

Doing what we do best!



Rajvir Industries Limited | 9th Annual Report 2012-13

Forward-looking statement

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

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

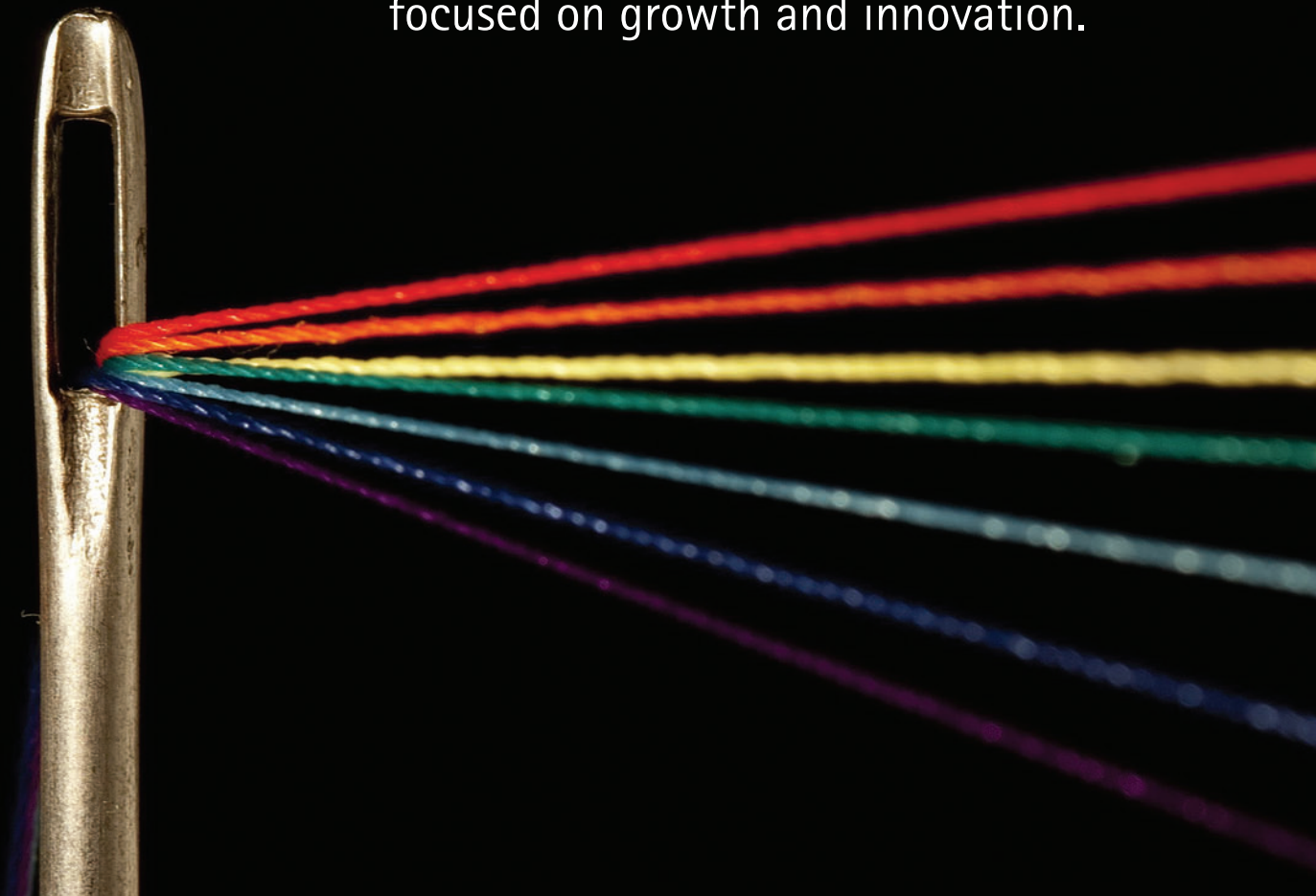
We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

■ Corporate Identity	2
■ Strengths.....	6
■ Key Performance Indicators and Financial performance in 2012-13.....	7
■ From the Chairman's desk.....	8
■ Corporate Social Responsibility.....	12
■ Directors' Profile	13
■ Corporate Information	14
■ Notice	15
■ Directors' Report.....	18
■ Management Discussion and Analysis	22
■ Report on Corporate Governance	24
■ Independent Auditors' Report	33
■ Balance Sheet.....	36
■ Statement of Profit & Loss.....	37
■ Cash Flow Statement	38
■ Notes on Financial Statements	39
■ Green Initiative in the Corporate Governance.....	56
■ Electronic Clearing Service Mandate Form.....	58
■ Attendance Slip and Proxy Form	59

Spinning our wheel of fortune!

At a constant encounter with economic adversity, Rajvir Industry is confident for a better tomorrow. Being a consistent player in the industry, we are a dedicated company focused on growth and innovation.





Spinning the wheel of legacy!



Vision

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

Mission

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

Overview

Rajvir Industries Ltd. is an integrated producer of cotton, mélange, synthetics, modal, dyed products, compact yarn, flame-retardant, supima, silk, wool, cashmere and angora blends.

The Company's spinning capacity is of 1,11,840 spindles.

The Company boasts of having a massive collection that encompasses over 8,000 mélange/heather shades and a range that covers everything from 100% cotton/organic/ fair-trade, combed yarns, blended yarns (polyester, viscose, modal, spun silk and flame-retardant) mélange/heather yarns, modal yarns, synthetic yarns and cheese-dyed yarns.

Futuristic plans

At Rajvir Industries, growth and expansion have always been prior. Apart from increasing our mélange manufacturing capacities by 40%, doubling of our dyeing capacities, our TFO capacities is also underway. Our synthetic division expansion of 30% is almost nearing completion. As time passes, the focus remains towards increase in value-added production.

Rajvir Industries is also about to embark on a new shirt weight project with 48 looms and supporting finishing equipment to produce around half a million meters of yarn dyed checks/stripes.



Existence

Having a pan-Indian presence with two yarn-manufacturing facilities in Andhra Pradesh, located in Tandur and Mahabubnagar, along with a dyeing plant in Mahabubnagar, Rajvir Industries enjoys quite a prominent existence within the country with its headquarters in Hyderabad.

Rajvir Industries exports products to around 40 countries including Central America, Europe, Asia, The Indian Subcontinent, Middle East and Africa. The company is proud to mention that it is listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.



Division	Location	Capacities
Spinning	Gopan Pally (Village), Tandur Mandal, Ranga Reddy District, Andhra Pradesh - 501141	52,080 spindles
Spinning	Pillalamarri Road, Mahabubnagar, Andhra Pradesh - 509002	59,760 spindles
Dyeing	Edira Village, Mahabubnagar, Andhra Pradesh - 509002	5MT per day



Spinning the wheel of pride!



Product basket

Rajvir has a discerning range of products which distinguishes the company from its competitors. At Rajvir, we maintain the highest quality standards for our products and ensure utmost customer satisfaction.

100% cotton yarns

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

Super speciality blends

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

Fancy yarns

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

Eco-friendly yarns

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

Technical textile products

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

Rajvir also produces a vast range of yarns which are categorized into four different collections:

Fashion yarn collection – Rajvir Snow in Triblend of Polyester Cotton, mock twist/ grindle, snow heather/mélange, denim look effect with cotton, raw white nep/ single/multi-coloured neps, magic yarns, slub yarns, irregular patterns, heathers with a touch of metal, triblend in raw white and mélange/heather.



Exotic blends with rich animal hair collection – Cotton with blends of silk, cashmere, wool, linen, angora in raw white and mélange/heather.

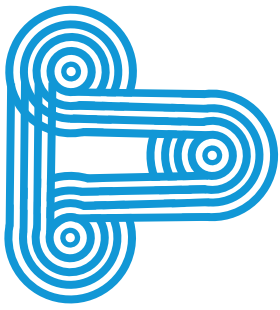
Viscose/modal/micro-modal/polyester with blends of silk, cashmere, wool, linen, angora in raw white and mélange/heather.

Classic Collection – 100% cotton yarn compact in all varieties, combed organic and organic blends with viscose, recycled polyester, modal, micro modal in raw white and mélange/heather, 100% fair trade

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

Technical Textile Yarn Collection – Flame retardant yarns like Protex M/C/W with blends of Indian/giza/pima, Protex M/C/W with blends of nylon for better strength, Kermel / Lenzing FR / Aramid flame retardant yarns.

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



Spinning the wheel of potency!



Strengths

Assorted range of products with the most updated technologies – the wide range of products that the company has in its catalogue is proof of its versatility, innovation, capacity and potency. Offering quality products to its customers is not an obligation but a practice at the company. The vast range of yarns include fashion yarn collection, exotic blends with animal hair collection, classic collection and technical textile yarn collection.

Long-lasting association with globally reputed chain of stores and brands – having a decade long legacy, the company has built sustainable relations with some of the globally recognized brands like M&S, H&M, C&A, GAP, who have treated the Company with high regard over the years. Rajvir industries have established a relationship of trust and confidence by virtue of having prolonged business transactions with these brands.

Skilled and effective management both in operations and marketing with strong R & D Facility – Rajvir Industry's one of the prominent strengths is its workforce. A dedicated team of Engineers, MBAs, Chartered Accountants, sales and marketing personnel are the backbone who have been driving the company towards its flight of success. The company's most reliable and authentic R&D facility is exclusive and one-of-a-kind.

Proud owner of valuable awards and certifications – bestowed from the various industry sectors as well as the Government, Rajvir Industries proudly claims to conform to the various mandates and ensures an unhindered flow of work to ensure smooth production and preserve the company image.

Strong marketing network and a dynamic market presence –

a company of this gigantic stature boasts of a dynamic presence across the whole of the country. The company enjoys a strong customer base in India with market leaders in both innerwear and outerwear segments including Rupa, Lux, Dollar and Kothari in the innerwear segment, shirting producers such as Madana, Bombay Rayon and almost all leading shirt weight producers of the southern market. Leading knit wear exporters of India including Eastman, Poppys, Classic Polo, in the southern market and Shahi Exports, Richa Global, Orient Crafts and other leading garment exporters from the Northern markets besides our presence in almost all of the yarn markets in the country like Delhi, Ludhiana, Amritsar, Kanpur, Kolkata, Ichalkaranji, Mumbai, Tirupur, Salem and Erode.

Key performance indicators

The Company secured a positive PAT of

₹4.48 crores

The Cash Profit achieved for the year was

₹16.38 crores

The operating profit for the year was

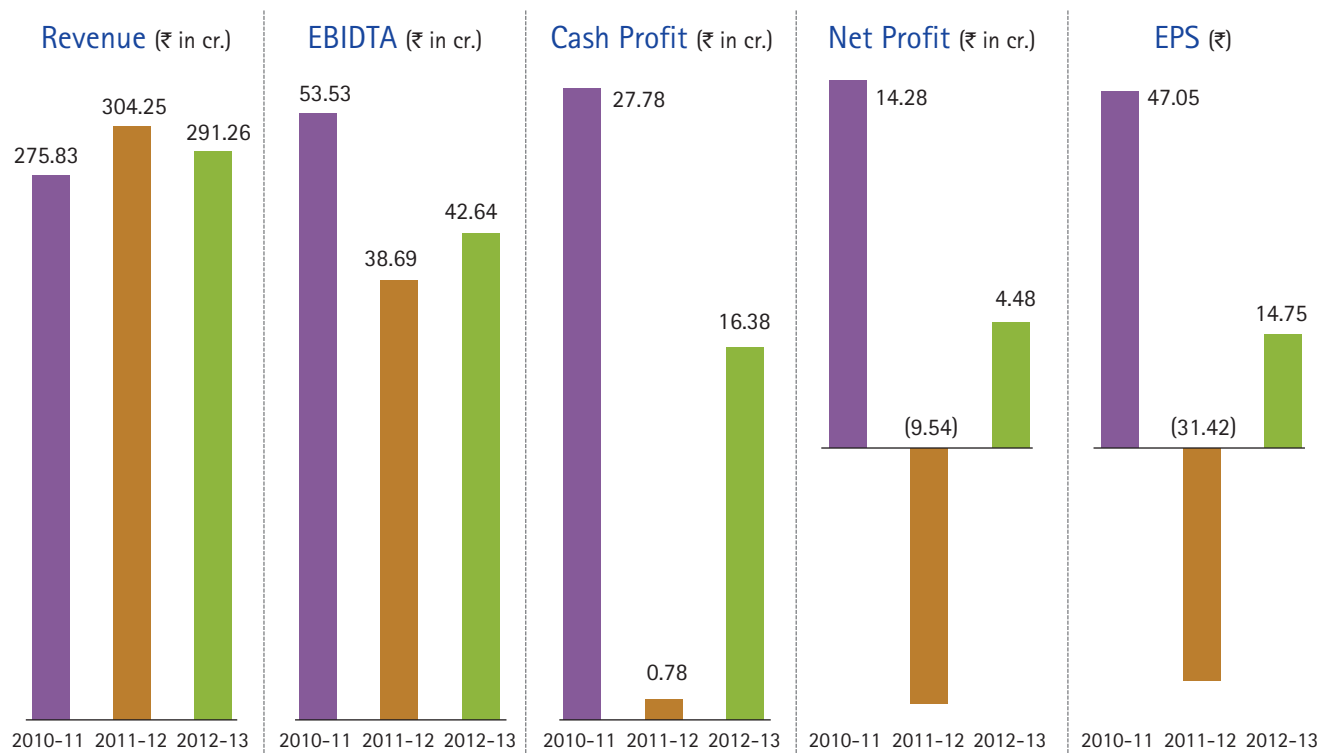
₹27.90 crores

The operating margin improved to

9.70% from 8.70% the previous year.

