



STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs except per share data)

S.No.	Particulars	Quarter Ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Un-Audited			Audited	
		1	2	3	1	2
1	a. Revenue from operations	586.04	766.72	1259.49	3393.96	5787.73
	b. Other Income	-40.97	2.37	2.99	156.43	25.61
	Total Revenue (a+b)	545.07	769.09	1262.48	3550.39	5813.34
2	Expenses					
	(a) Cost of materials consumed	276.38	369.04	729.99	1,692.12	2919.61
	(b) Purchase of stock-in-trade	-	-	-	-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	337.51	-17.82	316.86	406.70	1846.11
	(d) Employee benefits expense	171.10	199.01	258.42	871.62	1124.52
	(e) Finance costs	460.94	442.70	359.41	1770.24	1688.47
	(f) Depreciation and amortisation expense	64.99	64.99	69.76	260.17	279.42
	(g) Other Expenses	368.82	258.99	391.80	1292.90	1592.65
	Total Expenses	1679.74	1316.91	2126.24	6293.75	9450.78
3	Profit before exceptional and extraordinary items and tax (1-2)	(1,134.67)	(547.82)	(863.76)	(2,743.36)	(3,637.44)
4	Exceptional items	-	-	-	-	-
5	Profit before extraordinary items and tax (3-4)	(1,134.67)	(547.82)	(863.76)	(2,743.36)	(3,637.44)
6	Extraordinary items	(188.76)	-	-	(188.76)	-
7	Profit before tax (5-6)	(945.91)	(547.82)	(863.76)	(2,554.60)	(3,637.44)
8	Tax expense					
	(i) Current tax	-	-	-	-	-
	(ii) Deferred tax	11.94	202.54	28.56	393.47	70.46
9	Net Profit / (Loss) from continuing operations for the period (7-8)	(957.85)	(750.36)	(892.32)	(2,948.07)	(3,707.90)
10	Profit/(loss) from discontinuing operations	(70.87)	(72.61)	(70.83)	(291.12)	(299.48)
11	Tax expenses/(income) of discontinuing operations	(7.39)	48.54	3.40	44.85	5.80
12	Net Profit / (Loss) from discontinuing operations for the period (10-11)	(63.48)	(121.15)	(67.43)	(335.97)	(305.28)
13	Net profit/(loss) for the period (9+12)	(1,021.33)	(871.51)	(959.75)	(3,284.04)	(4,013.18)
14	Other Comprehensive Income					
	(i) (a) Items that will not be reclassified to profit or loss	13.05	(1.15)	5.80	9.60	(4.59)
	(b) Tax on items that will not be reclassified to profit or loss	(3.40)	0.37	(1.51)	(2.50)	1.19
	(ii) (a) Items that will be reclassified to profit or loss	-	-	-	-	-
	(b) Tax on items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income/(loss) net of tax	9.65	(0.78)	4.29	7.10	(3.40)
15	Total Comprehensive Income for the period (13+14)	(1,011.68)	(872.29)	(955.46)	(3,276.94)	(4,016.58)
16	Paid-up equity share capital (Face Value of Rs.10/- each)	399.49	399.49	399.49	399.49	399.49
17	Other Equity excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-
18.i	Earnings Per Share (for continuing operations) (of Rs.10/- each) (not annualised):					
	(a) Basic					
	(b) Diluted	(23.98)	(18.78)	(22.34)	(73.80)	(92.82)
18.ii	Earnings Per Share (for continuing and discontinuing operations) (of Rs.10/- each) (not annualised):					
	(a) Basic	(25.32)	(21.84)	(23.92)	(82.03)	(100.54)
	(b) Diluted					



