



**Spinning  
for the  
World with an  
Indian Soul**



**KanecaronPc**



**Rajvir Industries Limited**

**5<sup>th</sup> Annual Report 2008-2009**





Snap shot of New Compact Yarn Facility



# **Rajvir Industries Limited**

## **5<sup>th</sup> Annual Report 2008-2009**

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# Rajvir Industries Limited

## BOARD OF DIRECTORS

<b>Sri U.K Agarwal</b>	Chairman and Managing Director
<b>Sri Ritesh Kumar Agarwal</b>	Executive Director
<b>Sri Vijay Kumar Gupta</b>	Non - Executive Director
<b>Sri S.N.Daga</b>	Non - Executive Director
<b>Dr.K.J.Reddy</b>	Non - Executive Director

## General Manager (Finance)

Sri K. Ravi Kumar

## Company Secretary

Sri P. Surya Prakash

## 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  
The Bank of Rajasthan Limited

## Registered Office

1st Floor, Surya Towers  
105, Sardar Patel Road  
Secunderabad 500003  
Telephone : 040-66225555, 27845628, 27845650  
Fax : 040-27840656

## Factories

### 1) Mahabubnagar Plant

Pillallamarri Road  
Mahabub Nagar  
Andhra Pradesh-509002

### 2) Dyeing Plant

Edira Village  
Mahabubnagar Dist.  
Andhra Pradesh-509002

### 3) Tandur Plant

Gopan Pally Village  
Tandur Tahsil  
R R Dist.- Andhra Pradesh

## Sales Depot

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

## Registrar & Share Transfer Agent

M/s Sathguru Management Consultants Pvt. Ltd  
Plot No.15, Hindi Nagar, Behind Sai Baba Temple  
Panjagutta, Hyderabad - 500 034  
Tel. Nos.040-23356507, 23356975  
Fax No. 040-23354042  
Email : sta@sathguru.com



# Rajvir Industries Limited

## NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the Members of Rajvir Industries Limited will be held on Wednesday the 30th September 2009 at 3.00 P.M at Surana Udyog Hall, FAPCCI Premises, 11-6-841, Red Hills, Hyderabad-500004 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended 31st March 2009 alongwith the Auditors' Report & Directors' Report thereon.
2. To declare Dividend on the Equity Shares of the company for the year ended 31st March 2009
3. To appoint a Director in place of Sri Vijay Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint M/s. S.Daga & Co, Chartered Accountants as Auditors of the company to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

5. TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY 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 re-appointment of Sri U.K. Agarwal as Managing Director of the Company made by the Board of Directors in their meeting held on 23rd March, 2009 for a further period of five (5) years with effect from 1st April, 2009 to 31st March, 2014 on the following reduced and revised terms and conditions be and is hereby approved and ratified:

- I. 1. SALARY: Rs.1, 44,000/- 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 U.K.Agarwal shall be entitled to the following perquisites

### CATEGORY - A

- (I) HOUSING:  
Rent free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water, etc., or HRA to the extent of 30% of the salary.
- (ii) MEDICAL REIMBURSEMENT:  
Expenses incurred for self and his family subject to a ceiling of maximum Rs.12, 000/- per month.

### CATEGORY - B

- i) Contributions by the Company to Provident Fund as per the rules of the Company
- ii) Payment of gratuity subject to an amount equal to half month's salary for each completed year of service.

### II. Minimum Remuneration

In the event the company does not have profits or its profits are inadequate, Sri U.K.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.

"RESOLVED further that the Board of Directors be and are hereby authorized to alter or vary the terms and conditions of the said appointment so as not to exceed the limits specified in Schedule - XIII or other relevant provisions of the Companies Act, 1956 or any other amendments thereto, as may be agreed between the Board and Sri U.K.Agarwal".

6. TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY 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 re-appointment of Sri Ritesh K. Agarwal as Executive Director of the Company made by the Board of Directors in their meeting held on 23rd March, 2009 for a further period of five (5) years with effect from 1st April, 2009 to 31st March, 2014 on the following reduced & revised terms and conditions be and is hereby approved and ratified:

- I. 1. SALARY: Rs.1, 44,000/- 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.



# Rajvir Industries Limited

## 3. PERQUISITES:

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

### CATEGORY - A

#### (i) HOUSING:

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

#### (ii) MEDICAL REIMBURSEMENT:

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

### CATEGORY - B

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

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

## II. Minimum Remuneration

In the event the company does not have profits or its profits are inadequate, Sri Ritesh K. 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.

"RESOLVED further that the Board of Directors be and are hereby authorized to alter or vary the terms and conditions of the said appointment so as not to exceed the limits specified in Schedule - XIII or other relevant provisions of the Companies Act, 1956 or any other amendments thereto, as may be agreed between the Board and Sri Ritesh K. Agarwal".

BY ORDER OF THE BOARD  
For **RAJVIR INDUSTRIES LIMITED**

Place : Secunderabad  
Date : 27.07.2009

**P. Surya Prakash**  
COMPANY SECRETARY



# Rajvir Industries Limited

## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. **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.**
3. Members are requested to bring their attendance slip along with their copy of Annual Report at the time of attending the Annual General Meeting.
4. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio numbers in attendance slip for attending the meeting.
5. The Register of Members and Share transfer books will remain closed from 23-09-2009 to 30.09.2009 (both days inclusive) for determining the names of the Members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
6. The shares of the Company are listed in the Stock Exchanges of Bombay Stock Exchange Limited and National Stock Exchange of India Limited, and the listing fees was paid to Bombay Stock Exchange Limited and National Stock Exchange of India Limited upto 2009-2010.
7. Members are requested to notify immediately any change of address to their depository participants in respect of their holdings in electronic form and to Registrar and Share Transfer Agent, M/s. Sathguru Management and consultants (P) Ltd, Unit: Rajvir Industries Limited in respect of their physical folios, if any.
8. Members desiring any further information as regards the accounts or operations of the company are requested to write to the company so as to reach at least one week prior to the date of meeting for consideration of the management to discuss at the meeting.

## **Explanatory Statement pursuant to Section 173(2) of the companies Act 1956**

### **Item No.5**

Keeping in view, Sri U.K.Agarwal's contribution to the Company, the Board of Directors in their meeting held on 23rd March, 2009 approved re-appointment of Sri U.K. Agarwal as Managing Director for a further period of five (5) years w.e.f. 1st April, 2009 to 31st March, 2014 on the revised terms and conditions in compliance with Section 269 read with Schedule xiii of the Companies Act, 1956 subject to approval of Members of the Company.

The Remuneration Committee at its meeting held on 23rd March, 2009 has approved the remuneration payable to Sri U.K.Agarwal.

The Directors recommend the resolution at Item No.5 for approval of the Members.

None of the Directors, except Sri U K Agarwal, Managing Director and Sri Ritesh K Agarwal, Executive Director being relatives, are interested in said resolution.

### **Item Nos.6**

Keeping in view, Sri Ritesh K.Agarwal ability to building up a competent team of Management and his contribution to the Company, the Board of Directors in their meeting held on 23rd March, 2009 approved re-appointment of Sri Ritesh K. Agarwal as Executive Director for a further period of five (5) years w.e.f. 1st April, 2009 to 31st March, 2014 on the revised terms and conditions in compliance with Section 269 read with Schedule xiii of the Companies Act, 1956 subject to approval of Members of the Company.

The Remuneration Committee at its meeting held on 23rd March, 2009 has approved the remuneration payable to Sri Ritesh K.Agarwal.

The Directors recommend the resolution at Item No.6 for approval of the Members.

None of the Directors, except Sri Ritesh K Agarwal, Executive Director and Sri U.K. Agarwal, Managing Director being relatives, are interested in said resolution.

BY ORDER OF THE BOARD  
For **RAJVIR INDUSTRIES LIMITED**

Place: Secunderabad  
Date : 27.07.2009

**P. Surya Prakash**  
COMPANY SECRETARY



# Rajvir Industries Limited

## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the Fifth Annual Report on the business and operations of the Company and Audited statement of Accounts for the year ended 31st March 2009.

### FINANCIAL RESULTS (Rs. in lakhs)

	2008-09	2007-08
1 Sales and Other Income	16719.05	19059.66
2. Profit Before Interest and Depreciation	2221.42	2431.08
3. Interest and Finance Charges	1308.68	904.79
4 Depreciation	691.09	671.06
5 Profit after Interest and Depreciation	221.65	855.23
6 Provision for Taxation		
a) Current Tax	32.55	103.80
b) Deferred Tax	89.08	137.75
<b>Profit after Tax</b>	<b>100.02</b>	<b>613.68</b>
Less: Prior Period Income Tax Adjustment	-	0.05
<b>Profit after Prior Period Adjustments</b>	<b>100.02</b>	<b>613.63</b>
Add/ Profit b/fd from last year	2098.88	1749.28
	<b>2198.90</b>	<b>2362.91</b>
<b>APPROPRIATIONS</b>		
1. Transferred to Debenture Redemption Reserves	117.66	22.00
2. Transferred to General Reserve	17.00	100.00
3. Dividend	60.70	121.40
4. Dividend Tax	10.32	20.63
5. <b>Surplus Carried Forward to Balance Sheet</b>	<b>1993.22</b>	<b>2098.88</b>

### OPERATIONS

During the year under review the company achieved a turnover of Rs 16719.06 Lakhs and the net profit of Rs.100.02 lakhs as against turn over Rs. 19059.66 Lakhs & Net profit of Rs.613.68 lakhs. This fall in Profits due to general economic slow down and recession in India as well as Globally. The reduction in turnover has occurred due to fall in export turnover in Cotton Trading.

### DIVIDEND

Your Directors have recommended a dividend @ 20% (Previous year 40% on 3034997 Equity Shares) on the Equity Shares of the Company for the year ended 31st March, 2009, which if approved at the forthcoming Annual General Meeting will be paid to the

Equity Shareholders. The dividend payment will absorb a sum of Rs. 71.02 lakhs inclusive of Tax on dividend.

### MODERNISATION & EXPANSION OF MAHABUBNAGAR UNIT:

During the year under review, the company has incurred a capital expenditure of Rs.5.78 Crores for up gradation of Machinery and balancing equipments at Mahabubnagar Unit. As the Company has completed the said modernization of Mahabubnagar Unit, it is expected the capacity would increase during the next financial year.

### Subsidiary Company

There are no operations for the subsidiary company, M/s Moneysa Fibres Private Limited during the financial year.

### EXPORTS

During the year under review the Company has achieved Exports turnover of Rs.28.94 Crores as against Rs. 66.36 Crores last year. The reduction in the turnover was occurred due to fall in the export turnover in cotton trading comparing to last year.

### FIXED DEPOSITS

The Company has not invited /accepted any deposits from the public within the meaning of Section 58 A of the Companies Act, 1956.

### DIRECTORS

Pursuant to the provisions of Companies Act, 1956 and in terms of the Articles of Association of the company Sri Vijay Kumar Gupta retires by rotation at the ensuing 5th Annual General Meeting and being eligible offers himself for reappointment. Brief resume of the director retiring by rotation, nature of his expertise in specific functional areas and names of the Organizations in which he holds the Key posts and the Membership/Chairmanship of committees of the Board as stipulated under clause 49 of the listing agreement with the stock exchanges are given in the section of the Corporate Governance elsewhere in the Annual Report.

### CORPORATE GOVERNANCE

As per the revised Clause 49 of the Listing Agreement on Corporate Governance, Management Discussion and Analysis Report forms part of the Annual Report. Further, a separate report on the Corporate Governance together with the Certificate from the Auditors of the Company regarding compliance of the Corporate Governance also forms part of the Annual Report

### AUDITORS

The Auditors, M/s S Daga & Co., Chartered Accountants, Statutory Auditors retire at the forthcoming Annual General Meeting and are eligible for re-appointment. They have expressed their willingness to accept the appointment and they have confirmed that their appointment if made shall be in accordance with the provisions of section 224(1B) of the companies Act 1956.





# Rajvir Industries Limited

## **COST AUDITORS**

The Cost Accounts records maintained by the Company for the products manufactured are subject to yearly audit by qualified Cost Auditors. Your company has appointed M/s Parankusam & Co., Cost Auditors for the year 2008-09 for conducting the audit of Cost Account Records.

## **AUDIT COMMITTEE**

The Audit committee met four times during the year under review.

## **ENVIRONMENT AND HUMAN RESOURCE DEVELOPMENT**

Your Company takes utmost care to prevent and avoid any kind of Environment pollution and in this quest has built State of Art ETP plant at its dyeing unit. We would like to place on record our appreciation for the efforts made by the management and the keen interest taken by the Employees of your company in this regard.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

**The Board of Directors of the Company confirms:**

1. That the preparation of the annual accounts as per the applicable accounting standards has been followed and there has been no material departure;
2. That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the Profit & Loss Account of the Company for the year ended on that date.
3. That proper and sufficient care has been taken 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 the annual accounts have been prepared on a going concern basis.

## **AUDITORS' QUALIFICATIONS**

No qualifications were made by the Auditors in their report on the accounts for the year-ended 31.03.2009.

## **ADDITIONAL INFORMATION**

1. The Company has filed Company Application No. 714/ 2009 in Company Petition No. 8 & 9 of 2005 in which Company has prayed to Honorable High Court of Andhra Pradesh to modify the Order dated March 23, 2005 in

respect of the liability of Rs.19.53 Crores transferred by M/s Surya Lakshmi Cotton Mills Limited at the time of demerger and the case is pending with the Honorable High Court.

2. The Company has filed a complaint with Director General of Foreign Trade (DGFT) in respect to the benefit of Exports, upon which Office of the Joint Director General of Foreign trade, Hyderabad passed in its Order dated 10.12.2008 vide file No.21(6) / ECA/AMO8 and allowed the Compliant of our Company confirming the claim of the Company

(Suitable entries will be passed in the books of account after the Honorable Court(s) pass necessary final orders).

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

The details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure-I and form part of the Report.

## **EMPLOYEES**

The information required to be furnished under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended as per Annexure II and forming part of the Report.

## **ACKNOWLEDGEMENT**

The Board of Directors is pleased to place on record their appreciation of the co-operation and support extended by, Banks and various State and Central Government Agencies. The Board would like to thank the Company's shareholders, customers, suppliers for the support and the confidence, which they have reposed in its management. The Board also wishes to place on record its appreciation of the valuable services rendered by all the employees of the Company.

For and on behalf of the Board of Directors

Place : Secunderabad  
Date : 27.07.2009

**U.K.Agarwal**  
Chairman & Managing Director



# Rajvir Industries Limited

## ANNEXURE-I

### ANNEXURE 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 it has put continuous efforts to reduce conversion of energy
- (b) The Company has taken steps of continuous monitoring 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

	2008-09	2007-08
1. Electricity:		
a) Purchased		
Units (in lakhs of KWH)	532.28	501.96
Total Amount (Rs. In lacs)	1591.56	1541.19
Average Rate: (Rs./Unit)	2.99	3.07
b) Own Generation:		
Through Diesel Generators	2.82	
Units (in lakhs of KWH)	2.99	1.92
Units per Litre of Diesel Oil	13.34	3.33
Average Cost: Rs. / Unit		17.15
2. Coal (Rs. In lakhs)	13.76	57.42
3. Furnace Oil	Nil	Nil
4. Others	Nil	Nil
<b>B. Consumption per Unit of Production</b>		
Yarn Production (Kgs in lakhs)	113.42	110.40
Fibre Dyed (Kgs in lakhs)	2.77	10.28
Electricity (Units/Kg of Yarn)	4.72	4.56
Coal (Kgs/Kg of Dyed Fibre/Yarn)	2.06	2.23



# Rajvir Industries Limited

## B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption as per Form B

### FORM-B

Form of disclosure of Particulars with respect to technology absorption

#### A. Research and Development (R & D)

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

#### B. Technology absorption, adoption and innovation

- |  |  |
|--|--|
| 1 Efforts, in brief, made towards technology absorption, adoption and innovation   | The Company had adapted indigenous technology and innovated upon the same. |
| 2. Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc.                   | High Value Products development, Increase in yield & Product improvement.  |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished: | No Technology has been imported during 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 reduced to Rs. 28.94 Crs. as compared to Rs.66.36 Crs 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 :

	2008-09 Amount (Rs)	2007-08 Amount (Rs)
i) Plant & Machinery	8530625	357491923
ii) Raw Materials (CIF Value)	107408871	2481317
iii) Stores & Spares (CIF Value)	5903411	12831580
iv) Foreign Traveling	1177752	1265167
v) Export Commission	3523652	4457662
c) Earnings in Foreign Exchange: FOB Value of Exports	286902583	622525150



# Rajvir Industries Limited

## ANNEXURE-II

### **ANNEXURE TO DIRECTORS' REPORT**

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees Rules 1975) and forming part of the Director's Report for the year 2008-09

Name	Age	Qualification	Date of Employment	Designation	Remuneration (Rs)	Experience	Last Employment
Sri. U K Agarwal	58	Graduate	01.04.2005	Chairman & Managing Director	4822707	27	M/s. Suryalakshmi Cotton Mills Limited
Sri Ritesh K. Agarwal	35	Graduate in Business Administration	01.04.2005	Executive Director	4073187	13	M/s. Suryalakshmi Cotton Mills Limited

For and on behalf of the Board of Directors

Place : Secunderabad

Date : 27.07.2009

**U.K. Agarwal**  
**Chairman & Managing Director**





# Rajvir Industries Limited

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS FORMING PART OF THE ANNUAL REPORT DISCUSSES BELOW THE FOLLOWING MATTERS WITH REFERENCE TO THE COMPANY'S BUSINESS VIZ., YARN.

