



Spinning in the
right direction!



Rajvir Industries Limited
8th Annual Report 2011-12



Forward-looking statement

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

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

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

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International fiscal deficit.
Currency depreciation.
Inflation.
European economic strain.
Chinese slowdown.
Volatility in input prices.
Power shortage.
Rising fuel costs.
High interest rates.

An overall negative
economic environment.

At Rajvir, we utilized this
bleak scenario.

We laid the foundations
of a positive future.
And made the environment
our classroom.

We simply spun in the right
direction and consolidated
our strengths for an optimistic
future performance.

Vision

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

Mission

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

Profile

- Rajvir Industries Ltd. is an integrated producer of cotton, mélange, synthetics, modal, dyed products, compact yarn, flame-retardant, supima, silk, wool, cashmere and angora blends.
- The Company's spinning capacity is of 1,11,840 spindles.
- The Company's massive collection includes over 8,000 mélange/heather shades and a range that covers everything from 100% cotton/organic/fair-trade, combed yarns, blended yarns (polyester, viscose, modal, spun silk and flame-retardant) mélange/heather yarns, modal yarns, synthetic yarns and cheese-dyed yarns.

Presence

- Rajvir Industries enjoys a pan-Indian presence having two yarn manufacturing facilities in Andhra Pradesh, located in Tandur and Mahabubnagar, along with a dyeing plant in Mahabubnagar.
- Headquartered in Hyderabad
- Exports products to around 40 countries including Central America, Europe, Asia, The Indian Subcontinent, Middle East and Africa. Listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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



Products

100% cotton yarns

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

Super speciality blends

- Cashmere/Angora blends
- Wool blends
- Spun silk and blends
- Nylon polyamide blend
- Neppy/Streaky/Irregular pattern yarns
- Triblend yarns

Eco-friendly yarns

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

- Recycled polyester blends
- Recycled cotton blends

Technical textile products

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

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

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

■ **Exotic blends with rich animal hair collection** – Cotton with blends of silk,

cashmere, wool, linen, angora in raw white and mélange/heather.

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

■ **Classic Collection**- 100% cotton yarn compact in all varieties, combed organic and organic blends with viscose, recycled polyester, modal, micro modal in raw white and mélange/heather, 100% fair trade organic and fair trade organic blends with viscose, recycled polyester, modal, micro modal in raw white and mélange/heather, 100% BCI and BCI blends with viscose, recycled polyester, modal, micro modal in raw white and mélange / heather, 100% pima and pima blends with modal, micro modal in raw white and mélange / heather, 100% viscose and viscose blends, 100% polyester and with polyester blends with Indian, cotton viscose in mélange and dope dyed, 100% compact yarns pima and giza.

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

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

Financial performance in 2011-12

Performance

- Turnover: increased by 10.30% to ₹304 cr. from the previous year
- Operating profits for the year was lower at ₹26.50 cr. due to the crisis in the textile industry and volatility in cotton prices impacting the realization margins.
- Operating margins fell to 8.7% from 15% in the previous year.
- The Company recorded a negative PAT of ₹9.53 cr.
- Cash profit for the year was ₹78 lacs.

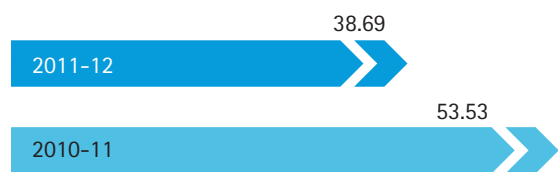
Positioning

- High-end technologies and superior quality materials have made Rajvir Industries an internationally benchmarked company and one of the leading 111,840 spindle enterprise.
- Rajvir Industries boasts of an extensive market presence with a strong domestic base and exports ₹71.20 crores of its manufactured products which is ₹9.82 crores more than the last year and 16% increase over YOY basis. This constitutes to 24% of the turnover.
- The Company has increased its Turnover in the Domestic Market from ₹213 crores in the last year to ₹230 Crores in the year under review which is an increase of ₹17.34 crores and increase of 17%.

Revenue (₹ in cr.)



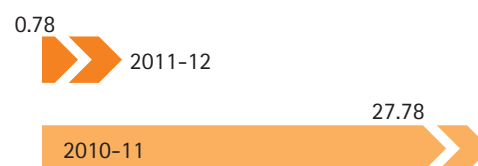
EBIDTA (₹ in cr.)



Net Profit (₹ in cr.)



