipment	144.54	7.87		152.41	131.86	5.74		-	14.81	12.68
Vehicles	225.83	6.40		232.23	148.36	25.93		-	57.94	77.47
Revalued Plant & machinery	533.38	-		533.38	533.38	-		-	533.38	-
<b>Total</b>	<b>26,215.87</b>	<b>129.13</b>	<b>68.53</b>	<b>26,276.47</b>	<b>12,508.48</b>	<b>915.49</b>	<b>22.50</b>	<b>-</b>	<b>12,875.00</b>	<b>13,707.39</b>
Capital work in progress	47.37	120.52	129.13	38.76	-	-	-	-	38.76	47.37
<b>Total</b>	<b>26,263.24</b>	<b>249.64</b>	<b>197.65</b>	<b>26,315.23</b>	<b>12,508.48</b>	<b>915.49</b>	<b>-</b>	<b>-</b>	<b>12,913.76</b>	<b>13,754.76</b>
Previous year	26,262.43	99.64	98.83	26,263.24	11,620.78	940.31	-	-	12,508.48	14,641.65

#### NOTE NO. 2.11.1

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 to Financial Statements For the year ended 31st March, 2017

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
<b>NOTE NO. 2.12</b>		
<b>LONG TERM LOANS AND ADVANCES (Unsecured Considered Good)</b>		
Capital advances	51.42	73.22
Security deposits	612.51	521.73
CENVAT credit receivable	1.46	1.46
<b>Total</b>	<b>665.39</b>	<b>596.41</b>
<b>NOTE NO.2.13</b>		
<b>OTHER NON- CURRENT ASSETS</b>		
Unsecured, Considered good		
Deposits with Bank with maturity more than 12 months	256.16	256.16
<b>Total</b>	<b>256.16</b>	<b>256.16</b>
<b>NOTE NO. 2.14</b>		
<b>INVENTORIES</b>		
Raw Materials	955.76	1,165.61
Work-in-process	1,417.41	1,328.67
Finished goods	3,371.67	4,232.82
Stores and Spares	355.02	384.66
Cotton Waste	1.74	0.51
<b>Total</b>	<b>6,101.60</b>	<b>7,112.26</b>
<b>NOTE NO.2.14.1</b>		
Stock of finished goods includes lying with consignment agents	175.11	132.83
<b>NOTE NO. 2.15</b>		
<b>TRADE RECEIVABLES (Unsecured, Considered Good)</b>	230.75	144.97
Outstanding for a period exceeding Six months from the date they are due for payment		
Other receivables	716.16	1,062.17
<b>Total</b>	<b>946.91</b>	<b>1,207.13</b>



## Notes to Financial Statements For the year ended 31st March, 2017

Note No. 2.16

₹ in lakhs

CASH AND BANK BALANCES	Non-Current Portion		Current Portion	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Cash and Cash Equivalents:				
Balances with Banks *			16.54	26.25
Cash on hand			59.90	153.17
Deposits - Margin Money with maturity less than 3 months			34.24	34.24
In Unpaid Dividend Account			2.92	2.92
Other Bank balances:				
Deposits with Banks with maturity more than 3 months but less than 12 months			74.11	75.12
Deposits with Bank maturity more than 12 months	256.16	256.16		
Amount disclosed under the head ' Other Non - Current Assets				
	-256.16	-256.16		
<b>Total</b>	<b>-</b>	<b>-</b>	<b>187.71</b>	<b>291.70</b>

₹ in lakhs

Particulars	As at 31st March 2017	As at 31st March 2016
NOTE NO.2.17		
SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Advances to employees	26.84	19.12
Prepaid expenses	60.22	40.49
MAT Credit entitlement	103.66	103.66
Advances to suppliers	317.65	345.25
<b>Total</b>	<b>508.37</b>	<b>508.52</b>
NOTE NO. 2.18		
OTHER CURRENT ASSETS		
Interest subsidy under TUFs receivable	1288.86	1288.86
Other Interest accrued	58.95	45.99
Incentives Receivable - Govt. of TG**	740.09	543.28
Insurance claim receivable	337.87	337.87
Export Incentives Receivable	77.04	74.66
VAT Credit Receivable	41.49	31.68
Income tax paid (net of provision)	31.38	37.93
<b>Total</b>	<b>2,575.68</b>	<b>2,360.27</b>



## Notes to Financial Statements For the year ended 31st March, 2017

### NOTE NO.2.18.1

\*\*Incentives Receivable - Govt. of TG represents power subsidy receivable from Telangana Government.(Eligible as per G.O. Ms.No.61 Dt.29.06.2010 Issued by Industries and Commerce(IP) Department.