Turn over marginally decreased by 4.63% to ₹288 crores from the previous year. The non-availability of power during 2nd quarter of the FY 2012 -13 adversely impacted the production. Subsequently tie-ups with private power suppliers improved the production.

Financial performance in 2012-13





Spinning the wheel of growth!

From the Chairman's desk:

The Indian textile industry contributes about 14 per cent to the industrial production, 4 per cent to the country's gross domestic product (GDP), and 17 per cent to the country's export earnings. The industry provides direct employment to over 35 million people and is the second largest provider of employment after agriculture.

The domestic consumption of MMF (Man Made Fiber) to grow at a CAGR of 5.8 per cent from 2,802 thousand tones in FY12 to 3,717 thousand tones in FY17. The share of MMF in the overall fibre consumption by the textile industry is expected to increase from 41 per cent in FY11 to 45 per cent in FY17. With this, the Indian textile industry (predominantly a cotton-based industry) would inch towards the global benchmark where the share of MMF is dominant at about 62 percent. Supply-side constraints and the huge price differential between the cotton and MMF prices will help the MMF industry grow its share in the overall fibre consumption pattern of the textile industry. Also, the inherent superior quality of polyester and viscose over the cotton is likely to have a positive impact on its demand, especially from the technical textiles and blended yarn segments.

The demand for blended yarn is to grow at a faster rate compared to cotton & 100 percent non-cotton yarn during the next five years. The demand for blended yarn is expected to grow at a CAGR of 12.4 percent over the period of FY12-FY17 whereas the cotton yarn and 100 percent non cotton yarn demand is expected to grow at a CAGR below 10 per cent. The demand of yarn would come from both domestic as well as the international markets. The domestic demand comprises yarn used to make apparels and home textiles which are consumed domestically and exported. The demand would also be driven by the rising yarn exports.



The Indian textile industry is set for strong growth, buoyed by both rising domestic consumption as well as export demand.

SWOT Analysis

Strengths:

- Indian textile industry is an independent and self-reliant industry.
- Abundant raw material availability helps industry to control costs and reduces the lead-time across the operation. It accounts for about 22 percent of the global cotton production.
- Availability of large varieties of cotton fibre and a fast growing synthetic fibre industry.
- India has a huge growing domestic market and new products are gaining acceptance.
- Indian textile industry has a presence throughout the value chain.
- India exports 25 percent of its cotton yarn production.
- Industry has manufacturing flexibility that helps to increase the productivity.
- More and more buyers have come to trust India as a competent manufacturing country.
- India's textile industry is seeing an increase in collaboration between national and international companies.
- Appreciation of rupee against the Dollar.

Weaknesses:

- The Indian textile industry is a highly fragmented industry with a huge informal sector.
- Infrastructural bottlenecks leading to a loss in transportation and transaction time.
- Old and inflexible labour laws.
- High incidence of power tariffs, indirect taxes and interest rates.

Opportunities:

- Robust retail boom in domestic market owing to favourable consumer demographics and increasing consumption coupled with rising disposable incomes.
- Growth rate of the domestic textile industry is a significant 6-8 percent per annum.
- Elimination of quota restriction leads to greater market developments.
- Large and potential domestic and international market still waiting to be tapped.
- Availability of greater investment and FDI opportunities.
- Emerging retail industry and malls provide significant opportunities for the apparel, handicraft and other segments of the industry as the market is gradually shifting towards branded readymade garments.

Threats:

- The downtrend in the textile industry may hamper the company's prospects. The tough times induced the Company to frame the following strategies :
- Aggressive marketing strategies backed by participation in all domestic & international fairs & exhibitions.
- Drew up market requirement plan to minimize inventory losses.
- Drew up plans to target countries with an appetite for niche products and with a potential to generate superior realizations.
- Strengthened research to produce innovative designs, leading to higher realizations.
- Deepened penetration in North India, enhancing national and regional market shares.



Participated in various international exhibitions in promoting its value-added yarn varieties like –

- Yarn Expo – Beijing
- Yarn Expo – Shanghai
- Texworld Paris – France
- Texworld – USA
- Indian Textile Exhibition – Cairo, Egypt
- Mega Indian Textile and Clothing Exhibition – Brazil and Argentina
- Indian Textile Exhibition – Czech Republic & Poland for Textiles
- 'MADE IN INDIA' – Dubai
- CEMS – Bangladesh
- TITAS – Taiwan
- Cambodia International Textile Apparel Exhibition

Financial Risk

A high cost of debt could compel a deferment of expansion plans and adversely impact the profitability of the company.

Marketing risk

Ineffective marketing could dent the market share.

To address slowing demand, the company embarked on the following marketing initiatives:

- The Company deepened its domestic market presence, fetching 5-7% higher realizations than exports and enhanced its market share by 10%.
- The Company evolved its product mix as per the prevailing demand and targeted eight new geographies to diversify its global presence.

Market Size

The Indian textile industry is set for strong growth, buoyed by both rising domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk, jute and skilled workforce have made India a sourcing hub. Textile machinery sector at present meets 45-50 per cent of the overall demand of the domestic textile industry whose main constituent is ginning, spinning, weaving and processing, a report stated. The textile industry currently contributes about 14 per cent to industrial production, 4 per cent to GDP, and 17 per cent to the country's export earnings.

Favourable market trend

"The domestic textile and apparel market in India is worth \$58 billion and has the potential to grow at a CAG of 9 per cent, to reach \$141 billion by 2021," the white paper on 'Challenges in Textile and Apparel Industry' said.

Overall, India's textile and apparel exports were at \$31 billion in 2011 and are growing at an annual rate of 10 per cent since 2005. Apparel exports contribute the most to the overall exports in terms of value, followed by contributions from fibre, yarn and fabrics.

However, fibre exports have the highest CAGR with substantial growth in recent years.

India's share of the world's textile and apparel exports stands at 4.5 per cent. It is estimated that due to the increasing shift of textile and apparel production to Asian nations and the deteriorating export-competitiveness of China, this figure will grow to 8 per cent by 2020, with a total exports value of \$82 billion.

This growth, from 4.5 per cent to 8 per cent of world trade, will open up huge potential for Indian players, the report said.

"The recession in textile industry seems to be over. Investment in weaving and processing segments is required to strengthen value chain and bankers commitment level to serve the client," Ministry of Textiles, Deputy Director S P Verma said at a FICCI organised annual conference on textile and apparels TAG 2012 here.

With this positive outlook in the market, Rajvir industries have already made strategies to expose the company towards growth and development. The company is hopeful for a brighter foreseeable future and is gearing up to take full advantage of the changing market scenario.

Investments

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investments (FDI) worth ₹5,674.45 crores (US\$ 1.04 billion) during April 2000 to February 2013.

Some of the major investments in Indian textile industry are:

- Swedish retailer Rusta plans to import Indian textiles and handicraft worth ₹200 crores (US\$ 36.53 million) annually over 3-4 years.
- India plans to set up a textile training institute in Kaduna state, Nigeria, as per Dr. Milan Sharma, Head, Africa Initiatives and Industry Research of IL&FS Cluster Development Initiative Ltd.
- British clothing brand Superdry plans to open 20 stores in India over the next five years, as per Mr. James Holder, Founder, Superdry.
- American apparel-maker, Tommy Hilfiger plans to add 500 stores in India over the next five years as part of their expansion spree. Currently, Tommy Hilfiger operates 58 franchisee outlets and over 60 shop-in-shops in other department stores.

Government Initiatives

The Government of India has promoted a number of export promotion policies for the textile sector. It has also allowed 100 per cent foreign direct investment (FDI) in the Indian textile sector through automatic route.

According to the Union Budget 2013-14:

- Technology Upgradation Fund Scheme (TUFS) to continue in 12th Plan with an investment target of ₹151,000 crores (US\$ 27.58 billion).
- ₹50 crores (US\$ 9.13 million) were allocated to Ministry of Textile to incentivize setting up apparel parks within the Scheme for Integrated Textile Parks (SITP) to house apparel manufacturing units.

- A new scheme called the Integrated Processing Development Scheme will be implemented in the 12th Plan to address the environmental concerns of the textile industry.

- Working capital and term loans at a concessional interest of 6 per cent to handloom sector.

- Scheme of Fund for Regeneration of Traditional Industries (SFURTI) extended to 800 clusters during the 12th Plan.

Road Ahead

For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain – from agricultural production to final manufactured goods.

With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with several international players like Marks & Spencer, Guess and Next having entered the Indian market. The organized apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

Company capacities

Rajvir industry's unhindered bulk production capacity is a pride of the company. The company's state-of-the-art production capacity is massive. With a dedicated vision towards growth, the company keeps adding to its capacity every year making it bigger, introducing newer products and widening its area of function. The company with sheer focus on evolution and technical upliftment, installs new machinery and machinery improvements in Slub Motion Machinery LRSB draw flame Additions/improvements in Effluent Treatment Plants Created spindle conversion and additions in plant infrastructure.

Products at Company units:

S. No.	Facility at	Facility Name	Activity
1	Mahabubnagar	Unit I	Cotton Yarn/ Cotton with Blends
2	Mahabubnagar	Unit II	Colour Melange Yarn
3	Mahabubnagar	Unit III	Synthetic Yarn
4	Mahabubnagar	Dye House	Dyeing Yarn
5	Tandur	Unit I	Cotton Compact Yarn
6	Tandur	Unit II	Cotton compact yarn and Cotton/Blended Compact yarns

Corporate Social Responsibility



A responsible corporate not only does business but also does for the environment. At Rajvir industries, we realize our responsibilities towards the society and make genuine efforts to keep our environment and society safe and sustainable.

- Initiated the availability of water and improved the conditions of roads to the nearby villages.
- Conducted medical camps, blood donation camps, eye check up camps and AIDS camp in coordination with the Red Cross Society.
- Contributed in the upliftment of various schools in the vicinity.
- Engaged in afforestation as part of a green initiative.
- Contributed to various charitable institutions.
- Works in association with BCI for eco-friendly, green environment and fair trade activities.
- Company started sending notices and documents to shareholders by electronic media as a part of its green initiative.

Awards and certificates

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

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

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

Directors' Profile



Sri. UPENDER KUMAR AGARWAL

Sri U. K. Agarwal is a graduate and has more than 37 years of experience in the Cotton Industry. He is the Chairman of M/s Rajvir Industries Limited and considered to be an expert in the cotton selection process. Besides this, he has acquired considerable expertise in Factory operations, Finance and General Administration.



Sri. RITESH KUMAR AGARWAL

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



Sri. K. C. REDDY

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



Sri. VIJAY KUMAR GUPTA

Sri Vijay Kumar Gupta is a Commerce graduate and had been trained at Administrative Staff College of India in the areas of Management. He has about 42 years of experience in Textiles Trading and Textile processing. He has been in textiles trading since 1968 through proprietary concerns belonging to his family. He has been instrumental in taking up the company to its present status and unprecedented growth. He is the Chairman and Managing Director of M/s Vijay Textiles Limited and also associated with Vijay Infotech Ventures as the main Promoter.

Corporate information

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Sri I. Shiv Kumar

COMPANY SECRETARY

Sri Atluri Ramesh

AUDITORS

M/s S. Daga & Co.

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

BANKERS / FINANCIAL INSTITUTIONS

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

FACTORIES

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

REGISTERED OFFICE

1st Floor, Surya Towers
105, Sardar Patel Road
Secunderabad 500003.
Telephone Nos.: 040-66225555, 27845628, 27845650
Fax: 040-27840656
Website: www.rajvirindustrieslimited.com
Email: rajvir@rajvirindustrieslimited.com

SALES DEPOT

No.37, Susai Puram
Sowdambika Towers, Ground Floor
TIRPUR – 641 604.

REGISTRAR & SHARE TRANSFER AGENT

M/s XL Softech Systems Limited
3, Sagar Society, Road No.2, Banjara Hills,
Hyderabad – 500034.
Phone No's : 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 Ninth Annual General Meeting of the Members of **RAJVIR INDUSTRIES LIMITED** will be held on **Monday, the 30th September, 2013 at 3.30 P.M at Lotus Hall, 1st Floor, Country Club, 6-3-1219, Begumpet, Hyderabad-500016** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss on that date along with the Auditors' Report & Directors' Report there on.
2. To appoint a Director in place of Sri K. C. Reddy who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s S.Daga & Co., Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

4. **TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof as amended up to date, the consent of the Company be and is hereby accorded for change of office of Sri Upender Kumar Agarwal from Managing Director to Whole time Director of the Company and designated as Executive Chairman of the Company with effect from 30th May 2013 for his remaining tenure of appointment i.e., up to 31.03.2014 on the following revised terms and conditions."

1. **BASIC:** ₹1,33,000/- per month

2. **COMMISSION:**

At the rate of 1% per annum of the Net Profit of the Company or 50% of annual salary whichever is lower subject to the limits to the extent as permitted under the provisions of Schedule XIII of the Companies Act, 1956.

3. **PERQUISITES:**

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

CATEGORY – A

- (i) **HOUSING:**

Rent free furnished residential accommodation with all facilities

and amenities including such services as gas, electricity, water, etc., or HRA to the extent of 30% of the salary.

- (ii) **MEDICAL REIMBURSEMENT:**

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

CATEGORY – B

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

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

Minimum Remuneration

In the event the company does not have profits or its profits are inadequate, Sri Upender Kumar Agarwal shall be paid Salary and perquisites not exceeding the statutory limits as may be prescribed from time to time. However contribution to provident fund/annuity/pension fund/gratuity and encashment of leave at the end of the tenure shall not be included in the ceiling of the salary.