Rajvir Industries Limited is one of the largest producers of yarns of various blends and counts including Compact Yarn.

We are into manufacturing of value added products which are unique in nature. We have two manufacturing units and a Dyeing plant. One unit is located at Mahabubnagar and the other unit at Tandur. Tandur unit is a compact spinning mill with latest manufacturing facilities. The Dyeing unit is located at Edira Village near Mahabubnagar.

### INDUSTRY STRUCTURE:

Indian Textile Industry is one of the largest textile industries in the World. Today, Indian Economy is largely dependent on textile manufacturing and exports. India earns around 27% of the Foreign Exchange from exports of Textiles. Further, Indian Textile Industry contributes about 14% of the total production of India. Further more, its contribution to the gross domestic product of India is around 3% and the numbers are steadily increasing. Indian Textile Industry involves around 35 million workers directly and it accounts for 21% of the total employment generated in the Economy.

Strengths of Indian Textile Industry are as follows:

- Huge Textile Production capacity
- Efficient multi fibre raw material production capacity
- Large pool of skilled and cheap work force
- Entrepreneurial skills
- Huge export potential
- Large domestic market
- Very low import content
- Flexible textile manufacturing systems

Weakness of Indian Textile Industry are as follows:

- Increased global competition in the post 2005 trade regime under WTO
- Imports of cheap textiles from other Asian neighbours
- Use of outdated manufacturing technology
- Poor supply chain management
- Huge unorganized and decentralized sector
- High Production cost with respect to other Asian Competitors.

The Ministry of Textiles under the Government of India has taken some significant steps to arrest these problems. It has framed "The National Textile Policy 2000" to address the aforesaid issues. This Policy aims at negating these problems and increasing the Foreign Exchange earnings to the tune of US \$ 50 billion by the year 2010. The Policy also aims at introducing modern and efficient manufacturing Machineries and Techniques in the Indian Textile Sector.

### PERFORMANCE:

The Turnover of the Company is Rs.167.19 Crores as against Rs.190.60 Crores of previous year. Profit Before Tax (PBT) of the Company is Rs.2.21 Crores as against Rs.8.55 Crores of previous year. Decrease in Turnover & PBT is due to appreciation of rupee against dollar, high interest cost and increase raw material rates etc. The Company is dedicated to achieve its long term goals by implementing its business strategies.

### INTERNAL CONTROLS AND THEIR ADEQUACY:

The Company has adequate internal control procedures. The Internal Audit work is carried out by an independent Chartered Accountant appointed by the Management. The Internal Control Systems are regularly checked by the internal auditors who have access to all records and information of the Company. The Board and the management review the findings and recommendations of the auditors and take corrective actions wherever necessary.

### OUTLOOK:

The Company is constantly adding new products to its range with the help of strong Research & Development. The Company is also constantly adding new export markets through its aggressive marketing strategies. The Company is regularly striving to get valuable external certifications which are required for new export markets.

As such, the Company looks into the future with brighter expectations which would ultimately culminate into better revenues and improved profits.

### NOTE:

Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, etc., which are valid only at the time of making the statements. A variety of 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.



## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

**M/s Rajvir Industries Limited (RIL) is committed to the highest standards of Corporate Governance in all its activities and processes.**

Corporate Governance is crucial for the very existence of the Company as it builds confidence in its investors and other Shareholders. Key elements of Corporate Governance are transparency, disclosure, supervision and internal controls, risk management, internal & external communications, high standard of safety, health, environment, accounting & service quality.

Your Company always believes that good Corporate Governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for its Shareholders. The Company continues to focus its resources, strengths & strategies to achieve its vision of becoming a truly global Company. The Company has also outlined the procedures & practices of Corporate Governance that are followed and steps taken to ensure transparency, accountability and integrity.

We are committed to upgrade our system, processes and disclosure norms to achieve high standards of Corporate Governance.

### 2. BOARD OF DIRECTORS

- a. The composition of Board of Directors consists of two Promoters Whole time Directors and three Independent Non-Executive Directors. The number of Independent Directors are more than one-third of the total number of Directors. The number of non-Executive Directors are more than 50% of total number of Directors.
- b. None of the Directors on the Board is a Member on more than ten companies or Chairman of more than five committees as specified in Clause 49.
- c. During the year under review, seven Board Meetings were held on 27th June, 2008, 31st July, 2008, 31st October, 2008, 28th November, 2008, 23rd January, 2009, 31st January, 2009 and 23rd March, 2009.
- d. The composition of the Board, attendance at Board meetings (BM), Shareholders'/ Investors' Grievance Committee meetings (SIGCM) and Audit Committee meetings (ACM), 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 (including the Company) are given below:

		FY 2008-2009 Attendance at			As on date		Committee Positions	
Name of the Director	Category	BM	SIGCM	ACM	Last AGM held on 30.09.2008	No. of Other Director Ships in Public Companies	Member	Chairman
U.K. Agarwal	Chairman & Managing Director	7	NIL	NIL	YES	NIL	NIL	NIL
Ritesh K Agarwal	Executive Director	6	NIL	NIL	YES	NIL	NIL	NIL
Vijay Kumar Gupta	Non-Executive Director	7	4	4	YES	1	NIL	NIL
S.N. Daga	Non-Executive Director	7	4	4	NO	2	NIL	NIL
Dr. K.J. Reddy	Non-Executive Director	7	4	4	YES	NIL	NIL	NIL



# Rajvir Industries Limited

## e. REAPPOINTMENT OF RETIRING DIRECTORS

As required by Clause 49 of the Listing Agreement on Corporate Governance particulars of the Directors being reappointed are provided hereunder.

## PROFILE OF DIRECTORS RETIRING BY ROTATION

### SRI VIJAY KUMAR GUPTA

Sri Vijay Kumar Gupta who was appointed on the Board on 08.08.2005 as Non Executive Director is a commerce graduate having over 27 years of Industrial and entrepreneurial experience in Yarn & Textile Sector. Presently he is Chairman and Managing Director in Vijay Textiles Limited. The Directorships of the other public companies are as under:

M/s Vijay Textiles Limited

- f. None of the non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- g. Chairman & Managing Director and Executive Director of the Company are Father and Son.

## 3. AUDIT COMMITTEE

### Terms of reference & Composition, Names of Members and Chairman:

- a) The terms of reference of the Audit Committee is:
  - I. To review the quarterly and annual financial statement with specific emphasis on accounting policies & practices,
  - II. To comply with the Accounting Standards,
  - III. Review of adequacy of internal control systems and internal audit functions,
  - IV. Review of Company's financial and risk management policies,
  - V. Review the reports furnished by Internal Auditors & Statutory Auditors and ensure suitable follow up thereon..
- b) Composition, Name of Members and Chairperson
  - 1) Sri Vijay Kumar Gupta - Chairman, Non-Executive & Independent
  - 2) Sri S.N.Daga - Member, Non-Executive & Independent
  - 3) Dr.K.J.Reddy - Member, Non-Executive & Independent
- c) Meetings and attendance during the year

During the financial year March 31, 2009, four (4) Audit Committee Meetings were held on 27.06.2008, 31.07.2008, 31.10.2008, 31.01.2009.

Name	No. of the Meetings attended
Sri Vijay Kumar Gupta	4
Sri S.N.Daga	4
Dr.K.J.Reddy	4

## 4. REMUNERATION COMMITTEE

- a) Brief description of terms of reference.
  - 1) Sri Vijay Kumar Gupta - Chairman, Non-Executive & Independent
  - 2) Sri S.N.Daga - Member, Non-Executive & Independent
  - 3) Dr.K.J.Reddy - Member, Non-Executive & Independent

The Company Secretary act as the Secretary to the Committee.
- b) Composition, Name of members and Chairperson is as follows:
  - 1) Sri Vijay Kumar Gupta - Chairman, Non-Executive & Independent
  - 2) Sri S.N.Daga - Member, Non-Executive & Independent
  - 3) Dr.K.J.Reddy - Member, Non-Executive & Independent



# Rajvir Industries Limited

- c) Attendance during the year  
The Remuneration Committee met one time during the year under review on 23.03.2009
- d) Remuneration policy  
To periodically review the remuneration package of whole time Directors and recommend suitable revision to the Board.
- e) Details of remuneration to all the Directors for the year ended 31st March, 2009

Name of the Directors	Designation	Salary Rupees	Commission Rupees	Perquisites Rupees	Total Rupees
U K Agarwal	Managing Director	4492800	310087	19820	4822707
Ritesh Kumar Agarwal	Executive Director	3744000	310087	19100	4073187
Vijay Kumar Gupta	Director	Nil	Nil	Nil	Nil
S N Daga	Director	Nil	Nil	Nil	Nil
Dr.K J Reddy	Director	Nil	Nil	Nil	Nil

## Sitting Fees

Name of the Directors	No.of Board Meetings attended during the period April, 2008 to March, 2009	Attendance at the last AGM held on 30.09.2008	Sitting Fees
Vijay Kumar Gupta	7	Yes	18,000
S N Daga	7	No	18,000
Dr. K.J.Reddy	7	Yes	18,000

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

Disclosure of shareholding of Non-Executive Directors

S No	Name	No. of shares held
1.	Sri Vijay Kumar Gupta	Nil
2.	Sri S N Daga	Nil
3.	Dr.K.J.Reddy	Nil

## 5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Board of Directors have constituted Shareholders/Investors Grievance Committee. The terms of reference of this committee is to consider transfer/transmission of shares, issue of duplicate share certificates, review of shares dematerialized and other related matters investors grievances & redressal thereof. During the year the Company has received four (4) complaints from the shareholders and all of them were resolved satisfactorily. There were no transfers pending at the close of financial year.

- a) Name of Non-Executive Director heading the Committee : Vijay Kumar Gupta
- b) Name and designation of Compliance Officer : P. Surya Prakash - Company Secretary
- c) Number of Shareholders Complaints received so far : 4
- d) Number not solved to the satisfaction of shareholders : NIL
- e) Number of pending share transfers : NIL

## 6. CODE OF CONDUCT

The Company has evolved a code of conduct for the Directors and Senior Management personnel of the company which has been affirmed for adherence

## 7. GENERAL BODY MEETINGS:

- a) Location and time, where last AGM held.

Financial Year	Date	Venue	Time
2007-2008	30.09.2008	FAPCCI, Premises,	3.00 P.M
2006-2007	29.09.2007	11-6-841, Red Hills,	3.00 P.M
2005-2006	27.09.2006	Hyderabad.	3.00 P.M

- b) There were no resolutions, which required postal ballot.





# Rajvir Industries Limited

## 8. DISCLOSURES

- a) CEO and CFO Certificate  
The Chairman & Managing Director and Executive Directors have given a certificate to the Board as contemplated in Clause 49 of the listing agreement and is enclosed at the end of the Report.
- b) Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of Company at large.  
There were no materially significant related party transactions having potential conflict with the Interests of the Company at large. Transactions with related parties are disclosed in NOTE NO. 19 of Notes on Accounts under Schedule 24.
- c) There were no details of non-compliance by the company, penalties, strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to the Capital Markets during the last 3 years.

## 9. MEANS OF COMMUNICATION

Quarterly report is not being sent to each shareholder as shareholders are intimated through the press and the Company's Website [www.rajvirindustriesslimited.com](http://www.rajvirindustriesslimited.com). The Quarterly results are usually published in Andhra Prabha and Financial Express.

## 10. GENERAL SHAREHOLDER INFORMATION

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

Date : Wednesday 30th September 2009,  
Time : 3.00 p.m.  
Venue : Surana Udyog Hall FAPCCI Premises, 11-6-841, Red Hills, Hyderabad- 500004

### b) Financial Calendar Year: 1st April 2008 to 31st March 2009

Quarterly Results	Publication (Unaudited /Audited)
1st Quarterly Financial Results	End of July 2009
2nd Quarterly Financial Results	End of October 2009
3rd Quarterly Financial Results	End of January 2010
4th Quarterly Financial Results	End of April 2010

- c) Date of Book Closure: 23.09.2009 to 30.09.2009 (both days inclusive)
- d) Dividend Payment Date: Within 30 days of declaration at AGM.
- e) 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 Ltd	RAJVIR	Exchange plaza, 5th Floor, Plot No. C/1, G-Block, 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 2009-2010 have been paid to The National Stock Exchange of India Limited and The Bombay Stock Exchange.



## Rajvir Industries Limited

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

Month	NATIONAL STOCK EXCHANGE (NSE)		BOMBAY STOCK EXCHANGE (BSE)	
	(in Rs. per share)		(in Rs. per share)	
	HIGH	LOW	HIGH	LOW
April 2008	160.00	111.10	169.90	114.00
May 2008	167.40	115.20	164.10	112.00
June 2008	125.00	104.50	124.00	97.90
July 2008	114.00	83.00	119.00	89.50
August 2008	103.45	87.00	103.80	88.65
September 2008	105.00	63.05	94.70	68.00
October 2008	78.00	35.00	80.00	32.55
November 2008	56.00	36.05	54.80	38.70
December 2008	54.00	35.20	52.40	41.50
January 2009	49.75	35.25	51.50	36.15
February 2009	48.80	34.15	47.40	35.10
March 2009	41.30	34.05	39.80	34.50

g) **Registrar & Share Transfer Agent**

M/s. Sathguru Management Consultants Pvt. Ltd.,  
Plot No.15, Hindi Nagar, Behind Saibaba Temple,  
Punjagutta, Hyderabad - 500 034.  
Phone No(s) - 23356507, 23356975, 23350586,  
Fax No - 23354042.

h) **Share Transfer System:**

The share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

Shareholding pattern as on 31.03.2009

Particulars	No. of shares	% of holding
a) Promoters	2073859	68.33
b) Mutual Funds	700	0.02
c) Banks, FIs, & Insurance Companies	78815	2.62
e) Private Corporate Bodies	265291	8.74
f) Indian Public	596461	19.64
g) NRIs/OCBs	19871	0.65
<b>Total</b>	<b>3034997</b>	<b>100.00</b>



# Rajvir Industries Limited

## Distribution of shareholding as on 31.03.2009

Nominal Value	Holders		Amount	
	Number	% to Total	Rupees	% to Total
Upto 5000	2393	91.99	2127170	6.99
5001 - 10000	81	3.11	588000	1.93
10001 - 20000	52	2.00	792200	2.61
20001 - 30000	18	0.7	433590	1.44
30001 - 40000	6	0.24	207990	0.69
40001 - 50000	6	0.23	279050	0.92
50001 - 100000	13	0.5	1028810	3.4
100001 & above	32	1.23	24893160	82.02
<b>Total</b>	<b>2601</b>	<b>100.00</b>	<b>30349970</b>	<b>100.00</b>
Physical Mode	<b>602</b>	<b>23.14</b>	<b>15751890</b>	<b>51.90</b>
Demat Mode	<b>1999</b>	<b>76.86</b>	<b>14598080</b>	<b>48.10</b>

### j) Dematerialization 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) as above.

As on 31-03-2009 1459808 shares were dematerialized representing 48.10% equity shares of the total paid up share capital of the company.

**ISIN: INE713B01026**

#### Address of Registrars for Dematerialisation of Shares.

M/s. Sathguru Management Consultants Pvt.Ltd.,

Plot No.15, Hindi Nagar, Behind Saibaba Temple,

Punjagutta, Hyderabad - 500 034.

Phone No(s) - 23356507, 23356975, 23350586,

Fax No: 23354042.

### k) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

NOT APPLICABLE as the Company has not issued any of the above instruments.

### l) Plant Locations

#### Yarn Division

1. Pillalamarri Road  
Mahabubnagar Dist.  
Andhra Pradesh - 509 002
2. Gopana Palli Village  
Tandur Mandal  
R R Dist. Andhra Pradesh



# Rajvir Industries Limited

## Dyeing Division

Edira Village  
Mahabubnagar Dist.  
Andhra Pradesh - 509 002

### **m) Address for correspondence :**

- i) For transfer / dematerialization of share, change of address of members and other queries relating to the shares of the Company:

M/s. Sathguru Management Consultants Pvt.Ltd.,  
Plot No.15, Hindi Nagar, Behind Saibaba Temple,  
Punjagutta, Hyderabad - 500 034.  
Phone No(s) - 23356507, 23356975, 23350586.  
Fax No - 23354042.

- ii) Any queries relating to dividend, annual reports, etc.

The Company Secretary,  
Rajvir Industries Limited,  
1st Floor, Surya Towers, 105, S.P.Road,  
Secunderabad - 500 003.  
Phone No(s) - 27819856 / 57/ 58.  
Fax No - 27846854.

The Board of Directors in their meeting held on 27.07.2009 have approved the above report.





## Rajvir Industries Limited

### Certificate by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

We, U.K.Agarwal, Chairman & Managing Director and Ritesh K. Agarwal Executive Director of Rajvir Industries Limited hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2009 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 not 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 the 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 the 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.

Place : Secunderabad  
Date : 30.06.2009

**U.K.Agarwal**  
Chairman & Managing Director

**Ritesh K.Agarwal**  
Executive Director



## Rajvir Industries Limited

### Auditors' Certificate on compliance of Corporate Governance

To the members of  
RAJVIR INDUSTRIES LIMITED, SECUNDERABAD.

We have examined the compliance of conditions of Corporate Governance by RAJVIR INDUSTRIES LIMITED, for the year ended 31st March 2009 as stipulated in Clause 49 of the listing agreement of the Company with Stock Exchanges in India.

