

Chairman Speech

It gives me pleasure to present the annual report for the year 2017-18 under review for Rajvir Industries Limited.

To begin with let me present you highlights for the year 2017-18. The global economy grew at a rate of 3% in 2017 and it is estimated to grow at 3.1% in 2018. The global economy expanded despite various challenges such as US President imposing high tariff for products imported from China, quantitative tightening adopted by various countries, and rise in crude oil prices. It is expected that this growth in global economy will be driven more by the emerging markets and developing economies like China, India, and Euro Area than by advanced economies like UK and USA. (Source: Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research)

The Indian economy which experienced a cyclical trend growing at a rate of 6.7% in 2017-18. During the year, Indian economy was driven by various reforms such as the Make in India and the new tax regime, GST. The new indirect tax, GST that was introduced during the 2nd quarter of the year brought with it numerous challenges for the Indian industries. Textile industry was one of those industries that was hit the most first by demonetization and then by GST. With easing out of the effects of these reforms the country is expected to grow at 7.5% in 2018-19. It is expected that in coming years the Indian economy will grow to be a worth \$5 trillion economy. (Source: Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research)

Over the years, the textile industry has witnessed changes in consumption patterns which required the players like us to focus more towards value added products. China is one of the dominant players in the textile industry, but with lower labour and production costs, India is emerging to be the top player in textile industry all over the world. Indian textile industry is the third largest textile exporter of world with a value of \$40 billion. (Source: Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research)

During the year, the textile industry in India faced various challenges, such as volatility in raw material prices, rise in cotton prices due to pink ball worm attack, and GST which made it difficult for the dealers and retailers to adjust with the country's new tax regime. The Indian textile industry was witnessing a price war along with a tough competition from big players in the market. Despite these challenges, the textile industry is expected to grow with increase in demand from exports side and stabilization in GST. (Source: Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research)

The Company Continues to perform reasonably 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

We continue to successfully follow Zero defect policy and i am pleased to inform that throughout the FY 2017-18, 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.

I would further like to take this opportunity to thank our stakeholders in being with us in a time where our industry is going through a tough situation. I would like to thank the management and board of directors for their support and coordination. I would also like to thank our shareholders for keeping their faith upon us. I hope that we will receive support from all of you as we keep on moving forward.

Corporate Information

RAJVIR INDUSTRIES LIMITED

CIN NO: L17116TG2004PLC044053

BOARD OF DIRECTORS

Sri Upender Kumar Agarwal

Sri Ritesh Kumar Agarwal

Sri Ankush Tandon

Smt. N. Padma Vijay Kumar

Smt. Sheetal Vora

Chairman

Managing Director

Independent Director

Independent Director

Independent Director

CHIEF FINANCIAL OFFICER

Sri Shiv Kumar

COMPANY SECRETARY

Sri Attal Anand Kumar

AUDITORS

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

Bankers / Financial Institutions

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

Registered Office:

1st Floor, Surya Towers 105,
Sardar Patel Road Secunderabad - 500003
TELANGANA, India
Telephone Nos : 040-6225555, 27845628,
Fax : 040-27840656
Website: www.rajvirindustrieslimited.com
Email: 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 N0.2, Banjara Hills
Hyderabad – 500 034
Ph: 040- 23545913/14/15 Fax: 040-23553214
Website: www.xlsoftech.com
Email: xlfield@rediffmail.com, xlfield@gmail.com

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of RAJVIR INDUSTRIES LIMITED will be held on Saturday, the 29th September 2018 at 3.30 P.M. at FTAPCCI SURANA 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, 2018, the Statement of Profit and Loss for the year ended as on that date, Directors' Report and Auditors' Report thereon.

2 APPOINTMENT OF AUDITORS

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

"RESOLVED THAT M/s. K C Bhattacharjee & Paul Chartered Accountants (Firm Registration No.303026E) be and are hereby re-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 2019 at such remuneration to be fixed by the Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS

3 APPOINTMENT OF INDEPENDENT DIRECTOR

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

"RESOLVED THAT 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), Smt Sheetal Vora having Director's identification Number 08172386 who was appointed as an Independent Woman Director of the Company, by the Board of Directors effective 30th May 2018 and who holds office till the date of 14th 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 Smt Sheetal Vora as a candidate for the office of the Director of the Company, be and is hereby appointed as an independent Director of the Company for five consecutive years up to 28th September 2023."

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's identification Number 07840833 who was appointed as an Independent Director of the Company, by the Board of Directors effective 29th May 2017 and who holds office till the date of 14th 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 the Director of the Company, be and is hereby appointed as an independent Director of the Company for four consecutive years up to 28th September 2022."

5. APPOINTMENT OF COST AUDITORS

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

"RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, Sri Penumarthi 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 2018-19, 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

Place : Hyderabad
Date : 25.08.2018

Sd/-
Attal Anand Kumar
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Register of members and share transfer books of the company will remain closed from 26.09.2018 to 29.09.2018 (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, M/S XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills Hyderabad-500 034, Telangana.
7. Electronic Copy of the Notice of the 14th 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 members whose mail 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 14th Annual general Meeting of the company inter-alia indicating the process and

the 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 14th Annual General Meeting and the Annual Report for the year 2017 – 2018 will also be available on the company's website www.rajvirindustrieslimited.com for their download. The physical copies of the aforesaid will also be available at the company's Registered Office in Hyderabad for inspection between 2.00 p.m. to 4.p.m on all working days from Monday to Friday. Even after registering 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 communications, the members may also send requests to the company or its Registrar and share transfer Agent, at the following E-mail ID :xlfield@rediffmail.com/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 14th Annual Report of the company and the business may be transacted through e-voting. The company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency to provide the e-voting facility. The detailed instructions for E Voting are given here below

9. Members are requested to quote their Registered Folio Number on all correspondence (s) with the Company.
10. Sri S. S. Marthi (Membership No.FCS 1989), Practising 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 (Listing Regulations), 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 26th September, 2018 at 09.00 a.m. and ends on 28th September, 2018 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 15th September, 2018 (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(s)] :
 - (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 with a copy marked to 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 |
|-------------------------------------|---------|--------------|
| 109890 | - | - |
- (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 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 15th September, 2018.
 - 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. 15th September, 2018, may obtain the login ID and password by sending a request at 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 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, Practicing 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 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.
- Pursuant to Regulation 36 of the SEBI(Listing obligations and Disclosure Requirements) Regulations, 2015, the brief profile of Directors seeking appointment/re-appointment is furnished below.

Name of Director	Shri Ankush Tandon
Date of Birth	10.01.1982
Date of Appointment	29.05.2017
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

Name of Director	Smt. Sheetal Vora
Date of Birth	29.07.1982
Date of Appointment	30.05.2018
Qualification	Commerce Graduate
Expertise	-
Other directorship	NIL
Chairman/Members of the Committee in other Companies	NIL
No of shares held in the Company	NIL

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

ITEM NO.3

Smt Sheetal Vora was appointed as an Independent woman Director on the Board of the Company with effect from May 30th, 2018. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Smt. Sheetal Vora holds office up to the date of this fourteenth Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Smt Sheetal Vora as an Independent Woman Director of the Company, along with the prescribed deposit of Rs.1,00,000/-.

Smt Sheetal Vora is not disqualified from being appointed as an Independent Woman Director in terms of Section 164 of the Act and has given her consent to be appointed as a Director.

The Board recommends the appointment of Smt Sheetal Vora as an Independent Woman Director as set out in item No.3 of the Notice as an ordinary resolution.

Save and except Smt Sheetal Vora 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 as set out in item no.3.

ITEM NO.4

REAPPOINTMENT OF DIRECTOR

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

Shri 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 Shri Ankush Tandon as an Independent Director as set out in item No.4 of the Notice as an ordinary resolution.

Save and except Shri 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 as set out in item no. 4.

ITEM NO.5

The Board on the recommendation of the Audit Committee has approved the appointment of Sri Penumarthi Srinivas and the remuneration of the Cost Auditors to conduct the audit of the cost records of the company for the financial year 2018-19 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 ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2018-19.

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

By the Order of the Board
For Rajvir Industries Limited

Place : Hyderabad

Date :25.08.2018

sd/-
Attal Anand Kumar
Company Secretary

Directors' Report

Dear Members

Your Directors have pleasure in submitting their fourteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS

FINANCIAL RESULTS FOR THE YEAR UNDER REVIEW WITH THE CORRESPONDING FIGURES OF THE PREVIOUS YEAR'S FIGURES

Rs.in lakhs

Particulars	Year ended 2017-18	Year ended 2016-17
Gross revenue from operations	9422.85	15421.76
Profit before interest and depreciation	122.67	1787.69
Interest & Finance charges	1806.34	1838.13
Depreciation & Amortisation	322.86	331.49
Profit/(Loss) before Tax & exceptional items	-2006.53	-381.93
Provision for taxation:		
a) Current Tax	-	-
b) Deferred Tax (credit)/expense	164.58	-447.88
Profit/(Loss) after Tax from continuing operations	-2171.11	65.95
(Loss) from discontinued operations	-301.29	-1525.40
Tax expense/(credit) of discontinued operations	24.71	-166.09
Net profit /(Loss) for the period from discontinued operations	-326.00	-1359.31
Total Profit/(Loss) for the year	-2497.12	-1293.36
Add: Profit/(Loss) brought forward from last year	-2400.49	-1107.12
Adjustment due to adoption of IND AS	-10.25	-1.55
Total profit /(Loss)	-4907.86	-2402.03
APPROPRIATIONS		
Amount carried forward Balance sheet	-4907.86	-2402.03
Earnings per Equity share:		
Basic	-62.76	-32.41
Diluted	-62.76	-32.41

OPERATIONS

During the year under review, the company achieved turnover of 9422.85 lakhs from its continuing operations and net loss of 2507.37 lakhs as against Rs. 15421.76 lakhs and Rs. 1294.91 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 due to the same 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;
- The Directors had prepared the annual accounts on a going concern basis; and
- The Directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls and are adequate and operating effectively;

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

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

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

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

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

DEPOSITS

The Company has renewed the fixed deposits received from the public. The amount of deposits outstanding as on 31st March 2018 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 2018. There is an overdue amount of Rs.11.01 lakhs towards interest on fixed deposit as on 31st March 2018 which will be paid subsequently.

RISK MANAGEMENT POLICY OF THE COMPANY

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

CORPORATE SOCIAL RESPONSIBILITY

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

RELATED PARTY TRANSACTIONS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Ankush Tandon was appointed as an Independent director w.e.f 29th May 2017 and holds the Office of Director till end of the ensuing 14th Annual General Meeting. The Board has re-appointed Mr. Ankush Tandon as an Independent Director for a period of 4 years up to 2022

Smt. Sheetal Vora was appointed as an Independent Woman Director w.e.f. 30th May 2018, and holds office till the date of the ensuing Annual General Meeting. Smt. Sheetal Vora has furnished a declaration under Section 149(7) of the Companies Act, 2013 that she fulfils the criteria for being appointed as an independent director. Hence, the Board recommends for her appointment as an Independent Director for a period of five years. The company has received a notice in writing from a member along with the requisite deposit of ₹1,00,000/- under Section 160 of the Companies Act, 2013 proposing her candidature.

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

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

MEETINGS OF THE BOARD

There were 8 (Eight) 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, Sri Ankush Tandon, Smt. N. Padma Vijay Kumar and Ritesh Kumar Agarwal. The recommendations made by the committee have been accepted by the Board

VIGIL MECHANISM

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

REMUNERATION RATIO OF THE DIRECTORS/KEY MANAGERIAL PERSONNEL/EMPLOYEES

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

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

The Nomination and Remuneration Committee is vested with the powers to recommend the Appointment of a Direc-

tor 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 M/s K C Bhattacharjee & Paul Chartered Accounts

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 contain qualifications.

COST AUDIT

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 Secretarial Audit has been conducted for the Financial Year 2017-18 by M/S Marthi & Co., Practising Company Secretaries, Hyderabad, and their Secretarial Audit report for the financial year ended 31st March 2018 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, 2018 was Rs.35.40 and Rs. 47.90 per share on

BSE and NSE respectively.

PARTICULARS OF EMPLOYEES

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

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

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

ACKNOWLEDGEMENTS

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

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

Place : Hyderabad
Date 25.08.2018

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

1. Details of contracts or arrangements or transactions not at arm's length basis:	
(a) Name(s) of the related party and nature of relationship	Nil
(b) Nature of contracts/arrangements/transactions	Nil
(c) Duration of the contracts/arrangements/transactions	Nil
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e) Justification for entering into such contracts or arrangements or transactions	Nil
(f) date(s) of approval by the Board	Nil
(g) Amount paid as advances, if any:	Nil
(h) Date on which the special resolution was passed in general meeting as required under first provision to Section 188 Nil	Not Applicable

2. Details of material contract or arrangement or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship	M/s Balaji Enterprises M/s Sree Lakshmi Enterprises
(b) Nature of contracts/arrangements/transaction	Purchase of Goods / Renting of Godown
(c) Duration of the contracts/arrangements/transactions	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Rs.4,80,000/- P.M is paid as rent for the godown used for storage of goods.
(e) Date(s) of approval by the Board, if any:	13th February 2016
(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 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 2017-18 are as under.