5. **TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof as amended up to date, the consent of the Company be and is hereby accorded for change of office of Sri Ritesh Kumar Agarwal from Whole time director to Managing Director of the Company with effect from 30th May 2013 for his remaining tenure of appointment i.e., up to 31.03.2014 on the following revised terms and conditions".

1. **BASIC:** ₹1,33,000/- per month

2. **COMMISSION:**

At the rate of 1% per annum of the Net Profit of the Company or 50% of annual salary whichever is lower subject to the limits to the extent as permitted under the provisions of Schedule XIII of the Companies Act, 1956.

3. **PERQUISITES:**

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

CATEGORY – A

- (i) **HOUSING:**

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

- (ii) **MEDICAL REIMBURSEMENT:**

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

CATEGORY – B

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

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

Minimum Remuneration

In the event the Company does not have profits or its profits are inadequate, Sri Ritesh Kumar Agarwal shall be paid Salary and perquisites not exceeding the statutory limits as may be prescribed from time to time. However contribution to provident fund/annuity/pension fund/gratuity and encashment of leave at the end of the tenure shall not be included in the ceiling of the salary.

BY ORDER OF THE BOARD
For Rajvir Industries Limited

Place : Secunderabad

Date : 14.08.2013

Atluri Ramesh

Company Secretary

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
- Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
- The Register of Members and Share transfer books will remain closed from 21-09.2013 to 30-09-2013 (both days inclusive).
- An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed thereto.
- The Members are requested to notify change, if any, in their address to Registrar and Share Transfer Agent viz., M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, if any.
- A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven days prior to the date of the Meeting for consideration for the Management to deal at the Meeting.
- Unclaimed Dividends will be transferred to the Investor Education and Protection Fund set up by the Central Government. Shareholders who have not so far encashed the dividend warrant(s) are requested to seek revalidation/issue of duplicate warrants/Demand drafts by writing to the Registrars and Share Transfer Agents. Also note that no claim shall be made against said fund or Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the date they became first due for payment and no payment shall be made in respect of such claims.

Unclaimed Dividend Details as on 28.09.2012

S. No.	Financial Year ended	Balance as on Year 28.09.2012 (in ₹)	Date of declaration of dividend	Last date for claiming unpaid dividend	Proposed Date of transfer to IEPF (DD-MM-YYYY)
1	2005-06	1,17,248	27-09-2006	26-09-2013	25-10-2013
2	2006-07	1,18,140	29-09-2007	28-09-2014	27-10-2014
3	2007-08	1,42,940	30-09-2008	30-09-2015	29-10-2015
4	2008-09	91,010	30-09-2009	29-09-2016	28-10-2016
5	2009-10	82,760	18-09-2010	17-09-2017	16-10-2017
6	2010-11	1,19,316	30-09-2011	29-09-2018	28-10-2018
		6,71,414			

- In respect to the information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being appointed /reappointed, Members are requested to kindly refer to Corporate Governance in the Annual Report.



Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956

Item No. 4

Appointment of Sri Upender Kumar Agarwal, Chairman of the Company

Sri Upender Kumar Agarwal, Chairman and Managing Director of the company expressed his willingness to continue as Executive Chairman. Accordingly, Board of the Directors approved the change of designation of Sri Upender Kumar Agarwal as Executive Chairman with effect from 30th May, 2013 for his remaining tenure of appointment on the terms and conditions as detailed in the resolution subject to approval of members of the Company in the general meeting.

The Board recommends the resolution for approval of the members.

None of Directors of the Company except Sri Ritesh Kumar Agarwal, being the relative is interested or concerned in the resolution.

Item No. 5

Appointment of Sri Ritesh Kumar Agarwal, Managing Director of the Company

Sri Ritesh Kumar Agarwal, Whole time Director has been appointed as Managing Director owing to vacant position of Managing Director. Accordingly, the Board approved the change of designation of Sri Ritesh Kumar Agarwal, as Managing Director with effect from 30th May, 2013 for his remaining tenure of appointment on the terms and conditions as detailed in the resolution subject to approval of members of the Company in the General Meeting.

The Board recommends the resolution for approval of the members.

None of Directors of the Company except Sri Upender Kumar Agarwal, being the relative is interested or concerned in the resolution.

BY ORDER OF THE BOARD
For Rajvir Industries Limited

Atluri Ramesh
Company Secretary

Place : Secunderabad
Date : 14.08.2013

Directors' Report

To
The Members
Rajvir Industries Limited

Your Directors have pleasure in presenting the Ninth Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

(₹ in lakhs)

	2012-13	2011-12
1. Sales and Other Income	29,126.43	30,425.73
2. Profit Before Interest and Depreciation	4,266.58	3,869.20
3. Interest and Finance Charges	2,557.95	2,931.06
4. Depreciation	1,190.53	1,218.80
5. Profit before tax and exceptional items	518.10	(280.66)
Exceptional Items	–	860.18
6. Profit before tax	518.10	(1,140.84)
7. Provision for Taxation		
a) Current Tax (MAT) 103.66		
Less: MAT credit entitlement 103.66		
	–	–
b) Deferred Tax	70.40	(187.17)
8. Profit after tax	447.70	(953.67)
Add/ Profit b/f from last year	2,052.19	3,110.86
	2,499.89	2,157.19
APPROPRIATIONS		
1. Transferred to Debenture Redemption Reserve	–	105.00
2. Transferred to General Reserve	–	–
3. Dividend	–	–
4. Dividend Tax	–	–
5. Surplus Carried Forward to Balance Sheet	2,499.89	2,052.19

OPERATIONS

During the year under review your Company achieved a Turnover of ₹29,126.43 lakhs and Net Profit of ₹447.70 lakhs as against Turnover of ₹30,425.73 lakhs and Net Loss of ₹953.67 lakhs in the previous year.

A detailed analysis of future outlook and financial performance of the company is given in the management and analysis report which is elsewhere given in this report.

DIVIDEND

The company wishes to plough back the profits into its operations, which would facilitate the ambitious growth plans in the present Financial Year i.e. 2013-2014. In view of the same, the Directors could not recommend any dividends.

CAPITAL EXPENDITURE

During the year under review, your Company has incurred a Capital Expenditure of ₹218.41 Lakhs.

EXPORTS

During the year under review, your Company has achieved exports turnover of ₹76.92 Crores as against ₹71.09 Crores last year.

DIRECTORS

In accordance with section 256 of the Companies Act 1956 read with the Articles of Association of the Company Sri K. C. Reddy retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Sri Upender Kumar Agarwal, Chairman and Managing Director of the Company expressed his willingness to continue as Executive Chairman. Accordingly, Board of the Directors approved the change of designation of Sri Upender Kumar Agarwal as Executive Chairman with effect from 30th May, 2013 for his remaining tenure of appointment on the terms and conditions as detailed in the resolution subject to approval of members of the Company in the General Meeting.

Sri Ritesh Kumar Agarwal, Whole time Director has been appointed as Managing Director owing to vacant position of Managing Director. Accordingly, the Board approved the change of designation of Sri Ritesh Kumar Agarwal as Managing Director with effect from 30th May, 2013 for his remaining tenure of appointment on the terms and conditions as detailed in the resolution subject to approval of members of the Company in the General Meeting.

The necessary resolutions seeking approval of the members for aforesaid changes of designations of Sri Upender Kumar Agarwal and Sri Ritesh Kumar Agarwal on the revised terms have been included in the notice of the ensuing Annual General Meeting

Directors Responsibility Statement:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, the Board of Directors of the Company hereby confirms:

1. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2013, the applicable accounting standards



have been followed and there were no material departures;

2. That your Directors have selected such accounting policies and applied them consistently and made judgments and estimates which 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 or loss of the Company for the year under review;
3. That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That your Directors have prepared the Annual Accounts for the financial year ended 31st March, 2013 on a 'going concern' basis.

CORPORATE GOVERNANCE

A detailed Report on Corporate Governance, Management Discussion and Analysis Report and the Certificate from the Auditors of your Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges given elsewhere and forms part of this Report.

AUDITORS

M/s S. Daga & Co, Chartered Accountants, Auditors of the Company retires at the ensuing Annual General Meeting. They have expressed their willingness to accept appointment and confirmed that their appointment, if made, shall be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

COST AUDITORS

Pursuant to the directives from the Central Government and the Provisions of Section 233B of the Companies Act, 1956 Mr. P. Srinivas has been appointed as Cost Auditor of the Company for the financial year 2012-13.

The Cost Audit Report for the financial year 2012-13 shall be submitted to the Central Government within the stipulated period.

FIXED DEPOSITS

Your Company has renewed the fixed deposits received from the public during FY 2011-12 within the meaning of Section 58 A of the

Companies Act, 1956 and there are no overdue deposits as on 31.03.2013.

AUDIT COMMITTEE

In terms of Section 292A of the Companies Act, 1956 and in accordance with Clause 49 of Listing Agreement with stock exchanges, Audit Committee of the Board of Directors of the Company consists of the following Directors:

1) Sri K. C. Reddy	: Chairman, Non-Executive & Independent Director
2) Sri Vijay Kumar Gupta	: Member, Non-Executive & Independent Director
3) Sri Ritesh Kumar Agarwal	: Member, Managing Director

AUDITORS' QUALIFICATIONS

The Auditors' Report to the shareholders does not contain any qualification or adverse remark.

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

The particulars as prescribed under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in Annexure-I to this report.

PARTICULARS OF EMPLOYEES

There are no employees whose information is required to be disclosed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975.

APPRECIATION

The Board places on record its deep appreciation of the devoted services of the loyal workers, executives and other staff of the Company who have contributed in no small measure to the performance and the Company's continued inherent strength.

It also extends grateful thanks to the Central and various State Governments, the investors, the banking circles, financial institutions and district level authorities for their continued support extended to the Company from time to time. The Board also places on record their deep sense of appreciation for the committed services of all the employees of the Company.

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

U.K. Agarwal
Chairman

Place : Secunderabad
Date : 14-08-2013

Annexure-I to Directors' Report

Details as required under Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 read with clause (e) of Sub-section (1) of Section 217 of the Companies Act, 1956.

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.

FORM – A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption	2012-13	2011-12
1. Electricity:		
a) Purchased		
Units (in lakhs of KWH)	621.85	657.85
Total Amount (₹ In lakhs)	3,395.39	2,404.30
Average Rate: (₹/Unit)	5.46	3.65
b) Own Generation:		
Through Diesel Generators		
Units (in lakhs of KWH)	7.44	3.75
Units per Litre of Diesel Oil	3.30	3.16
Average Cost: ₹ / Unit	14.59	13.60
2. Coal (₹ In lakhs)	7.38	0.73
3. Furnace Oil	–	–
4. Others	–	–
B. Consumption per Unit of Production		
Yarn Production (Kgs in lakhs)	115.74	122.30
Electricity (Units/Kg of Yarn)	5.43	5.41

B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption as per Form B

FORM B

Form of disclosure of Particulars with respect to technology absorption

A. RESEARCH AND DEVELOPMENT (R & D):

1. Specific areas in which R&D carried by the Company	The Company is having R & D facility for introduction and development of value added products.
2. Benefits derived as a result of the above R & D	New value added products were developed.
3. Future Plan of Action	To further develop more value added products and improve the quality of the products.
4. Expenditure on R & D	Expenditure on in- house research and development has been shown under the respective heads of expenditure in the statement of profit and loss as no separate account is maintained.



B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

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

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

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

Exports of the Company increased to ₹76.92 Crores as compared to ₹71.09 Crores during the previous year. The Company has exported its products to various countries like USA, Korea, Taiwan, Egypt, Turkey, Spain, Mauritius, South Africa, Bangladesh, Pakistan and other Countries. The Company is exploring new markets for its products.

b) Expenditure in Foreign Currency during the year on account of	2012-13 Amount (₹ in lakhs)	2011-12 Amount (₹ in lakhs)
i) Plant & Machinery (CIF Value)	42.13	63.39
ii) Raw Materials (CIF Value)	1,208.24	1,682.01
iii) Stores & Spares (CIF Value)	6.47	18.80
iv) Foreign Travelling	20.98	24.04
v) Export Commission	47.67	50.30
C) Earnings in Foreign Exchange: FOB Value of Exports	7,692.06	7,109.05

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

Place : Secunderabad
Date : 14-08-2013

U.K. Agarwal
Chairman

Management Discussion & Analysis

Industry Structure and Developments

One of the leading industries in the world is the Indian Textile Industry. Though the sector is unorganized, the economic liberalization of the Indian economy in 1991, provided a way that led to the success of the domestic Industry. Textile manufacturing and exports are the growth drivers of the Textile industry in India. Through Textile exports, the foreign exchange contributes around 27%, for which the GDP gains about 3%. The industry not only generates jobs in its own, but it also helps to develop other ancillary sectors. Cotton Textiles, Silk Textiles, Woolen Textiles, Readymade Garments, Hand-crafted Textiles, Jute & Coir are some major segments of Indian Textile Industry.

Opportunities and Threats

Strength:

- Rajvir has a strong R&D team for developing new products required in the fashion world
- Highly dedicated workforce, technical team and senior executives working hard for the development of the company
- The capacity to translate any idea into reality in product development
- Wide range of collections in all the blends allowing customers to have a wide range of choice in product selection

Weakness:

- Geographical location leading to delay in transportation

Opportunities:

- Abundant opportunities for the high value-added innovative new products in the market
- Close access with all leading and established global garment buyers and leading chain stores / brands, where even the garment exporters have little access

Threat:

- Indian Rupee weak against the US Dollar
- Political instability in other countries where we have our markets (Egypt, Turkey, Bangladesh)
- Increasing raw material cost against lower demand in the market

Productwise Performance

While launching any new product, your company also keeps in mind that it is to position them in the market for the long run and provides all required services to the customers to make the product a success. Frequent market visits, close interaction, providing all feedbacks about the product etc., makes it possible for Company to sustain the products launched in the markets.