The compliance of the 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, the Company has complied with the conditions of Corporate Governance as stipulated in the above Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2009, no investor grievances are pending against the Company as on 30.06.2009, as per the records maintained by the Company and presented to the Investors/Shareholders Grievance 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

**(T V Subba Rao)**  
Partner  
Membership No. 9636

Place : Hyderabad  
Date : 30.06.2009



# Rajvir Industries Limited

## AUDITORS' REPORT

### To The Members of RAJVIR INDUSTRIES LTD

1. We have audited the attached Balance Sheet of RAJVIR INDUSTRIES LTD. as at 31st March 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (and amended by The Companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 purposes of our audit,
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
  - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account,
  - d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956,
  - e. On the basis of written representations received from the directors, as on 31st March 2009, and taken on record by the Board of directors, we report that none of the directors of the company is disqualified as referred to in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956,
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies as appearing in schedule '23 and Notes on accounts as appearing in Schedule '24, more particularly Note No 3 with regard to credit balance of Rs.4.17 crores (Previous year Rs.4.17 crores) Note No.8 (iii) regarding Insurance claim pending settlement amounting to Rs.171.15 lakhs and Note No 11 regarding accounting treatment of Export benefits under DEP Scheme amounting to Rs.35.51 lakhs (Previous year Rs.149 lakhs) gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
  - ii) in the case of the Profit and Loss Account, of the profit of the company for the period ended on that date; and
  - iii) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For **S.DAGA & CO.,**  
Chartered Accountants

**(T.V.Suba Rao)**

Partner

Membership No : 9636

Place : Hyderabad

Date : 30.06.2009



## ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 of our Report of even date:

1.
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b) As explained to us, the management has physically verified most of the fixed assets during the period and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
  - c) The company has not disposed off any substantial fixed assets which effect the going concern status of the Company.
2.
  - a) As explained to us, inventories have been physically verified by management at reasonable intervals during the period. In our opinion, the frequency of such verification is reasonable.
  - b) As per the information given to us, the procedures of physical verification of inventory followed by management are, in our opinion, 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, (b), (c) & (d) of the aforesaid order are not applicable to the Company.
  - c) During the period, the Company had taken unsecured loans from 8 parties covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved during the period was Rs.1032.93 lakhs (Previous year Rs 527.42 lakhs) and the year end balance is Rs 1032.93 lakhs (Previous year Rs527.42 lakhs)
  - d) In our opinion the rate of interest and other terms and conditions on which loans have been taken from the 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 and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5.
  - a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered in 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 period, 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 not accepted any deposits from the public within the meaning of Sec.58A, 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the Rules made there under.
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 of the company and nature of business.
8. In our opinion and according to the information and explanations given to us, prima facie, the company has made and maintained accounts and records as prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
9.
  - a) The company is regular 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, Excise duty, cess and 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 2009 for a period of more than six months from the date they became payable.





## Rajvir Industries Limited

10. The company does not have any accumulated losses and has not incurred cash losses in the current financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. As per the information and explanation given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
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.
16. In our opinion, and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were raised.
17. Based on information and explanations given to us and on an overall examination of Balance Sheet of the Company, in our opinion, funds raised on a long term basis have not been used for short term investment.
18. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures during the year..
20. According to the information and explanations given to us, the Company has not raised money by public issues during the period.
21. According to the information and explanations given to us, no fraud on or by the company had been noticed or reported during the course of our audit.

For **S.DAGA & CO.,**  
Chartered Accountants

**(T.V.Suba Rao)**  
Partner  
Membership No: 9636

Place : Hyderabad  
Date : 30.06.2009



# Rajvir Industries Limited

## BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS:</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	30349970		30349970	
Reserves and Surplus	2	<u>366881236</u>		<u>366796804</u>	
			<b>397231206</b>		397146774
<b>Loan Funds</b>					
Secured Loans	3	1740116763		1482230034	
Unsecured Loans	4	<u>199747114</u>		<u>144802573</u>	
			<b>1939863877</b>		1627032607
Deferred Tax Liability (Net)	5		<u>99807490</u>		<u>90899897</u>
<b>TOTAL</b>			<u><b>2436902573</b></u>		<u>2115079278</u>
<b>APPLICATION OF FUNDS:</b>					
<b>Fixed Assets</b>					
Fixed Assets	6				
Gross Block		1562016899		1509123899	
Less : Depreciation		<u>497679990</u>		<u>428199231</u>	
Net Block		1064336909		1080924668	
Add : Capital Work in Progress		<u>737608145</u>		<u>552787618</u>	
			<b>1801945054</b>		1633712286
Investments	7		<b>98000</b>		98000
<b>Current Assets, Loans and Advances</b>					
Inventories	8	584389026		537090924	
Sundry Debtors	9	163968149		171786351	
Cash and Bank Balances	10	23566558		40127631	
Loans and Advances	11	<u>229659418</u>		<u>130007277</u>	
		1001583151		879012183	
Less : Current Liabilities and Provisions	12	<u>366723632</u>		<u>397743191</u>	
<b>Net Current Assets</b>			<b>634859519</b>		481268992
<b>TOTAL</b>			<u><b>2436902573</b></u>		<u>2115079278</u>
Significant Accounting Policies	23				
Notes on Accounts	24				

The schedules referred to above form an integral part of Balance Sheet

As per our report of even date

For and on behalf of the Board

for **S.Daga & Co.,**  
Chartered Accountants

**K.Ravi Kumar**  
General Manager (Finance)

**U.K.Agarwal**  
Chairman & Managing Director

**(T.V.Subba Rao)**  
Partner  
M.No:9636  
Place : Secunderabad  
Date : 30th June, 2009

**P. Surya Prakash**  
Company Secretary

**Ritesh K Agarwal**  
Executive Director



# Rajvir Industries Limited

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>INCOME:</b>			
Gross Sales/Income from operations	14	1627946710	1865911075
Increase / (Decrease) in stocks	22	172301447	104428930
Other Income	15	43959162	40054984
<b>TOTAL</b>		<b>1844207319</b>	<b>2010394989</b>
<b>EXPENDITURE</b>			
Raw Materials Consumed	16	1091991162	977525382
Purchase of Yarn - Trading		-	12831450
Purchase of Cotton - Trading		1939464	251288275
Other Manufacturing Expenses		27433907	10951800
Chemicals,Stores & Spares Consumed	17	65880545	70540038
Power and Fuel	18	164288796	163204571
Payments to & provisions for Employees	19	123660280	107989455
Administrative expenses	20	137975139	161927522
Interest & Finance Charges	21	130868348	90478567
Managerial Remuneration		8895894	10218514
Depreciation	6	71925170	69922985
Less: Tfr from revaluation reserve		2816217	2816217
Miscellaneous Expenditure Written off	13	-	809524
<b>TOTAL</b>		<b>1822042488</b>	<b>1924871866</b>
<b>Profit before tax</b>		<b>22164831</b>	<b>85523123</b>
Provision for taxation			
Corporate Tax		2512000	9725000
Fringe Benefit Tax		743000	655000
Deferred Tax		8907593	13775322
		<b>10002238</b>	<b>61367801</b>
Less: Prior period Income Tax adjustment(net)		-	4798
<b>Profit after tax</b>		<b>10002238</b>	<b>61363003</b>
Add: Profit brought forward from last year		<b>209887280</b>	<b>174927456</b>
		<b>219889518</b>	<b>236290459</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		6069994	12139988
Tax on Dividend		1031595	2063191
Debenture Redemption Reserve		11766024	2200000
Transfer to General Reserve		1700000	10000000
Balance carried to Balance Sheet		199321905	209887280
<b>TOTAL</b>		<b>219889518</b>	<b>236290459</b>
Earnings per share (Face value Rs.10) (Basic and diluted)		<b>3.30</b>	20.22
<b>Significant Accounting Policies</b>	23		
<b>Notes on Accounts</b>	24		

The schedules referred to above form an integral part of Profit and Loss Account  
As per our report of even date

for **S.Daga & Co.,**  
Chartered Accountants

**K.Ravi Kumar**  
General Manager (Finance)

For and on behalf of the Board  
**U.K.Agarwal**  
Chairman & Managing Director

(**T.V.Subba Rao**)  
Partner  
M.No:9636  
Place : Secunderabad  
Date : 30th June, 2009

**P. Surya Prakash**  
Company Secretary

**Ritesh K Agarwal**  
Executive Director



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL:</b>		
Authorised: 35,00,000 Equity Shares of Rs.10/- each	<b>35000000</b>	35000000
	<b>35000000</b>	35000000
<b>Issued,Subscribed and Paid up:</b>		
30,34,997(Previous year 30,34,997) Equity Shares of Rs.10/- each fully paid. (51500 (Previous year 51500) Equity shares of Rs 10 each issued for cash and 2983497(Previous year 2983497) Equity shares of 10 each issued for consideration other than cash)	<b>30349970</b>	30349970
	<b>30349970</b>	30349970

## SCHEDULE - 2 RESERVES AND SURPLUS:

	As at 01.04.2008 Rupees	Additions Rupees	Deductions/ Adjustments Rupees	As at 31.03.2009 Rupees
Debenture Redemption Reserve	<b>57200000</b> (55000000)	<b>11766024</b> (2200000)		<b>68966024</b> (57200000)
Revaluation Reserve	<b>11086315</b> (13902532)		<b>2816217</b> (2816217)	<b>8270098</b> (11086315)
Capital Reserve	<b>2539503</b>	(2539503)		<b>2539503</b> (2539503)
General Reserve	<b>86083706</b> (76083706)	<b>1700000</b> (10000000)		<b>87783706</b> (86083706)
Balance as per Profit & Loss Account	<b>209887280</b> (174927456)	<b>199321905</b> (209887280)	<b>209887280</b> (174927456)	<b>199321905</b> (209887280)
	<b>366796804</b>	<b>212787929</b>	<b>212703497</b>	<b>366881236</b>

**Notes:** Previous year's figures are given in brackets.



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
<b>Debentures</b>		
9.00%, 310340 (Previous year 428571) Secured Redeemable Non-Convertible Debentures of Rs.100/- each	<b>31033976</b>	42857142
<b>Term Loans (Under TUF Scheme) from</b>		
Industrial Development Bank of India - I	<b>7511319</b>	12156000
Industrial Development Bank of India -II	<b>21605342</b>	24000000
State Bank of Hyderabad	<b>165024848</b>	143683136
The Bank of Rajasthan Ltd	<b>59280348</b>	
State Bank of Bikaner & Jaipur	<b>130820733</b>	140144062
State Bank of Mysore	<b>50142466</b>	
Axis Bank Limited	<b>552425490</b>	457647738
State Bank of india	<b>99912314</b>	157461176
	<b>1086722860</b>	935092112
<b>Working Capital Loans from</b>		
State Bank of India	<b>369388739</b>	266273924
State Bank of Hyderabad	<b>126931783</b>	115733656
State Bank of Mysore	<b>122647166</b>	119187045
	<b>618967688</b>	501194625
	<b>1736724524</b>	1479143879
<b>Car Loans</b>		
from Banks	<b>3392239</b>	3086155
	<b>1740116763</b>	1482230034

### Notes:

- The 9% Redeemable, Non convertible debentures are secured by mortgage of present and future movable and immovable properties of the company situated at Mahaboobnagar unit on pari-passu basis and guaranteed by one director of the Company. The Debentures are redeemable in ten quarterly instalments starting from 1st January, 2010 onwards as per reschedulement permitted by IDBI Bank.
- Industrial Development Bank of India Limited and State Bank of India term loans are secured by mortgage of present and future movable & immovable assets of the company situated at mahaboobnagar unit on pari passu basis and guaranteed by one director of the company.
- State Bank of Hyderabad and State Bank of Bikaner & Jaipur term loans are secured by mortgage of present and future movable & immovable assets of the company situated at tandur unit on pari passu basis and guaranteed by one director of the company.
- Term loan from Axis Bank Ltd. are secured by mortgage of present and future movable & immovable assets of the company situated at tandur unit on pari passu basis and second paripassu charge on entire fixed assets of Mahaboobnagar unit of the company, present and future and guaranteed by two directors of the company.
- Term Loans of the Bank of Rajasthan Ltd is secured by Factory land and Buildings of Mahaboobnagar unit present and future, and factory land and buildings of dyeing Plant at Yedira Village of Mahaboobnagar district and second paripassu charge on fixed assets of Tandur Unit.
- All Working Capital loans, Cash Credit Limits 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 guarantee by two directors of the company.
- Car loans referred above are secured by hypothecation of the respective assets and guarantee by one director of the company.



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
<b>OTHER LOANS AND ADVANCES</b>		
a) From Directors	51481758	31605000
b) From Others	145587820	111603350
c) Interest accrued and due	2677536	1594223
	<u>199747114</u>	<u>144802573</u>
 <b>SCHEDULE - 5</b>		
<b>DEFERRED TAX</b>		
<b>Deferred Tax Liabilities</b>		
Depreciation	99901004	91242250
On Others	2217336	1681030
	<u>102118340</u>	<u>92923280</u>
<b>Deferred tax Assets</b>		
On Others	2310850	2023383
	<u>2310850</u>	<u>2023383</u>
<b>Deferred Tax Liabilities ( Net )</b>	<u>99807490</u>	<u>90899897</u>





**SCHEDULE - 6  
FIXED ASSETS**

Description of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2009 Rs.	Upto 31.03.2008 Rs.	For the year Rs.	Deductions Rs.	Upto 31.03.2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
	LAND	11891437	55000		11946437					11946437
FACTORY BUILDINGS	205719441	1759584		207479025	26102551	6876020		32978571	174500454	179616890
NON-FACTORY BUILDINGS	51461289	28205145		79666434	3615295	999951		4615246	75051188	47845994
TOWN SHIP	12582688	4326460		16909148	2214376	211087		2425463	14483685	10368312
WORK SHOP EQUIPMENT	122089	6302		128391	116462	831		117293	11098	5627
PLANT AND MACHINERY	1063399827	13382144	397055	1076384916	326303207	54754725	90980	380966952	695417964	737096620
TESTING EQUIPMENT	10460366	15214		10475580	796683	496256		1292939	9182641	9663683
ELECTRICAL INSTALATIONS	70393509	2903679		73297188	16451506	3205126		19656632	53640556	53942003
WEIGHING MACHINES	1055412	490471		1545883	429413	67444		496857	1049026	625999
WATER WORKS	1670618			1670618	308420	27231		335651	1334967	1362198
FURNITURE & FIXTURES	4458994	90899		4549893	1670332	253155		1923487	2626406	2788662
OFFICE EQUIPMENT	3459781	431740		3891521	1119829	240745		1360574	2530947	2339952
VEHICLES	15645763	4730635	3829330	16547068	4900307	1482753	2353431	4029629	12517439	10745456
DATA PROCESSING EQPT.	3465243	722111		4187354	1919723	493629		2413352	1774002	1545520
REVALUED PLANT & MACHINERY	53337442			53337442	42251127	2816217		45067344	8270098	11086315
Capital Work in Progress	1509123899	57119385	4226385	1562016899	428199231	71925170	2444411	497679990	1064336909	1080924668
	552787618	241939912	57119385	737608145	428199231	71925170	2444411	497679990	737608145	552787618
	2061911517	299059296	61345770	2299625044	428199231	71925170	2444411	497679990	1801945054	1633712286
Previous year	1480334661	630453950	48877094	2061911517	358986975	69922985	710729	428199231	1633712286	1121347686



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - 7</b>		
<b>INVESTMENTS (AT COST)</b>	<b>98000</b>	<b>98000</b>
<b>(Long Term, unless otherwise stated)</b>		
<b>Unquoted - Trade</b>		
In shares		
In subsidiary companies:		
9,800 (Previous year 9,800) Equity shares of Rs.10/- each fully paid up in M/s.Moneysa Fibres (P) Ltd.,		
<b>SCHEDULE - 8</b>		
<b>INVENTORIES</b>		
Rawmaterials	88733835	221557408
Stores and Spares	45307761	37487533
Finished Goods	364565281	228977931
Stock-in-process	85577191	48521970
Cotton Waste	204958	546082
	<u>584389026</u>	<u>537090924</u>
<b>SCHEDULE - 9</b>		
<b>SUNDRY DEBTORS</b>		
<b>(Unsecured, considred good)</b>		
Exceeding six months	5904856	8268490
Others	158063293	163517861
	<u>163968149</u>	<u>171786351</u>
<b>SCHEDULE - 10</b>		
<b>CASH AND BANK BALANCES</b>		
Cash On hand	2729081	9293048
Cheques on hand	-	6544756
Balances with Scheduled banks		
In Current Accounts	2335285	10900581
In Margin Money Accounts	18045276	13068704
In Dividend Accounts	456916	320542
	<u>23566558</u>	<u>40127631</u>
<b>SCHEDULE - 11</b>		
<b>LOANS AND ADVANCES</b>		
<b>(Unsecured considered good)</b>		
Advances to Subsidiary (M/s.Moneysa Fibres Private Limited)	106400	6000
Advances receivable in cash or in kind or for value to be received	84154162	59849359
Advances for Purchases	65095493	20296107
Deposits - With Government	27824847	23636038
- With others	22458247	1043511
Advance tax	30020269	25176262
	<u>229659418</u>	<u>130007277</u>



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - 12</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors for goods	185025198	203656984
Creditors for expenses	78139783	83466826
Creditors for others	52101220	56150546
Unclaimed Dividend *	456916	320542
Advances received against sales	14000191	11904778
	<u>329723308</u>	<u>355499676</u>
<b>B. PROVISIONS</b>		
Provision for Corporate Tax	26372000	23860000
Provision for Fringe Benefit Tax	1984728	1241728
Provision for Corporate Dividend Tax	1031595	2063191
Provision for Gratuity	1505005	2334325
Provision for Leave Encashment	37002	604283
Proposed Dividend	6069994	12139988
	<u>37000324</u>	<u>42243515</u>
<b>Total : A + B</b>	<u><u>366723632</u></u>	<u><u>397743191</u></u>

\* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

## SCHEDULE - 13

### MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Deferred Revenue Expenses

Opening Balance	-	809524	
Less : written off during the year	-	809524	-
	<u>-</u>	<u>-</u>	<u>-</u>

	Year ended March 31,2009 Rs.	Year ended March 31,2008 Rs.
--	------------------------------------	------------------------------------

## SCHEDULE - 14

### Sales/Income from operations

Yarn	1558736508	1538941051
Waste	67261387	42955837
Traded Goods - Cotton	1948815	268572230
Traded Goods - yarn	-	15441958
	<u>1627946710</u>	<u>1865911075</u>



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	Year ended March 31,2009 Rs.	Year ended March 31,2008 Rs.
<b>SCHEDULE -15</b>		
<b>Other Income</b>		
Interest (TDS Rs. 588292/-..Previous year Rs.425576/-)	3010881	2635751
Other claims	34466	8790
Profit on sale of assets	278162	666
Insurance Claims (Net)	18917141	-
Export Benefits	15295687	30107332
Miscellaneous Receipts	6422825	7302445
	<u>43959162</u>	<u>40054984</u>
<b>SCHEDULE - 16</b>		
<b>Consumption of Raw Materials</b>		
Opening Stocks	221557408	157100181
Add : Purchases	959167589	1041982610
	<u>1180724997</u>	<u>1199082791</u>
Less : Closing Stocks	88733835	221557408
Raw Materials consumed	<u>1091991162</u>	<u>977525382</u>
<b>SCHEDULE - 17</b>		
<b>Chemicals, Stores &amp; Spares consumption</b>		
Stores & spares	23924605	18475842
Dyes & Chemicals	18311304	30709624
Packing Material	23644636	21354572
	<u>65880545</u>	<u>70540038</u>
<b>SCHEDULE - 18</b>		
<b>Power &amp; Fuel</b>		
Electricity Charges	162912775	157408514
Fuel	1376021	5796057
	<u>164288796</u>	<u>163204571</u>
<b>SCHEDULE - 19</b>		
<b>Payments to &amp; Provisions for Employees</b>		
Salaries, Wages and Bonus	105584983	92260885
Contribution to Provident Fund & other funds	5429797	4848345
Gratuity and Leave encashment	1286994	1737187
Staff & Workmen welfare	11358506	9143038
	<u>123660280</u>	<u>107989455</u>



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	Year ended March 31,2009 Rs.	Year ended March 31,2008 Rs.
<b>SCHEDULE - 20</b>		
<b>Administrative Expenses</b>		
Rent	2030055	2042494
Security Charges	3438668	3424870
Rates & Taxes	4625610	4953179
Printing & Stationery	1321159	1150465
Postage, Telegrams & Telephones	2704045	2640612
Travelling & Conveyance	7470321	7169752
Directors' Sitting fees	54000	62000
Advertisements	373130	484590
Foreign Exchange Fluctuations	8522355	15112505
Commission / Expenses on Sales	64902282	92128747
Insurance	4284110	4840442
Auditors' Remuneration	344525	305424
Legal & Professional Charges	3582411	2347845
Repairs to : Buildings	697519	448443
: Machinery	19625859	13011253
: Other Assets	525908	605296
Loss on sale of vehicles	222636	333055
Vehicle Maintenance	2149537	2558937
Miscellaneous Expenses	10647991	7980434
Donations	453018	327179
	<u>137975139</u>	<u>161927522</u>
<b>SCHEDULE - 21</b>		
<b>Interest &amp; Finance Charges</b>		
Debentures	3530405	5077419
Term Loans	114662357	72738939
Less : Interest subsidy under TUF	43023100	19923185
Less : Interest Transferred to Fixed Assets	35705800	19099066
Banks & others	83089547	45372554
Bank charges	8314939	6311905
	<u>130868348</u>	<u>90478567</u>
<b>SCHEDULE - 22</b>		
<b>Increase/(Decrease) in Stocks</b>		
<b>Opening Stocks</b>		
Yarn	228977931	137776590
Work-in-process	48521970	35110172
Cotton Waste	546082	730291
	<u>278045983</u>	<u>173617053</u>
<b>Closing Stocks</b>		
Yarn	364565281	228977931
Work-in-process	85577191	48521970
Cotton Waste	204958	546082
	<u>450347430</u>	<u>278045983</u>
<b>Increase/(Decrease) in stocks</b>	<u>172301447</u>	<u>104428930</u>



# Rajvir Industries Limited

## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31,2009

PARTICULARS	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>A CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>				
Net profit before tax & extraordinary items		22164831		85523123
Add: Depreciation	69108953		67106768	
Misc.expenses written off	-		809524	
Interest & Finance charges	130868349		90478567	
Profit on sale of fixed assets	(55526)	199921776	-	158394859
Operating profit before working capital changes		222086607		243917982
Adjustments for working capital changes				
Sundry debtors	7818202		(49018914)	
Current liabilities	(38046149)		97758987	
Inventories	(47298101)		(172462315)	
Loans & Advances	(88465507)		60554971	
Tax provisions	(3330000)	(169321555)	(24587977)	(87755248)
Cash generated from Operations		52765052		156162734
Less: Interest & Finance charges		130868349		90478567
CASH FLOW BEFORE EXTRAORDINARY ITEMS		(78103297)		65684167
Add:Extra ordinary items: Capital reserve		-		2539503
CASH FLOW FROM OPERATING ACTIVITIES		(78103297)		68223670
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Inflow: Sale of fixed assets		1837500		-
Outflow: Acquisition of fixed assets		240157938		582287585
		(238320438)		(582287585)





# Rajvir Industries Limited

## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31,2009 (Contd.)

PARTICULARS	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Inflow: Term loans received	99956050		457647738	
Increase in bank borrowings	117773063		106348548	
Investments	-		(98000)	
Hire purchase loan	2640000		(547330)	
Unsecured Loans	54944541		8262833	
Corporate loans	153750000	429063654	88125660	659739449
Outflow: Repayment of term loans	100164578		89458474	
Repayment of NCDs	10714286		21428572	
Corporate Tax	4255715		9006682	
Dividend Tax	2063193		2063193	
Dividends	12003220	129200992	12018872	133975793
NET CASH FROM FINANCING ACTIVITIES		299862662		525763656
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)		(16561073)		11699740
ADD: CASH/CASH EQUIVALENTS AT THE BEGINIG OF THE YEAR		40127631		28427891
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR		23566558		40127631

Note: Previous year's figures have been regrouped/reclassified,wherever necessary to confirm to the current year's classification.

As per our report of even date

For and on behalf of the Board

for **S.Daga & Co.,**  
Chartered Accountants

**K.Ravi Kumar**  
General Manager (Finance)

**U.K.Agarwal**  
Chairman & Managing Director

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

**P.Surya Prakash**  
Company Secretary

**Ritesh K Agarwal**  
Executive Director

Place : Secunderabad  
Date : 30th June,2009



# Rajvir Industries Limited

## NOTES FORMING PART OF THE ACCOUNTS

### SCHEDULE-23

#### I. SIGNIFICANT ACCOUNTING POLICIES:

##### i. 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.

##### ii. Revenue Recognition:

- a. Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customer.
- b. Income from services rendered is accounted as per contractual terms with the parties concerned.
- c. Dividend income is accounted for in the year in which it is declared.
- d. 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.

##### iii. Expenditure:

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

##### iv. Fixed Assets:

- 1) 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.
- 2) 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.
- 3) Depreciation on revalued part is transferred from Revaluation Reserve to Profit & Loss account.
- 4) 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.

##### v. Inventories:

Inventories are valued as follows:

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

Cost of raw-material, 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.

Cost of Stores and Spares is determined on Weighted Average basis

##### vi. Employee Benefits:

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

##### i) Defined contribution schemes:

- a) Employee Provident Fund
- b) Family Pension Scheme
- c) Employee State Insurance Scheme
- d) Labour Welfare Fund

##### ii) Defined benefit Schemes:

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



## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

### SCHEDULE-23 (Contd.)

#### vii. Foreign Exchange Transactions:

- a) 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.
- b) 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.
- 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.

#### viii. 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.

#### ix. 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.

#### x. 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.

#### xi. 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.

#### xii. 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.

#### xiii. 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.

#### xiv. 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 Profit and Loss Account.

#### xv. 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.

#### xvi. 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.



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

### SCHEDULE-24 NOTES ON ACCOUNTS

	31.03.2009 Rs in Lacs	31.03.2008 Rs in Lacs
1) Contingent Liabilities not provided for:		
a) Letters of Credit	1188.87	1235.39
b) Bank Guarantees	11.97	13.97
c) In respect of Bills Discounted & outstanding	658.44	258.58
d) In respect of suits filed but not acknowledged as debt	26.80	26.80
2) Capital commitments		
For the amounts of Contracts remaining to be executed	332.80	699.75
3) The Company has disputed the amount payable to M/s Surya Lakshmi Cotton Mills Limited on account of demerger and consequential transactions. M/s Surya Lakshmi Cotton Mills Limited has filed recovery suit for Rs. 444.16 lacs plus interest which the company has disputed and filed a counter claim for Rs.700.00 lacs. The Company has also initiated other legal proceedings against the aforesaid company for recovery of Various Benefits, Refunds and other Dues, which are pending before the Judicial Authorities. The Company expects no further liability. (liability as per books of account is Rs.4.17 crores)	-	-
4) The revaluation of Plant & Machinery and other equipment carried out by an approved valuer in March 1993 resulted in increase in the gross value of assets by Rs.53337442. The same was adopted on 31.03.1993, by showing under fixed assets schedule as separate item and by creating revaluation reserve to that extent. The depreciation on the balance of revalued assets for the period adjusted against the revaluation reserve and the asset respectively.	28.16	28.16
5) The capital subsidy received from TUFs (The Ministry of Textiles, Govt. of India) has been credited to Capital Reserve, which is subject to certain stipulations under the scheme.	25.39	25.39
6) Auditors Remuneration included:		
Statutory Audit	2.25	2.00
Tax Audit	0.40	0.40
Certification & others	0.50	0.50
Reimbursement of Expenses	0.15	0.15
	<b>3.30</b>	<b>3.05</b>
7) Instalments of Term Loans and Debentures due within the next 12 month period payable to:		
a) Industrial Development Bank of India	79.28	371.41
b) State Bank of India	194.60	194.60
c) State Bank of Hyderabad	-	186.00
d) State Bank of Bikaner and Jaipur	93.00	186.00
e) State Bank of India (Corp Loan)	400.00	300.00
f) Axis Bank Ltd.	150.00	75.00
g) The Bank of Rajasthan Ltd.	67.65	0.00
h) Axis Bank Ltd. (Corp Loan)	212.50	0.00
i) State Bank of Hyderabad (Corp Loan)	50.00	0.00
	<b>1247.03</b>	<b>1313.01</b>



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

### SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	31.03.2009 Rs in Lacs	31.03.2008 Rs in Lacs	
8) Other Loans and Advances includes:			
(i) Interest free Sales Tax Loan received from the State Government, which is repayable in four annual instalments commencing from the year 2012.	20.00	20.00	
(ii) Sales Tax Deferment Liability which is due for repayment from the year 2014.			
For the Year	43.93	1.88	
Aggregate for the year	943.17	899.24	
(iii) The company has filed a claim with New India Insurance company against fire accident occurred in cotton bales on 15.02.2009 and the same has been accounted for in the books and is pending for final settlement.	171.15	-	
9) Current Assets , Loans and Advances: In the opinion of the Board of Directors, the current assets loans and advances are approximately of the value stated if realised in the ordinary course of business. The provision for depreciation and for all known liabilities are adequate and not in excess of the amounts considered reasonably necessary.	--	--	
10) Travelling & Conveyance includes Directors travelling	24.63	27.05	
11) EXPORT BENEFITS:			
The details of export benefits accounted for on accrual basis on exports made during the year as incentive under Duty Entitlement Pass Book is as under :			
a) For the year	35.51	149.00	
b) Aggregate at the end of the year	35.51	149.00	
12) Disclosure in accordance with section 22 of Micro, Small and Medium Enterprises Development Act, 2006.			
<b>SI No.</b>	<b>Particulars</b>	<b>2008-09 Rs. Lacs</b>	<b>2007-08 Rs. Lacs</b>
a.	Principal amount remaining unpaid and interest due thereon	Nil	Nil
b.	Interest paid in terms of Section 16	Nil	Nil
c.	interest due and payable for the period of delay in payment	Nil	Nil
d.	Interest accrued and remaining unpaid	Nil	Nil
e.	Interest due and payable even in succeeding years	Nil	Nil
The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.			
13)	Foreign currency exposure that are not hedged by derivative or forward contracts	85.22	81.19



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	31.03.2009 Rs in Lacs	31.03.2008 Rs in Lacs
14) The operations of the company predominantly comprises of "Manufacturing of yarn". These activities constitute the Primary segment and is the only reportable 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 geographical revenues are segregated based on the locations of the customers. The company's major exports are made in 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 tables shows the distribution of the company's turnover by geographical locations.		
<b>SECONDARY (GEOGRAPHICAL) SEGMENTS</b>	<b>Amount in Rs.</b>	Amount in Rs.
Revenue attributable to location of customers:		
India	<b>1338557445</b>	1202273397
Rest of the world	<b>289389265</b>	663637678
15) Assets / Capital Work-in-progress	<b>Rs in Lacs</b>	Rs in Lacs
Interest on borrowings towards purchase of assets / capital work-in-progress capitalised during the year	<b>357.06</b>	190.99
	<b>Year ended 2008-09 Rs. (in Lacs)</b>	Year ended 2007-08 Rs. (in Lacs)
16) Employee Benefits :		
The assumptions and other disclosures relating to the Actuarial valuation of gratuity and leave encashment are as under:		
<b>Gratuity:</b>		
<b>a) Change in Present value of obligation</b>		
Present value of obligation at beginning of period	<b>23.34</b>	16.28
Interest cost	<b>1.87</b>	1.30
Current service cost	<b>2.47</b>	5.76
Benefits paid	<b>(1.19)</b>	-
Actuarial (gain)/Loss on obligation	<b>(11.44)</b>	-
Present value of obligation at the end of period	<b>15.05</b>	23.34
<b>b) Change in fair value of Plan assets</b>		
Fair value of plan assets at beginning of period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	<b>1.19</b>	2.02
Actuarial gain/(Loss) on plan assets	-	-
Fair value of plan asset at end of period	-	-



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	Year ended 2008-09 Rs. (in Lacs)	Year ended 2007-08 Rs. (in Lacs)
<b>c) Fair value of Plan assets</b>		
Fair value of Plan Assets at beginning of period	-	-
Actuarial return on Plan assets	-	-
Contributions	-	-
Benefits paid	1.19	2.02
Fair value of Plan Assets at end of period	-	-
Funded status	(15.05)	(23.34)
Excess of actual over estimated return on Plan assets	-	-
<b>d) Amounts to be recognised in the balance sheet and statement of profit &amp; loss account</b>		
Present value of obligation at end of period	15.05	23.34
Fair value of Plan Assets at end of period	-	-
Funded status	15.05	23.34
Unrecognised Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	-	-
<b>e) Expense recognised in the statement of P&amp;L A/c</b>		
Current service cost	2.47	5.76
Interest cost	1.87	1.30
Expected return on Plan asset	-	-
Net Actuarial (Gain)/Loss recognised for the period	(11.44)	-
Expense recognised in the statement of P&L A/c	1.19	9.09
<b>f) Movements in the Liability recognised in Balance sheet</b>		
Opening Net liability	23.34	16.28
Expenses as above	1.19	9.09
Contribution paid	-	-
Benefits paid	1.19	2.02
Closing Net Liability	15.05	23.34
Assumptions:		
Mortality	LIC (1994-96)	LIC (1994-96)
Discount rate		
Rate of increase in compensation		
Rate of return (expected) on plan assets	N.A.	N.A.
Attrition rate		
Expected average remaining service of Employees in years	-	-
<b>Leaves encashment:</b>		
<b>a) Change in Present value of obligation</b>		
Present value of obligation at beginning of period	6.04	4.30
Interest cost	0.48	0.34
Current service cost	1.69	0.66
Benefits paid	(11.68)	(6.54)
Actuarial (gain)/Loss on obligation	3.83	7.28
Present value of obligation at the end of period	0.37	6.04





# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	Year ended 2008-09 Rs. (in Lacs)	Year ended 2007-08 Rs. (in Lacs)
<b>b) Change in fair value of Plan assets</b>		
Fair value of plan assets at beginning of period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	11.68	6.54
Actuarial gain/(Loss) on plan assets	-	-
Fair value of plan asset at end of period	-	-
<b>c) Fair value of Plan assets</b>		
Fair value of Plan Assets at beginning of period	-	-
Actuarial return on Plan assets	-	-
Contributions	-	-
Benefits paid	11.68	6.54
Fair value of Plan Assets at end of period	-	-
Funded status	(0.37)	(6.04)
Excess of actual over estimated return on Plan assets	-	-
<b>d) Amounts to be recognised in the balance sheet and statement of profit &amp; loss account</b>		
Present value of obligation at end of period	0.37	6.04
Fair value of Plan Assets at end of period	-	-
Funded status	(0.37)	(6.04)
Unrecognised Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	-	-
<b>e) Expense recognised in the statement of P&amp;L A/c</b>		
Current service cost	1.69	0.66
Interest cost	0.48	0.34
Expected return on Plan asset	-	-
Net Actuarial (Gain)/Loss recognised for the period	-	-
Expense recognised in the statement of P&L A/c	11.68	8.28
<b>f) Movements in the Liability recognised in Balance sheet</b>		
Opening Net liability	6.40	4.30
Expenses as above	11.68	8.28
Contribution paid	-	-
Benefits paid	11.68	6.54
Closing Net Liability	0.37	6.04
Assumptions:		
Mortality	LIC (1994-96)	LIC (1994-96)
Discount rate		
Rate of increase in compensation		
Rate of return (expected) on plan assets	N.A.	N.A.
Attrition rate		
Expected average remaining service of Employees in years	-	-

### Notes:

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.