S. No	Directors/KMP Manager's Name	Remuneration of Director/KMP for financial year 2017-18(In Rupees)	% increase in Remuneration in the Financial Year 2018	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the company
-------	------------------------------	--	---	------------------------------	--

1.	Shri Upender Kumar Agarwal	60,00,000	42.85 %	18.55 %	-
2	Shri Ritesh Kumar Agarwal	60,00,000	42.85 %	18.55 %	-
3	Shri Shiv Kumar	18,91,450	-8.33 %	6.56 %	-
4	Shri Attal Anand Kumar	5,03,427	13.53 %	3.55 %	-

(ii)	Percentage increase in the median remuneration of employees in the financial year 2017-2018 compared to 2016-17			NIL	-
------	---	--	--	-----	---

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

	As on 31.03.2018	As on 31.03.2017
	350	650

(iv)	Explanation on the relationship between average increase in remuneration and the company performance	-
------	--	---

(v)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	-
-----	---	---

(vi)	Average percentile increase in salaries of Employees other than managerial Personnel	Nil
------	--	-----

Percentile increase in the managerial remuneration	as detailed above
--	-------------------

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

(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 textiles sector is one of the oldest sectors in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The textile industry employs about 105 million people directly and indirectly. India's overall textile exports during FY 2017-18 stood at US\$ 37.74 billion. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. 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: Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research)

Market Size

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 230 billion by 2020. The Indian Textile Industry contributes approximately 2 per cent to India's Gross Domestic Product (GDP), 10 per cent of manufacturing production and 14 per cent to overall Index of Industrial Production (IIP). The production of cotton in India is estimated to increase by 9.3 per cent year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 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: Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research)

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\$ 2.82 billion during April 2000 to December 2017. Some of the major investments in the Indian textiles industry are as follows: The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crore (US\$ 202.9 million) from 2017-18 to 2019-20. Future Group is planning to open 80 new stores under its affordable fashion format, Fashion at Big Bazaar (FBB), and is targeting sales of 230 million units of garments by March 2018, which is expected to grow to 800 million units by 2021. (Source: Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research)

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 and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US\$ 160 billion by 2025. The Indian cotton textile industry is expected to showcase a stable growth in FY2017-18, supported by stable input prices, healthy capacity utilisation and steady domestic demand. Exchange Rate Used: INR 1 = US\$ 0.016 as of FY2018. Production of man-made fibre has also been on an upward trend. Production stood at 1.347 million tonnes in FY2016 with the figure reinforcing a recovery from 2009 levels. During FY2017, production of man-made fibre in India stood at 1.364 million tonnes and the production until January 2018 in FY18 has been 1.123 million tonnes. (Source: Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research)

Growth of Textile Industry

Textile plays a major role in the Indian Economy:

- (i) It contributes 14 percent to industrial production and 4 percent to GDP.
- (ii) With over 45 million people, the industry is one of the largest source of employment generation in the country. The size of India's textile market as of July 2017 was around US\$ 150 billion, which is expected to touch US\$

250 billion market by 2019, growing at a CAGR of 13.58 percent in between 2009-2019. The central government is planning to finalise and launch the new textile policy in the next three months. The policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs. (Source: Technopak, Make in India, News articles, Ministry of Textiles, Aranca Research)

Government Initiatives

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route. Initiative will be taken into consideration by Government of India.

The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the powerloom sector of India. The Textile Ministry of India earmarked Rs 690 crores (US\$ 106.58 million) for setting up 21 readymade garment manufacturing units in seven states for development and modernisation of Indian Textile Sector. Some of initiatives taken by the government to further promote the industry are as under: The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - Readymade garments and Made ups - from 2 per cent to 4 percent. The Government of India plans to introduce a mega package for the powerloom sector, which will include social welfare schemes, insurance cover, cluster development, and upgradation of obsolete looms, along with tax benefits and marketing support, which is expected to improve the status of power loom weavers in the country.

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 new collection of Raw White fancy yarns which mainly includes:

- Rajvir raw white snake skin look.
- Rajvir raw white natural look.
- Rajvir raw White Lurex look.
- Rajvir raw White Denim Washed out look.

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 fibres— Natural & Manmade— name it – Exotic like Angora, Wool , Silk Cashmere or Technical yarns like Fire Retardant etc, apart from normal fibres like cotton, Modal, Micro Modal, Viscose, Polyester etc.

The major world Brands like H&M, Next, Marks & Spencer, GAP, J C Penny, Zara support us by utilizing our creativity / developments of all value added fashion yarns 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 fibres such as Cashmere, Angora and Wool within India forces the Company to buy these fibres from around the World thereby increasing the lead times of exotic yarns to customers Worldwide. The Company is forced to import important special fibres like Angelina (Lurex), Cashmere, angora, wool due to nonavailability of such special fibres 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 is now making its presence felt in new emerging South and Central American market which includes Argentina, Colombia, Peru and Brazil, Guatemala, Honduras, Nicaragua, etc , Turkey, Morocco, South Korea , Vietnam, Ethiopia, Mauritius.

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

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 fibres.

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 to various brands, retailers and chain stores Worldwide as new fancy products.

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

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

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

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 on its own which are also showcased to various brands, retailers and chain stores Worldwide as new fancy products. The Company's focus 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

During the year under review, the company achieved a turnover of Rs. 9422.85 lakhs from its continuing operations and net loss of Rs. 2507.37 lakhs as against Rs.15421.76 lakhs and Rs.1294.91 lakhs in the previous year respectively.

Your Company is faring extremely well in high fashion yarn and hopes to further consolidate its position in this segment in both domestic and international markets. Keeping in view the marketing efforts undertaken by our market team we to achieve a better turnover in the current Financial Year.

HUMAN RESOURCES

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

Disclaimer

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

ANNEXURE - D

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 2017-2018 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

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

Non-Executive/or Independent Directors

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

Notes:

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

The calendar of Board meetings is decided in consultation with the Board and the schedule of such meetings is communicated to all Directors well in advance. Generally, the Board Meetings are held in Secunderabad, where the registered office of your Company is situated. The agenda for the Board Meeting includes applicable matters and agenda matters as per SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and is generally circulated few days prior to the date of the Meeting and includes detailed notes on the items to be discussed at the meeting to enable the Directors to take informed decisions.

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

Your Board met Eight times during the financial year 2017-18 on, 29th May 2017, 15th June 2017, 21st August 2017 14th September 2017 29th September 2017, 26th October 2017, 14th December 2017, and 14th February 2018

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

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

(b) Attendance of the Directors at the Board Meetings and the **Thirteenth AGM**

The Attendance Record of the Directors at the Board Meetings held and the Thirteenth AGM for the financial year 2017-18.

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	8	Yes	Nil	Nil
2.	Shri Ritesh Kumar Agarwal	Promoter & Executive Director	Managing Director	8	Yes	Nil	Nil
3.	Shri K C Reddy	Independent & Non – Executive	Director	1	Yes	Nil	Nil
4.	Shri Ankush Tandon	Independent & Non – Executive	Director	6	Yes	Nil	Nil
5.	Smt N. Padma Vijay Kumar	Independent & Non – Executive	Director	8	No	Nil	Nil

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

Sl. No.	Name	No. of Shares	Shares as % of Equity
1.	Shri Upender Kumar Agarwal	164628	4.12
2.	Shri Ritesh Kumar Agarwal	441164	11.04
3.	Shri K C Reddy	Nil	Nil
4.	Shri Ankush Tandon	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 Thirteenth Annual General Meeting to answer the Shareholders' queries.

The Audit Committee met four times during the financial year 2017-18 They met on 29th May 2017, 14th September, 2017 14th December ,2017. and 14th February 2018 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 Redddy	Non Executive and Independent Director	Member	1
Smt Padma Vijay Kumar	Non-Eecutive and Independent Director	Member	4
Shri Ankush Tandon	Non-Executive and Independent Director	Member	4
Shri Ritesh Kumar Agarwal	Managing Director	Member	4

II. The Nomination and Remuneration Committee is primarily responsible to Identify potential candidates to become Board Members.

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

The Nomination and Remuneration Committee has met on August 21st 2017 under review during the financial year..

Details of the Remuneration:

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

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

III. Details of Composition of the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee consists of following Directors

Sl.No.	Name of the Director	Designation
1.	Shri K C Reddy	Non-Executive & Independent Director
2	Shri Ankush Tandon	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 2017-18 They met on 29th May 2017, 14th September 2017, 14th December 2017 and 14th February 2018

TOTAL NO OF SHARES RECEIVED FOR TRANSFER : NIL

TRANSFERRED & DISPATCHED : NIL

TOTAL NO OF SHARES RECEIVED FOR Consolidation : NIL

Consolidated & DISPATCHED : NIL

There are no pending Share Transfers as on 31st March 2018.

Details of complaints / requests etc., received and resolved during the financial year 2017-18 are as below:

No of Complaints received : NIL

Resolved : NIL

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

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

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

Nature of Complaints/ Correspondence/ Requests

Opening Balance	NIL
Received	NIL
Resolved	NIL
Outstanding as on March 31, 2018	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
13th	KLN Prasad Auditorium FTAPCCI, Federation House, 11-6-841, Red Hills FAPCCI Marg Hyderabad-500004	28.09.2017	03.30 P.M.
12th	FTAPCCI, Federation House, 11-6-841, Red Hills FAPCCI Marg Hyderabad-500004	30.09.2016	03.30 P.M.
11th	Lotus Hall, 1st Floor, Country Club, 6-3-1219, Begumpet, Hyderabad-500016.	29.08.2015	03.30 P.M.

Postal Ballot :

Special Resolution taking the approval of Members was passed during the previous year, through Postal Ballot process for sale of Tandur Plant

DISCLOSURES

- (i) During the year 2017-18, 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, 2018, 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 behaviour;

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

A 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 the matters reported and track matters to close as per law.

(V) Code of Conduct

Your company has laid down a code of conduct ("Code") for all the Board Members and senior management personnel of the company. The Code is available on the website of the company i.e www.rajvirindustrieslimited.com. All directors and Senior management personnel of the Company have affirmed the compliance with the company's code of conduct for the financial year ended March 31, 2018. 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

(Vi) Details of compliance with mandatory requirements and adoption of the nonmandatory requirements of clause 15(2) of SEBI listing obligations and disclosures Requirements) Regulation 2015 the Company has disclosed and complied with all the mandatory requirements under clause 15(2) of SEBI listing obligations of disclosure requirements Regulation 2015. The details of these compliances have been given in the relevant sections of the Report.

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

- Separate posts of Chairman and CEO- The Chairman and Managing Director /CEO are two separate persons. The position of CEO and Chairman is bifurcated in the Company.
- Reporting of internal Auditor-Internal Auditor reports directly to the Audit Committee
- Compliance of prohibition of inside 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**

Smt Sheetal vora was inducted in the Board as an Independent Woman Director from May 2018,

B. Reappointment**Shri Ankush Tandon is reappointed as independent Director****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 2017-18. The Report is at Annexure F to the Director's Report.

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

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

Management Discussion and Analysis

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

CEO and CFO's Certification

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

The CEO and CFO's Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended March 31, 2018, 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,

Website - The Company's website 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 Fourteenth Annual General Meeting (AGM) of the Company for the financial year 2017-18- scheduled on Saturday the 29th September at 03.30 PM at the FTAPCCI Surana Auditorium, 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 Fourteenth AGM. Instructions for e-voting are listed under the segment "Notes" in the Notice to Fourteenth 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	29th September 3.30 PM
	Venue	Surana Auditorium, FAPCCI, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad 500004, Telangana.
C	Financial Calendar	April to March
	Financial Reporting for	2017-18
	Quarter ending June, 30 2017	Second week of September 2017
	Quarter ending September, 30 2017	Second week of December 2017
	Quarter ending December, 31 2017	Second week of February 2018
	Quarter ending March 31, 2018	Fifth week of May 2018
	Annual General meeting for FY ended	29th September 2018 31st March 2018
D	Date of Book Closure	Wednesday the 26.09.2018 to Saturday the 29.09.2018
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	98.8965% 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, 2018 (last trading day of the financial year) was Rs. 35.40 on BSE and Rs. 47.90 on NSE as compared to the price on 31st March 2017 of Rs. 46.45 and Rs. 41.70 on BSE and NSE respectively.
L	Registrar and Share Transfer Agents	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
M	Share Transfer System	Generally the shares have been transferred and returned in 15 days from the date of receipt, so long as the documents have been clear in all respects.
N	Investor Relations	The Company has been maintaining good investor relations.