Particulars	₹ in lakhs	
	Year ended 31.03.2017	Year ended 31.03.2016
<b>NOTE NO. 2.19</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of products	16,886.15	17,121.08
Other operating revenues	165.57	154.73
<b>Total</b>	<b>17,051.72</b>	<b>17,275.82</b>
Note:		
(i) Sale of products		
Manufactured goods		
Yarn	16,763.39	16926.62
Waste	122.76	194.47
<b>Total</b>	<b>16,886.15</b>	<b>17121.08</b>
(ii) Other operating revenues		
Duty drawback and other export incentives	165.57	154.73
<b>Total</b>	<b>165.57</b>	<b>154.73</b>
<b>NOTE NO. 2.20</b>		
<b>OTHER INCOME</b>		
Interest income	45.59	54.08
Net gain on foreign currency transactions and translation	28.86	35.22
Insurance claims	-	337.87
Other non-operating Income	34.03	61.22
<b>Total</b>	<b>108.48</b>	<b>488.37</b>



## Notes to Financial Statements For the year ended 31st March, 2017

₹ in lakhs

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>NOTE NO. 2.21</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Opening stock	1,165.61	693.60
Add: Purchases	8,569.37	9,138.66
	<b>9,734.98</b>	<b>9,832.26</b>
Less: Closing stock	955.76	1,165.61
Cost of material consumed	<b>8,779.22</b>	<b>8,666.65</b>
Material consumed comprises:		
Cotton	5,679.77	5,744.00
Polyester staple Fibre	2,473.07	2,369.94
Viscose staple Fibre	626.38	552.71
<b>Total</b>	<b>8,779.22</b>	<b>8,666.65</b>
<b>NOTE NO. 2.22</b>		
<b>CHANGE IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROCESS</b>		
Opening Inventory		
Yarn	4,232.82	3,864.32
Work-in-process	1,328.67	1,637.80
Cotton waste	0.51	1.58
	<b>5,561.99</b>	<b>5503.70</b>
Closing Inventory		
Yarn	3,371.67	4,232.82
Work-in-process	1,417.41	1328.67
Cotton waste	1.74	0.51
	<b>4,790.82</b>	<b>5561.99</b>
Net (Increase) / Decrease	<b>771.17</b>	<b>-58.29</b>
<b>NOTE NO.2.23</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	1,977.30	2,113.26
Contributions to provident and other funds	72.09	74.29
Gratuity & Leave encashment	15.77	28.46
Staff welfare expenses	90.16	97.51
	<b>2,155.32</b>	<b>2,313.52</b>



## Notes to Financial Statements For the year ended 31st March, 2017

Note No. 2.23.1

### Employee Benefit:

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

	₹ in lakhs	
<b>Defined Contributions:</b>	<b>31.03.2017</b>	31.03.2016
Employers Contribution to Provident Fund	46.50	36.91
Employers Contribution to ESI	20.80	34.09

### 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:

PARTICULARS	₹ in lakhs			
	GRATUITY		LEAVE ENCASHMENT	
	As At 31.03.2017	As At 31.03.2016	As At 31.03.2017	As At 31.03.2016
<b>a) Change in Present Value of obligation</b>				
Present value of obligation at beginning of period	57.37	46.72	2.08	1.94
Interest cost	4.59	3.73	0.17	0.16
Current Service cost	8.67	7.54	0.10	0.04
Benefits paid	-4.46	0.00	-0.64	0
Actuarial (gain) / Loss on obligation	1.52	-0.62	0.71	0.06
Present value of obligation at the end of period	67.69	57.37	2.43	2.08
<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	67.69	57.37	2.43	2.08
Fair value of Plan Assets at end of period	-	-	-	-
Funded status	(67.69)	(57.37)	(2.43)	(2.08)
Unrecognised Actuarial Gain/(Loss)	-	-	-	-
Net Asset/(Liability) recognized in the balance sheet	(67.69)	(57.37)	(2.43)	(2.08)
<b>c) Expense recognised in the statement of Profit &amp; Loss</b>				
Current service cost	8.67	7.54	0.10	0.04
Interest cost	4.59	3.73	0.17	0.16
Expected return on Plan asset	-	-	-	-