Balance Sheet		₹ In Lakhs	
	Particulars	As at 31.03.2020	As at 31.03.2019
I	ASSETS		
1	Non-Current Assets		
	a) Property, Plant and Equipment	2,833.69	3,091.15
	b) Capital work - in - progress	-	-
	c) Intangible assets	-	-
	d) Loans	402.83	425.78
	e) Other Financial Assets	-	-
	f) Deferred tax asset (Net)	641.62	1,082.45
	g) Other Non-current Assets	52.44	52.16
	Total of Non - Current Assets	3930.58	4651.54
2	Current Assets		
	(a) Inventories	1441.46	1933.27
	(b) Financial Assets		
	(i) Trade Receivables	296.00	405.91
	(ii) Cash and cash equivalents	54.89	81.98
	(iii) Bank balances other than Cash	-	-
	(iv) Loans	-	-
	(v) Other financial assets	53.68	75.74
	(c) Current tax assets (net)	31.07	29.80
	(d) Other Current Assets	474.60	471.47
	Total of Current Assets	2351.70	2998.17
	Assets Classified as held for sale and Discontinued Operations	11782.06	11782.06
	Total Assets	18064.34	19431.77
II	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	399.49	399.49
	(b) Other equity	(9763.41)	(6486.49)
	Total Equity	(9363.92)	(6087.00)
2	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	5087.43	6779.65
	(ii) Other financial liabilities	460.86	460.55
	(b) Provisions	77.66	76.51
	(c) Deferred Tax Liabilities (Net)	-	-
	(d) Other non-current liabilities	-	-
	Total of Non - current Liabilities	5625.95	7316.71
3	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	5831.97	5831.97
	(ii) Trade Payables	2929.56	2844.31
	(iii) Other Current Financial Liabilities	8659.26	5428.11
	(b) Other Current Liabilities	1185.45	1178.12
	(c) Short-Term Provisions	96.45	90.40
	(d) Current Tax Liabilities	-	-
	Total of Current Liabilities	18702.69	15372.91
	Liabilities related to Assets held for sale	3099.62	2829.15
	Total Equity and Liabilities	18064.34	19431.77
Note:			
1) This above Statement has been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 31st July 2020.			
2) The Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.			
3) The figures of the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of full financial year upto March 31, 2020 and March 31, 2019 respectively and the unaudited published year to date figures upto December 31, 2019 and December 31, 2018 respectively, being the date of the end of the third quarter of the financial year. However, the management has exercised necessary due diligence to ensure that the unaudited financial results provide true and fair view of the company's affairs.			
4) Post the applicability of Goods and Service Tax (GST) with effect from July, 01, 2017, revenue from operations is disclosed net of GST.			
5) Discontinued Operations :			
(a) The company has presented the financials of Tandur Unit as discontinued operations. The transfer and sale of Tandur unit is subject to finding the buyer/investor and receipt of acceptable offer and is also subject to such other requisite approvals, consents and clearance from the Company's Bankers, Company's Shareholders and other Institutions or bodies and statutory authorities if and wherever necessary, and as may be required. The board and the Company remains committed to its plan to sell Tandur Unit which is disclosed as 'Assets held for sale and Discontinued Operation'.			
(b) The company has continuous support from the promoters and it has taken appropriate steps for cost reduction, which in the management would enable the company to generate sufficient profits in the foreseeable future. These financials statements have been prepared on going concern basis.			
6) "Assets held for sale and discontinued operations" includes Insurance claim receivable of Rs.740.09 lakhs, Interest subsidy under TUFs receivable of Rs.1288.86 lakhs which remains pending for acceptance at the close of the reporting period and Power Incentive receivable of Rs.740.09 lakhs, for which no provision is required to be made for impairment as the management is of view these financial assets are recoverable.			
7) Deferred Tax Assets on losses has not been created for the year as there is no virtual certainty that the company would have future taxable profit against which the unused tax losses and unused tax credits can be utilised.			
8) Extraordinary Item includes Compensation received from Revenue Division Officer Maahaboobnagar for compulsory acquisition of part of land admeasuring 1573 sq yards in the Second Quarter for the year. Accordingly the other income for this quarter has been adjusted.			
9) The Company had filed a Securitisation Application numbered as SA 528 of 2018 challenging the various action taken against the banker on sale of a part of land in the month of June 2019 adjusted against the borrowings not accounted in the books amounting to Rs.295 lakhs (as reported Form 26AS). Consequently it will impact the value Property Plant and Equipment, Retained Earnings, Deferred Tax, Loss for the year and Borrowings. The Company has also challenged the physical possession taken by bankers situated at Survey No. 385/AA, 386, 388/A, 388/A1, 388/A2, 388/AA, 388/E admeasuring about 26 Acres at Regadi Mailaram, Bomraspet Mandal, Mahaboobnagar.			
10) There is no impact of Ind AS 116 effective from 1st April 2019 as all the Lease agreements are valid upto 1 year and there are no long term lease agreements.			
11) The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In view of the lock down across the country due to COVID-19 pandemic, operations in factories were scaled down or shut down in compliance with the directives/ orders issued by the local Panchayat / Municipal Corporation / State / Central Government authorities. The Company has made initial assessment of its cash flow for the next one year and of the carrying values of its assets as at the balance sheet date and has concluded that there are no adjustments required in the financial results. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of financial results as on 31st March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from the estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.			
12) Previous period's / year's figures have been regrouped / rearranged wherever necessary.			
Place: SECUNDERABAD Date : 31 st July 2020		For RAJIV INDUSTRIES LIMITED  (RITESH KUMAR AGARWAL) MANAGING DIRECTOR	

Independent Auditors' Report

To
Board of Directors of
Rajvir Industries Limited.