5. DISTRIBUTION OF SHAREHOLDING :

Distribution of Shareholding as on 31st March, 2018

Share Holder or Debenture Holding of Nominal Value of			Share Holder or Debenture Holding of nominal Value of		Share / Debenture Amount	
			Number	% of Total	Number	% of Total
(1)	(2)	(3)	(4)	(5)		
Upto - 5000	1953	89.59	1590310	3.98		
5001 - 10000	89	4.08	686310	1.72		
10001 - 20000	59	2.71	854670	2.14		
20001 - 30000	18	0.83	448470	1.12		
30001 - 40000	13	0.60	457640	1.15		
40001 - 50000	5	0.23	220980	0.55		
50001 - 100000	19	0.87	1405680	3.52		
100001 and above	24	1.10	34284540	85.82		
TOTAL	2180	100	39948600	100		

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

Place : Hyderabad
Date 25.08.2018

Sd/-
Ritesh Kumar Agarwal
Managing Director

ANNEXURE - E

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018

[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 .XL Softech Systems Limited Registrar and Transfer Agent, if any	3, Sagar Society, Road N0.2, Banjara Hills, Hyderabad-500 034 Telephone No. : 23545913/14/15 Fax : 040-23553214

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cotton Yarn	13111	1%
2	Blended Yarn	13111	52%
3	Melange Yarn	13111	37%
4	PV	13111	10%
Total			100.00

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				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year

A. Promoter

1) Indian

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

2) Foreign

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

B. Public Shareholdin

1. Institutions

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

Rajvir Industries Limited

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) FIIs	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
Sub-total (B)(1)	22907	700	23607	0.59	22907	700	23607	0.59	NIL

2. Non Institution

a) Bodies Corp.

(i) Indian	143682	2115	145797	3.65	145094	2115	147209	3.68	0.96
(ii) Overseas									

b) Individuals

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	520841	41727	562568	14.08	550160	40901	591061	14.80	5.06
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	253528	0	253528	6.35	220771	0	220771	5.53	-12.92
c) Others (Specify)									
i) Qualified Foreign Investor	15274	364	15638	0.39	18121	364	18485	0.46	18.20
ii) Clearing Members	0	0	0	0	5	0	5	0	100
Sub-total (B)(2)	933325	44206	977531	24.47	934151	43380	977531	24.47	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	956232	44906	1001138	25.06	957058	44080	1001138	25.06	NIL

C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3949954	44906	3994860	100.00	3950780	44080	3994860	100.00	NIL

ii. Shareholding of Promoters

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

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

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

At the beginning of the year

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

NIL

At the end of the year

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	15200.71	1860.12	50.00	17110.83
ii) Interest due but not paid	105.49	45.63	5.48	156.60
iii) Interest accrued but not due for payment	98.99	0	5.53	104.52
Total (i+ii+iii)	15405.19	1905.75	61.01	17371.95
Change in Indebtedness during the financial year				
Addition	990.84	191.90	0	1182.74
(-) Reduction	-930.39	-155.82	0	-1086.21
Net Change	60.45	36.08	0	96.53
Indebtedness at the end of the financial year				
i) Principal Amount	15261.16	1896.20	50.00	17207.36
ii) Interest due but not paid	623.61	111.03	11.01	745.65
iii) Interest accrued but not due	95.21	0	5.48	100.69
Total (i+ii+iii)	15979.98	2007.23	66.49	18053.70

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/MTD/ Manager		Total Amount
		Upender kumar Agarwal (Chairman)	Ritesh Kumar Agarwal (Managing Director)	
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6000000	6000000	12000000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961			
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	NIL	-	-
3.	Sweat Equity	NIL	-	-
4.	Commission			
-	as % of profit	1% of the total profit in the Financial year		
-	others, specify...			
5.	Others, please specify			
6.	Total (A)	60000000	6000000	12000000
Ceiling as per the Act		Rs. 84 Lakhs as per Schedule V of the Companies Act, 2013		

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/MTD/ Manager	Total Amount
Independent Directors			
•	Fee for attending board committee meetings	10000	10000
•	Commission	-	-
•	Others, please specify	-	-
	Remuneration	10000	100000
	Total (1)	10000	10000
Other Non-Executive Directors			
•	Fee for attending board committee meetings	-	-
•	Commission	-	-
•	Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)	10000	10000
Total Managerial Remuneration			
Overall Ceiling as per the Act		Rs. 84 Lakhs as per Schedule V of the Companies Act, 2013	

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

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	-	503427	1891450	2394877
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	33550	36600	70150
(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	-	536977	1928050	2465027

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)
------	------------------------------	-------------------	---	------------------------------	-----------------------------------

A. Company

Penalty

Punishment

Compounding

N

I

L

B. Directors

Penalty

N

I

L

Punishment

Compounding

C. Other Officers In Default

Penalty

N

I

L

Punishment

Compounding

ANNEXURE F

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

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

To
The Members
RAJVIR INDUSTRIES LIMITED

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 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, 2018 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 - not applicable during the Audit Period;

- (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:

- (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 and some of the banks have marked the company's account as NPA.
- b. The company has also not been regular in depositing with the appropriate authorities the undisputed dues pertaining to ESI, PF, TDS, Sales Tax, Excise, Service Tax, GST, Value Added Tax, and Income Tax.
- c. The company has not paid interest on public deposits amounting to Rs.11.01 Lakhs.
- d. 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**

**Place : Hyderabad
Date : 25th August 2018**

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

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

	2017-2018	2016-2017
1. Electricity:		
a) Purchased		
Units (Rs in lakhs of KWH)	154.71	311.96
Total Amount (In lakhs)	919.55	1846.88
Average Rate: (Rs/Unit)	5.94	5.92
b) Own Generation:		
Through Diesel Generators		
Units (in lakhs of KWH)	-	0.25
Units per Litre of Diesel Oil	-	2.83
Average Cost: Rs. / Unit	-	28.84
2. Coal (Rs. In lakhs)	-	-
3. Furnace Oil	-	-
4. Others	-	-
B. Consumption per Unit of Production		
Yarn Production (Kgs in lakhs)	32.37	61.89
Electricity (Units/Kg of Yarn)	4.78	5.04

B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption as per Form B

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

Research and Development (R & D)

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

B. Technology Absorption, Adoption Innovation

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

C. Foreign Exchange Earnings & OUTGO

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

Exports of the Company accounted as Rs.15.63 Crores as compared to Rs.25.20 Crores during the previous year. The Company has exported its products to various countries like USA, Bangladesh, and other Countries. The Company is exploring new markets for its products.

Rs In Lakhs

b) Expenditure in Foreign Currency during the year on account of	2017-18	2016-17
i) Plant & Machinery (CIF Value)	-	-
ii) Raw Materials (CIF Value)	166.18	308.24
iii) Stores & Spares (CIF Value)	1.75	15.64
iv) Foreign Travelling	33.52	88.42
v) Export Commission	5.20	22.75
C) Earnings in Foreign Exchange: FOB Value of Exports	1563.42	2519.71

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

Sd/-
U.K. Agarwal
Chairman

Date: 25-08-2018
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, 2018.

Sd/-

Ritesh Kumar Agarwal
Managing Director

Place: Hyderabad

Date : 25-08-2018

Annexure-B

Auditor's Certificate on Corporate Governance

To
The Members of
RAJVIR INDUSTRIES LIMITED

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

2.We have examined the compliance of conditions of Corporate Governance by Rajvir Industries Limited, for the year ended on 31st March, 2018 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para c and D of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

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

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

6.We have carried out an examination of the relevant records of the Company in accordance with the Guid-

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

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

OPINION

8. Based on Our examinations of the relevant records and accounting to the information and explanations provided to us and the representations provided by the Managements, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of the regulation 46(2) and para c and D of schedule V of

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) during the year ended March 31, 2018.

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

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

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

Place: Hyderabad
Date: 25.08.2018

Annexure-C

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

I, Ritesh Kumar Agarwal, CEO & Managing Director, 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, 2018:
 - 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
 - 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 2017-18;
 - 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/-
Ritesh Kumar Agarwal
Managing Director

Place: Hyderabad
Date : 25-08-2018

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;

Independent Auditors' Report

Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of Rajvir Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (collectively referred to as the 'Ind AS financial statements').

Managements Responsibility for the Ind AS 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 of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India.

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 Ind AS financial statements

Auditors Responsibility

3. Our responsibility is to express an opinion on these Ind AS 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 the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Basis of Qualified Opinion :

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

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the effects/possible effects of our observations in para 8 the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

10. We draw attention to Notes to accounts of the accompanying financial statement in respect of:

(a) Note no. 34(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. 39.1: the confirmation/reconciliations of balances of certain secured and unsecured loans, balances

with banks, trade payable, trade receivable, other payable and loans and advances have not been received and are subjected to reconciliation, review and adjustment thereof;

(c) Note no. 34(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 34(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. 39: The Company has shut down the Tandur manufacturing unit on commercial expediency and has been incurring losses resulting in overall accumulated net loss in statement of profit and loss at the close of the year. Further, the accumulated losses at the close of the year have eroded the net-worth of the Company. These financial results have been prepared on a going concern basis for the reasons stated in the said note of the financial statements.

Our opinion is not qualified in respect of above matters.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditors 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, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

12. As required by Section 143 (3) of the Act, we report that

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

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

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 34 to the Ind AS financial statements;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

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

**(Manoj Kumar Bihani)
Partner
Membership No. 234629**

**Place: Hyderabad
Date: 30.05.2018**

Annexure - A to the Independent Auditors' Report

Referred to in paragraph 11 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, 2018

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 paid the interest on public deposits of Rs.11.01 lakhs as on 31.03.2018 and as such has not complied with the relevant provisions of section 73 to 76 and other relevant provisions of the Companies Act and the Companies (Acceptance of Deposit) Rules, 2015 as applicable, with regards to the deposits accepted from members and the public. As informed by the management, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal with regard to the Deposits.
6. We have broadly reviewed the books of accounts 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, GST and other statutory dues as applicable to it, with appropriate authorities and there have been serious delays in large number of cases. There are no undisputed statutory dues except as stated below which remained unpaid for a period of more than six months as on the reporting date –

Particulars	Period	Amount (In lakhs)
Employee State insurance	April 2017 to July 2017	10.52
Provident fund	February 2017 to July 2017	38.88
Tax deducted and collected at source	April 2016 to September 2017	82.43
Service Tax	April 2015 to June 2017	22.26
Sales tax deferment	Upto March 2018	337.76

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

Particulars (Name of the Lender)	Amount of default as at the Balance sheet date (In lakhs)	Period of Default	Remarks, if any
Central Bank of India	18.05	Jan.2018 to March 2018	-
State Bank of India	164.75	Jan.2018 to March 2018	The account is classified as NPA by SBI.
IDBI Bank	33.32	Jan.2018 to March 2018	The account is classified as NPA by IDBI Bank
Axis Bank	124.09	July 2017 to March 2018	--

9. On the basis of our review of utilization of funds pertaining to term loans on overall basis and related information and explanations as made available to us, the term loans taken by the company has been utilized for the purpose of which they were obtained. Further, the company has not raised moneys by way of initial public offers or further public offers during the year.
10. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company its officers or employees, noticed or reported during the year, nor have we been informed by any such case by the management.
11. The company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the company.
13. The company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**(Manoj Kumar Bihani)
Partner
Membership No. 234629**

Place: Hyderabad
Date: 30.05.2018

Balance Sheet As at 31-03-2018

Rs. In Lakhs

PARTICULARS	Note No.	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	1A	3367.68	12875.00	13707.39
(b) Capital work in progress	1A	-	38.76	47.37
(c) Intangible assets		-	-	-
(d) Financial assets:				
(i) Loans	1	422.79	612.51	521.73
(ii) Other financial assets	2	-	256.16	256.16
(e) Deferred tax asset (net)	3	1157.52	1343.21	728.54
(f) Other non-current assets	4	51.53	52.88	74.68
		4999.51	15178.51	15335.87
Current assets				
(a) Inventories	5	3888.80	6101.60	7112.26
(b) <u>Financial assets:</u>				
(i) Loans	6	-	-	-
(ii) Trade receivables	7	506.28	946.91	1207.13
(iii) Cash and cash equivalents	8	(30.06)	79.37	182.34
(iv) Bank balances other than (iii) above	9	57.79	108.35	109.36
(v) Other Financial assets	11	91.61	2544.30	2322.34
(c) Current tax assets (net)	10	27.82	31.38	37.93
(d) Other current assets	12	458.06	404.70	404.86
		5000.30	10216.61	11376.22
Assets Classified as held for sale and Discontinued Operations	32	11852.99	-	-
TOTAL ASSETS		21852.80	25395.12	26712.09
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13	399.49	399.49	399.49
(b) Other equity	14	(2,469.89)	37.48	1,332.40
		(2,070.40)	436.97	1731.89
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	8677.14	11420.13	12841.00
(ii) Other financial liabilities	16	277.85	460.80	483.34
(b) Long term provisions	17	63.23	63.30	53.71
(c) Deferred tax liabilities (net)		-	-	-
(d) Other non-current liabilities		-	-	-
		9018.21	11944.23	13378.05
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	5860.59	4869.76	4794.65
(ii) Trade payables	19	2927.37	3924.12	3673.15
(iii) Other current financial liabilities	20	2719.81	2035.90	1645.99
(b) Other current liabilities	21	1190.54	2177.32	1482.59
(c) Current tax liabilities		-	-	-
(d) Short-term Provisions	22	76.58	6.83	5.77
		12774.90	13013.92	11602.15
Liabilities related to Assets held for sale and Discontinued Operations	32	2130.09	-	-
TOTAL EQUITY AND LIABILITIES		21852.80	25395.12	26712.09
Significant Accounting Policies & Notes on financial statements	1-40			