## Notes to Financial Statements For the year ended 31st March, 2017

₹ in lakhs

PARTICULARS	GRATUITY		LEAVE ENCASHMENT	
	As At 31.03.2017	As At 31.03.2016	As At 31.03.2017	As At 31.03.2016
Net Actuarial (Gain)/Loss recognised for the period	1.52	-0.62	0.71	0.06
Expense recognised in the statement of Profit & Loss	14.78	10.65	0.98	0.14
<b>d) Movements in the Liability recognised in Balance sheet</b>				
Opening Net liability	57.37	46.72	2.08	1.94
Expenses as above	14.78	10.65	0.98	0.14
Contribution paid	-	-	-	-
Benefits paid	-4.46	0.00	-0.64	0
Closing Net Liability	67.69	57.37	2.43	2.08
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	19.88	21.26	-	-

**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.

₹ in lakhs

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>NOTE NO. 2.24</b>		
<b>FINANCE COST</b>		
Interest Expenses		
To Bank	1,994.91	2,081.83
To Others	10.09	13.68
Other Borrowing cost	81.63	56.88
	<b>2,086.63</b>	<b>2,152.38</b>



## Notes to Financial Statements For the year ended 31st March, 2017

₹ in lakhs

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>NOTE NO.2.25</b>		
<b>OTHER EXPENSES</b>		
Consumption of stores and spares	203.31	256.42
Consumption of Dyes and Chemicals	195.98	193.51
Consumption of Packing material	195.00	217.09
Power and fuel	1,854.09	2,164.37
<b>Repairs to</b>		
Buildings	8.21	7.98
Machinery	155.71	161.00
Others	56.56	37.44
Rent	80.18	31.08
Rates and taxes	73.80	163.02
Insurance	57.25	55.15
Freight and forwarding & other selling expenses	451.53	447.74
Professional charges	36.29	27.27
Travelling and conveyance	281.77	231.56
Vehicle maintenance	28.79	26.03
Sales commission	191.33	273.43
Miscellaneous Expenses	484.27	381.37
<b>TOTAL</b>	<b>4,354.07</b>	<b>4,674.47</b>

₹ in lakhs

Particulars	31 March, 2017	31 March, 2016
<b>NOTE NO. 2.26</b>		
<b>Contingent Liabilities not provided for:</b>		
a) Letters of credit	78.69	72.22
b) Bank Guarantees	10.00	10.00
c) Bills Discounted & outstanding	751.71	417.48
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	1,444.00	968.00
f) Interest subsidy under TUFS receivable represents the refund claim made in earlier years against the eligible machinery, pending for final decision before the appropriate authority. The management expects full realization thereof.	1,288.86	1,288.86
g) Insurance claim receivable represents claim made in earlier years pending acceptance by the Insurance company. The management expects full realization thereof.	337.87	337.87



## Notes to Financial Statements For the year ended 31st March, 2017

### h) 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.

i) 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.

	₹ in lakhs	
	31.03.2017	31.03.2016
<b>NOTE NO. 2.27</b>		
Capital Commitments		
Contracts remaining to be executed	Nil	Nil
<b>NOTE NO. 2.28</b>		
Depreciation & Amortization		
Depreciation on Tangible assets	915.49	940.31
<b>NOTE NO. 2.29</b>		
Earning per share		
No of Equity Shares	-3994860	3994860
Profit available to Equity Share Holders	-1319.98	-641.58
Nominal per Equity share (₹)	10	10
Basic & Diluted Earning per share (₹)	-33.04	-17.85
<b>NOTE NO. 2.30</b>		
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	1.15	1.45
Reimbursement of expenses	0.40	0.22
Fee for earlier years	1.22	—
	<b>5.41</b>	<b>4.32</b>

### NOTE NO. 2.31

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

### NOTE NO. 2.32 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.



## Notes to Financial Statements For the year ended 31st March, 2017

	31.03.2017	31.03.2016
Rent expenses included in Statement of Profit and Loss towards operating leases	85.02	31.08
Minimum Lease obligation under non-cancellable contracts amounts to:		
Within 1 year	78.62	76.80
After 1 year but before 5 years	57.60	61.70
After 5 years	Nil	Nil
<b>Total</b>	<b>221.24</b>	<b>169.58</b>

### NOTE NO.2.33

The company has temporarily shut down the Tandur manufacturing unit on commercial expediency and has been incurring losses resulting in overall net losses in the statement of profit and loss as on 31.03.2017. The Company has the continuous support from the promoters and it has taken appropriate steps for cost reduction, which in the opinion of the management would enable the Company to generate sufficient profits in the foreseeable future. These financial statements have prepared on a going concern basis.