Cash Profit (₹ in cr.)



EPS (₹)



Experienced and effective management both in operations and marketing with strong R&D Facility

Rajvir has a strong management team comprising dedicated and competent Engineers, MBAs, Chartered Accountants, sales and marketing personnel who work passionately for the Company. The Company's R&D facility works towards an elaborate research and development of raw materials to finished products before its products get delivered.

Wide range of value added products which are trendy and customized with innovative technologies

At Rajvir we enthral you by showcasing a wide range of products that are unique and rich in quality. Our vast range of yarns include fashion yarn collection, exotic blends with animal hair collection, classic collection and technical textile yarn collection.

Trusted and continued association with globally reputed chain stores and brands

Being exposed and experienced in the business for decades, Rajvir Industries has had healthy collaborations with brands like M&S, H&M, C&A, GAP, who have treated the Company with high regard over the years. Rajvir has been able to do complete justice to the prolonged relationship of trust and confidence that these reputed brands have shown towards the Company.

In possession of valuable certifications coupled with strong marketing network

Considering the volume of work that the Company engages in, it makes sure that it abides by all the mandates and have all the necessary certifications to avoid disputes. Robust Marketing network is one of the Company's strengths.

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

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

- Yarn Expo – Brijing
- Yarn Expo – Shanghai
- Texworld Paris – France
- Texworld – USA
- Indian Textile Exhibition – Cairo, Egypt
- Mega Indian Textile and Clothing Exhibition – Brazil and Argentina
- Indian Textile Exhibition – Czech Republic & Poland for Textiles
- 'MADE IN INDIA' organized by The Synthetic and Rayon Textiles Export Promotion Council – Dubai
- CEMS – Bangladesh





From the Chairman's desk

Industry overview

The Indian Textile Industry plays an important role in the growth of the Indian economy. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and export earnings of the country.

Currently, it contributes about 14 per cent to industrial production, 4 per cent to the gross domestic product (GDP), and 17 per cent to the country's export earnings. It provides direct employment to over 35 million people. The sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

The Indian textiles industry is extremely varied, with the hand-spun and handwoven sector at one end of the spectrum, and the capital-intensive, sophisticated mill sector at the other. The decentralised powerlooms/hosiery and knitting sector forms the largest section of the textiles sector. The close linkage of the industry to agriculture and the ancient culture and traditions of the country make the Indian textiles sector unique in comparison with the textiles industries of other countries. This also provides the industry with the capacity to produce a variety of products suitable to the different market segments, both within and outside the country.

Market size

India earns about 17 per cent of its total foreign exchange through textile exports. The textile industry contributes nearly 14 per cent of the total industrial production of the country. Fabric production rose to 60,996 million sq meters in FY 2011 from 52,665 million sq meters in FY 2007.

Production of raw cotton grew to 32.5 million bales in FY11 from 28 million bales in FY07, while production of man-made fibre rose to

1,281 million kgs in FY11 from 1,139 million kgs in FY07. Production of yarn grew to 6,233 million kgs in FY11 from 5,183 million kgs in FY07.

India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5 per cent to 8 per cent and reach US\$ 80 billion by 2020.

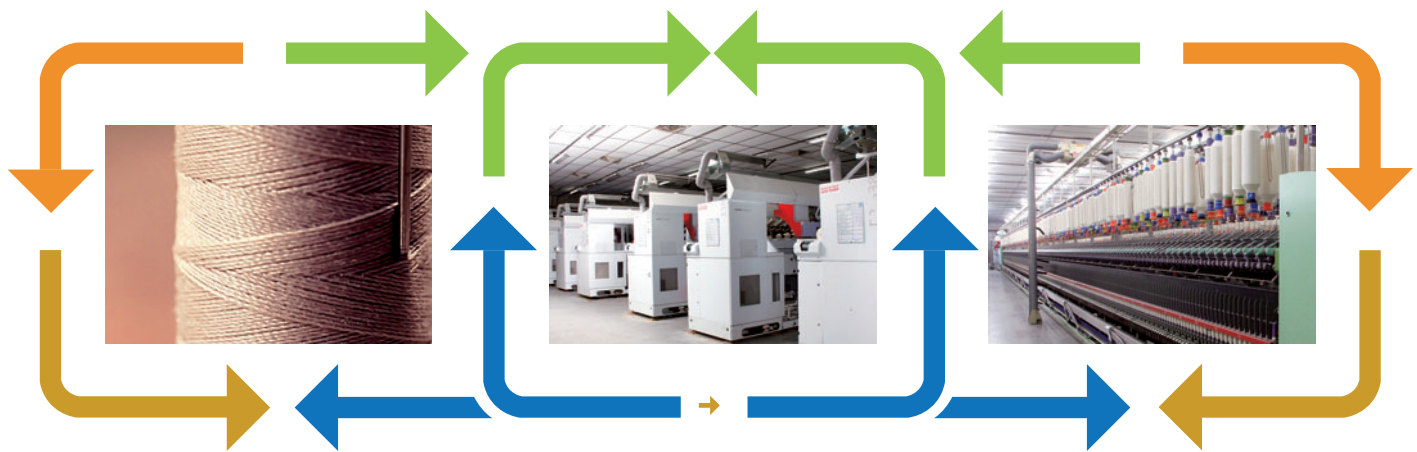
Exports of textile grew to US\$ 26.34 billion in FY12 from US\$ 17.6 billion in FY06. India's textile trade was dominated by exports with a CAGR of 6.3 per cent during the same period.