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

As per our report attached of even date

For K.C.Bhattacharjee & Paul.,

Chartered Accountants

(FRN 303026E)

(Manoj Kumar Bihani)

Partner

For and on behalf of the Board

U.K.Agarwal

Chairman

Place: Secunderabad
Date :30th May 2018Attal Anand Kumar
Company SecretaryRitesh K Agarwal
Managing Director

Statement of comprehensive income for the year ended 31-03-2018

Rs. In Lakhs

Particulars	Note No.	Year ended 31-03-2018	Year ended 31-03-2017
CONTINUING OPERATIONS			
REVENUE			
Revenue from Operations	23	9,365.39	15,314.70
Other income	24	57.46	107.06
Total Revenue		9,422.85	15,421.76
EXPENSES			
Cost of materials consumed	25	4,125.95	7,534.36
Changes in inventories	26	1,348.56	233.69
Employee benefits expense	27	1,520.76	1,964.52
Finance costs	28	1,806.34	1,838.13
Depreciation	1A	322.86	331.49
Other expenses	29	2,304.90	3,901.49
Total Expenses		11,429.38	15,803.70
Profit before tax		(2,006.53)	(381.93)
Less: Tax expense			
Current tax		-	-
Deferred tax (credit) / expense		164.58	(447.88)
Profit after tax from continuing operations		(2,171.11)	65.95
(Loss) from discontinuing operations before tax	32	(301.29)	(1,525.40)
Tax expense of discontinued operations		24.71	(166.09)
(Loss) for the period from discontinuing operations		(326.00)	(1,359.31)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		(13.85)	(2.24)
Income tax relating to items that will not be reclassified to profit or loss		3.60	0.69
Total Other Comprehensive Income		(10.25)	(1.55)
Total Comprehensive Income for the period		(2,507.37)	(1,294.91)
Earnings per equity share			
Earnings per share for continuing operations		(54.35)	1.65
Earnings per share for discontinuing operations		(8.16)	(34.03)
Earnings per share - Basic and Diluted		(62.76)	(32.41)
Nominal Value of share		10.00	10.00
Significant Accounting policies & notes on financial statements	1-40		

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

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

Chartered Accountants
(FRN 303026E)

(Manoj Kumar Bihani)
Partner

For and on behalf of the Board

U.K.Agarwal
Chairman

Place: Secunderabad
Date :30th May 2018

Attal Anand Kumar
Company Secretary

Ritesh K Agarwal
Managing Director

Statement of Cash flow for the year ended 31-03-2018

Rs. In Lakhs

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
(A) Cash flows from operating activities		
Profit before taxes	(2,006.53)	(381.93)
Adjustments:		
Depreciation and amortization expense	322.86	331.49
Loss/(profit) on sale of fixed assets	0.00	29.65
Unrealized foreign exchange (gain) / loss, net	0.00	0.00
Provision for doubtful debts/ECL	4.39	0.00
Finance costs	1806.34	1838.13
Interest income	(40.32)	(45.59)
Re-measurement Gain/losses on employee defined benefit plans	13.85	2.24
Write off	38.76	-
Operating profit before working capital changes	139.35	1773.99
Changes in working capital and other provisions:		
Loans and advances and other assets		
Trade receivables	436.24	260.22
Inventories	2212.80	1010.66
Loans - non current	189.72	-90.78
Other financial assets - non current	256.16	0.00
Other non-current assets	1.35	21.80
Loans - current	0.00	0.00
Other financial assets - current	85.87	-221.96
Other current assets	-65.59	0.16
Bank balances	-50.56	1.01
Other Liabilities and provisions		
Other financial liabilities - non current	-182.95	-22.54
Long term provision	-0.07	9.61
Other financial liabilities - current	512.62	-220.94
Trade payable	-996.75	250.96
Other current liabilities	-986.78	694.74
Short term provision	69.75	1.06
Cash generated from operations	1621.16	3467.97
Income taxes paid, net	(2.68)	6.55
Net cash from/(used in) operating activities	1618.48	3474.52
Net cash from discontinued activities	(314.11)	(685.02)
Net Cash from continuing and discontinued activities	1304.37	2789.50
(B) Cash flows from investing activities		
Purchase of property, plant and equipment and changes in CWIP	36.02	(120.52)
Proceeds from sale of property, plant and equipment	0.00	16.38
Interest income	40.32	45.59
Net cash from /(used in) investing activities	76.34	(58.55)
Net cash from discontinued activities	0.00	0.00
Net Cash from continuing and discontinued activities	76.34	(58.55)
(C) Cash flows from financing activities		
Bank borrowings	-2541.77	(718.49)
Other borrowings		38.29
Interest expense	(1806.34)	(1838.13)
Debentures	(41.43)	0.00
Net cash generated in financing activities	(4389.54)	(2518.34)
Net cash from discontinued activities	1897.06	(390.62)
Net cash from continuing and discontinued activities	(2492.48)	(2908.95)
Net increase/ (decrease) in cash and cash equivalents	(1111.77)	(178.00)
Add: cash and cash equivalents at the beginning of the year	(4678.98)	(4500.98)
Effect of exchange gain on cash and cash equivalents		
Cash and cash equivalents at the end of the period	-5790.75	-4678.98
Cash and cash equivalents from continuing operations	-5790.84	-4679.21
Cash and cash equivalents from discontinued operations	0.09	0.23
Cash and cash equivalents from continuing and discontinued activities	-5790.75	-4678.98

Note: Previous years' figures have been regrouped/reclassified wherever necessary.

As per our report attached of even date

For K.C.Bhattacharjee & Paul.,

Chartered Accountants
(FRN 303026E)(Manoj Kumar Bihani)
Partner

For and on behalf of the Board

U.K.Agarwal
ChairmanPlace: Secunderabad
Date :30th May 2018Attal Anand Kumar
Company SecretaryRitesh K Agarwal
Managing Director

Notes to Financial Statements for the Year ended 31 March, 2018

(1) Brief Background of the Company

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

The financial statements as at March 31, 2018 are approved for issue by the Company's Board of Directors on May 30th, 2018.

(2) Significant Accounting Policies

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

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

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

The financial statements have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. Refer note.40 for information on how the Company adopted Ind AS.

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

(i) certain financial assets are measured either at fair value or at amortized cost depending on the classification; and

(ii) employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at April 1, 2016 and March 31, 2017 and total comprehensive income for the year ended March 31, 2017.

(b) Current versus non-current classification

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

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition

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

(c) Critical estimates and judgements

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

The areas involving critical estimates or judgements are:

- (i) Assessment of functional currency
- (ii) Estimation of provision for warranties claim
- (iii) Estimation of provision for decommissioning and restoration liabilities
- (iv) Assets and obligations relating to employee benefits

(d) Property, plant and equipment

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

Property, plant and equipment are stated at cost, less ac-

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

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

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

Transition to Ind AS:

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

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

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

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

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

Freehold land is not depreciated.

(f) Provision for decommissioning and site restoration costs

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

(g) Impairment

(i) Financial assets (including receivables)

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

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

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

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

(ii) Non-financial assets

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

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

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

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

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

(h) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

(ii) Finance lease – Finance leases are capitalized at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in the statement of profit and loss over the period of the lease.

(i) Financial instruments

(i) Financial assets

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

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

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

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

(ii) Financial liabilities

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

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

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

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

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

(j) Cash and bank balances:

Cash and bank balances consist of:

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

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

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

(k) Employee benefits

(i) Short term employee benefits:

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

(ii) Post -employment benefits:

Defined contribution plans:

Provident Fund

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

Employee state Insurance Scheme

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

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

Defined benefit plans:

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the

employment with the Company. Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

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

Other long-term employee benefits

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

(l) Inventories

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

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

The company assess the valuation of Inventories at each reporting period and write down the value for different finished goods based on their quality classes and ageing. Inventory provisions are provided to cover risks arising from slow-moving items, discontinued products, and net realizable value lower than cost. The process for evaluating these write-offs often requires us to make subjective

judgments and estimates, based primarily on historical experience, concerning prices at which such inventory will be able to be sold in the normal course of business, planned product discontinuances and introduction of competitive new products, to the extent each of these factors impact the Company's business.

(m) Provisions, contingent liabilities and contingent assets

Provisions

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

Contingent liabilities

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

Contingent assets

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

(n) Government grants

Government grants related to expenditure on property,

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

(o) Income taxes

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

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

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

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

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

(p) Revenue

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when the amount of revenue can be reliably measured, it is probable

that future economic benefits will flow to the Company. The specific recognition criteria described below must also be met before revenue is recognized:

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

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

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

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

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

(q) Foreign currency

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

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

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

(r) Finance income and finance cost

Finance income comprises interest income on funds invested and dividend income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method. Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognized on financial assets.

(s) Earnings per share

Basic earnings per share is calculated by dividing the net

profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(t) Segment reporting

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

(u) Borrowing costs

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

(v) Application of new and revised Ind ASs

All the Indian Accounting Standards ("Ind AS") issued and notified by the Ministry of Corporate Affairs are effective and considered for the significant accounting policies to the extent relevant and applicable for the Company.

The Company has not applied the following new and revised Indian Accounting Standards ("Ind AS") that have been issued and notified by the Ministry of Corporate Affairs in March 2018 but are not yet effective.

"Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the

date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.”

“Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant. “

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018			
Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lakhs)
1.	Turnover / Total income	9422.85	9422.85
2.	Total Expenditure	11429.38	13796.20
3.	Net Profit/(Loss)	(2507.37)	(4874.19)
4.	Earnings Per Share	(62.76)	(122.01)
5.	Total Assets	21852.81	19485.99
6.	Total Liabilities	23923.20	23923.20
7.	Net Worth	(2070.39)	(4437.21)
	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<p>Audit Qualification (each audit qualification separately): Details of Audit Qualification: Attention is drawn to – Note No.6 of the attached financial results for which no provision for impairment of financial assets has been made by the company as per Ind AS 109 for Assets included under “Assets held for sale and discontinued operations” pertaining to Claim of refund of interest subsidy made under TUFS receivable of Rs. 1288.86 lakhs, Insurance claim receivable of Rs.337.87 lakhs accounted in earlier years pending acceptance by the Insurance company and Incentive receivable from Government of Telangana of Rs.740.09 lakhs pertaining to financial year 2013-14 to 2015-16 has not been recovered till the date of audit for which the management is of view that these financial assets are recoverable.</p> <p>Type of Audit Qualification : Qualified Opinion Frequency of qualification: First time For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The management is of the view that the above financial assets are recoverable. For Audit Qualification(s) where the impact is not quantified by the auditor: NA (i) Management's estimation on the impact of audit qualification: (ii) If management is unable to estimate the impact, reasons for the same: (iii) Auditors' Comments on (i) or (ii) above:</p> <p>Signatories: Managing Director : Ritesh K Agarwal Audit Committee Chairman : Ankush Tandon Statutory Auditor : K C Bhattacharjee & Paul., (C.A)</p> <p>Place:- Secunderabad Date: 30.05.2018</p>		

Statement of Changes in Equity for the Year ended 31st March, 2018

(Rs. In Lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
A) Equity Share Capital			
Equity shares			
Balance at the beginning of the year	399.49	399.49	399.49
Changes during the year	-	-	-
Balance at the end of the year	399.49	399.49	399.49

B) Other Equity

(Rs. In Lakhs)

Particulars	Retained earnings	General Reserve	Share Premium	Debenture Redemption Reserve	Other Comprehensive Income	Total Equity
Balance as at 01-04-2016	(1,107.12)	1,955.98	442.11	41.43	-	1,332.40
Profit for the year	(1,293.36)	-	-	-	-	(1,293.36)
Transfer during the year	-	-	-	-	-	-
Movement in OCI (Net) during the year	-	-	-	-	(1.55)	(1.55)
Balance as at 31-03-2017	(2,400.49)	1955.98	442.11	41.43	(1.55)	37.48

(Rs. In Lakhs)

Particulars	Retained earnings	General Reserve	Share Premium	Debenture Redemption Reserve	Other Comprehensive Income	Total Equity
Balance as at 01-04-2017	(2,400.49)	1,955.98	442.11	41.43	(1.55)	37.48
Profit for the year	(2,497.12)	-	-	-	-	(2,497.12)
Transfer during the year	-	41.43	-	(41.43)	-	-
Movement in OCI (Net) during the year	-	-	-	-	(10.25)	(10.25)
Balance as at 31-03-2018	(4,897.61)	1997.41	442.11	-	(11.80)	(2,469.89)

Significant Accounting Policies & Notes on financial statements.