### Note No.2.34

#### Disclosure on Specified Bank Notes (SBNs)

During the year, the company had specified bank notes of other denomination note as defined in the MCA notification GSR 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the said notification is given below:

Particulars	Other denomination notes		Total
	SBNs		
Closing cash in hand on November 8, 2016	30.23	11.47	41.70
(+) permitted receipts	0.00	10.79	10.79
(-) permitted payments	12.98	5.16	18.14
(-) Amount deposited in banks	17.25	0.00	17.25
Closing cash in hand as on December 30, 2016	0.00	17.10	17.10

### NOTE NO. 2.35

Value of Raw Materials Consumed	31.03.2017		31.03.2016	
	%		%	
Imported	5.24	459.60	6.59	571.36
Indigenous	94.76	8319.62	93.41	8095.29
	100.00	8779.22	100.00	8666.65



## Notes to Financial Statements For the year ended 31st March, 2017

### NOTE NO. 2.36

₹ in lakhs

Value of Raw Materials Consumed	31.03.2017		31.03.2016	
	%		%	
Imported	9.80	19.93	5.48	14.05
Indigenous	90.20	183.38	94.52	242.37
	100.00	203.31	100.00	256.42

### NOTE NO. 2.37

Value of imports on CIF basis in respect of		
Raw Materials	308.24	500.04
Stores and Spares	15.64	16.22

### NOTE NO. 2.38

Earnings in Foreign Exchanges		
FOB Value of Exports	2519.71	2523.80

### NOTE NO.2.39

Expenditure in Foreign Currency		
Travelling Expenses	88.42	53.13
Commission	22.75	12.91

### NOTE NO. 2.40

The operations of the company predominantly comprises of "Manufacturing of yarn"(made of Cotton, Polyester and Viscose). These activities constitute the Primary segment. Secondary segmental reporting is made on the basis of geographical location of the customers. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

The company's major exports are made to four principal geographical areas in the World. In India, its home country, the company carries out manufacturing of Yarn and Trading of raw cotton. The following table shows the distribution of the company's turnover by geographical locations.

### SECONDARY (GEOGRAPHICAL) SEGMENTS

Revenue attributable to location of customers:		
India	14337.11	14552.16
Asia	1567.25	1998.52
America	759.44	441.2
Africa	11.20	91.03
Rest of the World	211.15	38.17
	16886.15	17121.08



## Notes to Financial Statements For the year ended 31st March, 2017

### NOTE NO. 2.41

#### 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
Sri Attal Anand Kumar	Sri Shiv Kumar

##### 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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Purchase of Goods								
Sri Laxmi Enterprises	1473.10	2971.35					1473.10	2971.35
<b>Rent Paid</b>								
Balaji Enterprises	57.60	13.60					57.60	13.60
<b>Remuneration paid to Key Management Personnel</b>			109.06	92.54			109.06	92.54
Sri U.K.Agarwal			42.00	35.40			42.00	35.40
Sri Ritesh K Agarwal			42.00	35.40			42.00	35.40
Sri.Attal Anand Kumar			4.43	1.11			4.43	1.11
Sri.Shiv Kumar			20.63	20.63			20.63	20.63
<b>Loans Received</b>		-	-	-		0.50	0.00	0.50
Usha Agarwal					-	0.50	0.00	0.50
<b>Loans Repaid</b>			1.50	-	-	547.10	1.50	547.10
Sri U.K.Agarwal			-	-			-	-
Sri Ritesh K Agarwal			1.50	-			1.50	-
Arti Agarwal					-	177.23	-	177.23
Usha Agarwal					-	369.87	0.00	369.87