Foreign direct investment (FDI) inflows in textiles (including dyed, printed) from April 2000 to January 2012 stood at ₹5,036.27 crore (US\$ 897.79 million).

Highlights 2011-12

Despite adverse market conditions, the Company has performed sufficiently well in the last financial year and has grown and evolved exceptionally. The Company's last year's performance was satisfactory with a clear indication of a strong market presence and a comfortable financial condition of the Company.

- Achieved the highest ever annual turnover of ₹304 crores, year on year growth 9%, which is far better than the industry average growth rate.
- During the financial year 2011-12, exports increased to ₹71 crores, which is a 16 % increase year on year basis as against a negative growth of Indian exports.
- Earned cash profit of ₹9.38 crores before exceptional items.
- Cash profit generated after exceptional items ₹78 Lakhs.
- Launched various new products inline with international fashion trends including a catalogue of fashion yarns i.e. 'PASSION FOR FASHION'
- Our international reach crossed more than 40 countries.



■ Strategy for technological up-gradation and expansion for more value-added yarns including fancy, classic, exotic and green/eco-friendly is devised.

Textile price check 2011-12

Cotton prices had peaked in the first quarter of 2011-12 to its highest ever in past and suddenly collapsed afterwards.

Cotton prices have been punctured by recent forecasts of a close to 10% increase in production in the country in the 2011-12 season, coming at a time when global demand for yarn and readymade garments has been lackluster. The price of cotton has fallen from an all-time high of ₹59,700 per candy of cotton by 43%.

The highest price volatility globally in cotton prices in the past 150 years of history had immediate negative repercussions in the domestic market. As a result, cotton yarn production came down and more spindles were decommissioned across the globe.

Spinning mills were left with high-priced cotton inventories and they were not in a position to pass the impact in price of yarn and fabrics after April 2011. Due to market conditions and demand supply imbalance this led to a slowdown in production and reduction in capacity utilization.

Challenges and counter attacks 2011-12

Cotton prices suddenly met an upswing in the last quarter of 2010-11 and reached its peak in March'2011. The prices plunged by almost 50% in the first quarter of 2011-12. This coupled with fall in demand of textiles led to a crisis in global textile industry. Textile companies, which had piled up on high cost inventories to take advantage of the rising prices, suffered losses as demand of yarn fell leading to a free fall in yarn prices.

Rajvir Industries, having decades of experience, could anticipate an impending crisis in the textile market and did not pile up on inventory,

mitigating huge losses. The Company focused on value-added yarn in line with the changes in times and trends during the year under review. By increasing production efficiency and various cost control measures the Company performed relatively well.

Company capacities

Rajvir Industries boasts of having factory capacity that enables smooth production in bulks without any sort of production hindrances. Each year the Company keeps adding to its capacity making it bigger and yielding more products and increasing turnover with every passing year.

- New machinery and machinery improvements in Slub Motion Machinery
- LRSB draw frame
- Additions/improvements in Effluent Treatment Plants
- Created spindle conversion and additions in plant infrastructure

Producta at Company units:

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



Road ahead

The Company makes sure that it has a road paved for its future. It has a steady future proposition and implements quick action in attaining what it envisions for its future.