Your company has been constantly making the presentation of its product range not only to the Garment Buying houses and Garment exporters across the world, but also to the Direct Buyers of leading brands in the organised meetings arranged by the Buying houses. The feedback and the remark of such Direct Buyers are quite overwhelming and give lot of encouragement to the Company to further accelerate the development of its new products and add more number of products to its Product catalogue.

There is a vast demand for the fiber-dyed mélange's new varieties in the market and the Company develops many new qualities in this range. But at the same time, it also develops such products in Raw white version for its customer, which is cost effective, easy to use with quick and fast deliveries.

Outlook

The growth and development of the Textile Industry has a major impact on improvement of the economy of the nation evidenced by 14 percent of total industrial production and 17 percent of the country's export earnings. A potential increase around 3.5 percent is also

noticed in world trade and is expected to increase to US\$ billion by 2020 as 100% Foreign Direct Investment is allowed through Automatic Route. In fact, the Textile sector attracted Foreign direct investment worth of US\$ 1.04 billion during the period the April to November 2012.

Your company also received an award from **Marks & Spencer** for EXPORTING GOOD VOLUMES of BCI YARNS (better cotton initiative) to Bangladesh and the Turkey market. It is mainly concentrating on exporting yarns to focused countries announced by the Government of India and the R&D department of the company is continuously working towards developing new fashion yarns with the feedback of leading retailers/buying house like **GAP, NEXT, Kohl's, Tommy Jeans, American Eagle, Sainsbury, Tesco, George, Zara, Bershka, American Eagle, J.C. Penney, Polo Ralph Lauren, Abercrombie & Fitch, J. Jill, C.K. Jeans, Primark, Matalan, H & M.** To understand the consumer needs more, the company is also participating in almost all the trade fairs related to textiles in the world to have a global presence and understanding.

Internal Control System

The company has adequate internal control systems/procedures. An independent Chartered Accountant has been appointed by the Management to carry out the Internal Audit work. The Internal controls are periodically checked by the Internal Auditors who have access to all relevant records and information of the company. The Board and Management take corrective measures, wherever necessary, based on the recommendations made by Internal Auditors.

Discussion on Financial Performance with respect to Operational Performance

Your company is concentrating on export earnings and accordingly ₹71.09 crores received as export earnings during the year 2011-2012. There was a slight increase around 5% i.e. 76.92 cores in the financial Year 2012-2013. Simultaneously ₹85 crores are targeted for the Financial 2013-2014 and even by July 2013, your company achieved ₹28 crores. Your Company is also proud to announce that so far the company has made exports to more than 42 countries in the world and is planning to enter other focused countries in the near future.

Material Developments in Environment and Human Resources / Industrial Relations

Your company takes utmost care to prevent and avoid Environment Pollution. We would like to place on record our appreciation for the efforts made by the company and the keen interest taken by the employees of your Company in this regard.

NOTE:

Readers are advised to kindly note that the mentioned risks, concerns, opportunities etc are valid only at the time of making statements. A variety factors known / unknown expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions. Readers may therefore appreciate the context in which these statements are made before making use of the same.

Report on Corporate Governance

1. CORPORATE GOVERNANCE PHILOSOPHY

Your Company firmly believes that good corporate Governance in any organization needs to be principle-based as well as simple, moral, accountable, responsive and transparent. The philosophy of the Company is to attain the highest standards of Corporate Governance by ensuring transparency in all its actions & operations and to maximize values of its stakeholders. The Company fully complies with all the provisions and stipulations laid down in the guidelines on the Corporate Governance as provided in clause 49 of the Listing Agreement with the Stock Exchanges. The philosophy of the Company would ensure that it follows highest standards of professionalism, integrity, fairness, transparency, social responsiveness and best business practices.

2. BOARD OF DIRECTORS

- a. The composition of Board of Directors consists of two (2) Promoters Whole time Directors and two (2) Independent Non-

Executive Directors. The number of non-Executive Directors are 50% of the total number of Directors.

- b. None of the Directors on the Board is a Member on more than ten (10) companies or Chairman of more than five (5) committees.
- c. During the year under review, five (5) Board Meetings were held on 15th May 2012, 16th July 2012, 14th August 2012, 14th November 2012 and 13th February 2013.
- d. The composition of the Board, attendance at Board Meetings (BM), Shareholders'/ Investors' Grievance Committee Meetings (SIGCM), Audit Committee Meetings (ACM) and Remuneration Committee Meeting (RCM) held during the financial year under review and attendance at the last Annual General Meeting (AGM), number of Directorships and Memberships / Chairmanships in Public Limited Companies and Committees are given below:-

Name of the Director	Category	FY 2012-13 Attendance at					No. of other Directorships in Public Companies	Committee Positions	
		BM	IGCM	ACM	RCM	Last AGM held on 28.9.2012		Member	Chairman
Upender Kumar Agarwal	Chairman	5	–	–	–	YES	–	–	–
Ritesh Kumar Agarwal	Managing Director	5	4	4	1	YES	–	–	–
Sri K. C. Reddy	Non Executive Director	5	4	4	1	YES	–	–	–
Vijay Kumar Gupta	Non-Executive Director	3	2	2	–	No	1	–	–

- e. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- f. Chairman and Managing Director of the Company are Father and Son.
- g. Pursuant to clause-49 of the Listing Agreement with the Stock Exchange on Corporate Governance the details of the Director seeking the Re-Appointment is given elsewhere in the Annual Report.



3. AUDIT COMMITTEE

a) The Company constituted a qualified and Independent Audit Committee comprising of two Non-Executive Independent Directors and One Executive Director with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The Audit Committee deals with various aspects of the Financial Statements including Quarterly, Half yearly and Annual Results, adequacy internal controls and internal audit functions, various Audit Reports, Significant judgments affecting the financial statements, compliance with accounting standards and Companies financial & risk Management policies. It reports to the Board of Directors about its findings and recommendations pertaining to above matters. The Board has accepted all the recommendations of the Audit Committee.

b) Composition, Name of Members and Chairperson

1) Sri K. C. Reddy	- Chairman, Non-Executive & Independent Director
2) Sri Vijay Kumar Gupta	- Member, Non-Executive & Independent Director
3) Sri Ritesh Kumar Agarwal	- Member, Managing Director

c) Meetings and attendance during the year

During the financial year ended March 31, 2013, four (4) Audit Committee Meetings were held on 15th May 2012, 14th August 2012, 14th November 2012 and 13th February 2013.

4. REMUNERATION COMMITTEE

a) The Remuneration Committee comprises of two Non-Executive Independent Directors and one Executive Director.

b) Composition, Name of Members and Chairperson

1) Sri K. C. Reddy	- Chairman, Non-Executive & Independent Director
2) Sri Vijay Kumar Gupta	- Member, Non-Executive & Independent Director
3) Sri Ritesh Kumar Agarwal	- Member, Managing Director

c) Attendance during the year

The Remuneration Committee has met in the year under review on 15th May 2012.

d) Remuneration policy

The Remuneration committee reviews the remuneration package payable to whole time Directors and gives its recommendations to the Board and acts in terms of reference of the Board from time to time.

e) Details of remuneration to the Directors for the year ended 31st March, 2013

Name of the Director	Designation	Salary (₹)	Commission (₹)	Perquisites (₹)	Total (₹)
Upender Kumar Agarwal	Chairman	26,97,600	5,81,390	18,000	32,96,990
Ritesh Kumar Agarwal	Managing Director	20,92,800	5,81,390	18,000	26,92,190

Sitting Fees

Names of Directors	No. of Board & Committee Meetings attended during the period April, 2012 to March, 2013	Attendance at the last AGM held on 28.09.2012	Sitting Fees (₹)
Vijay Kumar Gupta	7	No	10,000
K. C. Reddy	14	Yes	19,000

The Company does not have any Stock Option plan or performance linked incentive for the Executive Directors.

No shares are held by Non- Executive Directors as on 31.03.2013.

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

a) Composition, Name of Members and Chairperson:

1) Sri K. C. Reddy	- Chairman, Non-Executive & Independent Director
2) Sri Vijay Kumar Gupta	- Member, Non-Executive & Independent Director
3) Sri Ritesh Kumar Agarwal	- Member, Managing Director

b) Name and designation of Compliance Officer –
Mr. Atluri Ramesh, Company Secretary.

c) During the Financial Year ended March 31,2013, four (4) Share Holder Grievance Committee Meetings were held on 15th May 2012, 14th August 2012, 14th November 2012 and 13th February 2013.

Shareholders/Investors Grievance Committee is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, Dividend payments, issue of duplicate share certificates, transmission of shares and miscellaneous complaints. During the year the Company has received Three (3) complaints from the shareholders and all of them were resolved satisfactorily. There were no pending investor complaints pertaining to the Financial Year ended 31st March, 2013.

6. GENERAL BODY MEETINGS

A) Date, Venue and Time, where last three Annual General Meetings (AGM) were held:

Financial year ended	Date	Venue	Time
31st March, 2012	28.09.2012	Lotus Hall, 1st Floor, Country Club,6-3-1219, Begumpet, Hyderabad-500016.	3.30 P.M
31st March, 2011	30.09.2011	Hari Hara Kala Bhavan, S.P Road Secunderabad	3.30 P.M
31st March, 2010	18.09.2010	Surana Udyog Hall, FAPCCI Premises, 11-6-841, Red Hills Hyderabad-500004	3.00 P.M

b) The following special resolutions were passed by the members during the last three Annual General Meetings:

i) 2009-10

- Alterations to Articles of Association for increase of Authorised Share Capital from ₹3.5 Crores to ₹14 Crores pursuant to Section 31(1) of the Companies Act, 1956.
- Keep the Registers, Returns, documents and papers relating to shares except copies of Annual Returns as prescribed under Section 163 of the Companies Act, 1956 at M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034 i.e. at a place other than the registered office of the Company.

ii) 2010-11

- For re-classification of Authorised Share Capital into 75 lakhs Equity Shares of Rs10/- each and 6,50,000 Preference Shares of ₹100/-each.
- For issue of Redeemable Non-Convertible Cumulative Preference Shares of ₹100/- each at par.

iii) 2011-12

- For Re-classification of the existing Authorised Share Capital of



the Company comprising of ₹14,00,00,000/- (Rupees Fourteen Crores only) divided into 45,00,000 Equity Shares of ₹10/- each aggregating to ₹4,50,00,000 and 9,50,000 Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each aggregating to ₹9,50,00,000.

b) For issue of Redeemable Non-Convertible Cumulative Preference Shares of ₹100/-each at par for a sum of ₹3 (Three) Crores.

B) Postal Ballot

No special resolutions were passed by way of postal ballot by members of the Company during the last three years.

7. DISCLOSURES

(a) **Disclosures on Materially Significant Related Party Transactions:**

Besides the transactions mentioned elsewhere in the Annual Report (Note no.2.37 of Notes on Financial Statements), there were no materially significant related party transactions during the year conflicting with the interest of the Company.

(b) **Details of Non-compliance and Penalties:**

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no

penalties imposed nor strictures passed on the Company by any Stock Exchanges, Securities and Exchange Board of India or any Statutory Authority relating to the Capital Markets.

(c) **CEO/CFO Certification:**

The Executive Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2013.

(d) **Compliance Certificate:**

Compliance Certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this report.

(e) **Code of Conduct**

The Company has evolved a Code of Conduct for the Directors and Senior Management personnel of the Company and posted on its website which has been affirmed for adherence.

8. MEANS OF COMMUNICATIONS

Quarterly and half-yearly reports are published in two Newspapers –one in English and one in Telugu.

9. GENERAL SHAREHOLDER INFORMATION

a) **Date, Time & Venue of Annual General Meeting:**

Date : 30.09.2013

Time : 3.30 p.m.

Venue : Lotus Hall, 1st Floor, Country Club, 6-3-1219, Begumpet, Hyderabad-500016.

b) **Financial Calendar Year:** 1st April, 2012 to 31st March, 2013.

c) **Date of Book Closure:** 21-09-2013 to 30-09-2013 (both days inclusive)

d) **Listing on Stock Exchanges & Stock Code**

The Company's Shares are listed in the following Stock Exchanges.