## Notes to Financial Statements For the year ended 31st March, 2017

₹ in lakhs

Name of the Transaction	Associates		Key Management Personnel		Relatives		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Interest accrued</b>	0.69	0.65	3.49	3.36	7.25	24.06	11.43	28.07
Sri U.K.Agarwal			0.51	0.49			0.51	0.49
Sri Ritesh K Agarwal			2.98	2.87			2.98	2.87
Arti Agarwal					0.43	5.90	0.43	5.90
Usha Agarwal					0.18	11.95	0.18	11.95
Viraj Agarwal					6.36	5.95	6.36	5.95
Neysya Agarwal					0.28	0.26	0.28	0.26
U.K.Agarwal (Family Trust)	0.07	0.07					0.07	0.07
U.K.Agarwal (HUF)	0.62	0.58					0.62	0.58
<b>Balances as on 31.03.2017</b>								
<b>Creditors</b>								
Sri Laxmi Enterprises	1336.28	957.34					1336.28	957.34
Balaji Enterprises	89.86	42.82					89.86	42.82
U.K.Cotton Exports	9.81	9.81					9.81	9.81
<b>Loans ( Cr)</b>								
Sri U.K.Agarwal			7.00	6.53			7.00	6.53
Sri Ritesh K Agarwal			39.60	38.42			39.60	38.42
Arti Agarwal					5.71	5.32	5.71	5.32
Neysa Agarwal					3.73	3.48	3.73	3.48
Usha Agarwal					2.42	2.26	2.42	2.26
Viraj Agarwal					85.23	79.50	85.23	79.50
U.K.Agarwal (Family Trust)	0.96	0.90					0.96	0.90
U.K.Agarwal (HUF)	8.29	7.73					8.29	7.73

### Note No. 2.42

₹ in lakhs

Particulars of Sales, Closing & Opening Inventory	Sales Values		Closing Inventory	Opening Inventory
	2016-17	2015-16	31.03.2017	31.03.2016
Manufactured Items				
Yarn	16763.39	16926.62	3371.67	4232.82
Waste	122.76	194.47	1.74	0.51
	16886.15	17121.09	3373.41	4233.33



## Notes to Financial Statements For the year ended 31st March, 2017

### NOTE NO. 2.43

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)

**For and on behalf of the Board**

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

Place : Secunderabad  
Date : 29th May, 2017

Sd/-  
**Attal Anand Kumar**  
Company Secretary

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

Sd/-  
**U.K.Agarwal**  
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 N0.2, 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.

FolioNo...../DPIDNo.\*.....andClientIDNo.\*.....

\*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:

- 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.
- For shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.

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## 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 Thursday the 28th September, 2017 at 03.30 P.M. at K.L.N. Prasad Auditorium FTAPCCI, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad 500004, Telangana.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

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

Affix  
1 Rupee  
Revenue  
Stamp

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 to be held on Thursday the 28th September, 2017 at 03.30 P.M. at K.L.N. Prasad Auditorium FTAPCCI, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad 500004, Telangana.

Signature of Shareholder/s / Proxy

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



## FORM NO.MGT-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, 2017, the Statement of Profit and Loss for the year ended as on that date, Directors' Report and Auditors' Report thereon.			
2.	To appoint a Director in place of Smt.N.Padma Vijay Kumar who retires by rotation and being eligible offers herself for reappointment			
3.	To consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary Resolution:  “ <b>RESOLVED THAT</b> M/S K C Bhattacharjee & Paul, Chartered Accountants, (Firm Registration Number:303026E) 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 till the conclusion of the next Annual General Meeting of the Company to be held in the year 2018 at such remuneration to be fixed by the Board of Directors in consultation with the Auditors.”			



4.	<p><b>SPECIAL BUSINESS</b></p> <p><b>APPOINTMENT OF INDEPENDENT DIRECTOR</b></p> <p>To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :</p> <p>“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sri. Ankush Tandon having Director Identification Number 07840833 who was appointed as an Independent Director of the Company, by the Board of Directors effective May 29th, 2017 and who holds office till the date of 13th Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose Sri. Ankush Tandon as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company till the next Annual General Meeting of the company, liable to retire by rotation.”</p>			
5.	<p><b>RE-APPOINTMENT OF SRI UPENDER KUMAR AGARWAL AS CHAIRMAN &amp; WHOLE TIME DIRECTOR OF THE COMPANY.</b></p> <p>To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:</p> <p>“RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company, and subject to such permissions, consents, and approvals from various other authorities, as may be necessary, and subject to such modifications, variations, conditions as may be imposed by them while granting their permissions, consents and approvals, approval of the shareholders of the Company be and is hereby accorded for the reappointment of Sri Upender Kumar Agarwal as Chairman &amp; Whole Time Director of the Company, for a period of five years from April 1, 2017 to March 31, 2022 and payment of remuneration for the aforesaid period on the following terms and conditions, as approved by the Nomination &amp; Remuneration Committee &amp; Board in their meeting held on August 21, 2017.</p> <p><b>1. SALARY: Rs.5,00,000/- per month</b></p> <p><b>2. COMMISSION:</b></p> <p>At the rate of 1% per annum of the Net Profit of the Company or 50% of annual salary whichever is lower subject to the limits to the extent as permitted under</p>			