- With an increasing demand for textiles across the globe, the market demand for fashion, exotic and value-added yarns, which are not price sensitive are extremely high. Rajvir possess innovative, low cost, high end variety of products by the virtue of which the Company has been able to maintain swift market leadership.
- The Company is working on an expansion of another 35,000 spindles, thereby making it a 150,000 spindle enterprise besides which it has plans to balance its existing equipment for better productivity.
- The Company is also working on establishing a state-of-the-art 100% linen yarn wet spinning project, which would add to its existing portfolio of value-added products in the long run.
- The Company is planning to add 35,000 spindles to its existing capacity thereby almost doubling the turnover in the coming financial years.

Labour protection initiatives

Being a responsible company, it ensures safe and proper working conditions for its workers. The Company makes sure that its workers who are largely responsible for the long standing stature and good repute of the Company enjoys work under proper and healthy conditions.

- Conducting various activities like medical camp with the co-ordination of Red Cross Society
- Providing cultural training like dancing, music, yoga to hostel workers
- Providing free accommodation and subsidized boarding to hostel workers
- Having a complete medically equipped and independent dispensary within the factory premises with qualified doctors and nurses for addressing emergency medical requirement of workmen.
- Effective grievance handling & redressal mechanism, safety committee, canteen committee, harassment & abuse committee to handle employee related issues and adopt fair work practices.

CSR

Rajvir Industries Ltd. does not believe in doing business only. By being a responsible corporate it feels that it must work towards the sustainability of the society at large. Therefore it engages in various CSR initiatives.

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

Awards and certificates

It makes me immensely proud to mention that Rajvir Industries Ltd. has several prestigious certificates over the years for its excellence and state-of-the art quality products.

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

To conclude, Rajvir Industries Ltd. is poised for positive growth and superior performance in the foreseeable future, aided by internal efficiencies, fiscal prudence, sustainable operations and long-standing customer confidence.



Directors' Profile



Sri. UPENDER KUMAR AGARWAL - son of Sri. BASUDEV AGARWAL

Sri U. K. Agarwal is a graduate and has more than 36 years of experience in the Cotton Industry. He is the Chairman and Managing Director of M/s Rajvir Industries Limited. He has been associated with the cotton industry for the past 36 years. He is considered to be an expert in the cotton selection process. Besides this, he has acquired considerable expertise in Factory operations, Finance and General Administration.



Sri. RITESH KUMAR AGARWAL - son of Sri. UPENDER KUMAR AGARWAL

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



Sri. CHINNAPPA REDDY KANDUKURI son of Sri. SHOWRI REDDY KANDUKURI

Sri.K.C.Reddy is a graduate in Commerce from Osmania University having vast experience for more than a decade in Construction Industry by virtue of his association as a Managing Partner / Partners with M/s KPS Builders, M/s K S Associates, and M/s Reliable Constructions, Begumpet. He is also an Educationalist. He has been a Hon'ble Secretary of Mantriya Educational society which runs Schools, Intermediate and Degree Colleges.



Sri. VIJAY KUMAR GUPTA - son of Sri. BHAGAT RAM GUPTA

Sri Vijay Kumar Gupta is a Commerce graduate and had been trained at Administrative Staff College of India in the areas of Management. He has about 41 years of experience in Textiles Trading and Textile processing. He has been in textiles trading since 1968 through proprietary concerns belonging to his family. He has been instrumental in taking up the Company to its present status and unprecedented growth. He is the Chairman and Managing Director of M/s Vijay Textiles Limited and also associated with Vijay Infotech Ventures as the main Promoter.

Corporate information

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Sri M. J. Kalyan Chakravarthy

AUDITORS

M/s S. Daga & Co.

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

BANKERS / FINANCIAL INSTITUTIONS

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

FACTORIES

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

REGISTERED OFFICE

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

SALES DEPOT

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

REGISTRAR & SHARE TRANSFER AGENT

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



Notice

Notice is hereby given that the Eighth Annual General Meeting of the Members of RAJVIR INDUSTRIES LIMITED will be held on **Friday, the 28th September, 2012 at 3.30 P.M at Lotus Hall, 1st Floor, Country Club, 6-3-1219, Begumpet, Hyderabad-500016** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended 31st March, 2012 along with the Auditors' Report & Directors' Report there on.
2. To appoint M/s S. Daga & Co, Chartered Accountants as Statutory 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 authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Sri Kandukuri Chinnappa Reddy, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General Meeting in pursuance of Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notice in writing along with requisite deposit proposing his candidature for the office of director, be and is hereby appointed as Director of the Company liable to retire by rotation".