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying statement of financial results of Rajvir Industries Limited ('the Company') for the year ended March 31, 2020 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid annual financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Ind-AS and other accounting principles generally accepted in India of the net loss including other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

Basis for Qualified Opinion

- (i) We draw attention to Note No. 5(b) to the financial results wherein the company has been incurring significant operational losses since earlier years, whereby the net worth of the company is completely eroded. We have not been able to corroborate the Management's contention regarding preparation of financial results of the company on going concern basis, notwithstanding the fact that the company continue to incur cash losses, its net worth has been fully eroded, defaulted in repayment of principle and interest to its lenders, loans have been called back by secured lenders, non-current assets are significantly impaired, current liabilities exceeded the total assets of the company, etc., this conditions



indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern. That appropriateness of assumption of going concern is critically dependent upon the company's ability to raise requisite finance/generate cash flows in future to meet its obligations.

- (ii) The attached financial results for which no provision for impairment of financial assets has been made by the company as per Ind AS 109 for Assets included under "Assets held for sale and discontinued operations" pertaining to Claim of refund of interest subsidy made under TUFS receivable of Rs. 1288.86 lakhs, Insurance claim receivable of Rs.337.87 lakhs accounted in earlier years pending acceptance by the Insurance company and Incentive receivable from Government of Telangana of Rs.740.09 lakhs pertaining to financial year 2013-14 to 2015-16 has not been recovered till the date of audit for which the management is of view that these financial assets are recoverable.
- (iii) During the year under audit, there was sale of land directly by the bankers of the company in the month of June 2019 amounting to Rs.295 lakhs as reported in Form 26AS, which according to company, the transfer of aforesaid property has been challenged and has filed a Securitisation Application numbered as S.A 528 of 2018 by the company and matter pending before Honourable Debt Recovery Tribunal – II, Hyderabad and is subject to final decree and judgement. The said application has also challenged the various unilateral and arbitrary action taken by the bankers. Had the sale of land was accounted in the financial statements, which according to information and explanation given to us, should have been accounted as sale of property resulting in gain on sale of Rs.252.48 lakhs, thereby the losses before tax would have been lower by Rs.252.48 lakhs, deferred tax asset lower by Rs.43.67 lakhs and corresponding retained earnings would have higher by Rs.208.81 lakhs, Property Plant and Equipment would have been lower by Rs.42.52 lakhs and Loans from banks would have been lower by Rs.295 lakhs. The Interest payable on outstanding loans due to bankers is accounted without considering the sale proceeds from sale of Land and thereby the finance cost would have been lower by Rs.26.54 lakhs, losses for the year would have been lower by Rs.26.54 lakhs and corresponding Loans would have been lower



by Rs.26.54 lakhs and Retained earnings would have been higher by Rs.26.54 lakhs.

- (iv) The financial results wherein the confirmation/reconciliations of balances of secured and unsecured loans, balances with banks, trade payable, trade receivable, other payable and loans and advances have not been received and are subjected to reconciliation, review and adjustment thereof;

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

Emphasis of Matter

We draw attention to -

Note No. 5 of the attached financial results wherein the Company continued to present the financials of Tandur unit as discontinued operations which is not in accordance with Ind AS 105 as the specified period of one year from date of classification is completed and there are no evidence for sale to be highly probable.

Note No.11 of the attached financial results, as regards to the management's evaluation of COVID – 19 impact on the future performance of the Company.

Our opinion is not qualified in respect of above matters.

Managements and Board of Directors Responsibilities for the Annual Financial Results



These annual financial results have been prepared on the basis of the financial statements.

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

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors Responsibilities for the Audit of the Annual Financial Results:

Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the



aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

Other Matters

The annual financial results include the results for the quarter ended March 31, 2020 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2020 and the published year-to-date figures up to December 31st 2019 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us.

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


(Manoj Kumar Bihani)
Partner
Membership No. 234629
ICAI UDIN – 20234629AAAABE8536

Place: Hyderabad
Date: 31.07.2020