Note nos. 1-40

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

For and on behalf of the Board

Chartered Accountants
(FRN 303026E)

(Manoj Kumar Bihani)
Partner

U.K.Agarwal
Chairman

Place: Secunderabad
Date :30th May 2018

Attal Anand Kumar
Company Secretary

Ritesh K Agarwal
Managing Director

Notes on Financial Statements for the year ended 31st March, 2018

1A. Property, plant and equipment & Intangible assets

Particulars	Property, plant and equipment							Total of property, plant and equipment
	Land	Buildings	Plant & machinery	Revalued Plant & machinery	Vehicles	Furniture & fixtures	Office equipment	
1. Deemed cost (Gross carrying amount)								
Balance as at 1st April 2016	154.66	5,559.71	19,543.74	533.38	225.83	54.01	144.54	26,215.87
Additions	-	-	112.51	-	6.40	2.35	7.87	129.13
Disposals/ transfer	-	-	68.53	-	-	-	-	68.53
Balance as at 31st March 2017	154.66	5,559.71	19,587.72	533.38	232.23	56.36	152.41	26,276.47
Balance as at 1st April 2017	154.66	5,559.71	19,587.72	533.38	232.23	56.36	152.41	26,276.47
Additions	-	-	0.40	-	-	-	2.34	2.74
Disposals/ transfer	-	-	-	-	-	-	-	-
Relating to discontinued operations	28.37	3,650.24	10,725.42	-	0.40	7.04	17.52	14,428.99
Balance as at 31st March 2018	126.29	1,909.47	8,862.70	533.38	231.83	49.32	137.23	11,850.22
2. Accumulated Depreciation								
Balance as at 1st April 2016	-	1,513.25	10,132.89	533.38	148.36	48.74	131.86	12,508.48
Depreciation/ amortisation for the year	-	172.24	709.48	-	25.93	2.10	5.74	915.49
Disposals	-	-	22.50	-	-	-	-	22.50
Balance as at 31st March 2017	-	1,685.49	10,819.87	533.38	174.29	50.84	137.60	13,401.47
Balance as at 1st April 2017	-	1,685.49	10,819.87	533.38	174.29	50.84	137.60	13,401.47
Depreciation/ amortisation for the year	-	50.96	244.72	-	20.90	0.93	5.35	322.86
Disposals	-	-	-	-	-	-	-	-
Relating to discontinued operations	-	931.17	4,291.00	-	0.38	5.95	13.29	5,241.79
Balance as at 31st March 2018	-	805.28	6,773.59	533.38	194.81	45.82	129.66	8,482.54
3. Carrying amount (net)								
At 1st April 2016	154.66	4,046.46	9,410.85	-	77.47	5.27	12.68	13,707.39
At 31st March 2017	154.66	3,874.22	8,767.85	-	57.94	5.52	14.81	12,875.00
At 31st March 2018	126.29	1,104.19	2,089.11	-	37.02	3.50	7.57	3,367.68

1A.1) Capital work-in-progress NIL. (March 31, 2017 ₹38.76 lakhs; April 1, 2016 ₹47.37 lakhs)

1A.2) A part of Land in possession of the company on which Dyeing Plant is located has been disputed by third party, pending disposal by Judicial Authorities.

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
1	Financial Assets			
	Loans			
	Security deposits	422.79	612.51	521.73
		422.79	612.51	521.73
2	Other financial assets			
	Bank deposits maturing after 12 months	-	256.16	256.16
		-	256.16	256.16
3	Deferred Tax (Net)			
	Deferred Tax Asset			
	Unabsorbed Losses	2313.47	2749.46	2182.70
	Others	587.55	552.22	527.63
	MAT Credit Entitlement	103.66	103.66	103.66
	Deferred Tax Liability			
	Property Plant and Equipment	(1,841.40)	(2,053.02)	(2,073.90)
	Others	(5.76)	(9.12)	(11.55)
		1157.52	1343.21	728.54
4	Other non-current assets			
	Capital advances	50.07	51.42	73.22
	CENVAT credit receivable	1.46	1.46	1.46
		51.53	52.88	74.68
5	Inventories			
	Raw Materials	314.02	955.76	1165.61
	Work-in-process	1057.46	1417.41	1328.67
	Finished goods	2384.65	3371.67	4232.82
	Stores and Spares	132.52	355.02	384.66
	Cotton Waste	0.15	1.74	0.51
		3888.80	6101.60	7112.27
	Financial assets:			
6	Loans	-	-	-
7	Trade receivables			
	Unsecured considered good	510.67	946.91	1,207.14
	Less: ECL	4.39	-	-
		506.28	946.91	1207.14

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
8	Cash and cash equivalents			
	(i) Cash and cash equivalents			
	- Current accounts	(42.34)	16.54	26.25
	(ii) Cheques, drafts on hand	3.09	-	-
	(iii) Cash on hand	7.99	59.91	153.17
	(iv) Unpaid dividend account	1.19	2.92	2.92
		(30.06)	79.37	182.34
8.1	For the purpose of statement of cash flows, cash and cash equivalents comprise of following			
	Cash and cash equivalents	(30.06)	79.37	182.34
	Less: Cash credit	5760.69	4758.35	4683.32
	Total	(5,790.75)	(4,678.98)	(4,500.98)
9	Bank balances			
	(i) Balances with bank held as Margin Money	57.79	108.35	109.36
	(ii) Deposits with banks with maturity beyond 3 months	-	-	-
		57.79	108.35	109.36
10	Current tax assets			
	Advance income tax	(1.99)	(1.99)	(1.99)
	TDS	36.05	33.37	39.92
	Less: Pertaining to discontinued operations	6.24	-	-
		27.82	31.38	37.93
11	Other current financial assets			
	Interest subsidy under TUFS receivable	1,288.86	1,288.86	1,288.86
	Other Interest accrued	14.46	58.95	45.99
	Incentives Receivable - Govt. of TG	740.09	740.09	543.28
	Insurance claim receivable	337.87	337.87	337.87
	Export Incentives Receivable	49.23	77.04	74.66
	VAT Credit Receivable	96.33	41.49	31.68
	Less: Pertaining to discontinued operations	2,435.23	-	-
		91.61	2,544.30	2,322.34
12	Other current assets			
	Advance other than capital advances			
	(i) Advances to related parties	-	-	-
	(ii) Other advances			
	(a) Advances paid to suppliers	402.74	317.65	345.25
	(b) Advances recoverable in cash or kind	20.89	26.84	19.12
	(c) Pre-paid expenses	46.67	60.21	40.49
	Less: Pertaining to discontinued operations	12.24	-	-
		458.06	404.70	404.86

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
13	Equity share capital			
	(i) Authorized			
	45,00,000 Equity shares of Re.10/- each	450.00	450.00	450.00
		450.00	450.00	450.00
	(ii) Issued, Subscribed and paid up			
	39,94,860 Equity shares of `10/- each fully paid.	399.49	399.49	399.49
		399.49	399.49	399.49
13.1	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period	As on 31-03-2018	As on 31-03-2017	As on 01-04-2016
	Equity shares	No. of shares	No. of shares	No. of shares
	At the beginning of the period	39,94,860	39,94,860	30,34,997
	Issued and allotted during the year	-	-	9,59,863
	Outstanding at the end of the period	39,94,860	39,94,860	39,94,860
13.2	Terms / rights attached to equity shares: (a) The Company has one class of Equity Shares of face value Rs.10 per share. Each holder of Equity shares is entitled to one vote per share. (b) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
13.3	Details of shareholders holding more than 5% shares in the company			
	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Equity shares of ₹10 /- each fully paid			
	Ritesh K Agarwal			
	Number of equity shares	441164.00	441164.00	441164.00
	% of holding	11.04	11.04	11.04
	U.K.Agarwal (Family Trust)			
	Number of equity shares	421135.00	421135.00	421135.00
	% of holding	10.54	10.54	10.54
	U.K.Agarwal (HUF)			
	Number of equity shares	285439.00	285439.00	285439.00
	% of holding	7.15	7.15	7.15
	Viraj Agarwal			
	Number of equity shares	282911.00	282911.00	282911.00
	% of holding	7.08	7.08	7.08
	Usha Agarwal			
	Number of equity shares	855943.00	855943.00	855943.00
	% of holding	21.43	21.43	21.43
	Arti Agarwal			
	Number of equity shares	491002.00	491002.00	531002.00
	% of holding	12.29	12.29	13.29

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
14	Other equity			
	(i) Reserves & Surplus			
	Debenture Redemption Reserve			
	Opening Balance	41.43	41.43	41.43
	Movement during the year	(41.43)	-	-
		-	41.43	41.43
	Security Premium Account	442.11	442.11	442.11
	General Reserve			
	Opening Balance	1,955.98	1,955.98	1,955.98
	Movement during the year	41.43	-	-
		1,997.41	1,955.98	1,955.98
	Other comprehensive income			
	Opening Balance	(1.55)	-	-
	Movement in OCI (net) during the year	(10.25)	(1.55)	-
		(11.80)	(1.55)	-
		2,427.72	2,437.97	2,439.52
	(ii) Surplus in Profit & Loss Account			
	(a) Retained earnings	(2,400.49)	(1,107.12)	(465.54)
	(b) Profit/ (loss) for the year	(2,497.12)	(1,293.36)	(641.58)
		(4,897.61)	(2,400.49)	(1,107.12)
	Total Other Equity	(2,469.89)	37.48	1,332.40
15	Borrowings			
	Secured			
	(i) Term loans from banks	6,142.69	8,947.76	10,184.77
	(ii) Hire Purchase Loan	-	1.38	6.26
	Unsecured			
	(i) Deferred payment liability - Sales Tax	102.87	187.88	437.99
	(ii) Loan and Advances from Related party	225.89	152.94	144.15
	(iii) Loans from others	1,255.69	1,180.17	1,117.83
	Liability component of financial instruments			
	Redeemable Non Convertible Cumulative Preference Shares	950.00	950.00	950.00
		8,677.14	11,420.13	12,841.00

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
15.1	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period			
	Preference shares	No. of shares	No. of shares	No. of shares
	At the beginning of the period	9,50,000	9,50,000	9,50,000
	Issued and allotted during the year	-	-	-
	Outstanding at the end of the period	9,50,000	9,50,000	9,50,000
15.2	Terms/rights attached to 12% Redeemable Non Convertible Cumulative Preference shares (a) Entitled to receive dividend @ 12% per annum (b) 6,50,000 Shares issued on 17-10-2011 Redeemable on 16th January, 2025 (c) 3,00,000 Shares issued on 14-11-2012 Redeemable on 15th February, 2025 (d) The RNCCPS shall have right to attend the General meetings of the company and vote on the Resolutions directly affecting their interest or where the dividend are in arrears for not less than two years on the date of the meeting, on all resolutions at every meeting of the Company. (e) In winding up, the RNCCPS holders of the said shares shall be entitled to preferential right of return of the amount paid up on the shares, together with arrears of cumulative preference dividend due as on the date of winding up, but shall not have any further right or claim over the surplus profits or assets of the Company.			
15.3	Details of shareholders holding more than 5% shares in the company			
		Rs. In Lakhs		
	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Cumulative Preference shares of ₹100 /- each fully paid			
	Ritesh K Agarwal			
	Number of equity shares	4,15,000	4,15,000	4,15,000
	% of holding	43.68	43.68	43.68
	U.K.Agarwal			
	Number of equity shares	3,65,000	3,65,000	3,65,000
	% of holding	38.42	38.42	38.42
	U.K.Agarwal (Family Trust)			
	Number of equity shares	1,00,000	1,00,000	1,00,000
	% of holding	10.53	10.53	10.53
	U.K.Agarwal (HUF)			
	Number of equity shares	70,000	70,000	70,000
	% of holding	7.37	7.37	7.37

15.4	<p>Term and Working Capital facilities from banks</p> <p>During the financial year 2014-15, the Company had availed various financial facilities from the secured lenders under the Corporate Debt Restructuring Proposal, which was approved by the CDR Empowered Group ('CDREG'). The Master Restructuring Agreement ('MRA') between the Borrowers and the CDR Lenders has been executed, by virtue of which the restructured facilities are governed by the provisions specified in the MRA having cut off date of 1st April, 2014.</p> <p>Repayments Schedule and interest:</p> <ol style="list-style-type: none"> 1. 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 a ditional 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 of the CDR Proposal. The recompense payable by the borrowers is contingent on various factors including improved performance of the borrowers and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate outstanding sacrifice made by CDR Lenders as per the MRA is approximately Rs. 15.79 Crore. 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 pasu charge on the entire fixed assets of the company, both present and future. <p>All existing Term Loans, Corporate Loans, WCTL, FITL, Additional Term Loan and Priority Debt shall be secured by way of first pari passu charge on the entire fixed assets of the company, both present and future and second pari passu charge on the entire current assets of the company, both present and future and Pledge of shareholding (both present and future) held by the promoters and promoter group representing 51.91% shares (2073859 shares)."</p> <p>Unsecured loans from related party Unsecured Loans from Directors and their relatives are long term loans carrying rate of interest @ 8% per annum and others long term loans are carrying rate of interest 12% per annum.</p> <p>Hire purchase loans Hire purchase loans are vehicle loans secured by hypotication of respective financed asset of the company.</p>
------	---