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

"RESOLVED THAT Sri Vijay Kumar Gupta, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General Meeting in pursuance of Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notice in writing along with requisite deposit proposing his candidature for the office of director, be and is hereby appointed as Director of the Company liable to retire by rotation".

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

The existing Authorised Share Capital of ₹14,00,00,000/- (Rupees Fourteen Crores only) which was divided into 75,00,000 Equity Shares of ₹10/- each aggregating to ₹7,50,00,000 (Rupees Seven Crores Fifty Lakhs only) and 6,50,000 Preference Shares of ₹100/- each aggregating to ₹6,50,00,000 (Rupees Six Crores Fifty Lakhs only) to divide as under: 45,00,000 Equity Shares of ₹10/- each aggregating to ₹4,50,00,000 and 9,50,000 Preference Shares of ₹100/- each aggregating to

₹9,50,00,000 which enables the Company to generate long term funds by issue of Preference Shares to Promoters.

The related clause in the Memorandum and Articles of Association of the Company are required to be amended/ altered to facilitate the reclassification of existing Authorised Share Capital.

The Board of Directors passed the following resolutions.

"RESOLVED THAT pursuant to provisions of Section 16 and 94 and all other applicable provisions, if any, of the companies Act, 1956 the existing Authorised Share Capital of the Company comprising of ₹14,00,00,000/- (Rupees Fourteen Crores only) divided into 75,00,000 Equity Shares of ₹10/- each aggregating to ₹7,50,00,000 hereby reclassified into 45,00,000 Equity Shares of ₹10/- each aggregating to ₹4,50,00,000 and 9,50,000 Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each aggregating to ₹9,50,00,000 consequently the Clause 'V' of the Memorandum of Association of the Company be and is hereby altered by substituting the following new clause:

V. The Authorised Share Capital of the Company is ₹14,00,00,000/- (Rupees Fourteen Crores only) divided into 45,00,000 Equity Shares of ₹10/- each aggregating to ₹4,50,00,000 and 9,50,000 Preference Shares of ₹100/- each aggregating to ₹9,50,00,000 whether Cumulative Redeemable or Non Cumulative Redeemable with the power to increase, reduce, subdivide, consolidate, convert into Equity Shares in accordance with the provisions of the law from time to time".

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any of the Companies Act, 1956, the existing Article 2 of the Articles of Association of the Company relating to Share Capital be and is hereby altered by substituting the following new article:

2. The Authorised Share Capital of the Company is ₹14,00,00,000/- (Rupees Fourteen Crores only) divided into 45,00,000 Equity Shares of ₹10/- each aggregating to ₹4,50,00,000 and 9,50,000 Preference Shares of ₹100/- each aggregating to ₹9,50,00,000 whether Cumulative Redeemable or Non Cumulative Redeemable with the power to increase, reduce, subdivide, consolidate, convert into Equity Shares in accordance with the provisions of the law from time to time".

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

"RESOLVED THAT pursuant to provisions of section 80, 81, and all other provisions if any of the companies Act, 1956 and the enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with

the Stock Exchanges where securities of the Company are listed and subject to wherever required to any other approval of the Financial Institutions, appropriate Authorities, consent of the Members be and is hereby accorded to the Board of Directors of the Company to issue Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each at par and in such numbers as the Board decide from time to time for a sum not exceeding ₹3 crores (Rupees Three Crores only) in single/multiple tranches on Preferential basis to Promoters as the Board may deem fit and on such terms and conditions including the rate of dividend, period of redemption etc., as the Board may in its

absolute decision decides in the best interest of the Company".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to agree and to make such modification(s) and alteration(s) from time to time as it deem fit and to take all steps as it may deem necessary, desirable or expedient and to resolve all questions of doubts and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute direction shall deem fit without being required to seek any fresh approval of the Members of the Company and the decision of the Board shall be final and conclusive"

BY ORDER OF THE BOARD
For Rajvir Industries Limited

M. J. Kalyan Chakravarthy
Company Secretary

Place : Secunderabad
Date : 14.08.2012

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**
- Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the board resolution authorising their representatives to attend and vote on their behalf at the meeting.
- The Register of Members and Share transfer books will remain closed from 21.09.2012 to 28.09.2012 (both days inclusive).
- An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed thereto.
- The Members are requested to notify change, if any, in their address

to Registrar and Share Transfer Agent viz., M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, if any.