Name of the Stock Exchange	Code	Address
The National Stock Exchange of India Limited	RAJVIR	Exchange plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400051
The Bombay Stock Exchange Limited	532665	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

The listing fees for the year 2013-2014 have been paid to The National Stock Exchange of India Limited and The Bombay Stock Exchange Limited.

e) **Market Price Data:** Monthly High/Low of Market price of the Company's Shares traded on the Stock Exchanges of National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

Month	Bombay Stock Exchange (BSE) (in ₹ per share)		National Stock Exchange (NSE) (in ₹ per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2012	98.50	77.60	95.45	75.05
May 2012	88.00	67.80	86.40	68.00
June 2012	92.00	69.00	90.75	68.00
July 2012	94.95	68.00	91.00	73.20
August 2012	96.95	75.55	92.95	76.10
September 2012	91.90	74.00	88.00	72.25
October 2012	89.90	75.35	89.00	76.00
November 2012	107.00	71.30	106.95	73.15
December 2012	105.00	75.00	108.40	74.00
January 2013	94.70	75.00	105.00	73.95
February 2013	86.50	65.50	82.85	62.10
March 2013	84.90	56.15	78.00	52.80

f) **Registrar and Share Transfer Agent:**

M/s XL Softech Systems Limited
3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500034
Phones: 040 23545913/14/15, Fax: 040-23553214
Email: xlfield@rediffmail.com, Website:www.xlsoftech.com

g) **Share Transfer System:**

The share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

h) i) **Shareholding pattern as on 31.03.2013**

Particulars	No. of shares	% of holding
a) Promoters	20,73,859	68.33
b) Mutual Funds	700	0.02
c) Banks, FIs & Insurance Companies	22,907	0.75
d) Private Corporate Bodies	1,46,425	4.83
e) Indian Public	7,77,257	25.61
f) NRIs/OCBs	13,494	0.45
g) Others	355	0.01
Total	30,34,997	100.00

ii) **Distribution of shareholding as on 31.03.2013**

Nominal Value	Holders		Amount	
	Number	%	₹	%
Upto 5000	2,385	91.03	20,77,800	6.85
5001 - 10000	76	2.90	5,79,590	1.91
10001- 20000	75	2.86	11,32,100	3.73
20001 - 30000	18	0.69	4,44,920	1.47
30001 - 40000	14	0.53	4,94,380	1.63
40001 - 50000	6	0.23	2,73,300	0.90
50001 - 100000	16	0.61	11,51,770	3.79
100001 & above	30	1.15	2,41,96,110	79.72
Total	2,620	100.00	3,03,49,970	100.00
Shares in Physical Mode	52,512		5,25,120	1.73
Shares in Demat Mode	29,82,485		2,98,24,850	98.27



i) Dematerialisation of Shares and Liquidity:

The Company's shares are available for dematerialization on both the Depositories i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

29,82,485 shares were dematerialized representing 98.27 % Shares of the Total Paid up Share Capital of the Company as on 31-03-2013.

j) Outstanding GDRs/ADRs/Warrants or any convertible instruments, Conversion date and likely impact on equity

There were no such outstanding instruments as on 31.03.2013.

ISIN: INE011H01014

Address of Registrar and Share Transfer Agent:

M/s XL Softech Systems Limited
3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500034.
Phones: 040-23545913/14/15, Fax: 040-23553214
Email: xlfield@rediffmail.com, Website:www.xlsoftech.com

k) Plant Locations

Yarn Divisions

1. Pillalamarri Road
Mahabubnagar District, Andhra Pradesh - 509002.

2. C C I Road, Gopannapalli Village, Tandur Mandal, R R District, Andhra Pradesh - 501141.

Dyeing Division

Edira Village
Mahabubnagar District, Andhra Pradesh - 509002.

l) Address for correspondence:

- i) Queries relating to transfer / dematerialization of share, change of address, dividend, Annual Reports and other queries relating to the shares of the Company:

M/s XL Softech Systems Limited.
3, Sagar Society, Road No.2, Banjara Hills Hyderabad-500034.
Phones: 040-23545913/14/15, Fax: 040-23553214
Email: xlfield@rediffmail.com, Website: www.xlsoftech.com.

- ii) Any other queries:

The Company Secretary
Rajvir Industries Limited
1st Floor, Surya Towers, 105, S.P.Road, Secunderabad - 500003.
Phone No(s) - 040 - 66225555, 27845628, 27845650
Fax No - 040 - 27840656
e-mail:cs@rajvirindustrieslimited.com.

Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Clause 41 of the Listing Agreement

We, Ritesh Kumar Agarwal, Chief Executive Officer and I. Shiv Kumar, Chief Financial Officer, of M/s Rajvir Industries Limited hereby certify to the Board that:

- a) We have reviewed the financial statement and the cash flow statements for the year ended 31st March, 2013 and certify that to the best of our knowledge and belief;
 - I. these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading; and
 - II. these statements together present a true and fair view of the Company's Affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls in the Company and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies.
- d) We have indicated to the auditors and the Audit committee of:
 - (i) Significant changes in the internal control during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) There are no instances of significant fraud of which we have become aware.
- e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- f) We further declare that all Board Members and designated Senior Management have affirmed compliance with the Code of Conduct for the Current Year.

Ritesh Kumar Agarwal
Chief Executive Officer

I. Shiv Kumar
Chief Financial Officer

Place : Secunderabad
Date : 29.05.2013



Auditors Certificate on compliance of Corporate Governance

To
The Shareholders of
RAJVIR INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by **M/s RAJVIR INDUSTRIES LIMITED**, for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of said Company with Stock Exchanges.

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

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievances Committee.

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

For S. DAGA & CO.
Chartered Accountants
(F.No.000669S)

T.V. Subba Rao
Partner
Membership No.: 9636
Place: Hyderabad
Date : 30.05.2013

Financial section



Independent Auditors' Report

To The Members of
RAJVIR INDUSTRIES LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of RAJVIR INDUSTRIES LTD (the "Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

For S.DAGA & CO.

Chartered Accountants
(F.No.000669S)

T.V. Subba Rao

Partner
Membership No.: 9636

Place: Hyderabad
Date : 30.05.2013

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Annexure to Auditors' Report

(Annexure referred to in Point 1 of Other Legal and Regulatory Requirements of the Report of the Auditors)

1. a) The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets;
b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable looking to the size of the company and the nature of its business. According to the information and explanations given to us, discrepancies noticed on physical verification have been properly dealt with in the books of account;
c) In our opinion, and to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the company during the year.
2. a) The inventory has been physically verified during the year by the management except the stock lying with the third party (consignment agent). In our opinion, the frequency of verification is reasonable.
b) The procedures of physical verification of inventories followed by management are reasonable and adequate in relation to the size of the company and nature of its business.
c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a) The Company had not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
b) In view of our comment in paragraph 3(a) above, reporting under clause 4(iii)(b), (c) & (d) of the aforesaid order are not applicable to the Company.
c) During the period, the company had taken unsecured loans from eight parties (previous year: eight parties) covered in the register maintained under section 301 of Companies Act, 1956 and the maximum amount involved during the period was ₹417.73 lakhs (Pr. year ₹1034.38 lakhs) and the period end balance is ₹102.43 lakhs (Pr. year ₹353.50 lakhs).
d) In our opinion the rate of interest and other terms and conditions on which loans have been taken from the companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets with regard to the sale of goods and services. Further, on the basis of our examination of the books and record of the company, and according to the information and explanations give to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
5. a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provision of Sec 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies(Acceptances of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
7. On the basis of internal audit reports broadly reviewed by us, we are of the opinion that the internal audit work carried out by an Independent Chartered Accountant appointed by management is commensurate with the size and nature of business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that the prima facie the prescribed accounts and records have been made and maintained.
9. a) According to the information and explanations given to us,



and on the basis of our examination of the books of account, the company has been regular except in few cases in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Investor Education and Protection Fund and any other material statutory dues applicable to it.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March 2013 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no disputed statutory dues as at the year end.
10. The company does not have any accumulated losses at the end of financial year and has not incurred cash losses in the current financial year and in the immediately preceeding financial year.
11. The company has delayed in making payment of dues to banks for a short period of 2-3 months during the year. The balance overdue to the banks at the close of the year towards principal of ₹381.53 lakhs and Interest of ₹125.61 lakhs, of which principal arrears was paid in full and part of interest of ₹6.19 lakhs is unpaid on the date of reporting.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
13. The company is not a chit fund, nidhi mutual benefit fund or a society. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
14. According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of

the Companies (Auditor's Report) Order, 2003 are not applicable.

15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
16. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the records of the Company, we report that no funds raised on short-term basis have been used for long term investment by the company.
18. According to the information and explanation given to us, the company has made preferential allotment of preference shares to parties covered in the register maintained under section 301 of the Act. In our opinion, the price at which preference shares have been issued is not prejudicial to the interest of the company.
19. The Company has not issued any fresh Debentures during the year. The company has created security in respect of debentures issued.
20. The Company has not raised money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. 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 give to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management. We have been informed that the allegation of misrepresentation by management in respect of subsidy under TUFS withdrawn in the preceeding year, which has been disputed by the company, is pending with investigating agency. The company expects no further liability beyond the amount refunded and reported in preceeding financial year.

For S.DAGA & CO.

Chartered Accountants
(F.No.000669S)

T.V. Subba Rao

Partner
Membership No.: 9636

Place: Hyderabad
Date : 30.05.2013

Balance Sheet as at 31st March, 2013

₹ in lakhs

	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUNDS			
Share capital	2.1	1,253.50	953.50
Reserves and surplus	2.2	4,544.05	4,096.36
		5,797.55	5,049.86
NON-CURRENT LIABILITIES			
Long-term borrowings	2.3	5,060.31	7,023.20
Deferred tax liabilities (net)	2.4	1,268.82	1,198.42
Other long-term liabilities	2.5	3,637.99	2,738.47
Long-term provisions	2.6	44.51	33.49
		10,011.63	10,993.58
CURRENT LIABILITIES			
Short-term borrowings	2.7	6,838.36	7,085.90
Trade payables	2.8	4,576.46	3,611.08
Other current liabilities	2.9	4,129.41	3,859.47
Short-term provisions	2.10	52.90	4.25
		15,597.13	14,560.70
TOTAL		31,406.31	30,604.14
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	2.11	16,865.43	17,847.66
Capital work-in-progress		20.20	16.04
		16,885.63	17,863.70
Long-term loans and advances	2.12	829.22	769.38
		17,714.85	18,633.08
CURRENT ASSETS			
Inventories	2.13	9,009.69	8,171.06
Trade Receivables	2.14	2,255.34	1,859.54
Cash and Bank balances	2.15	560.84	692.22
Short-Term Loans and Advances	2.16	391.76	316.51
Other Current Assets	2.17	1,473.83	931.73
		13,691.46	11,971.06
TOTAL		31,406.31	30,604.14

Significant Accounting Policies & Notes on Financial Statements1 & 2

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

As per our report attached of even date

for **S. Daga & Co.,**
Chartered Accountants
(FR No.000669S)

(T. V. Subba Rao)
Partner
M. No. 9636

Place: Secunderabad
Date: 30th May, 2013

For and on behalf of the Board

U. K. Agarwal
Chairman

I. Shiv Kumar
Chief Financial Officer

K. C. Reddy
Director

A. Ramesh
Company Secretary



Statement of Profit and Loss for the year ended 31st March, 2013

₹ in lakhs

	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
INCOME			
Revenue from operations	2.18	28,839.69	30,175.98
Other income	2.19	286.74	249.75
TOTAL REVENUE		29,126.43	30,425.73
EXPENDITURE			
Cost of Materials Consumed	2.20	16,644.08	18,615.03
Purchases of Stock-in-trade	2.21	–	1,447.28
Changes in Inventories of Finished goods and work-in-process	2.22	(1,087.03)	(1,327.31)
Employee Benefits Expenses	2.23	2,451.28	2,253.37
Finance Costs	2.24	2,557.95	2,931.06
Depreciation / Amortisation	2.11	1,190.53	1,218.80
Other Expenses	2.25	6,851.53	5,568.16
TOTAL EXPENSES		28,608.33	30,706.39
Profit / (Loss) before tax and exceptional items		518.10	(280.66)
Exceptional items	2.26	–	860.18
Profit / (Loss) before tax		518.10	(1,140.84)
Tax Expense:			
Current tax (MAT)		103.66	–
Less : MAT credit entitlement		103.66	–
Net Current Tax		–	–
Deferred tax charge/(release)		70.40	(187.17)
TOTAL TAX EXPENSE		70.40	(187.17)
Profit / (Loss) for the year		447.70	(953.67)
Earnings per equity share(face value of ₹10/- per share)			
(a) Basic	(₹)	14.75	(31.42)
(b) Diluted	(₹)	14.75	(31.42)

Significant Accounting Policies & Notes on Financial Statements 1 & 2

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

As per our report attached of even date

for **S. Daga & Co.,**
Chartered Accountants
(FR No.000669S)

(T. V. Subba Rao)
Partner
M. No. 9636

Place: Secunderabad
Date: 30th May, 2013

For and on behalf of the Board

U. K. Agarwal
Chairman

I. Shiv Kumar
Chief Financial Officer

K. C. Reddy
Director

A. Ramesh
Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

₹ in lakhs

Particulars	31st March, 2013		31st March, 2012	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Net profit before tax & extraordinary items		518.10		(280.66)
Add: Depreciation	1,190.53		1,218.80	
Interest & Finance charges	2,557.95		2,931.06	
(Profit)/Loss on sale of fixed assets (net)	-		-	
Investments written off	-	3,748.48	-	4,149.86
Operating profit before working capital changes		4,266.58		3,869.20
Adjustments for working capital changes				
Sundry debtors	(395.80)		91.62	
Current liabilities	1,283.97		(489.48)	
Inventories	(838.63)		1,673.19	
Loans & Advances	(75.25)		179.27	
Other Current Assets	(542.10)		84.89	
Tax & Other provisions	(70.40)	(638.21)	-	1,539.49
Cash generated from Operations		3,628.37		5,408.69
Less: Interest & Finance charges		2,557.95		2,931.06
CASH FLOW BEFORE EXTRAORDINARY ITEMS		1,070.41		2,477.63
Less :Exceptional items		-		860.18
CASH FLOW FROM OPERATING ACTIVITIES		1,070.41		1,617.45
B. CASH FLOW FROM INVESTING ACTIVITIES				
Inflow: Sale of fixed assets		-		-
Outflow: Capital Work-in-Progress		(4.16)		(21.36)
: Acquisition of fixed assets		(208.30)		1,049.42
		(212.46)		1,028.06
C. CASH FLOW FROM FINANCING ACTIVITIES				
Inflow: Term loans received	-		-	
Increase in bank borrowings	(247.54)		(1,144.98)	
Other Long-term liabilities & Provisions	980.95		2,270.49	
Increase in Share Capital	300.00		650.00	
Increase in Pledge Loans	-		-	
Hire purchase loan	17.22		-	
Unsecured Loans	-		-	
		1,050.63		1,775.51
Outflow: Repayment of term loans	1,955.25		2,091.15	
Long-term loans & Advances	59.84		113.69	
Corporate Taxes	-		-	
Dividend Tax	-		-	
Dividends	-		-	
Hire Purchase Loans repaid	24.87	2,039.96	9.27	2,214.11
NET CASH FROM FINANCING ACTIVITIES		(989.33)		(438.61)
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)		(131.38)		150.78
ADD: CASH/CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		692.22		541.44
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR		560.84		692.22

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

As per our report attached of even date

For and on behalf of the Board

for S. Daga & Co.,
Chartered Accountants
(FR No.0006695)

U. K. Agarwal
Chairman

(T. V. Subba Rao)
Partner
M. No. 9636

I. Shiv Kumar
Chief Financial Officer

K. C. Reddy
Director

Place: Secunderabad
Date: 30th May, 2013

A. Ramesh
Company Secretary



Note No. 1

Significant Accounting Policies:

1.1 Basis for Preparation of Accounts:

The Accounts have been prepared by following the going concern concept, on historical cost convention, on an accrual basis and the relevant provisions of the Companies Act, 1956.