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	Year ended 2008-09 Rs. (in Lacs)	Year ended 2007-08 Rs. (in Lacs)
17. Earning Per Share		
No of Equity Shares	3034997	3034997
Profit available to Equity Share Holders(Rs)	10002238	61363003
Nominal per Equity share ( Rs)	10	10
Basic & Diluted Earning per share (Rs.)	3.30	20.22
18) Managerial Remuneration		
Salary	8236800	8236800
Commission	620174	1921480
Perquisites	20200	41514
Contribution to provident and other Funds	18720	18720
Computation of Net Profit in accordance with section 349 and Sch. XIII of the Companies Act, 1956 for calculation of commission payable to directors:		
Profit for the year before Taxation	22164830	85523123
Add: Managerial Remuneration	8895894	10218514
Less : Profit on Discarded assets	278612	666
Add : Loss on sale of vehicles	226636	333055
Net profit for the year in accordance with section 349 of the companies act,1956	<b>31008748</b>	<b>96074026</b>
Commission payable to:		
Managing Director - 1% of the above net profit	310087	960740
Executive Director - 1% of the above net profit	310087	960740
Managing Director - restricted to 50% of Annual salary	1728000	1728000
Executive Director - restricted to 50% of Annual salary	1440000	1440000

Since 1% of the Net Profit is lower the same is considered.

### 19) Related party disclosure

#### NAMES OF KEY MANAGEMENT PERSONNEL

Sri U.K. Agarwal, Sri Ritesh K. Agarwal

#### RELATIVES OF KEY MANAGEMENT PERSONNEL.

Mrs. Usha Bai 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

#### NAMES OF OTHER ASSOCIATES

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



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

### SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

(Amount in Rs.)

Name of the Transaction	Other Associates	Key Management Personnel	Relatives	Total
Rent	<b>1140000</b> (1140000)	- -	- -	<b>1140000</b> (1140000)
Remuneration	- -	<b>8895894</b> (10218514)	- -	<b>8895894</b> (10218514)
Cotton Purchases	<b>132705906</b> (333507906)	- -	- -	<b>132705906</b> (333507906)
Loan : Receipt	<b>5850000</b> -	<b>53676758</b> (7105000)	<b>20325952</b> (14350000)	<b>79852710</b> (21455000)
Payment	- -	<b>33800000</b> (5000000)	<b>600000</b> (9600000)	<b>34400000</b> (14600000)
Interest	<b>385900</b> (280644)	<b>3124861</b> (2374142)	<b>1378702</b> (1089943)	<b>4889463</b> (3744729)

Note : (i) Related party relationship is as identified by the company and relied upon by the Auditors  
(ii) Previous year figures are given in brackets.

	<b>31.03.2009</b>	31.03.2008
20) Stock of finished goods includes stocks lying with consignment agents (Rs.)	<b>20618191</b>	25051740



# Rajvir Industries Limited

## ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3,4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT 1956

### SCHEDULE-24 (contd.)

	2008-09		2007-08	
	Quantity in Kgs.	Amount Rs.	Quantity in Kgs.	Amount Rs.
21) Licensed Capacity : Not applicable since the Industry is delicensed Installed Capacity : No of Spindles (The figures have been certified by management and not verified by the Auditors being a technical matter.)		84000		84000
22) Production & Sales				
a) Production				
Yarn	11342173		11039827	
b) Purchase of Traded goods				
Yarn	-	-	168900	12831450
Cotton	33319	1939462	4522694	251288275
c) Sales:				
Yarn	10591700	1558736508	10800472	1538941051
Waste	2732347	67261387	2392558	42955837
	<b>13324047</b>	<b>1625997895</b>	13193030	1581896888
d) Sales of traded goods				
Yarn	-	-	168900	15441958
Cotton -- Domestic	33319	1948815	-	-
Cotton -- Exports	-	-	4522694	268572230
23) Opening and Closing Stocks:				
a) Opening Stocks:				
Yarn	1140555	228977931	929106	137776590
In Process	420851	48521970	332670	35110172
Waste	30962	546082	31811	730291
		<b>278045983</b>		<b>173617053</b>
b) Closing Stocks:				
Yarn	1879124	364565281	1140555	228977931
In Process	596178	85577191	420851	48521970
Waste	15665	204958	30962	546082
		<b>450347430</b>		<b>278045983</b>
<b>Note:</b> Process loss in the course of dyeing of yarn is 11904 Kgs. ( Previous year 26938 kgs) and sale of yarn includes samples. (Previous year nil) sent to customers.				
24) Stock of Rawmaterials:				
a) Opening Stocks:				
Cotton	2646158	178585185	2061326	133565676
Polyster Staple Fibre	196949	12275384	103739	6465060
Viscose Staple Fibre	244349	30696839	159423	17069445
	<b>3087456</b>	<b>221557408</b>	2324488	157100181
b) Closing Stocks:				
Cotton	481371	42429555	2646158	178585185
Polyster Staple Fibre	300391	21739371	196949	12275384
Viscose Staple Fibre	160645	24564909	244349	30696839
	<b>942407</b>	<b>88733835</b>	3087456	221557408



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS SCHEDULE-24 (contd.)

	2008-09		2007-08	
	Quantity in Kgs.	Amount Rs.	Quantity in Kgs.	Amount Rs.
25) Purchase of Rawmaterials:				
Cotton	8129208	578001894	9329491	536244370
Polyster Staple Fibre	2994407	211977067	2768282	189152461
Viscose Staple Fibre	1418249	169188628	2573322	316585779
	<b>12541864</b>	<b>959167589</b>	14671095	1041982610
26) a) Rawmaterials Consumed				
Cotton	10293995	714157524	8744659	491224861
Polyster Staple Fibre	2890965	202513080	2675072	183342137
Viscose Staple Fibre	1501953	175320558	2488396	302958385
	<b>14686913</b>	<b>1091991163</b>	13908127	977525383
	%	Amount Rs.	%	Amount Rs.
b) Rawmaterials Consumed				
Indignous	89.36	975769196	99.00	964794431
Imported	10.64	116221966	1.00	12730952
	<b>100.00</b>	<b>1091991162</b>	100.00	977525383
27) Spare parts & Components Consumed				
Indignous	77.39	18514941	84.01	15522171
Imported	22.61	5409664	15.99	2953671
	<b>100.00</b>	<b>23924605</b>	100.00	18475842
28) CIF value of imports:				
i) Plant & Machinery - Imported (CIF Value)		8530625		357491929
ii) Raw Materials (CIF Value)		107408871		2481317
iii) Stores and Spares (CIF Value)		5903411		12831580
29) Expenditure in Foreign Currency during the Year on account of :				
i) Foreign Travel		1177752		1265167
ii) Export Commission		3523652		4457662
30) Export Sales (FOB)		286902583		622525150
31) General :				
a) Paise are rounded off to the nearest Rupee.				
b) Previous year's figures have been regrouped / recast wherver considered necessary to make these comparable with those of the current year.				

As per our report of even date

for **S.Daga & Co.,**  
Chartered Accountants

**K.Ravi Kumar**  
General Manager (Finance)

For and on behalf of the Board

**U.K.Agarwal**  
Chairman & Managing Director

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

**P. Surya Prakash**  
Company Secretary

**Ritesh K Agarwal**  
Executive Director

Place : Secunderabad  
Date : 30th June, 2009



# Rajvir Industries Limited

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(As required under part IV of the amended Schedule VI of the Companies Act, 1956)

### I. Registration Details

Registration No: 

4	4	0	5	3
---	---	---	---	---

  
 Balance Sheet 

3	1	0	3
---	---	---	---

2	0	0	9
---	---	---	---

  
 Date            Month            Year  
 State Code        

0	1
---	---

### II. Capital including Share Premium raised during the year

(Amount in Rs. Thousands)

Public Issue 

	N	I	L
--	---	---	---

                      Right Issue 

	N	I	L
--	---	---	---

  
 Bonus Issue 

	N	I	L
--	---	---	---

                      Private Placement 

	N	I	L
--	---	---	---

### 3. Position of Mobilisation and Deployment of Funds

<b>Total Liabilities</b>	<table border="1" style="display: inline-table;"><tr><td>2</td><td>8</td><td>0</td><td>3</td><td>6</td><td>2</td><td>6</td></tr></table>	2	8	0	3	6	2	6	<b>Total Assets</b>	<table border="1" style="display: inline-table;"><tr><td>2</td><td>8</td><td>0</td><td>3</td><td>6</td><td>2</td><td>6</td></tr></table>	2	8	0	3	6	2	6							
2	8	0	3	6	2	6																		
2	8	0	3	6	2	6																		
<b>Sources of Funds</b>		<b>Reserves &amp; surplus</b>	<table border="1" style="display: inline-table;"><tr><td></td><td>3</td><td>6</td><td>6</td><td>8</td><td>8</td><td>1</td></tr></table>		3	6	6	8	8	1														
	3	6	6	8	8	1																		
Paid up Capital	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td>3</td><td>0</td><td>3</td><td>5</td><td>0</td></tr><tr><td>1</td><td>7</td><td>4</td><td>0</td><td>1</td><td>1</td><td>7</td></tr></table>			3	0	3	5	0	1	7	4	0	1	1	7	Unsecured Loans	<table border="1" style="display: inline-table;"><tr><td></td><td>1</td><td>9</td><td>9</td><td>7</td><td>4</td><td>7</td></tr></table>		1	9	9	7	4	7
		3	0	3	5	0																		
1	7	4	0	1	1	7																		
	1	9	9	7	4	7																		
Secured Loans		Investments	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td></td><td></td><td>9</td><td>8</td></tr></table>						9	8														
					9	8																		
<b>Application Of Funds</b>		Misc. Expenses	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>0</td></tr></table>							0														
						0																		
Net Fixed Assets	<table border="1" style="display: inline-table;"><tr><td>1</td><td>8</td><td>0</td><td>1</td><td>9</td><td>4</td><td>5</td></tr></table>	1	8	0	1	9	4	5	Deferred Tax Liability ( Net )	<table border="1" style="display: inline-table;"><tr><td></td><td>-</td><td>9</td><td>9</td><td>8</td><td>0</td><td>7</td></tr></table>		-	9	9	8	0	7							
1	8	0	1	9	4	5																		
	-	9	9	8	0	7																		
Net Current Assets	<table border="1" style="display: inline-table;"><tr><td></td><td>6</td><td>3</td><td>4</td><td>8</td><td>6</td><td>0</td></tr></table>		6	3	4	8	6	0																
	6	3	4	8	6	0																		

### 4. Performance of Company

Turnover	<table border="1" style="display: inline-table;"><tr><td>1</td><td>6</td><td>7</td><td>1</td><td>9</td><td>0</td><td>6</td></tr></table>	1	6	7	1	9	0	6	Total Expenditure	<table border="1" style="display: inline-table;"><tr><td>1</td><td>6</td><td>4</td><td>9</td><td>7</td><td>4</td><td>1</td></tr></table>	1	6	4	9	7	4	1
1	6	7	1	9	0	6											
1	6	4	9	7	4	1											
Profit Before tax	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td>2</td><td>2</td><td>1</td><td>6</td><td>5</td></tr></table>			2	2	1	6	5	Profit after Tax	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td>1</td><td>0</td><td>0</td><td>2</td></tr></table>				1	0	0	2
		2	2	1	6	5											
			1	0	0	2											
Earning Per share (Rs.) (based on weighted average)	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td>3</td><td>.</td><td>3</td><td>0</td></tr></table>			3	.	3	0	Dividend Rate %	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td></td><td></td><td>2</td><td>0</td></tr></table>						2	0	
		3	.	3	0												
					2	0											

### 5. Generic Names of three principal Products / Services of Company (as per Monetary terms)

Product Description	Item Code No. (ITC Code)
COTTON Y ARN	520300
PV YARN	550900

For and on behalf of the Board

**K.Ravi Kumar**  
General Manager (Finance)

**U.K.Agarwal**  
Chairman & Managing Director

Place : Secunderabad  
Date : 30th June, 2009

**P.Surya Prakash**  
Company Secretary

**Ritesh K Agarwal**  
Executive Director



# Rajvir Industries Limited

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES

1. Name of the Subsidiary	Moneysa Fibers Private Limited
2. Financial year of the Subsidiary ended on	31st March, 2009
3. Shares of the Subsidiary held by the Company on the above date:	
a) Number of shares	10,000
Face Value	Equity Shares of Rs.10 each
b) Extent of Holding	98%
4. Net aggregate amount of profits/(losses) of the Subsidiary for the above financial year so far As they concern members of the Company	
a) dealt with in the accounts of the Company for the year ended 31st March, 2009	Nil
b) not dealt with in the accounts of the Company for the year ended 31st March, 2009	Nil
5. Net aggregate amount of profits/(losses) for previous years of the Subsidiary, since it became a subsidiary so far as they concern members of the Company.	
a) dealt with in the accounts of the Company for the year ended 31st March, 2008	Nil
c) not dealt with in the accounts of the Company for the year ended 31st March, 2008	Nil
6. Change in the interest of the Company in the Subsidiary between the end of the financial year Of the subsidiary and that of the Company.	Nil
7. Material changes between the end of the financial year of the Subsidiary and end of the financial year of the Company in respect of the ubvestnebts, lending and borrowing for the purpose other than meeting their current liabilities	Nil
8. Remarks	Nil

For and on behalf of the Board

**K.Ravi Kumar**  
General Manager (Finance)

**U.K.Agarwal**  
Chairman & Managing Director

Place : Secunderabad  
Date : 30th June, 2009

**P.Surya Prakash**  
Company Secretary

**Ritesh K Agarwal**  
Executive Director



# Moneya Fibres Private Limited

## DIRECTORS' REPORT

To  
The Members

Your Directors have pleasure in presenting the 2nd Annual Report on the business and operations of the Company and Audited statement of Accounts for the year ended 31st March 2009.

## OPERATIONS

During the year under review there was no operation of the company.

## DIVIDEND

As there is no operation of the company, the directors have not recommended any dividend for the year 2008-09.

## FIXED DEPOSITS

The Company has not invited /accepted any deposits from the public within the meaning of section 58A & 58AA of the companies Act, 1956

## DIRECTORS

Pursuant to the provisions of Companies Act, 1956 and in terms of the Articles of Association of the company, Mr. Ritesh K. Agarwal retires by rotation at the ensuing 2nd Annual General Meeting and being eligible offers himself for reappointment.

## AUDITORS

The Auditors, M/s S Daga & Co., Chartered Accountants, Statutory Auditors retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- I. That in the preparation of the annual accounts the applicable accounting standards has been followed and there has been no material departure;

2. That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the Profit & Loss Account of the Company for the year ended on that date.
3. That proper and sufficient care has been taken 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 the annual accounts have been prepared on a going concern basis.

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

The details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure-I and form part of the Report.

## EMPLOYEES

The information required to be furnished under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended as per Annexure II and forming part of the Report.

For and on behalf of the Board of Directors

**U.K.Agarwal**  
Director

Place : Secunderabad  
Date : 27.07.2009

# Moneysa Fibres Private Limited

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## **ANNEXURE-I**

### **ANNEXURE 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:**

Not Applicable as company is yet to commence operations.

#### **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): Not applicable as no R&D activity is carried out.

B. Technology absorption, adoption and innovation : Not Applicable

#### **C. FOREIGN EXCHANGE EARNINGS & OUTGO:**

During the year there is no Foreign Exchange Earning or outgo. (Previous year --- Nil)

## **ANNEXURE II**

### **ANNEXURE TO DIRECTORS' REPORT**

Information pursuant to section 217 (2A) of the Companies Act, 1956 read with companies (Particulars of employees Rules 1975 and forming part of the directors' report for the year 2008-2009: Not Applicable

# MoneySA Fibres Private Limited

## AUDITORS' REPORT

To  
The Shareholders of  
**MONEYSA FIBRES PVT.LTD.**

We have audited the attached Balance Sheet of MONEYSA FIBRES PVT.LTD., as at 31st March, 2009 and Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003, (and amended by The Companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the company.
- 2) Further to our comments in the annexure referred to in paragraph (1) above :
  - 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 accounts as required by law have been kept by the Company so far as it appears from the examination of such books.

- c) the Balance Sheet dealt with by this report is in agreement with the books of accounts
- d) in our opinion the Balance Sheet and Cash Flow Statement dealt with by this statement complies with the mandatory Accounting Standards referred to in section 211(3C) of the Companies Act, 1956, wherever applicable.
- e) as per the information and explanation given to us, no director of the Company is disqualified from being appointed as director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) in our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read together with the notes thereon with regard to going concern assumption; give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet of the state of affairs of the company as at 31st March 2009;
  - ii) in the case of Cash Flow statement, of the cash flows for the period ended on that date.