- A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company atleast seven days prior to the date of the Meeting for consideration for the Management to deal at the Meeting.
- Unclaimed Dividends will be transferred to the Investor Education and Protection Fund set up by the Central Government. Shareholders who have not so far encashed the dividend warrant(s) are requested to seek revalidation/issue of duplicate warrants/Demand drafts by writing to the Registrars and Share Transfer Agents. Also note that no claim shall be made against said fund or Company in respect for any amounts which were unclaimed and unpaid for a period of seven years from the date they became first due for payment and no payment shall be made in respect of such claims.

Unclaimed Dividend Details as on 30.09.2011

S. No.	Financial Year ended	Balance as on Year 30.09.2011 (in ₹)	Date of declaration of dividend	Last date for claiming unpaid dividend	Proposed Date of transfer to IEPF (DD-MM-YYYY)
1	2004-05	81,264	31-12-2005	30-12-2012	28-01-2013
2	2005-06	1,17,312	27-09-2006	26-09-2013	25-10-2013
3	2006-07	1,18,204	29-09-2007	28-09-2014	27-10-2014
4	2007-08	1,43,104	30-09-2008	30-09-2015	29-10-2015
5	2008-09	91,042	30-09-2009	29-09-2016	28-10-2016
6	2009-10	82,792	18-09-2010	17-09-2017	16-10-2017
7	2010-11	1,72,708	30-09-2011	29-09-2018	28-10-2018
		8,06,426			

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



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

Item No. 3

Sri Kandukuri Chinnappa Reddy who was appointed as an additional director of the Company by the Board of Directors at their Meeting held on 22nd March, 2012 under section 260 of the Companies Act, 1956 will hold the office of director upto the forthcoming 8th Annual General Meeting of the Company. The Company has received notice from a member under section 257 of the Company's Act, 1956 together with deposit of ₹500/- signifying his intention proposing the appointment of Sri Kandukuri Chinnappa Reddy, as director of the Company.

None of the Directors of the Company, except Sri. Kandukuri Chinnappa Reddy, is interested or concerned in the above resolution.

The Board recommends the resolution for approval of the members.

Item No.4

Sri Vijay Kumar Gupta who was appointed as an additional director of the Company by the Board of Directors at their Meeting held on 16th July, 2012 under section 260 of the Companies Act, 1956 will hold the office of director up to the forthcoming 8th Annual General Meeting of the Company. The Company has received notice from a member under section 257 of the Company's Act, 1956 together with deposit of ₹500/- signifying his intention proposing the appointment of Sri Vijay Kumar Gupta, as director of the Company.

None of the Directors of the Company, except Sri. Vijay Kumar Gupta is interested or concerned in the above resolution.

The Board recommends the resolution for approval of the members.

Item Nos. 5 & 6

In order to generate long term funds by issue of Preference Shares to Promoters, the Board of Directors at their Meeting held on 14th August, 2012 have decided to reclassify the existing Authorised Share Capital of ₹14,00,00,000/- (Rupees Fourteen Crores only) divided into 1,40,00,000 Equity Shares of Rs10/- each to 45,00,000 Equity Shares of ₹10/- each aggregating to ₹4,50,00,000 and 9,50,000 Preference Shares of ₹100/- each aggregating to ₹9,50,00,000.

The aforesaid re-classification in the Authorised Share Capital of the Capital Clause of the Memorandum of Association of the Company and Capital Clause in the Articles of Association of the Company need to be amended. Hence, the Directors recommend the Ordinary Resolution under item no.5 and Special Resolution under item no.6 of the notice for the approval of the Members.

None of the Directors in any way concerned or interested in the resolution except to the extent of shares that may be allotted to them.

A copy of the Memorandum of Association and Articles of Association of the Company is also available for inspection of Members of the Company during the business hours till date of the Meeting.

Item No.7

The Board of Directors at their Meeting held on 14 Aug, 2012 have approved issue of Redeemable Non-Convertible Cumulative Preference Shares for a sum not exceeding ₹3 Crores (Rupees Three Crores Only) to Promoters through Preferential basis to improve the Net worth of the Company.

In terms of Section 81 of the Companies Act, 1956 any increase in the issued Capital of the Company by allotment of further Securities, such further Securities shall be first offered to the existing share holders of the Company in the manner laid down in Section 81 unless the Share holders in the General Meeting decides otherwise.

As the Preference shares are proposed to be offered and issued on preferential basis to the Promoters approval of Members in General Meeting by way of Special Resolution is required.

The proposed preferential allotment to the Promoters as aforesaid will not result in any change in the control of the Company.