1.2 Revenue Recognition:

- Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customer.
- Revenue is recognized when it is earned and no significant uncertainty exists as to its Realization or collection.
- Income from services rendered is accounted as per contractual terms with the parties concerned.
- Dividend income is accounted for in the year in which it is declared.
- Export benefits under the duty remission scheme and the DEPB scheme are recognized as income when the right to receive the incentive as per the terms of the scheme is established in respect of the exports made.

1.3 Expenditure:

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

1.4 Fixed Assets:

- Fixed assets are stated at cost less accumulated depreciation and impairment loss if any, except for Plant & Machinery and other equipment which were revalued on 31.03.1993 and shown as a separate item.
- Depreciation has been provided on assets on Straight Line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- Depreciation on revalued part is transferred from Revaluation Reserve to Profit & Loss account.
- All costs, including financing costs till commencement of commercial production, net charges on Foreign exchange contracts and adjustments arising from exchange rate variations attributable to fixed assets are capitalized.

1.5 Inventories:

Inventories are valued as follows:

Raw Material	At lower of cost or net realisable value.
Work in process	At lower of cost or net realisable value.
Stores & Spares	At lower of cost or net realisable value.
Finished Goods (Yarn)	At lower of cost or net realisable value.

Cost of raw-material, stores & spares and packing material and trading goods is determined on Weighted Average basis.

Cost of Work in process includes costs of raw material, conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used is on FIFO basis.

Cost of yarn includes costs of raw material, conversion and other costs incurred in bringing the inventories to their present location and condition.

1.6 Employee Benefits:

The company has adopted Accounting Standard-15 (Revised 2005) 'Employee benefits'. The company has used the Projected unit credit method for arriving at gratuity liability.

i) Defined contribution schemes:

- Employee Provident Fund
- Family Pension Scheme
- Employee State Insurance Scheme
- Labour Welfare Fund

ii) Defined benefit Schemes:

- Gratuity plan – Gratuity is payable to all eligible employees of the Company in terms of the provisions of the Payment of Gratuity Act.
- Leave Encashment Plan – Eligible employees can carry forward and encash leave on superannuation death / resignation subject to maximum accumulation of 15 days.

1.7 Foreign Exchange Transactions:

- Foreign currency transactions are accounted at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities relating to Foreign currency transactions remaining unsettled at the end of the year are translated at the year end rate and the difference in translation and realized gains and losses on Foreign exchange transactions (other than for fixed assets) are recognized in the profit and loss account.
- Pursuant to adoption of the Companies (Accounting Standards) Rules, 2006 exchange differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed assets are recognized in the profit and loss account.

Note No. 1

Significant Accounting Policies:

- c) Any income or expense on account of exchange difference either on settlement or on translation is recognized as Revenue.
- d) In case of forward contracts, the exchange difference between the forward rate and the exchange rate at the date of transaction is recognized as income or expense over the life of the contract.

1.8 Derivative transactions

In respect of Derivative contracts, premium paid and provision for losses on restatement and gains/losses on settlement are recognized along with the underlying transactions and charged to Profit & Loss Account.

1.9 Taxes on Income

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

Deferred Tax assets and liabilities are recognized on timing differences between taxable income and accounting income, originating in one period and expected to reverse in subsequent periods.

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

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

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

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

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

1.10 Borrowing Costs:

Borrowing costs are recognized as expenses in the period in which they are incurred except for borrowings for acquisition of qualifying assets which are capitalized upto the date, the asset is ready for its intended use.

1.11 Government Grants:

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

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

1.12 Deferred Revenue Expenditure:

Deferred revenue expenditure, the benefit of which is accrued to the company over a period of time, is written off in 10 years.

1.13 Segment Reporting:

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

1.14 Leases:

The Company's significant leasing arrangements are in respect of Operating leases for premises like operational units, offices, residences etc. These leases which are not non-cancelable are generally for more than 11 months, or for longer period and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent to the Statement of Profit and Loss.

1.15 Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such an indication exists, then the carrying value is reduced to the higher of the net selling price or the value in use. The value in use is the present value of estimated future net income expected from use of the asset.

1.16 Provisions/Contingent Liabilities:

Provisions are recognized, when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an out flow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The disclosure is made for all present or possible obligations that may but probably will not require outflow of resources as contingent liability in the financial statements.



Note No. 2

Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	As at 31 March, 2013	As at 31 March, 2012
Note No. 2.1		
SHARE CAPITAL		
AUTHORISED		
45,00,000 (Previous Year 75,00,000) Equity Shares of ₹10 each	450.00	750.00
9,50,000 (Previous Year 6,50,000) 12% Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each	950.00	650.00
	1,400.00	1,400.00
ISSUED, SUBSCRIBED AND PAID UP:		
30,34,997 (Previous year 30,34,997) Equity shares of ₹10/- each fully paid.	303.50	303.50
9,50,000 (Previous Year. 650000) 12% Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each	950.00	650.00
Total	1,253.50	953.50

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

Particulars	No. of Shares	No. of Shares
Equity Shares		
At the beginning of the period	30,34,997	30,34,997
Issued during the period	–	–
Outstanding at the end of period	30,34,997	30,34,997
12% Redeemable Non-convertible cumulative Preference shares		
At the beginning of the period *	6,50,000	–
Issued during the period **	3,00,000	650,000
Outstanding at the end of period	9,50,000	6,50,000

b) Terms/rights attached to equity shares:

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

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

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

Entitled to receive dividend @ 12% per annum

* Redeemable after 13 years & 3 months (period extended from 5 years)

** Redeemable after 12 years & 3 months.

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

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

Particulars	As at 31 March, 2013	%	As at 31 March, 2012	%
Equity Shares				
U.K.Agarwal	1,64,628	5.42	1,64,628	5.42
Ritesh K Agarwal	4,41,164	14.5	4,41,164	14.5
U.K.Agarwal (Family Trust)	4,21,135	13.88	4,21,135	13.88
U.K.Agarwal (HUF)	2,85,439	9.41	2,85,439	9.41
Viraj Agarwal	2,82,911	9.32	2,82,911	9.32
Usha Agarwal	2,12,223	6.99	2,12,223	6.99
Arti Agarwal	1,64,568	5.4	1,64,568	5.4
12% Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each				
Ritesh K Agarwal	4,15,000	43.68	3,35,000	51.54
U.K.Agarwal	3,65,000	38.42	3,15,000	48.46
U.K.Agarwal (Family Trust)	1,00,000	10.53	–	–
U.K.Agarwal (HUF)	70,000	7.37	–	–

Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars		As at 31 March, 2013	As at 31 March, 2012
Note No. 2.2			
RESERVES AND SURPLUS			
RESERVES			
Capital reserve		46.76	46.76
Debenture Redemption Reserve			
Balance as per last balance sheet	958.57		853.57
Add: Transferred from surplus in Statement of Profit and Loss	–		105.00
		958.57	958.57
Revaluation reserve			
Balance as per last balance sheet	–		26.38
Less: Utilised for set off against depreciation	–		26.38
		–	–
General reserve			
Balance as per last balance sheet	1,038.84		1,038.84
Add: Transferred from surplus in Statement of Profit and Loss	–		–
		1,038.84	1,038.84
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS			
Balance as per last balance sheet	2,052.19		3,110.86
Add: Net Profit / (Loss) after Tax transferred from Statement of Profit and Loss	447.70		(953.67)
Balance available for Appropriations		2,499.89	2,157.19
APPROPRIATIONS			
Proposed Dividend		–	–
Dividend distribution Tax		–	–
Transferred to:			
General Reserve		–	–
Debenture Redemption Reserve		–	105.00
Total Appropriations		–	105.00
Net Surplus		2,499.89	2,052.19
TOTAL RESERVES & SURPLUS		4,544.05	4,096.36
Note No. 2.2A			
Capital reserve represents capital subsidy received from Central Government		46.76	46.76



Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	Non-current Portion		Current Maturities	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Note No. 2.3				
LONG-TERM BORROWINGS				
SECURED				
Debentures				
9%, 41,429(Previous year 41,429) Redeemable Non-convertible debentures of ₹100/- each		-		-
Term loans from Banks				
Loans from Banks	3,504.04	5,036.54	1,939.64	2,539.89
Hire Purchase Loans - Banks	16.90	20.46	18.88	23.42
UNSECURED				
From Directors	6.95	111.77		
Loans from related parties	91.84	236.50		
Others	670.24	755.83		
Deferred payment liabilities - Sales Tax	770.34	862.10	119.69	43.26
	5,060.31	7,023.20	2,078.22	2,606.57
Amount disclosed under the head "Other Current Liabilities" (Note No. 2.9)	-	-	2,078.22	2,606.57
TOTAL	5,060.31	7,023.20	-	-

- (1) The 9% redeemable non convertible debentures are secured by mortgage of present and future movable & immovable properties situated at Mahaboobnagar unit on pari-passu basis and guaranteed by one director of the Company. The debentures are redeemable in ten quarterly installments starting from 1st January, 2010 onwards as per reschedulement permitted by IDBI bank.
- (2) Industrial Development of India and State Bank of India Term Loans are secured by mortgage of present and future movable and immovable assets of the company situated at Mahaboobnagar unit on Pari Passu basis and guaranteed by one Director of the Company.
- (3) State Bank of Hyderabad and State Bank of Bikaner & Jaipur Term Loans are secured by mortgage of present and future movable and immovable assets of the company situated at Tandur unit on Pari Passu basis and guaranteed by one Director of the Company.
- (4) Term Loans from Axis Bank Ltd are secured by mortgage of present and future movable and immovable assets of the company situated at Tandur Unit on Pari Passu basis and second Pari Passu charge on entire fixed assets of Mahaboobnagar Unit of the Company both present and future and guaranteed by two Directors of the Company.
- (5) Term Loan of ICICI Bank Ltd is secured on Pari Passu basis of factory land & buildings of Mahaboobnagar Unit present and future, and factory land and buildings of dyeing plant at Yedira Village of Mahaboobnagar district and second Pari Passu charge on fixed assets of Tandur Unit.
- (6) Working Capital Term Loan from Central Bank of India is secured by Pari Passu second charge on fixed assets of both Tandur & Mahaboobnagar Units and personal guarantee of two Directors of the Company.
- (7) Car Loans are succored by Hypothecation of respective assets and guaranteed by one director of the company.
- (8) Current maturities of Term Loans include ₹381.53 lakhs installments over due as on the date of Balance Sheet which has since been paid by the Company

Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	As at 31 March, 2013	As at 31 March, 2012
Note No. 2.4		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liabilities		
Depreciation	1,627.05	1,517.38
On Others	31.01	31.01
Total	1,658.06	1,548.39
Deferred Tax Asset		
On Others	389.24	349.97
Total	389.24	349.97
Net Deferred Tax (Liability)	1,268.82	1,198.42
Note No. 2.5		
OTHER LONG-TERM LIABILITIES		
Trade Payables:	3,469.48	2,681.17
Others	168.51	57.30
Total	3,637.99	2,738.47
Note No. 2.6		
LONG-TERM PROVISIONS		
Provision for gratuity	43.46	32.72
Provision for Leave Encashment	1.05	0.77
Total	44.51	33.49
Note No. 2.7		
SHORT-TERM BORROWINGS		
From Banks - Secured	6,688.36	6,935.90
Fixed Deposits from Public- Unsecured	150.00	150.00
Total	6,838.36	7,085.90
All Working Capital Loans, are secured by hypothecation of stocks of raw materials, yarn, stock-in-process, stores and spares, book debts and Second Charge on the present and future immovable properties of the company on pari-passu basis and further guaranteed by two directors of the Company.		
Note No. 2.8		
TRADE PAYABLES		
Other than MSMED Enterprises		
Raw Materials	3,799.07	3,060.04
Others	777.39	551.04
Total	4,576.45	3,611.08



Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	As at 31 March, 2013	As at 31 March, 2012
Note No. 2.8 A		
The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:-		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
	-	-

Note No. 2.9

OTHER CURRENT LIABILITIES

Current maturities of long-term debts (Ref Note No. 2.3)

Debentures - Secured	41.43	41.43
Term loans - From banks Secured	1,958.53	2,563.31
Deferred Payment Liabilities - Sales Tax	119.69	43.26
Interest accrued but not due on Term Loans	74.24	103.62
Interest accrued and due on Term loans	125.61	148.54
Unclaimed Dividends	6.54	7.37
Liabilities for expenses	692.23	601.69
Other payables		
Advances from customers	1,107.50	303.93
Interest accrued on Unsecured Loans	3.64	46.32
Total	4,129.41	3,859.47

Unclaimed dividends do not include any amounts, due and outstanding, to be credited to investor education and protection fund.