<p>the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013,</p> <p><b>3. PERQUISITES:</b></p> <p>In addition to the salary as stated above Sri Upender Kumar Agarwal shall be entitled to the following perquisites</p> <p><b>CATEGORY - A</b></p> <p><b>(i) HOUSING:</b></p> <p>Rent free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water, etc., or HRA to the extent of 30% of the salary.</p> <p><b>(ii) MEDICAL REIMBURSEMENT:</b></p> <p>Expenses incurred for self and his family subject to a ceiling of maximum Rs.12,000/- per month.</p> <p><b>CATEGORY – B</b></p> <p>Contributions by the Company to Provident Fund as per the rules of the Company</p> <p>Payment of gratuity subject to an amount equal to half month's salary for each completed year of service.</p> <p><b>RESOLVED FURTHER THAT</b> in the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment, the Chairman &amp; Whole Time Director shall be paid salary, perquisites and other allowances as set out in the above resolution, as the minimum remuneration, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time.</p> <p><b>RESOLVED FURTHER THAT</b> any Director or the Company Secretary of the Company be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”</p>			
<p><b>6. RE-APPOINTMENT OF SRI RITESH KUMAR AGARWAL AS MANAGING DIRECTOR OF THE COMPANY</b></p> <p>To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:</p> <p><b>“RESOLVED THAT</b> pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company, and subject to such permissions, consents, and approvals from various other authorities, as may be necessary, and subject to such modifications, variations, conditions as may be imposed by them while granting their</p>			