The Board of Directors recommend the Resolution for your approval in the best interest of the Company.

None of the Directors in any way concerned or interested in the resolution except to the extent of shares that may be allotted to them.

BY ORDER OF THE BOARD
For Rajvir Industries Limited

M. J. Kalyan Chakravarthy
Company Secretary

Place : Secunderabad
Date : 14.08.2012

Directors' Report

To
The Members
Rajvir Industries Limited

Your Directors have pleasure in presenting the Eighth Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS

(₹ in lakhs)

	2011-12	2010-11
1. Sales and Other Income	30,425.73	27,583.35
2. Profit Before Interest and Depreciation	3,869.20	5,352.92
3. Interest and Finance Charges	2,931.06	2,162.28
4. Depreciation	1,218.80	1,121.72
5. Profit before tax and exceptional items	(280.66)	2,068.92
Exceptional Items	860.18	-
6. Profit before tax	(1,140.84)	2,068.92
7. Provision for Taxation		
a) Current Tax	-	412.35
b) Deferred Tax	(187.17)	228.61
Profit after tax	(953.67)	1,427.96
Add/ Profit b/f from last year	3,110.86	2,106.99
	2,157.19	3,534.95
APPROPRIATIONS		
1. Transferred to Debenture Redemption Reserve	105.00	140.00
2. Transferred to General Reserve	-	143.00
3. Dividend	-	121.40
4. Dividend Tax	-	19.69
5. Surplus Carried Forward to Balance Sheet	2,052.19	3,110.86

OPERATIONS

During the year under review your Company achieved a Turnover of ₹30,425.73 lakhs and Net Loss of ₹953.67 lakhs as against Turnover of ₹27,583.35 lakhs and Net Profit of ₹1,427.96 lakhs in the previous year.

CAPITAL EXPENDITURE

During the year under review, your Company has incurred a Capital Expenditure of ₹1,049.42 Lakhs.

EXPORTS

During the year under review, your Company has achieved exports turnover of ₹71.09 crores as against ₹61.28 crores last year.

DIRECTORS

Dr. K J Reddy, resigned to the office of Director on 22nd March, 2012 and Sri. Shreedas Narayandas Daga, resigned to the office of Director on 16 July, 2012 due to their personal reasons and pre-occupations.

The Board has appreciated the services rendered by them during their tenure.

Sri Kandukuri Chinnappa Reddy was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 22nd March, 2012 and he would hold the office up to the date of ensuing Annual General Meeting of the Company. The Company has received notice from a member with necessary deposit proposing that Sri Kandukuri Chinnappa Reddy be appointed as director liable to retire by rotation pursuant to the provisions of the Company's Act, 1956.

Sri Vijay Kumar Gupta* was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 16th July, 2012 and he would hold the office up to the date of ensuing Annual General Meeting of the Company. The Company has received notice from a member with necessary deposit proposing that Sri Vijay Kumar Gupta be appointed as director liable to retire by rotation pursuant to the provisions of the Company's Act, 1956.

Directors Responsibility Statement:

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

1. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed and there were no material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates

* Resigned to the office of director on 22nd March, 2012.



which are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2012 and of Profit and Loss Account of the Company for the period ended on 31st March, 2012;

3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the Annual Accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance with ethical corporate practices. As per the requirements of Listing Agreement with the Stock Exchanges, a Compliance Report for the year 2011-12 and Management Discussion and Analysis is annexed as part of the Annual Report along with the Auditor's certificate on its compliance.

AUDITORS

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

COST AUDITORS

The Cost Accounts maintained by the Company for the products manufactured are subject to yearly Audit by qualified Cost Auditors. Your Company has appointed Mr. P.Srinivas, as Cost Auditor for the year 2011-12 for conducting the Audit of Cost Records.

FIXED DEPOSITS

Your Company has accepted deposits from the public within the meaning of Section 58 A of the Companies Act, 1956 and there are no overdue deposits as on 31.03.2012.