Current maturities of Interest on Term Loans from Banks include ₹125.61 lakhs over due as on the date of Balance Sheet, of which since paid ₹119.42 lakhs

Note No. 2.10

SHORT-TERM PROVISIONS

Provision for employee benefits:

Provision for payment of gratuity	3.91	3.64
Provision for Leave encashment	0.72	0.61
Provision for Others:		
Provision for tax (net of taxes paid)	48.28	-
Total	52.90	4.25

Notes on Financial Statements for the year ended 31st March, 2013

Note No. 2.11

FIXED ASSETS

TANGIBLE ASSETS

₹ in lakhs

Tangible assets	Gross Block				Depreciation / Amortisation				Net Block	
	Balance as at 1 April, 2012	Additions	Disposals	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
Freehold Land	147.88	–	–	147.88	–	–	–	–	147.88	147.88
Buildings	5,544.31	6.99	–	5,551.30	805.38	163.49	–	968.87	4,582.43	4,738.93
Plant and Machinery	19,297.19	179.51	3.49	19,473.20	6,573.48	989.37	1.55	7,561.30	11,911.90	12,723.71
Furniture and Fixtures	51.55	1.00	–	52.55	27.67	2.29	–	29.96	22.58	23.88
Office Equipment	118.34	7.73	–	126.07	65.87	11.40	–	77.27	48.80	52.47
Vehicles	254.27	23.18	16.27	261.18	93.48	23.98	8.11	109.35	151.83	160.79
Revalued Plant & machinery	533.38	–	–	533.38	533.38	–	–	533.38	–	–
	25,946.92	218.41	19.76	26,145.56	8,099.26	1,190.53	9.65	9,280.14	16,865.43	17,847.66
Capital work in progress	16.04	222.57	218.41	20.20	–	–	–	–	20.20	16.04
Total	25,962.96	440.98	238.17	26,165.76	8,099.26	1,190.53	9.65	9,280.14	16,885.63	17,863.70
Previous year	24,934.90	2,077.48	1,049.52	25,962.86	6,584.08	1,245.18	–	8,099.26	17,863.70	18,080.84

₹ in lakhs

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Note No. 2.11A		
The revaluation of Plant & Machinery and other equipment was carried out by an approved valuer in March 1993 resulted in increase in the gross value of assets by ₹533.38 lakhs. The same was accounted on 31.03.1993, in fixed assets and corresponding credit to revaluation reserve to that extent. The depreciation on revalued assets for the period adjusted against the revaluation reserve.	–	26.38

Note No. 2.11B

Depreciation / Amortisation expenses – Revalued Machinery

Depreciation / amortisation for the year on tangible assets	1,190.53	1,245.18
Less: Utilised from revaluation reserve	–	26.38
Depreciation and amortisation for the year	1,190.53	1,218.80

Note No. 2.11C

A part of Land on which Dyeing Plant is located has been disputed by third party, pending disposal by Judicial Authorities

₹ in lakhs

Particulars	As at 31 March, 2013	As at 31 March, 2012
Note No. 2.12		
LONG-TERM LOANS AND ADVANCES (Unsecured Considered Good)		
Capital advances	53.95	53.80
Security deposits	773.81	663.36
Advance income tax (net of provisions)	–	50.76
CENVAT credit receivable	1.46	1.46
Total	829.22	769.38



Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	As at 31 March, 2013	As at 31 March, 2012
Note No. 2.13		
INVENTORIES		
Raw Materials	1,573.32	1,785.69
Work-in-process	2,071.53	1,614.80
Finished goods	4,818.87	4,184.91
Stores and Spares	533.96	569.99
Cotton Waste	12.01	15.67
Total	9,009.69	8,171.06

Note No. 2.13 A		
Raw Materials includes under pledge and custody with Banks	–	516.24

Note No. 2.14		
TRADE RECEIVABLES (Unsecured, Considered Good)		
Exceeding Six months	118.52	121.09
Others	2,136.82	1,738.45
Total	2,255.34	1,859.54

Note No. 2.15		
CASH AND BANK BALANCES		
Balances with Banks *	20.53	195.64
Cash on hand	53.98	9.03
Fixed Deposits with Banks **	486.33	487.55
Total	560.84	692.22

* Balances with Banks include unclaimed dividend of ₹6.54 Lakhs (previous year ₹7.37 lakhs) and balance in Exchange Earners Foreign Currency Account ₹2.41 Lakhs (previous year ₹1.48 lakhs)

** Fixed Deposits with Banks are under lien to Banks towards LC's, BG's & NCD's of ₹486.33 Lakhs of which ₹486.33 lakhs (previous year ₹487.55 lakhs) with maturity of more than 12 months.

Note No. 2.16		
SHORT-TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Advances to employees	6.78	10.68
Prepaid expenses	91.61	105.12
MAT Credit entitlement	103.66	–
Advances to suppliers	189.71	200.71
Total	391.76	316.51

Note No. 2.17		
OTHER CURRENT ASSETS		
Interest accrued	111.14	77.56
Incentives Receivable – Govt. of A.P.	879.55	468.79
Export Incentives Receivable	222.02	143.54
VAT Credit Receivable	261.12	241.84
Total	1,473.83	931.73

Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	Year ended 31 March, 2013	Year ended 31 March, 2012
Note No. 2.18		
REVENUE FROM OPERATIONS		
Sale of products	28,461.53	29,824.21
Other operating revenues	378.16	351.77
Total	28,839.69	30,175.98
Note:		
(i) Sale of products		
Manufactured goods		
Yarn	27,422.11	26,966.57
Waste	1,039.42	1,408.10
	28,461.53	28,374.67
Traded goods		
Cotton	-	1,449.54
	-	1,449.54
Total	28,461.53	29,824.21
(ii) Other operating revenues		
Duty drawback and other export incentives	335.39	351.77
Jobwork charges	42.76	-
Total	378.16	351.77
Note No. 2.19		
OTHER INCOME		
Interest income	94.52	82.02
Net gain on foreign currency transactions and translation	169.83	111.78
Insurance claims (net)	0.36	16.69
Other non-operating Income	22.03	39.26
Total	286.74	249.75
Note No. 2.20		
COST OF MATERIALS CONSUMED		
Opening stock	1,269.45	2,502.79
Add: Purchases	16,947.95	17,381.69
	18,217.40	19,884.48
Less: Closing stock	1,573.32	1,269.45
Cost of material consumed	16,644.08	18,615.03
Material consumed comprises:		
Cotton	11,157.82	13,151.12
Polyester staple Fibre	3,884.77	3,823.41
Viscose staple Fibre	1,601.49	1,640.50
Total	16,644.08	18,615.03



Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	Year ended 31 March, 2013	Year ended 31 March, 2012
Note No. 2.21		
PURCHASE OF TRADED GOODS		
Cotton	–	1,447.28
Total	–	1,447.28

Note No. 2.22		
CHANGE IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROCESS		
Opening Inventory		
Yarn	4,184.91	3,477.03
Work-in-process	1,614.80	1,003.67
Cotton waste	15.67	7.37
	5,815.38	4488.07
Closing Inventory		
Yarn	4,818.87	4,184.91
Work-in-process	2,071.53	1614.80
Cotton waste	12.01	15.67
	6,902.41	5815.38
Net (Increase) / Decrease	(1087.03)	(1327.31)

Note No. 2.23		
EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	2,132.26	1,968.19
Contributions to provident and other funds	95.76	90.81
Gratuity & Leave encashment	47.45	27.35
Staff welfare expenses	175.81	167.01
	2,451.28	2,253.37

Note No. 2.23 A

Employee Benefits

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

Defined Contributions:

Payments and provisions for employees include ₹88.84 lakhs (Previous Year ₹86.24 lakhs) recognised as expenses in respect of defined contribution plans.

Defined Benefit Plans:

Gratuity– Gratuity is payable to all the eligible employees of the Company on resignation, death, permanent disablement in terms of the Payment of Gratuity Act, 1972

Leave Encashment – Entitlement to 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.

Notes on Financial Statements for the year ended 31st March, 2013

Note No. 2.23 A (contd...)

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

₹ in lakhs

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
a) Change in Present Value of obligation				
Present value of obligation at beginning of period	36.35	28.94	1.38	0.71
Interest cost	2.91	2.31	0.11	0.06
Current Service cost	7.26	5.03	0.11	0.20
Benefits paid	(13.76)	(3.05)	(22.29)	(16.24)
Actuarial (gain) / Loss on obligation	14.61	3.12	22.45	16.65
Present value of obligation at the end of period	47.37	36.35	1.76	1.38
b) Amounts to be recognised in the balance sheet and statement of Profit & Loss				
Present value of obligation at end of period	47.37	36.35	1.76	1.38
Fair value of Plan Assets at end of period	-	-	-	-
Funded status	(47.37)	(36.35)	(1.76)	(1.38)
Unrecognised Actuarial Gain/(Loss)	-	-	-	-
Net Asset/(Liability) recognised in the Balance Sheet	(47.37)	(36.35)	(1.76)	(1.38)
c) Expense recognised in the statement of Profit & Loss				
Current service cost	7.26	5.03	0.11	0.20
Interest cost	2.91	2.31	0.11	0.06
Expected return on Plan asset	-	-	-	-
Net Actuarial (Gain)/Loss recognised for the period	14.61	3.12	22.45	16.65
Expense recognised in the statement of Profit & Loss	24.78	10.46	22.67	16.91
d) Movements in the Liability recognised in Balance sheet				
Opening Net liability	36.35	28.94	1.38	0.71
Expenses as above	24.78	10.46	22.67	16.91
Contribution paid	-	-	-	-
Benefits paid	(13.76)	(3.05)	(22.29)	(16.24)
Closing Net Liability	47.37	36.35	1.76	1.38
Assumptions:				
Mortality	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Discount rate	8%	8%	8%	8%
Rate of increase in compensation	4%	4%	4%	4%
Rate of return (expected) on plan assets	N.A.	N.A.	N.A.	N.A.
Attrition rate	10%	10%	10%	10%
Expected average remaining service of Employees in years	24.79	23.66	-	-

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



Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	Year ended 31 March, 2013	Year ended 31 March, 2012
Note No. 2.24		
FINANCE COST		
Interest expenditure		
Borrowings	2,063.13	2,446.29
Others	360.53	215.68
Bank charges	134.29	269.09
	2,557.95	2,931.06

Note No. 2.25		
OTHER EXPENSES		
Consumption of stores and Packing material	987.81	906.09
Power and fuel	3,515.91	2,456.03
Repairs to		
Buildings 24.78		28.62
Machinery 243.56		273.55
Others 46.17	314.51	40.57
Rent	34.85	42.52
Rates and taxes	58.58	57.94
Insurance	74.30	79.47
Freight and forwarding & other selling expenses	962.85	824.12
Professional charges	27.86	29.94
Travelling and conveyance	125.53	131.76
Vehicle maintenance	35.75	35.72
Sales commission	337.18	328.62
Miscellaneous Expenses	376.40	333.21
TOTAL	6,851.53	5,568.16

Note No. 2.26		
EXCEPTIONAL ITEMS		
The subsidy of interest under TUFs has been withdrawn by appropriate authorities effective from January 2006 amounting to ₹639.02 lakhs, pertaining to prior period and interest thereon of ₹221.16 lakhs. This has been disclosed under the head 'exceptional items'.	–	860.18
	–	860.18

Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31 March, 2013	31 March, 2012
Note No. 2.27		
Contingent Liabilities not provided for:		
a) Letters of credit	47.89	168.52
b) Bank Guarantees	1,711.97	2,111.97
c) In respect of Bills Discounted & outstanding	2,041.21	2,561.87
d) In respect of suits filed but not acknowledged as debt	26.80	26.80
e) Other commitments: Company remains exposed to liability towards fuel surcharge adjustment, which are notified by Power Distribution Companies of Andhra Pradesh pertaining to earlier years, which are being adjusted in future tariff payable for consumption. Accordingly charges are accounted in the year payment / bill raised for the same.		
f) There is an allegation against the company and its directors, which is still pending before investigation authorities, relating to withdrawals of TUFs, however the company has repaid back the entire demand and also reported in previous year Balance Sheet. The company expects no further liabilities.		