**For S.DAGA & CO.,**  
Chartered Accountants

**(T.V.SUBBA RAO)**  
Partner  
M.No.9636

Place : Hyderabad  
Date : 30.6.2009

# Moneysa Fibres Private Limited

## BALANCE SHEET AS AT 31st MARCH, 2009

	Schedule	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS:</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	<u>100000</u>		<u>100000</u>	
			<b>100000</b>		<b>100000</b>
<b>Loan Funds</b>					
Secured Loans		-		-	
Unsecured Loans	2	<u>106400</u>		<u>6000</u>	
			<b>106400</b>		<b>6000</b>
<b>TOTAL</b>			<u><b>206400</b></u>		<u><b>106000</b></u>
<b>APPLICATION OF FUNDS:</b>					
<b>Fixed Assets</b>					
Gross Block		-		-	
Less : Depreciation		-		-	
Net Block			-		-
<b>Current Assets, Loans and Advances</b>					
Cash and Bank Balances	3	<u>200000</u>		<u>100000</u>	
		<b>200000</b>		<b>100000</b>	
<b>Less : Current Liabilities and Provisions</b>	4	<u>20000</u>		<u>10000</u>	
<b>Net Current Assets</b>			<b>180000</b>		<b>90000</b>
<b>Miscellaneous Expenditure</b>	5		<b>26400</b>		<b>16000</b>
(To the extent not written off or adjusted)					
<b>TOTAL</b>			<u><b>206400</b></u>		<u><b>106000</b></u>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	6				

The schedules referred to above form an integral part of Balance Sheet

As per our report of even date

for **S.Daga & Co.,**  
Chartered Accountants

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

Place : Secunderabad  
Date : 30th June, 2009

For and on behalf of the Board

**U.K.Agarwal**  
Director

**Ritesh K Agarwal**  
Director

# Moneya Fibres Private Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL:</b>		
<b>Authorised:</b>		
10,000 Equity Shares of Rs.10/- each	100000	100000
	<u>100000</u>	<u>100000</u>
<b>Issued, Subscribed and Paid up:</b>		
10,000 (Previous year 10,000) Equity Shares of Rs.10/- each fully paid.	100000	100000
	<u>100000</u>	<u>100000</u>
	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.

<b>SCHEDULE - 2</b>		
<b>UNSECURED LOANS</b>		
<b>OTHER LOANS AND ADVANCES</b>		
a) From Directors	-	-
b) From Others	106400	6000
(Rajvir Industries Limited - Holding company)	<u>106400</u>	<u>6000</u>
	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.

<b>SCHEDULE - 3</b>		
<b>CASH AND BANK BALANCES</b>		
Cash On hand	-	-
Cheques on hand	-	100000
Balances with Scheduled banks	200000	-
	<u>200000</u>	<u>100000</u>
	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.

<b>SCHEDULE - 4</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Creditors for expenses	20000	10000
	<u>20000</u>	<u>10000</u>
	for the period 31.03.2009 Rs.	for the period 31.03.2008 Rs.

<b>SCHEDULE - 5</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
<b>(to the extent not written off or adjusted)</b>		
Preliminary & Pre-operative expenses	6400	6000
Statutory Audit fee	20000	10000
	<u>26400</u>	<u>16000</u>

# Moneysa Fibres Private Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

### SCHEDULE-6

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

##### A. SIGNIFICANT ACCOUNTING POLICIES:

The Financial Statements are prepared on the historical cost convention method.

##### B. NOTES ON ACCOUNTS:

	As at 31.03.2009 Amount (Rs)	As at 31.03.2008 Amount (Rs)
i) Contingent liabilities provided for	Nil	Nil
ii) Estimated amounts of contracts to be executed on Capital account and not provided in the books of account	Nil	Nil
iii) The company has prepared the statement of pre-operative expenses instead of Profit & loss account. The necessary details as per Part II of Schedule VI of the Companies Act, 1956 to the extent applicable have been disclosed in the said statement.		
v) Other information as required under para 4-C and 4-B of Schedule VI, Part II of the Companies Act, 1956.	Nil	Nil

The schedules referred to above form an integral part of Balance Sheet

As per our report of even date

**for S.Daga & Co.,**  
Chartered Accountants

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

Place : Secunderabad  
Date : 30th June, 2009

For and on behalf of the Board

**U.K.Agarwal**  
Director

**Ritesh K Agarwal**  
Director

# Moneya Fibres Private Limited

## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31,2009

PARTICULARS	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>A CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>				
Net profit before tax & extraordinary items		-		
Add: Depreciation	-		-	
Misc.expenses written off	-	-		
Interest & Finance charges	-		-	
Operating profit before working capital changes		<u>-</u>	<u>-</u>	<u>-</u>
Adjustments for working capital changes				
Sundry debtors	-		-	
Current liabilities	10000		10000	
Inventories	-		-	
Loans & Advances	-		-	
Intangible assets	<u>(10400)</u>	<u>(400)</u>	<u>(16000)</u>	<u>(6000)</u>
Cash generated from Operations		<u>(400)</u>		<u>(6000)</u>
Less: Interest & Finance charges		-		-
CASH FLOW BEFORE EXTRAORDINARY ITEMS		<u>(400)</u>		<u>(6000)</u>
Add: Extraordinary items: Capital reserve		-		-
CASH FLOW FROM OPERATING ACTIVITIES		<u>(400)</u>		<u>(6000)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Outflow: Acquisition of fixed assets		<u>-</u>		<u>-</u>
		<u>-</u>		<u>-</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Inflow: Increase in share Capital	-		100000	
Increase in Bank borrowings	-		-	
Unsecured Loans	-		-	
NET CASH FROM FINANCING ACTIVITIES	<u>100400</u>	<u>100400</u>	<u>6000</u>	<u>106000</u>
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)		<u>100400</u>		<u>106000</u>
ADD:CASH/CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR.		<u>100000</u>		<u>100000</u>
CASH/CASH EQUIVALENTS AT THE CLOSING OF TH YEAR		<u>200000</u>		<u>100000</u>

As per our report of even date

for **S.Daga & Co.,**  
Chartered Accountants

**(T.V.Subba Rao)**

Partner  
M.No:9636

Place : Secunderabad  
Date : 30th June, 2009

For and on behalf of the Board

**U.K.Agarwal**  
Director

**Ritesh K Agarwal**  
Director



# Rajvir Industries Limited

## CONSOLIDATED ACCOUNTS

To

The Board of Directors  
RAJVIR INDUSTRIES LIMITED,  
Secunderabad.

To the Board of Directors of Rajvir Industries Limited on the consolidated financial statements of Rajvir Industries Limited and its subsidiary, Moneysa Fibres Pvt.Ltd.

We have examined the attached Consolidated Balance Sheet of Rajvir Industries Limited and its subsidiary Moneysa Fibres Pvt.Ltd., as at 31st March 2009, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto.

These consolidated financial statements are the responsibility of Rajvir Industries Limited's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting frame work and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial

Statements, issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Rajvir Industries Limited, Moneysa Fibres Pvt.Ltd. included in the consolidated financial statements.

On the basis of the information and explanations given to us, and on consideration of the separate audit reports on individual audited financial statements of Rajvir Industries Limited and its subsidiary, we are of the opinion that:

- (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Rajvir Industries Limited and its subsidiary as at 31st March 2009.
- (b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Rajvir Industries Limited and its subsidiary for the year ended on that date; and
- (c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Rajvir Industries Limited and its subsidiary for the year ended on that date.

**For S.DAGA & CO.,**  
Chartered Accountants

**(T.V.SUBBA RAO)**  
Partner  
M.No.9636

Place : Hyderabad.

Date : 30.6.2009





# Rajvir Industries Limited

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2009

	Schedule	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS:</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	30349970		30349970	
Reserves and Surplus	2	<u>366881236</u>		<u>366796804</u>	
			<b>397231206</b>		<b>397146774</b>
Minority Interest	2A		<b>2000</b>		<b>2000</b>
<b>Loan Funds</b>					
Secured Loans	3	1740116763		1482230034	
Unsecured Loans	4	<u>199747114</u>		<u>144802573</u>	
			<b>1939863877</b>		<b>1627032607</b>
Deferred Tax Liability (Net)	5		<b>99807490</b>		<b>90899897</b>
	<b>TOTAL</b>		<b><u>2436904573</u></b>		<b><u>2115081278</u></b>
<b>APPLICATION OF FUNDS:</b>					
<b>Fixed Assets</b>					
Gross Block	6	1562016899		1509123899	
Less : Depreciation		<u>497679990</u>		<u>428199231</u>	
Net Block		<b>1064336909</b>		<b>1080924668</b>	
Add : Capital Work in Progress		<u>737608145</u>		<u>552787618</u>	
			<b>1801945054</b>		<b>1633712286</b>
	7		<b>NIL</b>		<b>Nil</b>
<b>Current Assets, Loans and Advances</b>					
Inventories	8	584389026		537090924	
Sundry Debtors	9	163968149		171786351	
Cash and Bank Balances	10	23766558		40227631	
Loans and Advances	11	<u>229553018</u>		<u>130001277</u>	
		<b>1001676751</b>		<b>879106183</b>	
Less : Current Liabilities and Provisions	12	<u>366743632</u>		<u>397753191</u>	
Net Current Assets			<b>634933119</b>		<b>481352992</b>
Miscellaneous Expenditure	13		<b>26400</b>		<b>16000</b>
(To the extent not written off or adjusted)					
	<b>TOTAL</b>		<b><u>2436904573</u></b>		<b><u>2115081278</u></b>
Significant Accounting Policies	23				
Notes on Accounts	24				

The schedules referred to above form an integral part of Balance Sheet  
As per our report of even date

for **S.Daga & Co.,**  
Chartered Accountants

**K.Ravi Kumar**  
General Manager (Finance)

For and on behalf of the Board  
**U.K.Agarwal**  
Chairman & Managing Director

(**T.V.Subba Rao**)  
Partner  
M.No:9636  
Place : Secunderabad  
Date : 30th June, 2009

**P. Surya Prakash**  
Company Secretary

**Ritesh K Agarwal**  
Executive Director



# Rajvir Industries Limited

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>INCOME:</b>			
Gross Sales/Income from operations	14	1627946710	1865911075
Increase /( Decrease) in stocks	22	172301447	104428930
Other Income	15	43959162	40054984
<b>TOTAL</b>		<b>1844207319</b>	<b>2010394989</b>
<b>EXPENDITURE</b>			
Raw Materials Consumed	16	1091991162	977525382
Purchase of Yarn - Trading		-	12831450
Purchase of Cotton - Trading		1939464	251288275
Other Manufacturing Expenses		27433907	10951800
Chemicals,Stores & Spares Consumed	17	65880545	70540038
Power and Fuel	18	164288796	163204571
Payments to & provisions for Employees	19	123660280	107989455
Administrative expenses	20	137975139	161927522
Interest & Finance Charges	21	130868348	90478567
Managerial Remuneration		8895894	10218514
Depreciation	6	71925170	69922985
Less: Tfr from revaluation reserve		2816217	2816217
Miscellaneous Expenditure Written off	13	-	809524
<b>TOTAL</b>		<b>1822042488</b>	<b>1924871866</b>
<b>Profit before tax</b>		<b>22164831</b>	<b>85523123</b>
Provision for taxation			
Corporate Tax		2512000	9725000
Fringe Benefit Tax		743000	655000
Deferred Tax		8907593	13775322
		<b>10002238</b>	<b>61367801</b>
Less: Prior period Income Tax adjustment(net)		-	4798
<b>Profit after tax</b>		<b>10002238</b>	<b>61363003</b>
Add: Profit brought forward from last year		<b>209887280</b>	<b>174927456</b>
		<b>219889518</b>	<b>236290459</b>
<b>APPROPRIATIONS</b>			
Proposed Dividend		6069994	12139988
Tax on Dividend		1031595	2063191
Debenture Redemption Reserve		11766024	2200000
Transfer to General Reserve		1700000	10000000
Balance carried to Balance Sheet		199321905	209887280
<b>TOTAL</b>		<b>219889518</b>	<b>236290459</b>
Earnings per share (Face value Rs.10) (Basic and diluted)		<b>3.30</b>	20.22
<b>Significant Accounting Policies</b>	23		
<b>Notes on Accounts</b>	24		

The schedules referred to above form an integral part of Profit and Loss Account  
As per our report of even date.

for **S.Daga & Co.,**  
Chartered Accountants

**K.Ravi Kumar**  
General Manager (Finance)

For and on behalf of the Board  
**U.K.Agarwal**  
Chairman & Managing Director

(**T.V.Subba Rao**)  
Partner  
M.No:9636  
Place : Secunderabad  
Date : 30th June, 2009

**P. Surya Prakash**  
Company Secretary

**Ritesh K Agarwal**  
Executive Director



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL:</b>		
Authorised: 35,00,000 Equity Shares of Rs.10/- each	<b>35000000</b>	35000000
	<b>35000000</b>	35000000
<b>Issued,Subscribed and Paid up:</b>		
30,34,997(Previous year 30,34,997) Equity Shares of Rs.10/- each fully paid. (51500 (Previous year 51500) Equity shares of Rs 10 each issued for cash and 2983497(Previous year 2983497) Equity shares of 10 each issued for consideration other than cash)	<b>30349970</b>	30349970
	<b>30349970</b>	30349970

## SCHEDULE - 2

### RESERVES AND SURPLUS:

	As at 01.04.2008 Rupees	Additions Rupees	Deductions/ Adjustments Rupees	As at 31.03.2009 Rupees
Debenture Redemption Reserve	<b>57200000</b> (55000000)	<b>11766024</b> (2200000)		<b>68966024</b> (57200000)
Revaluation Reserve	<b>11086315</b> (13902532)		<b>2816217</b> (2816217)	<b>8270098</b> (11086315)
Capital Reserve	<b>2539503</b>	(2539503)		<b>2539503</b> (2539503)
General Reserve	<b>86083706</b> (76083706)	<b>1700000</b> (10000000)		<b>87783706</b> (86083706)
Balance as per Profit & Loss Account	<b>209887280</b> (174927456)	<b>199321905</b> (209887280)	<b>209887280</b> (174927456)	<b>199321905</b> (209887280)
	<b>366796804</b>	<b>212787929</b>	<b>212703497</b>	<b>366881236</b>

**Notes:** Previous year's figures are given in brackets.

## SCHEDULE - 2A

### MINORITY INTEREST

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Share Capital	<b>2000</b>	2000
	<b>2000</b>	2000



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - 3</b>		
<b>SECURED LOANS</b>		
<b>Debentures</b>		
9.00%,310340(Previous year 428571)Secured Redeemable Non-Convertible Debentures of Rs.100/- each	<b>31033976</b>	42857142
<b>Term Loans (Under TUF Scheme) from</b>		
Industrial Development Bank of India - I	<b>7511319</b>	12156000
Industrial Development Bank of India -II	<b>21605342</b>	24000000
State Bank of Hyderabad	<b>165024848</b>	143683136
The Bank of Rajasthan Ltd	<b>59280348</b>	0
State Bank of Bikaner & Jaipur	<b>130820733</b>	140144062
State Bank of Mysore	<b>50142466</b>	0
Axis Bank Limited	<b>552425490</b>	457647738
State Bank of india	<b>99912314</b>	157461176
	<b>1086722860</b>	935092112
<b>Working Capital Loans from</b>		
State Bank of India	<b>369388739</b>	266273924
State Bank of Hyderabad	<b>126931783</b>	115733656
State Bank of Mysore	<b>122647166</b>	119187045
	<b>618967688</b>	501194625
	<b>1736724524</b>	1479143879
	<b>3392239</b>	3086155
<b>Car Loans</b>	<b>1740116763</b>	1482230034
from Banks		

### Notes:

- The 9% Redeemable, Non convertible debentures are secured by mortgage of present and future movable and immovable properties of the company situated at Mahaboobnagar unit on pari-passu basis and guaranteed by one director of the Company. The Debentures are redeemable in ten quarterly instalments starting from 1st January, 2010 onwards as per reschedulement permitted by IDBI Bank.
- Industrial Development Bank of India Limited and State Bank of India term loans are secured by mortgage of present and future movable & immovable assets of the company situated at mahaboobnagar unit on pari passu basis and guaranteed by one director of the company.
- State Bank of Hyderabad and State Bank of Bikaner & Jaipur term loans are secured by mortgage of present and future movable & immovable assets of the company situated at tandur unit on pari passu basis and guaranteed by one director of the company.
- Term loans from Axis Bank Ltd. are secured by mortgage of present and future movable & immovable assets of the company situated at tandur unit on pari passu basis and second paripassu charge on entire fixed assets of Mahaboobnagar unit of the company, present and future and guaranteed by two directors of the company.
- Term Loan of the Bank of Rajasthan Ltd is secured by Factory land and Buildings of Mahaboobnagar unit present and future, and factory land and buildings of dyeing Plant at Yedira Village of Mahaboobnagar district and second paripassu charge on fixed assets of Tandur Unit.
- All Working Capital loans, Cash Credit Limits 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 guarantee by two directors of the company.
- Car loans referred above are secured by hypothecation of the respective assets and guarantee by one director of the company.