Notes on Financial Statements for the year ended 31st March, 2018

Note No.	Particulars			
15.5	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.	Rs. In Lakhs		
	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Rent expenses included in Profit and Loss Account towards operating leases	82.66	80.18	31.08
	Minimum Lease obligation under non-cancellable contracts amounts to:			
	Within 1 year	79.59	78.62	76.80
	After 1 year but before 5 years	57.60	57.60	61.70
	After 5 years	-	-	-
	Total	219.85	216.40	169.58
16	Other Financial Liabilities			
	Security Deposits	26.89	27.79	25.82
	Others	250.96	433.01	457.52
		277.85	460.80	483.34
17	Long-term provisions			
	Provision for employee benefits			
	(a) Gratuity	63.23	61.62	52.24
	(b) Leave encashment	-	1.67	1.45
		63.23	63.30	53.69
18	Financial Liability			
	(i) Borrowings			
	Loans repayable on demand - Secured	5,810.59	4,819.76	4,744.65
	Fixed Deposits from Public- Unsecured	50.00	50.00	50.00
		5,860.59	4,869.76	4,794.65
	Fixed Deposits from public are repayable in one year carrying interest rate of 11% p.a			

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
19	(ii) Trade Payable	2,927.37	3,924.12	3,673.15
19.1	Disclosure in accordance with Section 22 of micro, small and medium enterprises development Act, 2006			
	Particulars			
a)	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid at the year end	-	-	-
b)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	-	-	-
c)	Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
d)	Interest paid, under section 16 of MSMED Act, to suppliers registered under the Act, beyond the appointed day during the year	-	-	-
e)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
f)	Interest accrued and remaining unpaid at the end of accounting year	-	-	-
g)	Further interest remaining due and payable for earlier years	-	-	-

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

Note No.	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
20	(iii) Other financial liabilities			
	(i) Current maturities of long-term debt			
	(a) Term loans from banks, secured	1,575.79	1,397.38	1,008.68
	(b) Hire Purchase Loans	1.22	4.93	7.39
	(c) Deferred Payment Liabilities - Sales Tax	422.79	384.76	160.15
	(ii) Interest accrued on loans but not due	95.21	98.99	113.99
	(iii) Interest accrued & due on loans	623.62	105.49	311.43
	(iv) Others -			
	(a) Unpaid Debentures	-	41.43	41.43
	(b) Unpaid dividends	1.19	2.92	2.92
		2,719.81	2,035.90	1,645.99
21	Other current liabilities			
	Other payables			
	Advances from customers	265.78	458.20	346.39
	Liabilities for expenses	924.77	1,719.12	1,136.19
		1,190.54	2,177.32	1,482.59
22	Provisions			
	(i) Provision for employee benefits			
	(a) Gratuity	31.91	6.07	5.13
	(b) Leave encashment (un-funded)	44.67	0.76	0.64
	(ii) Others			
	(a) Tax	-	-	-
		76.58	6.83	5.77

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
23	REVENUE FROM OPERATIONS		
	Sale of products		
	(i) Sale of yarn	9,260.57	15,026.37
	(ii) Sale of waste	17.35	122.76
	Other operating revenues		
	(i) Duty drawback and other export incentives	87.46	165.57
	Total	9,365.39	15,314.70
24	OTHER INCOME		
	(i) Interest Income	40.32	45.59
	(ii) Net gain on foreign currency transaction and translation	2.59	28.86
	(iii) Packing & Forwarding Receipts	6.96	-
	(iv) Miscellaneous receipts	7.59	34.03
	Less: Pertaining to discontinued operations	-	1.43
	Total	57.46	107.06
25	COST OF MATERIALS CONSUMED		
	Opening stock	955.76	1,165.61
	Add: Purchases	3,484.21	8,569.37
		4,439.97	9,734.98
	Less: Closing stock	314.02	955.76
	Less: Pertaining to discontinued operations	-	1,244.86
	Net material consumption	4,125.95	7,534.36
26	Change In Inventories Of Finished Goods & Work-In-Process		
	Opening Inventory		
	Yarn	3,371.67	4,232.82
	Work-in-process	1,417.41	1,328.67
	Cotton waste	1.74	0.51
		4,790.82	5,561.99
	Closing Inventory		
	Yarn	2,384.65	3,371.67
	Work-in-process	1,057.46	1,417.41
	Cotton waste	0.15	1.74
		3,442.26	4,790.82
	Less: Pertaining to discontinued operations	-	537.48
	Net (Increase)/ Decrease	1,348.56	233.69
27	EMPLOYEES BENEFITS EXPENSE		
	Salaries and wages	1,362.68	1,977.30
	Contribution to provident funds and other funds	52.91	72.09
	Gratuity & Leave Encashment	72.53	13.53
	Staff welfare expenses	47.13	90.16
	Less: Pertaining to discontinued operations	14.48	188.56
	Total	1,520.76	1,964.52

Notes on Financial Statements for the year ended 31st March, 2018

27.1 -

Employee benefits:
Defined benefit plan
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.
a) Retiring gratuity:
(i) The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

Rs. In Lakhs

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
	Change in defined benefit obligations: Obligation at the beginning of the year Current service costs Interest costs Remeasurement (gain)/losses Past service cost Benefit paid Obligation at the end of the year	67.69 24.67 5.42 5.68 - (8.33) 95.13	57.37 8.67 4.59 1.52 - (4.46) 67.69
	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
	Change in plan assets: Fair value of plan assets at the beginning of the year Interest income Return on Plan assets excluding net interest Employers' contributions Benefits paid Fair value of plan assets at the end of the year	- - - - - -	- - - - - -
	Amounts recognised in the balance sheet consists of:		
	Particulars	As at 31-03-2018	As at 31-03-2017
	Fair value of plan assets at beginning/end of the year	-	-
	Present value of obligation at the beginning/ end of the year	95.13	57.37
		95.13	57.37
	Recognised as:		
	Retirement benefit liability - Current	31.91	6.07
	Retirement benefit liability - Non-current	63.23	5.13
			52.24
	Expenses recognised in the statement of profit and loss consists of:		
	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
	Employee benefits expenses:		
	Current service costs	24.67	8.67
	Interest costs	5.42	4.59
	Past service cost -(vested benefits)	-	-
		30.09	13.26
	Other comprehensive income:		
	(Gain)/loss on plan assets	-	-
	Actuarial (gain)/loss arising from changes in financial assumption	-	-
	Actuarial (gain)/loss arising from changes in experience adjustments	-	-
	Others	5.68	1.52
		5.68	1.52
	Expenses recognised in the statement of profit and loss	35.77	14.78

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

(ii) The key assumptions used in accounting for retiring gratuity is as below:

	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Discount rate (per annum)	7.73%	8.00%	8.00%
	Rate of escalation in salary (per annum)	3.00%	4.00%	4.00%
(iii)	The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.			
(iv)	The company expects to contribute ₹25.00 lakhs to its gratuity plan for the next year.			
(v)	The company expects to contribute ₹25.00 lakhs to its gratuity plan for the next year.			
	As at March 31, 2018			
	Assumption	Change in assumption	Impact on scheme liabilities	
	Discount rate	Increase by 1%, decrease by 1%	Decrease to ₹88.77lakhs, Increase to ₹102.59 lakhs	
	Salary rate	Increase by 1%, decrease by 1%	Increase to ₹102.27 lakhs, Decrease to ₹89.02 lakhs	
	As at March 31, 2017			
	Assumption	Change in assumption	Impact on scheme liabilities	
	Discount rate	Increase by 1%, decrease by 1%	Decrease to ₹64.80 lakhs, Increase to ₹70.88 lakhs	
	Salary rate	Increase by 1%, decrease by 1%	Increase to ₹77.78 lakhs, Decrease to ₹58.24 lakhs	
	As at April 1, 2016			
	Assumption	Change in assumption	Impact on scheme liabilities	
	Discount rate	Increase by 1%, decrease by 1%	Decrease to ₹53.94 lakhs, Increase to ₹61.33lakhs	
	Salary rate	Increase by 1%, decrease by 1%	Increase to ₹60.96 lakhs, Decrease to ₹54.12 lakhs	
The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.				
b) Compensated absence:				
(i) The following table sets out the amounts recognised in the financial statements in respect of compensated absence:				
	Particulars	Year ended 31-03-2018	Year ended 31-03-2017	
Change in defined benefit obligations:				
	Obligation at the beginning of the year	2.43	2.09	
	Current service costs	42.24	0.10	
	Interest costs	0.19	0.17	
	Remeasurement (gain)/losses	8.17	0.71	
	Past service cost	-	-	
	Benefit paid	(8.37)	(0.64)	
	Obligation at the end of the year	44.67	2.43	
	Particulars	Year ended 31-03-2018	Year ended 31-03-2017	
Change in plan assets:				
	Fair value of plan assets at the beginning of the year	-	-	
	Interest income	-	-	
	Return on Plan assets excluding net interest	-	-	
	Employers' contributions	-	-	
	Benefits paid	-	-	
	Fair value of plan assets at the end of the year	-	-	
Amounts recognised in the balance sheet consists of:				
	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Fair value of plan assets at beginning/end of the year	-	-	-
	Present value of obligation at the beginning/ end of the year	44.67	2.43	2.09
		44.67	2.43	2.09
Recognised as:				
	Retirement benefit liability - Current	44.67	0.76	0.63
	Retirement benefit liability - Non-current	-	1.67	1.45

Notes on Financial Statements for the year ended 31st March, 2018

Expenses recognised in the statement of profit and loss consists of:				Rs. In Lakhs	
Particulars		Year ended 31-03-2018	Year ended 31-03-2017		
Employee benefits expenses:					
Current service costs		42.24	0.10		
Interest costs		0.19	0.17		
Past service cost -(vested benefits)		-	-		
		42.44	0.27		
Other comprehensive income:					
(Gain)/loss on others		8.17	0.71		
Actuarial (gain)/loss arising from changes in demographic Assumption		-	-		
Actuarial (gain)/loss arising from changes in financial assumption		-	-		
Actuarial (gain)/loss arising from changes in experience adjustments		-	-		
		8.17	0.71		
Expenses recognised in the statement of profit and loss		50.61	0.98		
(ii) The key assumptions used in accounting for retiring gratuity is as below:					
Particulars		As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	
Discount rate (per annum)		7.73%	8.00%	8.00%	
Rate of escalation in salary (per annum)		3.00%	4.00%	4.00%	
(iii) The estimates of future salary increases considered in actuarial valuation, take into account inflation, senior ty, promotion and other relevant factors.					
(iv) The company expects to contribute ₹25.00 lakhs to its gratuity plan for the next year.					
(v) The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.					
As at March 31, 2018					
Assumption		Change in assumption		Impact on scheme liabilities	
Discount rate		Increase by 1%,		Decrease to ₹ 40.74 lakhs, Increase to ₹ 49.34 lakhs	
Salary rate		Increase by 1%, decrease by 1%		Increase to ₹ 49.34 lakhs Decrease to ₹ 40.30 lakhs	
As at March 31, 2017					
Assumption		Change in assumption		Impact on scheme liabilities	
Discount rate		Increase by 1%,		Decrease to ₹ 2.31 lakhs, Increase to ₹ 2.56 lakhs	
Salary rate		Increase by 1%, decrease by 1%		Increase to ₹ 2.91 lakhs, Decrease to ₹ 2.03 lakhs	
As at April 1, 2016					
Assumption		Change in assumption		Impact on scheme liabilities	
Discount rate		Increase by 1%,		Decrease to ₹ 1.99 lakhs, Increase to ₹ 2.50 lakhs	
Salary rate		Increase by 1%, decrease by 1%		Increase to ₹ 2.20 lakhs, Decrease to ₹ 1.75 lakhs	
The above sensitivities may not be representative of the actual change as it is unlikely that the change in assum tions would occur in isolation of one another as some of the assumptions may be correlated.					
Note No.	Particulars	Year ended 31-03-2018		Year ended 31-03-2017	
28	FINANCE COSTS				
	Interest expense				
	To Banks	1,937.34		1,994.91	
	To Others	88.07		10.09	
	Other Borrowing cost	41.26		81.63	
	Amortisation of Processing charges	7.35		7.88	
	Less: Pertaining to discontinued operations	267.67		256.38	
	Total	1,806.34		1,838.13	

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
29	OTHER EXPENSES		
	Consumption of stores and spares	52.53	203.31
	Consumption of Dyes and Chemicals	71.14	195.98
	Consumption of Packing material	109.02	195.00
	Power and fuel	919.55	1,854.09
	Repairs to		
	Buildings	3.09	8.21
	Machinery	48.05	155.71
	Others	20.38	56.56
	Rent	82.66	80.18
	Rates and taxes	34.55	73.80
	Insurance	43.33	57.25
	Freight and forwarding & other selling expenses	242.61	451.53
	Professional charges	29.46	36.29
	Travelling and conveyance	125.52	281.77
	Vehicle maintenance	27.73	28.79
	Sales commission	116.94	191.33
	Impairment of CWIP	38.76	-
	Expected credit loss	4.39	-
	Miscellaneous Expenses	354.32	484.27
	Less: Pertaining to discontinued operations	19.14	452.57
	Total	2,304.90	3,901.49
	29.1 - Auditors remuneration		
	Statutory audit	2.25	2.25
	Tax audit	0.40	0.40
	Certification	1.24	1.45
	Out of pocket expenses	0.94	0.22
	Fee for earlier years	-	1.22
		4.83	5.54
30	Earnings per share (EPS)		
	Face value of equity share	10.00	10.00
	Weighted average number of equity shares outstanding	39,94,860	39,94,860
	Profit / (loss) for the year (continuing operations)	(2,171.11)	65.95
	Weighted average earnings per share (basic and diluted) (in ₹)	(54.35)	1.65
	Profit / (loss) for the year (discontinued operations)	(326.00)	(1,359.31)
	Weighted average earnings per share (basic and diluted) (in ₹)	(8.16)	(34.03)
	Profit / (loss) for the year (total operations)	(2,507.37)	(1,294.91)
	Weighted average earnings per share (basic and diluted) (in ₹)	(62.76)	(32.41)
31	Income taxes		
	A) Income tax expense/(benefit) recognised in the statement of profit and loss		
	Current tax from continuing operations	-	-
	Deferred tax from continuing operations	164.58	(447.88)
	Deferred tax from discontinued operations	24.71	(166.09)
	Tax in respect of earlier years	-	-
	Deferred tax on comprehensive income	3.60	0.69
	Total	192.89	(613.28)