Note No. 2.28		
Capital Commitments		
For the amounts of Contracts remaining to be executed	–	8.70

Note No. 2.29		
Earning per share		
No of Equity Shares	30,34,997	30,34,997
Profit available to Equity Share Holders	447.70	(953.67)
Nominal per Equity share (₹)	10	10
Basic & Diluted Earning per share (₹)	14.75	(31.42)

Note No. 2.30		
Payments to Statutory Auditors towards		
Audit Fee	2.25	2.25
Fee for Audit under the Income-Tax Act, 1961	0.40	0.40
Fee for Certification and other services	1.40	0.75
Reimbursement of expenses	0.18	0.20
	4.23	3.60

Note No. 2.31	
The balance outstanding to the debit or credit in the accounts of parties are subject to confirmation and review by the company.	
	₹ in lakhs

Particulars	%	31 March, 2013	%	31 March, 2012
Note No. 2.32				
Value of Raw Materials Consumed				
Imported	9.03	1,502.35	12.69	2,362.38
Indigenous	90.97	15,141.73	87.31	16,252.65
	100.00	16,644.08	100.00	18,615.03
Note No. 2.33				
Value of Stores & Spares Consumed				
Imported	1.74	7.67	4.67	19.13
Indigenous	98.26	434.31	95.33	390.22
	100.00	441.98	100.00	409.35



Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31 March, 2013	31 March, 2012
Note No. 2.34		
i) CIF Value of Imports:		
Plant & Machinery	42.13	63.39
Raw Materials	1,208.24	1,682.01
Stores and Spares	6.47	18.80
ii) Expenditure in Foreign Currency		
Travelling Expenses	20.98	24.04
Commission	47.67	50.30

Note No. 2.35		
Earnings in Foreign Exchanges		
FOB Value of Exports	7,692.06	7,109.05

Note No. 2.36

The operations of the company predominantly comprises of "Manufacturing of yarn". 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..

SECONDARY (GEOGRAPHICAL) SEGMENTS

Revenue attributable to location of customers:

India	20,606.89	22,597.69
Asia	5,678.90	4,086.56
Europe	1,098.29	2,230.69
Africa	194.92	612.32
Rest of the World	882.53	296.95
	28,461.53	29,824.21

Note No. 2.37

RELATED PARTY TRANSACTIONS

NAMES OF ASSOCIATES FIRMS

M/s Balaji Enterprises

M/s Sri Laxmi Enterprises

U. K. Agarwal (Family Trust)

U. K. Agarwal (HUF)

M/s U. K. Cotton Exports

NAMES OF KEY MANAGEMENT PERSONNEL

Sri U. K. Agarwal

Sri Ritesh K. Agarwal

NAMES OF RELATIVES OF KEY MANAGEMENT PERSONNEL

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

Notes on Financial Statements for the year ended 31st March, 2013

Note No. 2.37 (contd...)

₹ in lakhs

Name of the Transaction	Associates		Key Management Personnel		Relatives		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Purchase of Goods								
Sri Laxmi Enterprises	1,065.96	4,000.23	-	-	-	-	1,065.96	4,000.23
Rent Paid								
Balaji Enterprises	9.60	9.60	-	-	-	-	9.60	9.60
Remuneration Paid to Directors	-	-	59.89	69.53	-	-	59.89	69.53
Sri U. K. Agarwal	-	-	32.96	36.71	-	-	32.96	36.71
Sri Ritesh K Agarwal	-	-	26.93	32.82	-	-	26.93	32.82
Loans Received	-	-	5.97	145.46	10.00	35.70	15.97	181.16
Sri U. K. Agarwal	-	-	2.67	78.04	-	-	2.67	78.04
Sri Ritesh K Agarwal	-	-	3.30	67.42	-	-	3.30	67.42
Arti Agarwal	-	-	-	-	10.00	14.75	10.00	14.75
Neysa Agarwal	-	-	-	-	-	1.15	-	1.15
Usha Agarwal	-	-	-	-	-	8.50	-	8.50
Viraj Agarwal	-	-	-	-	-	11.30	-	11.30
U. K. Agarwal (Family Trust)	-	17.50	-	-	-	-	-	17.50
U. K. Agarwal (HUF)	-	11.40	-	-	-	-	-	11.40
Loans Paid	171.80	-	140.46	694.59	10.71	116.25	322.97	810.84
Sri U. K. Agarwal	-	-	57.16	354.59	-	-	57.16	354.59
Sri Ritesh K Agarwal	-	-	83.30	340.00	-	-	83.30	340.00
Arti Agarwal	-	-	-	-	9.58	60.00	9.58	60.00
Usha Agarwal	-	-	-	-	1.13	56.25	1.13	56.25
U. K. Agarwal (Family Trust)	101.80	-	-	-	-	-	101.80	-
U. K. Agarwal (HUF)	70.00	-	-	-	-	-	70.00	-
Interest Paid	8.85	11.91	6.97	33.52	7.01	12.59	22.83	58.02
Sri U. K. Agarwal	-	-	2.94	15.39	-	-	2.94	15.39
Sri Ritesh K Agarwal	-	-	4.03	18.13	-	-	4.03	18.13
Arti Agarwal	-	-	-	-	1.35	4.19	1.35	4.19
Usha Agarwal	-	-	-	-	0.55	4.12	0.55	4.12
Viraj Agarwal	-	-	-	-	4.90	4.13	4.90	4.13
Neysya Agarwal	-	-	-	-	0.21	0.15	0.21	0.15
U. K. Agarwal (Family Trust)	5.04	6.87	-	-	-	-	5.04	6.87
U. K. Agarwal (HUF)	3.81	5.04	-	-	-	-	3.81	5.04
Balances as on 31.03.2013:								
Creditors								
Sri Laxmi Enterprises	1,151.77	1,019.47	-	-	-	-	1,151.77	1,019.47
Balaji Enterprises	13.93	6.90	-	-	-	-	13.93	6.90
U.K.Cotton Exports	9.81	9.95	-	-	-	-	9.81	9.95
Loans (Cr)								
Sri U. K. Agarwal	-	-	4.58	56.43	-	-	4.58	56.43
Sri Ritesh K Agarwal	-	-	2.91	79.28	-	-	2.91	79.28
Arti Agarwal	-	-	-	-	12.89	11.32	12.89	11.32
Neysa Agarwal	-	-	-	-	2.82	2.63	2.82	2.63
Usha Agarwal	-	-	-	-	6.25	6.94	6.25	6.94
Viraj Agarwal	-	-	-	-	64.50	60.10	64.50	60.10
U. K. Agarwal (Family Trust)	2.18	99.47	-	-	-	-	2.18	99.47
U. K. Agarwal (HUF)	6.28	72.87	-	-	-	-	6.28	72.87



Notes on Financial Statements for the year ended 31st March, 2013

₹ in lakhs

Particulars	31 March, 2013	31 March, 2012
Note No. 2.38		
Stock of finished goods includes stocks lying with consignment agents	732.47	216.50

₹ in lakhs

Particulars	Sales Values		Closing Inventory	Opening Inventory
	2012-13	2011-12	31.03.2013	1.04.2012
Note No. 2.39				
Particulars of Sales, Closing & Opening Inventory				
Manufactured Items				
Yarn	27,422.11	26,966.57	4,818.87	4,184.91
Waste	1,039.42	1,408.10	12.01	15.67
	28,461.53	28,374.67	4,830.88	4,200.58
Traded Goods				
Cotton	–	1,437.92	–	–
Others	–	11.62	–	–
	–	1449.54	–	–

Note No. 2.40

The Company has prepared these financial statements as per the format prescribed by Revised Schedule VI to the Companies Act, 1956 ("the schedule") issued by Ministry of Corporate Affairs. Previous period's figures have been recast / restated to confirm to the classification required by the revised Schedule VI.

As per our report attached of even date

for S. Daga & Co.,
Chartered Accountants
(FR No.000669S)

(T. V. Subba Rao)
Partner
M. No. 9636

Place: Secunderabad
Date: 30th May, 2013

For and on behalf of the Board

U. K. Agarwal
Chairman

I. Shiv Kumar
Chief Financial Officer

K. C. Reddy
Director

A. Ramesh
Company Secretary

Dear Shareholder,

Re: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance: (Circular No.17/2011 dated 21.04.2011 and Circular No.18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode.

Your company welcomes this move and strongly recommends to all the shareholders to opt for this type of communication. This will also ensure prompt receipt and avoid loss of paper-documents in transit. Some of the shareholders have already registered their e-mail addresses. There are many shareholders who have not yet registered their e-mail addresses.

Keeping in view the underlying theme members are requested to support green initiative by registering/updating their email id address in respect of shares held in dematerialisation form with respective Depository Participants (DP's) and in respect of shares held in physical form update with our registrar (RTA's) by sending email to :xlfield@rediffmail.com or send requests to M/s XL Softech Systems Limited, 3, Sagar Society, Road no.2, Banjara Hills, Hyderabad – 500 034, along with Folio Number

For Rajvir Industries Limited

Atluri Ramesh

Company Secretary

Note: As a member you are entitled to receive communications in physical form upon written request to the company.



E-Mail ID for receiving the documents through Electronic Mode

I/We do hereby authorize, M/s Rajvir Industries Limited to send the documents to me on the below mentioned e-mail ID in accordance with the Circular No.17/2011 dated 21.04.2011 and Circular No.18/2011 dated 29.04.2011 issued by the MCA.

1. Folio No./DP ID and Client ID :
2. Name of the sole/joint holder :
3. E-mail ID :

.....
Signature of the Member

National ECS/Electronic Clearing Service (ECS) for payment of Dividend

To

The Shareholders

M/s. Rajvir Industries Limited

The Company has introduced NECS/ Electronic Clearing Service (ECS) for payment of dividend. This would facilitate the shareholders to obtain the dividend electronically and the payment would consequently be faster and loss of dividend instrument in postal transit would be eliminated. Under this method, the Company would issue payment instructions to the Clearing House of Reserve Bank of India through the Bankers of the Company. The Clearing House would furnish to the service branches of the destination banks branch wise credit reports indicating the beneficiary details such as names of the branches where the accounts are maintained, the names of the beneficiaries, account type, account numbers and the respective amounts. The service branch in turn would pass the advices to the concerned branches of their bank, which would credit the beneficiary's accounts on the appointed date. An advice of remittance would be sent by the Company to the shareholders opting for electronic transfer.

Considering the benefits derived in NECS/ECS for payment of dividend, shareholders are advised to avail this facility. Securities and Exchange Board of India and the Ministry of Company Affairs, Government of India, have made it mandatory on the part of the companies to offer NECS/ECS facility, wherever the said facility is available.

Presently NECS/ECS facility is available at 15 centers of the Reserve Bank of India viz., Ahmedabad, Bangalore, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Pune and Thiruvananthapuram. This facility is available only for payment up to a maximum amount of ₹5 lakhs.

Shareholders holding shares in physical form wishing to participate in this scheme may please fill in the NECS/ECS Mandate Form printed overleaf in eligible English, sign and return the same to the Company/Registrar and Share Transfer Agent. Please note that the information provided by you should be accurate and complete in all respects and duly certified by your bankers. In lieu of the bank certification, you may attach a blank cancelled cheque or a photocopy of a cheque for verification of the particulars provided by you in the NECS/ECS Mandate Form.

The shareholders holding shares in electronic form in the depository system are requested to forward the NECS/ECS particulars to their depository participant for incorporation in their records. The depository would forward the required information to the Company at the time of payment of Dividend in a future date as and when declared/approved.

In case you require any clarification/assistance, please feel free to contact the Company.

For Rajvir Industries Limited

Atluri Ramesh

Company Secretary

Electronic Clearing Services (ECS) Mandate Form for payment of Dividend

To

M/s. XL Softech Systems Limited

3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500034

Phones: 040-23545913/14/15, Fax: 040-23553214

Email: xlfield@rediffmail.com, Website: www.xlsoftech.com

(UNIT: Rajvir Industries Limited)

Shareholder's authorisation to receive dividends through Electronic Credit Clearing Mechanism

Registered Folio No.

ECS Ref. No.

(for Office use only)

Name of the First/Sole shareholder

Name of the Bank

Branch Address & Telephone No. of Branch

9 Digit code number of the Bank and Branch appearing on the MICR cheques issued by the Bank. (Please attach a blank cancelled cheque or a photo copy of a cheque issued to you by your bank for verification of the above particulars)

Account Type (Please tick the option)

Saving ()

Current ()

Account Number

(as appearing on the cheque book)

Bank account Ledger Folio No. (if any)

Effective date of this mandate

I hereby declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to complete or incorrect information, I will not hold M/s. Rajvir Industries Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place:

Date:

(Signature of the holder)

Notes:

In case of shareholders holding shares in demat form, the NECS/ECS Form be sent to their respective depository Participant(s) with whom the account is maintained.

Banker's Certification

Certified that the particulars furnished above are correct as per our records.

Banker's Seal

Date:

Signature of the Authorised Official of the Bank



Rajvir Industries Limited

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

ATTENDANCE SLIP

9th Annual General Meeting dated **30th September 2013 at 3.30 P.M at Lotus Hall, 1st Floor, Country Club, 6-3-1219, Begumpet, Hyderabad-500016**. Please complete this attendance slip and hand it over at the entrance of the meeting Hall.

DP ID NO.* FOLIO NO.

CLIENT ID NO.*

NO. OF SHARES HELD

Name:

I hereby record my presence at the 9th Annual General Meeting dated 30th September 2013 at 3.30 P.M

Signature of the Member or the Proxy attending the Meeting

Applicable for investors holding shares in electronic form

If Member, please sign here. If Proxy please sign here.



Rajvir Industries Limited

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

PROXY FORM

DP ID NO.* FOLIO NO.

CLIENT ID NO.*

NO. OF SHARES HELD

I/We of

.....being a member /members

of Rajvir Industries Limited hereby appoint

of or failing him.....

..... of

as my/our proxy to attend and vote on my/our behalf on the 9th Annual General Meeting dated 30th September 2013 at 3.30 PM or at any adjournment thereof.

Signed on this day of 2013

Signature

Affix
Re.1/-
Revenue
Stamp

Note: 1. The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting

2. A proxy need not be a member

* Applicable for investors holding shares in electronic form.

BOOK POST
Printed Matter



If undelivered, please return to :

RAJVIR INDUSTRIES LIMITED

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

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

www.rajvirindustrieslimited.com | Email: rajvir@rajvirindustrieslimited.com