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOANS</b>		
<b>OTHER LOANS AND ADVANCES</b>		
a) From Directors	51481758	31605000
b) From Others	145587820	111603350
c) Interest accrued and due	2677536	1594223
	<u>199747114</u>	<u>144802573</u>
 <b>SCHEDULE - 5</b>		
<b>DEFERRED TAX</b>		
<b>Deferred Tax Liabilities</b>		
Depreciation	99901004	91242250
On Others	2217336	1681030
	<u>102118340</u>	<u>92923280</u>
 <b>Deferred tax Assets</b>		
On Others	2310850	2023383
	<u>2310850</u>	<u>2023383</u>
<b>Deferred Tax Liabilities (Net )</b>	<u>99807490</u>	<u>90899897</u>



**SCHEDULE - 6  
FIXED ASSETS**

Description of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2008 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2009 Rs.	Upto 31.03.2008 Rs.	For the year Rs.	Deductions Rs.	Upto 31.03.2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
LAND	11891437	55000		11946437					11946437	11891437
FACTORY BUILDINGS	205719441	1759584		207479025	26102551	6876020		32978571	174500454	179616890
NON-FACTORY BUILDINGS	51461289	28205145		79666434	3615295	999951		4615246	75051188	47845994
TOWN SHIP	12582688	4326460		16909148	2214376	211087		2425463	14483685	10368312
WORK SHOP EQUIPMENT	122089	6302		128391	116462	831		117293	11098	5627
PLANT AND MACHINERY	1063399827	13382144	397055	1076384916	326303207	54754725	90980	380966952	695417964	737096620
TESTING EQUIPMENT	10460366	15214		10475580	796683	496256		1292939	9182641	9663683
ELECTRICAL INSTALATIONS	70393509	2903679		73297188	16451506	3205126		19656632	53640556	53942003
WEIGHING MACHINES	1055412	490471		1545883	429413	67444		496857	1049026	625999
WATER WORKS	1670618			1670618	308420	27231		335651	1334967	1362198
FURNITURE & FIXTURES	4458994	90899		4549893	1670332	253155		1923487	2626406	2788662
OFFICE EQUIPMENT	3459781	431740		3891521	1119829	240745		1360574	2530947	2339952
VEHICLES	15645763	4730635	3829330	16547068	4900307	1482753	2353431	4029629	12517439	10745456
DATA PROCESSING EQPT	3465243	722111		4187354	1919723	493629		2413352	1774002	1545520
REVALUED PLANT & MACHINERY	53337442			53337442	42251127	2816217		45067344	8270098	11086315
Capital Work in Progress	1509123899	57119385	4226385	1562016899	428199231	71925170	2444411	497679990	1064336909	1080924668
	552787618	241939912	57119385	737608145	428199231	71925170	2444411	497679990	737608145	552787618
Previous year	2061911517	299059296	61345770	2299625044	428199231	71925170	2444411	497679990	1801945054	1633712286
	1480334661	630453950	48877094	2061911517	358986975	69922985	710729	428199231	1633712286	1121347686



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - 7</b>		
<b>INVESTMENTS (AT COST)</b>	<b>Nil</b>	<b>Nil</b>
(Long Term, unless otherwise stated)		
Unquoted - Trade		
<b>SCHEDULE - 8</b>		
<b>INVENTORIES</b>		
Rawmaterials	88733835	221557408
Stores and Spares	45307761	37487533
Finished Goods	364565281	228977931
Stock-in-process	85577191	48521970
Cotton Waste	204958	546082
	<u>584389026</u>	<u>537090924</u>
<b>SCHEDULE - 9</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, considred good)		
Exceeding six months	5904856	8268490
Others	158063293	163517861
	<u>163968149</u>	<u>171786351</u>
<b>SCHEDULE - 10</b>		
<b>CASH AND BANK BALANCES</b>		
Cash On hand	2729081	9293048
Cheques on hand	-	6644756
Balances with Scheduled banks		
In Current Accounts	2535285	10900581
In Margin Money Accounts	18045276	13068704
In Dividend Accounts	456916	320542
	<u>23766558</u>	<u>40227631</u>
<b>SCHEDULE - 11</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured considered good)		
Advances receivable in cash or in kind or for value to be received	84154162	59849359
Advances for Purchases	65095493	20296107
Deposits - With Government	27824847	23636038
- With others	22458247	1043511
Advance tax	30020269	25176262
	<u>229553018</u>	<u>130001277</u>



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE - 12</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors for goods	185025198	203656984
Creditors for expenses	78159783	83476826
Creditors for others	52101220	56150546
Unclaimed Dividend *	456916	320542
Advances received against sales	14000191	11904778
	<u>329743308</u>	<u>355509676</u>
<b>B. PROVISIONS</b>		
Provision for Corporate Tax	26372000	23860000
Provision for Fringe Benefit Tax	1984728	1241728
Provision for Corporate Dividend Tax	1031595	2063191
Provision for Gratuity	1505005	2334325
Provision for Leave Encashment	37002	604283
Proposed Dividend	6069994	12139988
	<u>37000324</u>	<u>42243515</u>
<b>Total : A + B</b>	<u><u>366743632</u></u>	<u><u>397753191</u></u>

\* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

## SCHEDULE - 13

### MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Deferred Revenue Expenses			
Opening Balance	-	809524	
Less : written off during the year	<u>-</u>	<u>809524</u>	-
Preliminary & Pre-operative expenses			
Opening Balance	16000	-	
Add : Additions during the year	10400	16000	
	<u>26400</u>	<u>16000</u>	
Less : written off during the year	<u>-</u>	<u>26400</u>	16000

	Year ended March 31,2009 Rs.	Year ended March 31,2008 Rs.
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## SCHEDULE - 14

### Sales/Income from operations

Yarn	1558736508	1538941051
Waste	67261387	42955837
Traded Goods - Cotton	1948815	268572230
Traded Goods - yarn	-	15441958
	<u>1627946710</u>	<u>1865911075</u>





# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Year ended March 31,2009 Rs.	Year ended March 31,2008 Rs.
<b>SCHEDULE -15</b>		
<b>Other Income</b>		
Interest (TDS Rs. 588292/-..Previous year Rs.425576/-)	3010881	2635751
Other claims	34466	8790
Profit on sale of assets	278162	666
Insurance Claims (Net)	18917141	-
Export Benefits	15295687	30107332
Miscellaneous Receipts	6422825	7302445
	<u>43959162</u>	<u>40054984</u>
<b>SCHEDULE - 16</b>		
<b>Consumption of Raw Materials</b>		
Opening Stocks	221557408	157100181
Add : Purchases	959167589	1041982610
	1180724997	1199082791
Less : Closing Stocks	88733835	221557408
Raw Materials consumed	<u>1091991162</u>	<u>977525382</u>
<b>SCHEDULE - 17</b>		
<b>Chemicals,Stores &amp; Spares consumption</b>		
Stores & spares	23924605	18475842
Dyes & Chemicals	18311304	30709624
Packing Material	23644636	21354572
	<u>65880545</u>	<u>70540038</u>
<b>SCHEDULE - 18</b>		
<b>Power &amp; Fuel</b>		
Electricity Charges	162912775	157408514
Fuel	1376021	5796057
	<u>164288796</u>	<u>163204571</u>
<b>SCHEDULE - 19</b>		
<b>Payments to &amp; Provisions for Employees</b>		
Salaries, Wages and Bonus	105584983	92260885
Contribution to Provident Fund & other funds	5429797	4848345
Gratuity and Leave encashment	1286994	1737187
Staff & Workmen welfare	11358506	9143038
	<u>123660280</u>	<u>107989455</u>



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Year ended March 31, 2009 Rs.		Year ended March 31, 2008 Rs.
<b>SCHEDULE - 20</b>			
<b>Administrative Expenses</b>			
Rent	2030055		2042494
Security Charges	3438668		3424870
Rates & Taxes	4625610		4953179
Printing & Stationery	1321159		1150465
Postage, Telegrams & Telephones	2704045		2640612
Travelling & Conveyance	7470321		7169752
Directors' Sitting fees	54000		62000
Advertisements	373130		484590
Foreign Exchange Fluctuations	8522355		15112505
Commission / Expenses on Sales	64902282		92128747
Insurance	4284110		4840442
Auditors' Remuneration	344525		305424
Legal & Professional Charges	3582411		2347845
Repairs to : Buildings	697519		448443
: Machinery	19625859		13011253
: Other Assets	525908		605296
Loss on sale of vehicles	222636		333055
Vehicle Maintenance	2149537		2558937
Miscellaneous Expenses	10647991		7980434
Donations	453018		327179
	<u>137975139</u>		<u>161927522</u>
<b>SCHEDULE - 21</b>			
<b>Interest &amp; Finance Charges</b>			
Debentures	3530405		5077419
Term Loans	114662357	72738939	
Less: Interest subsidy under TUF	43023100	19923185	
Less: Interest Transferred to Fixed Assets	35705800	19099066	33716688
Banks & others	83089547		45372554
Bank charges	8314939		6311905
	<u>130868348</u>		<u>90478567</u>
<b>SCHEDULE - 22</b>			
Increase/(Decrease) in Stocks			
Opening Stocks			
Yarn	228977931	137776590	
Work-in-process	48521970	35110172	
Cotton Waste	546082	730291	173617053
<b>Closing Stocks</b>			
Yarn	364565281	228977931	
Work-in-process	85577191	48521970	
Cotton Waste	204958	546082	278045983
	<u>172301447</u>		<u>104428930</u>
<b>Increase/(Decrease) in stocks</b>			



# Rajvir Industries Limited

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31,2009

PARTICULARS	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>A CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>				
Net profit before tax & extraordinary items		22164831		85523123
Add: Depreciation	69108953		67106768	
Misc.expenses written off	-		809524	
Interest & Finance charges	130868349		90478567	
Profit on sale of fixed assets	(55526)	199921776	-	158394859
Operating profit before working capital changes		222086607		243917982
Adjustments for working capital changes				
Sundry debtors	7818202		(49018914)	
Current liabilities	(38036149)		97768986	
Inventories	(47298101)		(172462315)	
Loans & Advances	(88465507)		60554971	
Tax provisions	(3330000)	(169311555)	(24587977)	(87745249)
Cash generated from Operations		52755052		156172733
Less: Interest & Finance charges		130868349		90478567
CASH FLOW BEFORE EXTRAORDINARY ITEMS		(78093297)		65694166
Add:Extra ordinary items: Capital reserve		-		2539503
CASH FLOW FROM OPERATING ACTIVITIES		(78093297)		68223669
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Inflow: Sale of fixed assets		1837500		-
Outflow: Acquisition of fixed assets		240157938		582287585
Miscellaneous Expenses of Subsidiary Company		10400		16000
Minority Interest of the Subsidiary Company		-		2000
		(238330838)		(582301585)



# Rajvir Industries Limited

## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31,2009 (Contd.)

PARTICULARS	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Inflow: Term loans received	99956050		457647738	
Increase in bank borrowings	117773063		106348548	
Hire purchase loan	2640000		(547330)	
Unsecured Loans	55044941		8262833	
Corporate loans	153750000	429164054	88125660	659837449
Outflow: Repayment of term loans	100164578		89458474	
Repayment of NCDs	10714286		21428572	
Corporate Tax	4255715		9006682	
Dividend Tax	2063193		2063193	
Dividends	12003220	129200992	12018872	133975793
NET CASH FROM FINANCING ACTIVITIES		299963062		525861656
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)		(16461073)		11793740
ADD: CASH/CASH EQUIVALENTS AT THE BEGINIG OF THE YEAR		40221631		28427891
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR		235760558		40221631

Note: Previous year's figures have been regrouped/reclassified,wherever necessary to confirm to the current year's classification.

As per our report of even date

For and on behalf of the Board

**for S.Daga & Co.,**  
Chartered Accountants

**K.Ravi Kumar**  
General Manager (Finance)

**U.K.Agarwal**  
Chairman & Managing Director

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

**P.Surya Prakash**  
Company Secretary

**Ritesh K Agarwal**  
Executive Director

Place : Secunderabad  
Date : 30th June,2009



# Rajvir Industries Limited

## NOTES FORMING PART OF THE THE ACCOUNTS

### SCHEDULE-23

#### SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:

##### I. SIGNIFICANT ACCOUNTING POLICIES:

###### i. 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.

###### ii. Revenue Recognition:

- a. Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customer.
- b. Income from services rendered is accounted as per contractual terms with the parties concerned.
- c. Dividend income is accounted for in the year in which it is declared.
- d. 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.

###### iii. Expenditure:

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

###### iv. Fixed Assets:

- 1) 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.
- 2) 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.
- 3) Depreciation on revalued part is transferred from Revaluation Reserve to Profit & Loss account.
- 4) 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.

###### v. Inventories:

Inventories are valued as follows:

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

Cost of raw-material, 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.

Cost of Stores and Spares is determined on Weighted Average basis

###### vi. Employee Benefits:

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

###### i) Defined contribution schemes:

- a) Employee Provident Fund
- b) Family Pension Scheme
- c) Employee State Insurance Scheme
- d) Labour Welfare Fund

###### ii) Defined benefit Schemes:

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



## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

### SCHEDULE-23 (Contd.)

#### vii. Foreign Exchange Transactions:

- a) 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.
- b) 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.
- 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.

#### viii. 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.

#### ix. 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.

#### x. 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.

#### xi. 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.

#### xii. 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.

#### xiii. 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.

#### xiv. 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 Profit and Loss Account.

#### xv. 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.

#### xvi. 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.



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

### SCHEDULE-24 NOTES ON ACCOUNTS

	31.03.2009 Rs in Lacs	31.03.2008 Rs in Lacs
1) Contingent Liabilities not provided for:		
a) Letters of Credit	1188.87	1235.39
b) Bank Guarantees	11.97	13.97
c) In respect of Bills Discounted & outstanding	658.44	258.58
d) In respect of suits filed but not acknowledged as debt	26.80	26.80
2) Capital commitments		
For the amounts of Contracts remaining to be executed	332.80	699.75
3) The Company has disputed the amount payable to M/s Surya Lakshmi Cotton Mills Limited on account of demerger and consequential transactions. M/s Surya Lakshmi Cotton Mills Limited has filed recovery suit for Rs. 444.16 lacs plus interest which the company has disputed and filed a counter claim for Rs.700.00 lacs. The Company has also initiated other legal proceedings against the aforesaid company for recovery of Various Benefits, Refunds and other Dues, which are pending before the Judicial Authorities. The Company expects no further liability. (liability as per books of account is Rs.4.17 crores)	-	-
4) The revaluation of Plant & Machinery and other equipment carried out by an approved valuer in March 1993 resulted in increase in the gross value of assets by Rs.53337442. The same was adopted on 31.03.1993, by showing under fixed assets schedule as separate item and by creating revaluation reserve to that extent. The depreciation on the balance of revalued assets for the period adjusted against the revaluation reserve and the asset respectively.	28.16	28.16
5) The capital subsidy received from TUFs (The Ministry of Textiles, Govt. of India) has been credited to Capital Reserve, which is subject to certain stipulations under the scheme.	25.39	25.39
6) Auditors Remuneration included:		
Statutory Audit	2.25	2.00
Tax Audit	0.40	0.40
Certification & others	0.50	0.50
Reimbursement of Expenses	0.15	0.15
	<b>3.30</b>	<b>3.05</b>
7) Instalments of Term Loans and Debentures due within the next 12 month period payable to:		
a) Industrial Development Bank of India	79.28	371.41
b) State Bank of India	194.60	194.60
c) State Bank of Hyderabad	-	186.00
d) State Bank of Bikaner and Jaipur	93.00	186.00
e) State Bank of India (Corp Loan)	400.00	300.00
f) Axis Bank Ltd.	150.00	75.00
g) The Bank of Rajasthan Ltd.	67.65	0.00
h) Axis Bank Ltd. (Corp Loan)	212.50	0.00
i) State Bank of Hyderabad (Corp Loan)	50.00	0.00
	<b>1247.03</b>	<b>1313.01</b>



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

### SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	31.03.2009 Rs in Lacs	31.03.2008 Rs in Lacs
8) Other Loans and Advances includes:		
(i) Interest free Sales Tax Loan received from the State Government, which is repayable in four annual instalments commencing from the year 2012.	20.00	20.00
(ii) Sales Tax Deferment Liability which is due for repayment from the year 2014.		
For the Year	43.93	1.88
Aggregate for the year	943.17	899.24
(iii) The company has filed a claim with New India Insurance company against fire accident occurred in cotton bales on 15.02.2009 and the same has been accounted for in the books and is pending for final settlement.	171.15	-
9) Current Assets , Loans and Advances: In the opinion of the Board of Directors, the current assets loans and advances are approximately of the value stated if realised in the ordinary course of business. The provision for depreciation and for all known liabilities are adequate and not in excess of the amounts considered reasonably necessary.	--	--
10) Travelling & Conveyance includes Directors travelling	24.63	27.05
11) EXPORT BENEFITS:		
The details of export benefits accounted for on accrual basis on exports made during the year as incentive under Duty Entitlement Pass Book is as under :		
a) For the year	35.51	149.00
b) Aggregate at the end of the year	35.51	149.00
12) Disclosure in accordance with section 22 of Micro, Small and Medium Enterprises Development Act, 2006.		
<b>SI</b>	<b>2008-09</b>	<b>2007-08</b>
<b>No.</b>	<b>Rs. Lacs</b>	<b>Rs. Lacs</b>
a. Principal amount remaining unpaid and interest due thereon	Nil	Nil
b. Interest paid in terms of Section 16	Nil	Nil
c. interest due and payable for the period of delay in payment	Nil	Nil
d. Interest accrued and remaining unpaid	Nil	Nil
e. Interest due and payable even in succeeding years	Nil	Nil
13) Foreign currency exposure that are not hedged by derivative or forward contracts	85.22	81.19

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.





# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

### SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	31.03.2009 Rs in Lacs	31.03.2008 Rs in Lacs
14) The operations of the company predominantly comprises of "Manufacturing of yarn". These activities constitute the Primary segment and is the only reportable 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 geographical revenues are segregated based on the locations of the customers. The company's major exports are made in 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 tables shows the distribution of the company's turnover by geographical locations.		
<b>SECONDARY (GEOGRAPHICAL) SEGMENTS</b>	<b>Amount in Rs.</b>	Amount in Rs.
Revenue attributable to location of customers:		
India	<b>1338557445</b>	1202273397
Rest of the world	<b>289389265</b>	663637678
15) Assets / Capital Work-in-progress	<b>Rs in Lacs</b>	Rs in Lacs
Interest on borrowings towards purchase of assets / capital work-in-progress capitalised during the year	<b>357.06</b>	190.99
	<b>Year ended 2008-09 Rs. (in Lacs)</b>	Year ended 2007-08 Rs. (in Lacs)
16) Employee Benefits :		
The assumptions and other disclosures relating to the Actuarial valuation of gratuity and leave encashment are as under:		
<b>Gratuity:</b>		
a) <b>Change in Present value of obligation</b>		
Present value of obligation at beginning of period	<b>23.34</b>	16.28
Interest cost	<b>1.87</b>	1.30
Current service cost	<b>2.47</b>	5.76
Benefits paid	<b>(1.19)</b>	-
Actuarial (gain)/Loss on obligation	<b>(11.44)</b>	-
Present value of obligation at the end of period	<b>15.05</b>	23.34
b) <b>Change in fair value of Plan assets</b>		
Fair value of plan assets at beginning of period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	<b>1.19</b>	2.02
Actuarial gain/(Loss) on plan assets	-	-
Fair value of plan asset at end of period	-	-



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

### SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	Year ended 2008-09 Rs. (in Lacs)	Year ended 2007-08 Rs. (in Lacs)
<b>c) Fair value of Plan assets</b>		
Fair value of Plan Assets at beginning of period	-	-
Actuarial return on Plan assets	-	-
Contributions	-	-
Benefits paid	1.19	2.02
Fair value of Plan Assets at end of period	-	-
Funded status	(15.05)	(23.34)
Excess of actual over estimated return on Plan assets	-	-
<b>d) Amounts to be recognised in the balance sheet and statement of profit &amp; loss account</b>		
Present value of obligation at end of period	15.05	23.34
Fair value of Plan Assets at end of period	-	-
Funded status	15.05	23.34
Unrecognised Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	-	-
<b>e) Expense recognised in the statement of P&amp;L A/c</b>		
Current service cost	2.47	5.76
Interest cost	1.87	1.30
Expected return on Plan asset	-	-
Net Actuarial (Gain)/Loss recognised for the period	(11.44)	-
Expense recognised in the statement of P&L A/c	1.19	9.09
<b>f) Movements in the Liability recognised in Balance sheet</b>		
Opening Net liability	23.34	16.28
Expenses as above	1.19	9.09
Contribution paid	-	-
Benefits paid	1.19	2.02
Closing Net Liability	15.05	23.34
Assumptions:		
Mortality	LIC (1994-96)	LIC (1994-96)
Discount rate		
Rate of increase in compensation		
Rate of return (expected) on plan assets	N.A.	N.A.
Attrition rate		
Expected average remaining service of Employees in years	-	-
<b>Leaves encashment:</b>		
<b>a) Change in Present value of obligation</b>		
Present value of obligation at beginning of period	6.04	4.30
Interest cost	0.48	0.34
Current service cost	1.69	0.66
Benefits paid	(11.68)	(6.54)
Actuarial (gain)/Loss on obligation	3.83	7.28
Present value of obligation at the end of period	0.37	6.04



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

### SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	Year ended 2008-09 Rs. (in Lacs)	Year ended 2007-08 Rs. (in Lacs)
<b>b) Change in fair value of Plan assets</b>		
Fair value of plan assets at beginning of period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	11.68	6.54
Actuarial gain/(Loss) on plan assets	-	-
Fair value of plan asset at end of period	-	-
<b>c) Fair value of Plan assets</b>		
Fair value of Plan Assets at beginning of period	-	-
Actuarial return on Plan assets	-	-
Contributions	-	-
Benefits paid	11.68	6.54
Fair value of Plan Assets at end of period	-	-
Funded status	(0.37)	(6.04)
Excess of actual over estimated return on Plan assets	-	-
<b>d) Amounts to be recognised in the balance sheet and statement of profit &amp; loss account</b>		
Present value of obligation at end of period	0.37	6.04
Fair value of Plan Assets at end of period	-	-
Funded status	(0.37)	(6.04)
Unrecognised Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	-	-
<b>e) Expense recognised in the statement of P&amp;L A/c</b>		
Current service cost	1.69	0.66
Interest cost	0.48	0.34
Expected return on Plan asset	-	-
Net Actuarial (Gain)/Loss recognised for the period	-	-
Expense recognised in the statement of P&L A/c	11.68	8.28
<b>f) Movements in the Liability recognised in Balance sheet</b>		
Opening Net liability	6.40	4.30
Expenses as above	11.68	8.28
Contribution paid	-	-
Benefits paid	11.68	6.54
Closing Net Liability	0.37	6.04
Assumptions:		
Mortality	LIC (1994-96)	LIC (1994-96)
Discount rate		
Rate of increase in compensation		
Rate of return (expected) on plan assets	N.A.	N.A.
Attrition rate		
Expected average remaining service of Employees in years	-	-

#### Notes:

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.



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

### SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	Year ended 2008-09 Rs. (in Lacs)	Year ended 2007-08 Rs. (in Lacs)
17. Earning Per Share		
No of Equity Shares	3034997	3034997
Profit available to Equity Share Holders(Rs)	10002238	61363003
Nominal per Equity share ( Rs)	10	10
Basic & Diluted Earning per share (Rs.)	3.30	20.22
18) Managerial Remuneration		
Salary	8236800	8236800
Commission	620174	1921480
Perquisites	20200	41514
Contribution to provident and other Funds	18720	18720
Computation of Net Profit in accordance with section 349 and Sch. XIII of the Companies Act, 1956 for calculation of commission payable to directors:		
Profit for the year before Taxation	22164830	85523123
Add: Managerial Remuneration	8895894	10218514
Less : Profit on Discarded assets	278612	666
Add : Loss on sale of vehicles	226636	333055
Net profit for the year in accordance with section 349 of the companies act,1956	<u>31008748</u>	<u>96074026</u>
Commission payable to:		
Managing Director - 1% of the above net profit	310087	960740
Executive Director - 1% of the above net profit	310087	960740
Managing Director - restricted to 50% of Annual salary	1728000	1728000
Executive Director - restricted to 50% of Annual salary	1440000	1440000

Since 1% of the Net Profit is lower the same is considered.

#### 19) Related party disclosure

##### NAMES OF KEY MANAGEMENT PERSONNEL

Sri U.K. Agarwal, Sri Ritesh K. Agarwal

##### RELATIVES OF KEY MANAGEMENT PERSONNEL.

Mrs. Usha Bai 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

##### NAMES OF OTHER ASSOCIATES

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



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

### SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

(Amount in Rs.)

Name of the Transaction	Other Associates	Key Management Personnel	Relatives	Total
Rent	<b>1140000</b> (1140000)	-	-	<b>1140000</b> (1140000)
Remuneration	-	<b>8895894</b> (10218514)	-	<b>8895894</b> (10218514)
Cotton Purchases	<b>132705906</b> (333507906)	-	-	<b>132705906</b> (333507906)
Loan : Receipt	<b>5850000</b>	<b>53676758</b> (7105000)	<b>20325952</b> (14350000)	<b>79852710</b> (21455000)
Payment	-	<b>33800000</b> (5000000)	<b>600000</b> (9600000)	<b>34400000</b> (14600000)
Interest	<b>385900</b> (280644)	<b>3124861</b> (2374142)	<b>1378702</b> (1089943)	<b>4889463</b> (3744729)

Note : (I) Related party relationship is as identified by the company and relied upon by the Auditors  
(ii) Previous year figures are given in brackets.

	<b>31.03.2009</b>	31.03.2008
20) Stock of finished goods includes stocks lying with consignment agents (Rs.)	<b>20618191</b>	25051740



# Rajvir Industries Limited

## ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3,4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT 1956

### SCHEDULE-24 (contd.)

	2008-09		2007-08	
	Quantity in Kgs.	Amount Rs.	Quantity in Kgs.	Amount Rs.
21) Licensed Capacity : Not applicable since the Industry is delicensed Installed Capacity : No of Spindles (The figures have been certified by management and not verified by the Auditors being a technical matter.)		84000		84000
22) Production & Sales				
a) Production				
Yarn	11342173		11039827	
b) Purchase of Traded goods				
Yarn	-	-	168900	12831450
Cotton	33319	1939462	4522694	251288275
c) Sales:				
Yarn	10591700	1558736508	10800472	1538941051
Waste	2732347	67261387	2392558	42955837
	<b>13324047</b>	<b>1625997895</b>	13193030	1581896888
d) Sales of traded goods				
Yarn	-	-	168900	15441958
Cotton -- Domestic	33319	1948815	-	-
Cotton -- Exports	-	-	4522694	268572230
23) Opening and Closing Stocks:				
a) Opening Stocks:				
Yarn	1140555	228977931	929106	137776590
In Process	420851	48521970	332670	35110172
Waste	30962	546082	31811	730291
		<b>278045983</b>		<b>173617053</b>
b) Closing Stocks:				
Yarn	1879124	364565281	1140555	228977931
In Process	596178	85577191	420851	48521970
Waste	15665	204958	30962	546082
		<b>450347430</b>		<b>278045983</b>
<b>Note:</b> Process loss in the course of dyeing of yarn is 11904 Kgs. ( Previous year 26938 kgs) and sale of yarn includes samples. (Previous year nil) sent to customers.				
24) Stock of Rawmaterials:				
a) Opening Stocks:				
Cotton	2646158	178585185	2061326	133565676
Polyster Staple Fibre	196949	12275384	103739	6465060
Viscose Staple Fibre	244349	30696839	159423	17069445
	<b>3087456</b>	<b>221557408</b>	2324488	157100181
b) Closing Stocks:				
Cotton	481371	42429555	2646158	178585185
Polyster Staple Fibre	300391	21739371	196949	12275384
Viscose Staple Fibre	160645	24564909	244349	30696839
	<b>942407</b>	<b>88733835</b>	3087456	221557408



# Rajvir Industries Limited

## SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS SCHEDULE-24 (contd.)

	<b>2008-09</b>		<b>2007-08</b>	
	<b>Quantity in Kgs.</b>	<b>Amount Rs.</b>	<b>Quantity in Kgs.</b>	<b>Amount Rs.</b>
25) Purchase of Rawmaterials:				
Cotton	<b>8129208</b>	<b>578001894</b>	9329491	536244370
Polyster Staple Fibre	<b>2994407</b>	<b>211977067</b>	2768282	189152461
Viscose Staple Fibre	<b>1418249</b>	<b>169188628</b>	2573322	316585779
	<b>12541864</b>	<b>959167589</b>	14671095	1041982610
26) a) Rawmaterials Consumed				
Cotton	<b>10293995</b>	<b>714157524</b>	8744659	491224861
Polyster Staple Fibre	<b>2890965</b>	<b>202513080</b>	2675072	183342137
Viscose Staple Fibre	<b>1501953</b>	<b>175320558</b>	2488396	302958385
	<b>14686913</b>	<b>1091991163</b>	13908127	977525383
	<b>%</b>	<b>Amount Rs.</b>	<b>%</b>	<b>Amount Rs.</b>
b) Rawmaterials Consumed				
Indignous	<b>89.36</b>	<b>975769196</b>	99.00	964794431
Imported	<b>10.64</b>	<b>116221966</b>	1.00	12730952
	<b>100.00</b>	<b>1091991162</b>	100.00	977525383
27) Spare parts & Components Consumed				
Indignous	<b>77.39</b>	<b>18514941</b>	84.01	15522171
Imported	<b>22.61</b>	<b>5409664</b>	15.99	2953671
	<b>100.00</b>	<b>23924605</b>	100.00	18475842
28) CIF value of imports:				
i) Plant & Machinery - Imported (CIF Value)		<b>8530625</b>		357491929
ii) Raw Materials (CIF Value)		<b>107408871</b>		2481317
iii) Stores and Spares (CIF Value)		<b>5903411</b>		12831580
29) Expenditure in Foreign Currency during the Year on account of :				
i) Foreign Travel		<b>1177752</b>		1265167
ii) Export Commission		<b>3523652</b>		4457662
30) Export Sales (FOB)		<b>286902583</b>		622525150
31) General :				
a) Paise are rounded off to the nearest Rupee.				
b) Previous year's figures have been regrouped / recast wherver considered necessary to make these comparable with those of the current year.				

As per our report of even date

For and on behalf of the Board

**for S.Daga & Co.,**  
Chartered Accountants

**K.Ravi Kumar**  
General Manager (Finance)

**U.K.Agarwal**  
Chairman & Managing Director

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

**P. Surya Prakash**  
Company Secretary

**Ritesh K Agarwal**  
Executive Director

Place : Secunderabad  
Date : 30th June, 2009



## Rajvir Industries Limited

### ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM FOR PAYMENT OF DIVIDEND

To  
The Shareholders  
M/s. Rajvir Industries Limited

The Company has introduced Electronic Clearing Services (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 the service Branches of the destination Bank's 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 number's and the respective amounts. The service Branch in turn would pass the advices to the concerned branches of the bank, which would credit the beneficiary's accounts on the appointed date. The company would send an advice of remittance to the shareholders opting for electronic transfer.

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

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

If shareholder holding shares in physical form wish to participate in the scheme, please fill in the ECS form printed overleaf in legible and readable form in English preferably in Capital letters, sign and return the same to the Registrar and Transfer Agents of the company immediately. 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 Bank's certification, you may attach a blank cancelled cheque or a photocopy of a cheque for verification of the particulars provided by you in the ECS mandate Form.

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

For **Rajvir Industries Limited**

**(P. Surya Prakash)**  
Company Secretary





# Rajvir Industries Limited

## ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM FOR PAYMENT OF DIVIDEND

M/s. Sathguru Management Consultants (P) Ltd  
(UNIT: Rajvir Industries Limited)  
Plot No.15, Hindi Nagar, Punjagutta, Hyderabad-500034

Shareholder's authorization 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 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

## ATTENDANCE SLIP



### Rajvir Industries Limited

Registered Office: Surya Towers,  
1st Floor, and 105, S.P. ROAD, Secunderabad-500003

5th Annual General Meeting dated 30th September 2009 at 3.00 PM at Surana Udyog Hall, FAPCCI premises, 11-6-841, Red Hills, Hyderabad-500004. Please complete this attendance slip and hand it over at the entrance of the meeting Hall.

DPID NO.*	FOLIO NO.
CLIENT ID NO.*	
NO.OF SHARES HELD	

Name:

I hereby record my presence at the 5th. Annual General Meeting dated 30th September 2009 at 3.00 PM

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.



## PROXY FORM

### Rajvir Industries Limited

Registered Office : Surya Towers, 1st Floor, 105, S.P. Road, Secunderabad-500003

DPID 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 5th Annual General Meeting dated 30th September 2009 at 3.00 PM or at any  
adjournment thereof

Signed on this.....day of.....2009

Affix Re. 1/-  
Re. 1/-  
Revenue  
Stamp

Signature

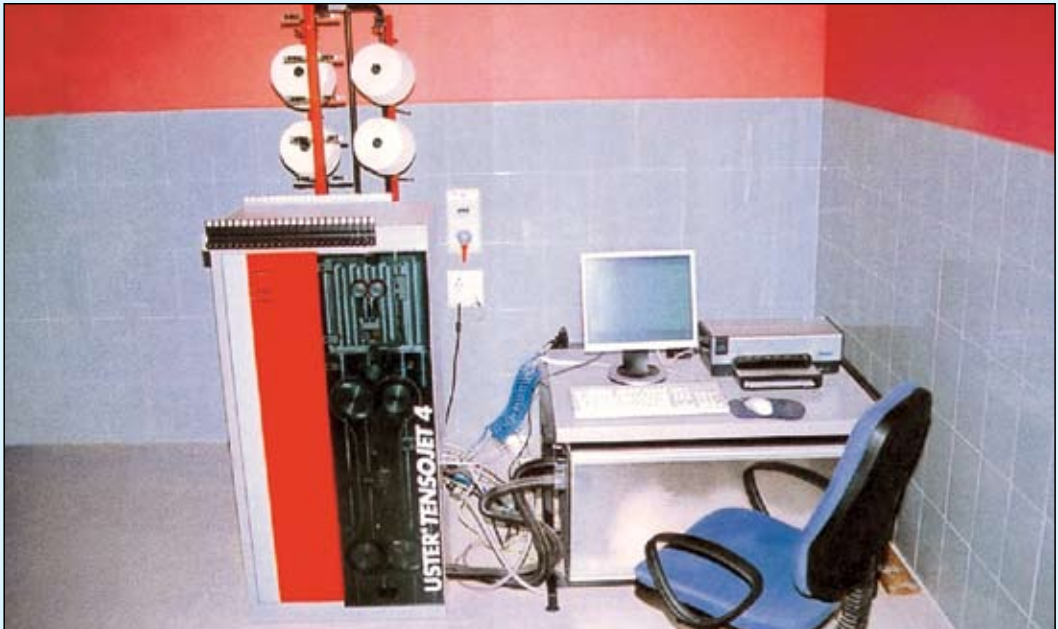


- Note
1. The Proxy Form duly completed must be deposited at the Registered Office of the company not less than 48 hours before the time of holding the meeting
  2. A proxy need not be a member

\* Applicable for investors holding shares in electronic form.



State of the Art Lab Facility at Tandur



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**RAJVIR INDUSTRIES LIMITED**

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