Notes on Financial Statements for the year ended 31st March, 2018

Rs.in lakhs

	B) Reconciliation of income tax expense	Year ended 31-03-2018	Year ended 31-03-2017
	Profit / (loss) before tax from continuing operations	(2,006.53)	(381.93)
	Profit / (loss) before tax from discontinued operations	(301.29)	(1,525.40)
	Other comprehensive Income	(13.85)	(2.24)
	Effective tax rate	30.90%	30.90%
	Computed effective tax expense	-	-
	Current tax provision (A)	-	-
	Continued operations	(160.98)	448.57
	Discontinued operations	(24.71)	166.09
	Deferred tax provision (B)	(185.69)	614.66
	Tax expense recognised in the statement of profit and loss (A+B)	(185.69)	614.66
	Effective tax rate	8.00	(32.19)
	Note: Deferred tax is calculated with tax rate applicable to FY 2017-18 i.e 25% (plus 4% cess)		

Rs.in lakhs

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
32	Discontinued Operations working		
	Sales	-	1,737.02
	Other Income	-	1.43
	Total Revenue	-	1,738.45
	Expenses		
	Raw material consumption	-	1,244.86
	Depreciation	-	584.00
	Finance Cost	267.67	256.38
	Employee benefit expenses	14.48	188.56
	Changes in stock	-	537.48
	Other expenses	19.14	452.57
	Total expenses	301.29	3,263.85
	Income from Discontinued operations	(301.29)	(1,525.40)
	The major classes of assets and liabilities of the discontinued operations are as under:		
	Assets		
	Property, plant and equipment	9,187.21	-
	Capital work-in-progress	-	-
	Financial Assets - Security Deposit	0.18	-
	Inventories	211.80	-
	Cash and cash equivalents	0.09	-
	Bank balances other than cash	-	-
	Other current financial assets - Claims	2,435.23	-
	Other current assets	12.24	-
	Current tax assets (net)	6.24	-
	Assets classified as held for sale (A)	11,852.99	-
	Liabilities		
	Non current Borrowings	1,708.72	-
	Other financial liabilities	182.05	-
	Other current liabilities	239.32	-
	Liabilities directly associated with assets classified as held for sale (B)	2,130.09	-
	Net assets / (liabilities) directly associated with disposal group (A-B)	9,722.90	-

Notes on Financial Statements for the year ended 31st March, 2018

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

Rs. In Lakhs			
Particulars	Year ended 31-03-2018	Year ended 31-03-2017	
Short-term employee benefits	143.94	109.06	
Post-employment pension, provident fund and medical benefits	-	-	
Termination benefits*	-	-	
Commission and other benefits paid to non-executive independent directors	0.15	0.40	
Total compensation paid to key management personnel	144.09	109.46	
* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information.			

B. Transactions with KMP and other related parties

Rs. In Lakhs

Nature of the transaction	Non-executive directors	Key management personnel	Associates/ other related parties	Relatives	Total
Purchases of Goods	-	-	22.66	-	22.66
Expenses	-	-	(1,473.10)	-	(1,473.10)
Remuneration	-	143.94	-	-	143.94
Sitting fee & commission	0.15	(109.06)	-	-	(109.06)
Rent	0.40	-	-	-	0.15
Interest Accrued	-	-	-	-	0.40
Loans & advances taken	-	-	57.60	-	57.60
Loans repaid	-	-	(57.60)	-	(57.60)
Outstanding's	-	3.58	0.73	10.29	14.60
Payable	-	(3.49)	(0.69)	(7.25)	(11.43)
Loans	-	6.00	-	185.90	191.90
	-	-	-	-	-
	-	12.25	-	120.00	132.25
	-	(1.50)	-	-	(1.50)
	-	-	937.04	-	937.04
	-	-	(1,435.95)	-	(1,435.95)
	-	43.57	9.91	172.40	225.88
	-	(46.60)	(9.25)	(97.09)	(152.94)

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

	Particulars	Relationship	Year ended 31-03-2018	Year ended 31-03-2017
	Disclosure in respect of material related party transactions during the year:			
1	Purchases of Good			
	Sri Laxmi Enterprises	Associate	22.66	1,473.10
2	Expenses			
	Remuneration			
	Sri U.K.Agarwal	Key management personnel	60.00	42.00
	Sri Ritesh K Agarwal	Key management personnel	60.00	42.00
	Sri.Attal Anand Kumar	Key management personnel	5.03	4.43
	Sri.Shiv Kumar	Key management personnel	18.91	20.63
	Sitting fee & commission			
	Mr.Ankush Tondon			
	Non-Executive Director		0.10	-
	Mr. K.C.Reddy			
	Non-Executive Director		0.50	0.20
	Mrs.Padma Vijay Kumar			
	Non-Executive Director		-	0.15
	Mr. Vijay Kumar Gupta (upto 14-02-2017)			
	Non-Executive Director		-	0.05
	Rent			
	Balaji Enterprises			
	Associate		57.60	57.60
	Interest Accrued			
	Sri U.K.Agarwal	Key management personnel	0.54	0.51
	Sri Ritesh K Agarwal	Key management personnel	3.04	2.98
	Arti Agarwal	Relatives	0.92	0.43
	Usha Agarwal	Relatives	2.38	0.18
	Viraj Agarwal	Relatives	6.70	6.36
	Neysa Agarwal	Relatives	0.29	0.28
	U.K.Agarwal (Family Trust)	Associate	0.08	0.07
	U.K.Agarwal (HUF)	Associate	0.65	0.62
3	Loans & advances taken			
	Sri U.K.Agarwal	Key management personnel	6.00	-
	Usha Agarwal	Relatives	178.00	-
	Arti Agarwal	Relatives	7.90	-
4	Loans repaid			
	Sri U.K.Agarwal	Key management personnel	0.47	-
	Sri Ritesh K Agarwal	Key management personnel	11.78	1.50
	Usha Agarwal	Relatives	120.00	-
5	Outstanding's			
	Payable			
	Sri Laxmi Enterprises	Associate	867.77	1,336.28
	Balaji Enterprises	Associate	59.46	89.86
	U.K.Cotton Exports	Associate	9.81	9.81
	Loans			
	Sri U.K.Agarwal	Key management personnel	13.02	7.00
	Sri Ritesh K Agarwal	Key management personnel	30.55	39.60
	Arti Agarwal	Relatives	14.42	5.71
	Neysa Agarwal	Relatives	3.99	3.73
	Usha Agarwal	Relatives	62.73	2.42
	Viraj Agarwal	Relatives	91.26	85.23
	U.K.Agarwal (Family Trust)	Associate	1.03	0.96
	U.K.Agarwal (HUF)	Associate	8.88	8.29

Notes on Financial Statements for the year ended 31st March, 2018

Rs.in lakhs

Note No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
34	Contingent liabilities and commitments		
	34.1 Contingent liabilities not provided for		
	a) Letters of credit	-	78.69
	b) Bank Guarantees	-	10.00
	c) Bills Discounted & outstanding	-	751.71
	d) Suits filed but by a creditor for recovery of amount, which has been disputed by Company not acknowledged as debt. The Company expects no liability in this regard.	26.80	26.80
	e) Compensation payable in lieu of bank sacrifice	1,943.00	1,444.00
	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
	h) Other commitments :		
	i) Company remains exposed to liability towards fuel surcharge adjustment, which are notified by Power Distribution Companies of Telangana pertaining to earlier years, which are being adjusted in future tariff payable for consumption. Accordingly charges are accounted in the year payment / bill raised for the same.		
	ii) 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.		
	Particulars	31-03-2018	31-03-2017
	34.2 Capital Commitments :		
	Contracts remaining to be executed	-	-
35	Segment Reporting		
	The operations of the company predominantly comprises of "Manufacturing of yarn"(made of Cotton, Polyester and Viscose). These activities constitute the Primary segment. Secondary segmental reporting is made on the basis of geographical location of the customers. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. The company's major exports are made to four principal geographical areas in the World. In India, its home country, the company carries out manufacturing of Yarn and Trading of raw cotton. The following table to shows the distribution of the company's turnover by geographical locations.		
	Particulars	31-03-2018	31-03-2017
	Revenue attributable to location of customers:		
	India	7,733.54	14,337.11
	Asia	990.36	1,567.25
	America	549.26	759.44
	Africa	-	11.20
	Rest of the World	4.77	211.15
	Total	9,277.93	16,886.15
36	Capital management		
	"1. The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital, which the company defines as result from operating activities divided by total shareholders' equity.		
	2. The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.		
	3. The company's adjusted net debt to equity ratio is as follows:"		
		Rs. In Lakhs	
	Particulars	As at 31-03-2018	As at 31-03-2017
	Gross debt	14537.73	17629.39
	Less: Cash and bank balances	27.73	547.86
	Adjusted net debt	14510.00	17081.53
	Total equity	(2,070.40)	1,731.89

Notes on Financial Statements for the year ended 31st March, 2018

37	Financial instruments Accounting classifications and fair values The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy: 31-03-2018 Rs.in lakhs						
	Particulars	Carrying Amount			Fair Value		
		Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
	Financial assets measured at fair value	-	-	-	-	-	-
	Financial assets not measured at fair value						
	Security deposits	422.79	-	422.79	-	-	-
	Bank deposits maturing after 12 months	-	-	-	-	-	-
	Inventories	3,888.80	-	3,888.80	-	-	-
	Trade receivables	506.28	-	506.28	-	-	-
	Cash and cash equivalents	(30.06)	-	-30.06	-	-	-
	Bank balances	57.79	-	57.79	-	-	-
	Other current financial assets	2,526.84	-	2,526.84	-	-	-
	Total	7,372.44	-	7,372.44	-	-	-
	Financial liabilities not measured at fair value						
	Term loans from banks	6,142.69	-	6,142.69	-	-	-
	Hire Purchase Loan	-	-	-	-	-	-
	Deferred payment liability - Sales Tax	102.87	-	102.87	-	-	-
	Loan from Related party	225.89	-	225.89	-	-	-
	Loans from others	1,255.69	-	1,255.69	-	-	-
	Preference Shares	950.00	-	950.00	-	-	-
	Current Financial Liability	8,787.96	-	8,787.96	-	-	-
	Other financial liabilities	2,997.66	-	2,997.66	-	-	-
	Total	20,462.76	-	20,462.76	-	-	-
	31-03-2017 Rs.in lakhs						
		Carrying Amount			Fair Value		
	Particulars	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
	Financial assets measured at fair value	-	-	-	-	-	-
	Financial assets not measured at fair value						
	Security deposits	612.51	-	612.51	-	-	-
	Bank deposits maturing after 12 months	256.16	-	256.16	-	-	-
	Inventories	6,101.60	-	6,101.60	-	-	-
	Trade receivables	946.91	-	946.91	-	-	-
	Cash and cash equivalents	79.37	-	79.37	-	-	-
	Bank balances	108.35	-	108.35	-	-	-
	Other current financial assets	2,544.30	-	2,544.30	-	-	-
	Total	10,649.20	-	10,649.20	-	-	-

Notes on Financial Statements for the year ended 31st March, 2018

Rs. In Lakhs

Financial liabilities not measured at fair value						
Term loans from banks	8,947.76	-	8,947.76	-	-	-
Hire Purchase Loan	1.38	-	1.38	-	-	-
Deferred payment liability						
- Sales Tax	187.88	-	187.88	-	-	-
Loan from Related party	152.94	-	152.94	-	-	-
Loans from others	1,180.17	-	1,180.17	-	-	-
Preference Shares	950.00	-	950.00	-	-	-
Current Financial Liability	8,793.88	-	8,793.88	-	-	-
Other financial liabilities	2,496.70	-	2,496.70	-	-	-
Total	22,710.71	-	22,710.71	-	-	-
01-04-2016						
Particulars	Carrying Amount			Fair Value		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	"Total carrying amount"	Level 1	Level 2	Level 3
Financial assets measured at fair value	-	-	-	-	-	-
Financial assets not measured at fair value						
Security deposits	521.73	-	521.73	-	-	-
Bank deposits maturing after 12 months	256.16	-	256.16	-	-	-
Inventories	7,112.27	-	7,112.27	-	-	-
Trade receivables	1,207.14	-	1,207.14	-	-	-
Cash and cash equivalents	182.34	-	182.34	-	-	-
Bank balances	109.36	-	109.36	-	-	-
Other current financial assets	2,322.34	-	2,322.34	-	-	-
Total	11,711.34	-	11,711.34	-	-	-
Financial liabilities not measured at fair value						
Term loans from banks	10,184.77	-	10,184.77	-	-	-
Hire Purchase Loan	6.26	-	6.26	-	-	-
Deferred payment liability						
- Sales Tax	437.99	-	437.99	-	-	-
Loan from Related party	144.15	-	144.15	-	-	-
Loans from others	1,117.83	-	1,117.83	-	-	-
Preference Shares	950.00	-	950.00	-	-	-
Current Financial Liability	8,467.81	-	8,467.81	-	-	-
Other financial liabilities	2,129.33	-	2,129.33	-	-	-
Total	23,438.14	-	23,438.14	-	-	-