<p>permissions, consents and approvals, approval of the shareholders of the Company be and is hereby accorded for the reappointment of Sri Ritesh Kumar Agarwal as Managing Director of the Company, for a period of five years from April 1, 2017 to March 31, 2022 and payment of remuneration for the aforesaid period on the following terms and conditions, as approved by the Nomination &amp; Remuneration Committee &amp; Board in their meeting held on August 21, 2017.</p> <p><b>1. SALARY: Rs.5,00,000/- per month</b></p> <p><b>2. COMMISSION:</b> At the rate of 1% per annum of the Net Profit of the Company or 50% of annual salary whichever is lower subject to the limits to the extent as permitted under the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013,</p> <p><b>3. PERQUISITES:</b> In addition to the salary as stated above Sri Ritesh Kumar Agarwal shall be entitled to the following perquisites</p> <p><b>CATEGORY - A</b></p> <p><b>(i) HOUSING:</b> Rent free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water, etc., or HRA to the extent of 30% of the salary.</p> <p><b>(ii) MEDICAL REIMBURSEMENT:</b> Expenses incurred for self and his family subject to a ceiling of maximum Rs.12,000/- per month.</p> <p><b>CATEGORY – B</b> Contributions by the Company to Provident Fund as per the rules of the Company Payment of gratuity subject to an amount equal to half month's salary for each completed year of service.</p> <p><b>RESOLVED FURTHER THAT</b> in the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment, the Managing Director shall be paid salary, perquisites and other allowances as set out in the above resolution as the minimum remuneration, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time.</p> <p><b>RESOLVED FURTHER THAT</b> any Director or the Company Secretary of the Company be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”</p>			
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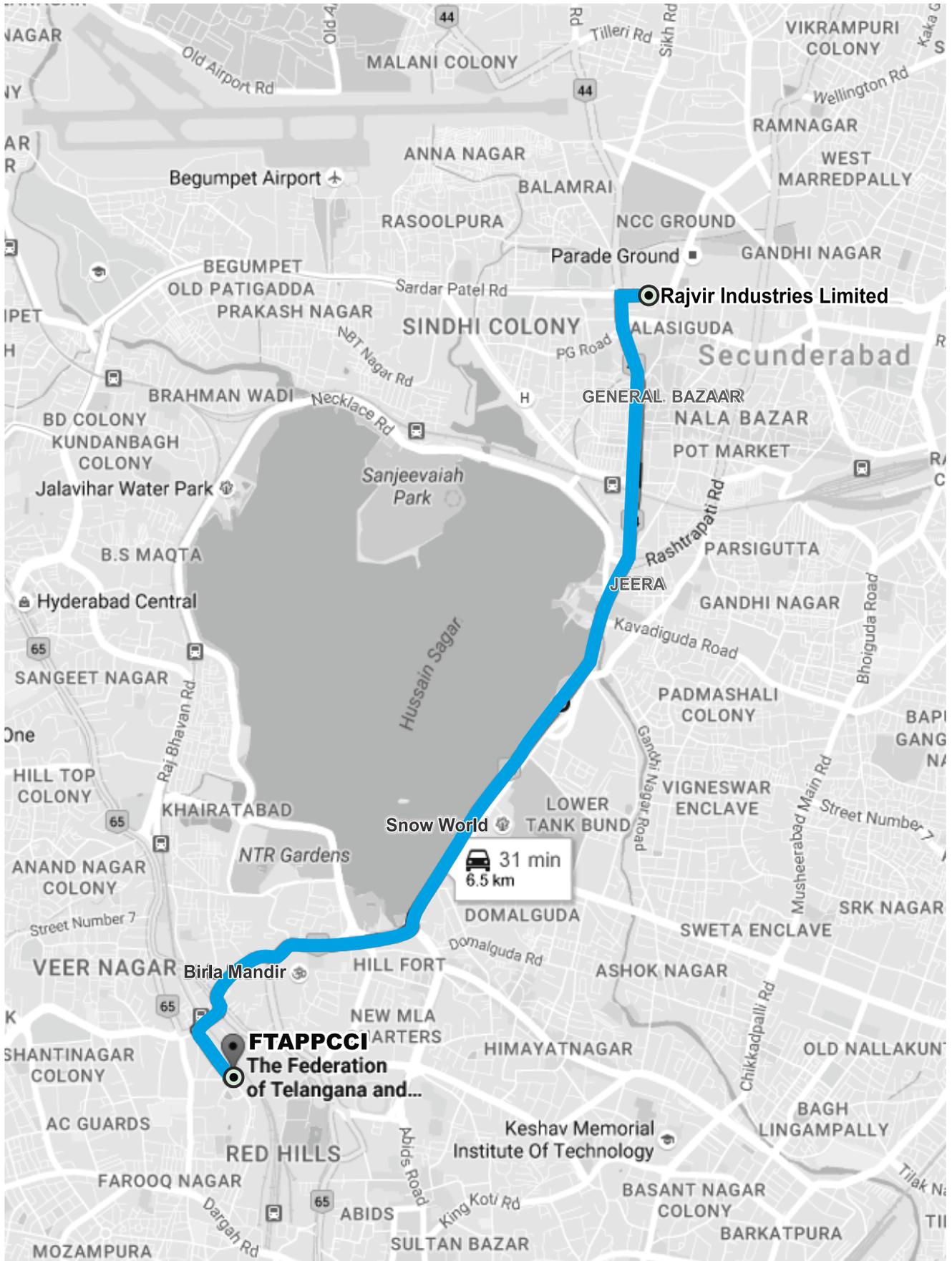
7.	<p><b>APPOINTMENT OF COST AUDITOR</b></p> <p>To consider and if thought fit, to pass, with or without modification(s), the following Resolution <b>as Special Resolution:</b></p> <p><b>“RESOLVED THAT</b> pursuant to the provisions of Section 148 and all other applicable provisions of the Companies 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 2017-18, be paid a remuneration of Rs.65,000/- 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>			
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Place:

Date:

(Signature of the shareholder)

# Route Map: Rajvir Industries limited to FTAPPCCI.



BOOK POST  
Printed Matter



If undelivered, please return to :

**RAJVIR INDUSTRIES LIMITED**

Registered Office : 1 st Floor, Surya Towers, 105, Sardar Patel Road, Secunderabad - 500003.

Telephone Nos : 040 6622 5555, 2784 5628, 2784 5650 | Fax No : 040 2784 0656

[www.rajvirindustrieslimited.com](http://www.rajvirindustrieslimited.com) | Email: [rajvir@rajvirindustrieslimited.com](mailto:rajvir@rajvirindustrieslimited.com)