Financial risk management**1. Overview**

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

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

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

2. Risk management framework:

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

• Credit risk

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

Rs.in lakhs

Particulars	As on 31-03-2018	As on 31-03-2017	As on 01-04-2016
Not due	185.46	441.17	913.29
Upto 1 year	278.32	383.71	170.55
1 to 2 years	7.28	17.52	30.50
2 to 3 years	0.81	16.78	23.11
More than 3 years	38.80	87.73	69.70
Total	510.67	946.91	1,207.14

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

Rs.in lakhs

	Movements in allowance for credit losses of receivables is as below:	As at 31-03-2018	As at 31-03-2017
	Balance at the beginning of the year	-	-
	Charge in statement of profit and loss	4.39	-
	Release to statement of profit and loss	-	-
	Utilised during the year	-	-
	Balance at the end of the year	4.39	-

3. Cash and cash equivalents: The company held cash and cash equivalents of ₹(30.06) lakhs (31st March 2017: 79.37 lakhs and 1st April 2016: ₹182.34 lakhs). The cash and cash equivalents are held with public sector banks. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

• Liquidity risk

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

3. Exposure to Liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. 31-03-2018

Rs.in lakhs

	Particulars	Carrying amount	1 year or less	1-3 years	More than 3years
	Borrowings- secured	16,836.95	8,988.71	3,293.03	4,555.21
	Borrowings- un-secured	2,057.22	472.79	50.49	1,533.94
	Preference Shares	950.00	-	-	950.00
	Trade payables	2,927.37	2,927.37	-	-
	Other financial liabilities	446.40	26.89	-	419.51
	31-03-2017				
	Particulars	Carrying amount	1 year or less	1-3 years	More than 3years
	Borrowings- secured	10,380.95	7,562.05	2,947.11	6,088.93
	Borrowings- un-secured	1,955.75	434.76	86.91	1,434.08
	Preference Shares	950.00	-	-	950.00
	Trade payables	3,924.12	3,924.12	-	-
	Other financial liabilities	447.30	27.79	-	419.51
	01-04-2016				
	Particulars	Carrying amount	1 year or less	1-3 years	More than 3years
	Borrowings- secured	16,997.80	6,769.40	2,760.45	7,467.95
	Borrowings- un-secured	1,910.12	210.15	169.35	1,530.62
	Preference Shares	950.00	-	-	950.00
	Trade payables	3,673.15	3,673.15	-	-
	Other financial liabilities	445.33	25.82	-	419.51

• Market risk

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

	Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Trade and other payables (including payable for capital goods)	-	54,329.27	1,57,399.10
	Trade receivables (including bill discounting)	45,701.41	2,18,513.74	89,688.58
	Bank balances (Including deposits)	-	7,081.40	2,524.16

2. Currency risk: The company is exposed to foreign exchange risk arising from foreign currency transaction. The company also imports and the risk is managed by regular follow up . The company has a policy which is implemented when the foreign currency risk become significant. A 10% appreciation/depreciation of the foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit before tax by approximately ₹2.97 lakhs (March 31, 2017: ₹18.15 lakhs).
3. Interest rate risk : Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss by ₹146.34 lakhs (31st March 2017: ₹150.48 lakhs). This analysis assumes that all other variables remain constant."

• Operational risk

1. Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.
2. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.
3. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:
 - Requirements for appropriate segregation of duties, including the independent authorization of transactions
 - Requirements for the reconciliation and monitoring of transactions
 - Compliance with regulatory and other legal requirements
 - Documentation of controls and procedures
 - Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
 - Requirements for the reporting of operational losses and proposed remedial action
 - Development of contingency plans
 - Training and professional development
 - Ethical and business standards
 - Risk mitigation, including insurance when this is effective.
4. Compliance with company's standards is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the audit committee and board of the company."
- 38 Previous year figures are regrouped, rearranged and reclassified wherever considered necessary in order to confirm to the current years presentation.
- 39 The company has shut down the Tandur manufacturing unit on commercial expediency and has been incurring losses resulting in overall net losses in the statement of profit and loss as on 31.03.2018. 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.
- 39.1 The confirmation of balances of trade payables, trade receivables, debit and credit to the parties are subject to reconciliation and adjustment thereof.

Note No.	Particulars
40	<p>First time IND AS adoption</p> <p>"As stated in Note 1(a), these are the Company's first standalone financial statements prepared in accordance with Ind AS. For the year ended 31st March 2017, the Company had prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').</p> <p>The accounting policies set out in Note 2 have been applied in preparing these standalone financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.</p> <p>In preparing the Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in standalone financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows."</p>
	Optional exemptions availed and mandatory exceptions
	In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.
	A. Optional exemptions availed
	Property plant and equipment, capital work-in-progress and intangible assets
	<p>"As per Ind AS 101 an entity may elect to:</p> <p>i) Measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.</p> <p>ii) Use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to</p> <ul style="list-style-type: none"> - fair value; - or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index <p>The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).</p> <p>iii) Use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition. As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of capital work-in-progress and intangible assets also. The carrying values of property, plant and equipment as aforesaid are after making adjustments relating to decommissioning liabilities."</p>
	B. Mandatory exceptions
	1. Estimates
	<p>As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).</p> <p>The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the standalone financial statements that were not required under the previous GAAP are listed below:</p> <p>a) Impairment of financial assets based on the expected credit loss model."</p>

Note No.	Particulars		
	2 Derecognition of financial assets and liabilities As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the derecognition principles of Ind AS 109 prospectively as reliable information was not available at the time of initially accounting for these transactions."		
	3. Classification and measurement of financial assets Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable."		
40.1	Reconciliation of equity	Rs.in lakhs	
		AMOUNT	
	Particulars	31-03-2017	01-04-2016
	Equity as per IGAAP	1214.34	2534.33
	Increase in DTA on Land	530.55	509.25
	Increase in DTL on Property, plant and equipment due to Balance Sheet approach	(378.31)	(387.52)
	Processing fee - Term loans from banks-Secured Long -term	29.50	37.38
	Deferred tax on Processing Fee - Term loans from banks-Secured Long -term	(9.12)	(11.55)
	TOTAL ADJUSTMENTS	172.63	147.56
	Equity as per Ind-AS	1,386.97	2,681.89
40.2	Reconciliation of income statement	Rs.in lakhs	
	Particulars	AMOUNT	
		01-04-2016	
	Net Profit as per IGAAP	(1319.98)	
	Remeasurements of defined benefit plans	(0.68)	
	Amortisation of processing fee	(7.88)	
	Deferred Tax	33.16	
	Net Profit as per Ind-AS	(1295.38)	
	Other Comprehensive Income (Net of income tax)	0.47	
	Total Comprehensive Income as per Ind-AS	(1294.91)	
40.3	Reconciliation of statement of cash flows	Rs.in lakhs	
		Effect of transition to Ind AS	As per Ind AS
	Net cash generated from/(used in) operating activities	-737.61	2789.50
	Net cash generated from/(used in) investing activities	113.57	-58.55
	Net cash generated from/(used in) financing activities	549.03	-2908.95
	Net increase/(decrease) in cash and cash equivalents	-75.01	-178.00
	Cash and cash equivalents as at April 1, 2016	-5349.68	-4500.98
	Cash and cash equivalents as at March 31, 2017	-4792.58	-4678.98

Note No.	Particulars
40.4	Notes for Balance sheet and profit and loss
i)	Restatement of prior period items “Under Ind AS, the Company is required to retrospectively present the material prior period errors identified by : a) restating the comparative amounts for the prior period(s) presented in which the error occurred; b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented. Under the previous GAAP, prior period items were recognised in the statement of profit and loss in the year in which identified.”
ii)	Re-classification of financial assets and liabilities Under Ind AS, all financial assets and liabilities are to be disclosed separately on the face of the Balance Sheet. Under previous GAAP, there was no such requirement. Thus, all the assets and liabilities meeting the recognition criteria of financial asset or liability as per Ind AS 32 and Ind AS 109 have been re-classified and shown separately on the face of the Balance Sheet.
iii)	Actuarial gain and loss Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP the Company recognised actuarial gains and losses in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 or as on 31 March 2017. As per para 122 of Ind AS19, company has transferred all re-measurement cost recognised in the past within accumulated profits.
iv)	Borrowings at amortised cost Based on Ind AS 109, financial liabilities in the form of borrowings have been accounted at amortised cost using the effective interest rate method.
v)	Other comprehensive income (OCI) Under Indian GAAP, the company had not presented other comprehensive income separately. Hence, it has reconciled Indian GAAP profit or loss to or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.
vi)	Trade receivables Under Ind AS, impairment allowance has been determined based on expected credit loss model (ECL).
vii)	Deferred tax The above Ind AS adjustments has resulted in changes in the deferred tax liability.

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

As per our report attached of even date

For K.C.Bhattacharjee & Paul.,

Chartered Accountants
(FRN 303026E)

(Manoj Kumar Bihani)
Partner

Place: Secunderabad
Date :30th May 2018

Attal Anand Kumar
Company Secretary

For and on behalf of the Board

U.K.Agarwal
Chairman

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.

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

*Applicable for members holding shares in electronic form.

Name of the Sole / First Shareholder :

Name of the Joint Shareholders (if any) :

No. of Shares held :

E-mail id for receipt of documents in

Electronic mode:.....

Date :

Place:

Signature:
(Sole / First Shareholder)

Note:

- 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.

RAJVIR INDUSTRIES LIMITED

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

PROXY FORM

Regd. Folio No. / DPID – Client ID No. _____

I/We _____ of _____ in the district of _____ being a member

members of Rajvir Industries Limited hereby appoint _____ of

_____ in the district of _____ or failing him/her _____ of

_____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Saturday the 29th September, 2018 at 03.30 P.M. at FTAPCCI Surana Auditorium, Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad 500004, Telangana.

Signed this _____ day of _____ 2018.

Affix 1Rupee Revenue Stamp

Signature of Shareholder/s

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

RAJVIR INDUSTRIES LIMITED

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

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

ATTENDANCE SLIP

Regd. Folio No. / DPID – Client ID No. _____

 SHAREHOLDER'S NAME: _____
 (in Block Capitals)

In case of Proxy

 NAME OF PROXY: _____
 (in Block Capitals)

No. of Shares held _____

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

I hereby record my presence at the Annual General Meeting of the Company held on Saturday, the September 29th, 2018 at 03.30 P.M. at FTAPCCI Surana 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, SECUNDERA-BAD 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
ORDINARY BUSINESS				
1.	To receive, consider and adopt the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss for the year ended as on that date, Directors' Report and Auditors' Report thereon			
2.	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 No.303026E) be and are hereby re-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 2019 at such remuneration to be fixed by the Board of Directors in consultation with the Auditors." 			

Sr No.	ITEM NO.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
3.	<p>SPECIAL BUSINESS</p> <p>APPOINTMENT OF INDEPENDENT DIRECTOR</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), Smt Sheetal Vora having Director's identification Number 08172386 who was appointed as an Independent Woman Director of the Company, by the Board of Directors effective 30th May 2018 and who holds office till the date of 14th 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 Smt Sheetal Vora as a candidate for the office of the Director of the Company, be and is hereby appointed as an independent Director of the Company for five consecutive years up to 28th September 2023</p>			
4.	<p>APPOINTMENT OF INDEPENDENT DIRECTOR</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's identification Number 07840833 who was appointed as an Independent Director of the Company, by the Board of Directors effective 29th May 2017 and who holds office till the date of 14th 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 of the companies Act, 2013 signifying his intention to propose Sri Ankush Tandon as a candidate for the office of the Director of the Company, be and is hereby appointed as an independent Director of the Company for four consecutive years up to 28th September 2022”</p>			

Sr No.	ITEM NO.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
5.	<p>APPOINTMENT OF COST AUDITORS</p> <p>To consider and if thought fit, to pass, with or without modification(s), the following Resolution as Ordinary Resolution:</p> <p>“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 2018-19, be paid a remuneration of Rs. 65,000/- exclusive of out of pocket expenses and applicable taxes.</p> <p>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.”</p>			

Place :

Date :

(Signature of the shareholder)