AUDIT COMMITTEE

Audit Committee consists of the following Directors:

- | | |
|----------------------------------|---|
| 1) Sri Kandukuri Chinnappa Reddy | : Chairman, Non-Executive & Independent |
| 2) Sri Shreedas Narayandas Daga | : Member, Non-Executive & Independent |
| 3) Sri Ritesh Kumar Agarwal | : Member, Executive Director |

ENVIRONMENT AND HUMAN RESOURCE DEVELOPMENT

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

AUDITORS' QUALIFICATIONS

No qualifications were made by the Auditors in their report on the accounts for the year ended 31.03.2012

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

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENT

The Directors take this opportunity on record their sincere thanks to the Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

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

Place : Secunderabad
Date : 14.08.2012

U.K. Agarwal
Chairman & Managing Director

Annexure-I to Directors' Report

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

A. CONSERVATION OF ENERGY

Energy conservation measures taken:

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

FORM – A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption	2011-12	2010-11
1. Electricity:		
a) Purchased		
Units (in lakhs of KWH)	657.85	639.38
Total Amount (₹ In lacks)	2,404.30	2,207.11
Average Rate: (₹/Unit)	3.65	3.45
b) Own Generation:		
Through Diesel Generators		
Units (in lakhs of KWH)	3.75	4.27
Units per Litre of Diesel Oil	3.16	3.16
Average Cost: ₹ / Unit	13.60	12.40
2. Coal (₹ In lakhs)	0.73	7.26
3. Furnace Oil	-	-
4. Others	-	-
B. Consumption per Unit of Production		
Yarn Production (Kgs in lakhs)	122.30	123.09
Electricity (Units/Kg of Yarn)	5.41	5.23

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

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

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

Exports of the Company increased to ₹71.09 Crores as compared to ₹61.28 Crores during the previous year. The Company has exported its products to various countries like USA, Korea, Taiwan, Egypt, Turkey, Spain, Mauritius, South Africa, Bangladesh, Pakistan and other Countries. The Company is exploring new markets for its products.

b) Expenditure in Foreign Currency during the year on account of	2011-12 Amount (₹ in lakhs)	2010-11 Amount (₹ in lakhs)
i) Plant & Machinery (CIF Value)	63.39	64.91
ii) Raw Materials (CIF Value)	1,682.01	1,872.65
iii) Stores & Spares (CIF Value)	18.80	52.89
iv) Foreign Traveling	24.04	30.32
v) Export Commission	50.30	62.23
C) Earnings in Foreign Exchange: FOB Value of Exports	7,109.05	6,127.81

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

Place : Secunderabad
Date : 14.08.2012

U.K. Agarwal
Chairman & Managing Director

Report on Corporate Governance

1. CORPORATE GOVERNANCE PHILOSOPHY

Your Company 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 maximising 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.

The Company has complied with the requirements of the Corporate Governance Code in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as disclosed herein below:

2. BOARD OF DIRECTORS

- The composition of Board of Directors consists of two (2) Promoters Whole time Directors and two (2) Independent Non-Executive Directors. The number of non-Executive Directors are 50% of the total number of Directors.
- None of the Directors on the Board is a Member on more than ten (10) companies or Chairman of more than five (5) committees.
- During the year under review, nine (9) Board Meetings were held on 26th May 2011, 30th May 2011, 12th August 2011, 29th August 2011, 28th September 2011, 17th October 2011, 12th November 2011, 14th February 2012 and 22nd March 2012.
- The composition of the Board, attendance at Board meetings (BM), Shareholders'/ Investors' Grievance Committee meetings (SIGCM), Audit Committee meetings (ACM) and Remuneration Committee Meetings (RCM), held during the financial year under review and attendance at the last Annual General Meeting (AGM), number of Directorships and Memberships / Chairmanships in Public Limited Companies and Committees are given below: -

Name of the Director	Category	FY 2011-12 Attendance at					No. of other Directorships in Public Companies	Committee Positions	
		BM	IGCM	ACM	RCM	Last AGM held on 30.9.2011		Member	Chairman
Upender Kumar Agarwal	Chairman & Managing Director	8	-	-	-	YES	-	-	-
Ritesh Kumar Agarwal	Executive Director	5	-	-	-	YES	-	-	-
Vijay Kumar Gupta	Non-Executive Director	6	4	4	1	No	1	-	-
Shreedas Narayandas Daga	Non-Executive Director	6	3	3	1	No	1	-	-
Dr Kankanala Janga Reddy*	Non-Executive Director	7	4	4	1	YES	-	-	-
Sri Kandukuri Chinnappa Reddy#	Non Executive Director	1	-	-	-	No	-	-	-

*Dr. K. J. Reddy resigned on 22nd March, 2012

#Sri Kandukuri Chinnappa Reddy joined on 22nd March, 2012.



e. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

f. Chairman & Managing Director and Executive Director of the Company are Father and Son.

3. AUDIT COMMITTEE

a) The Company constituted a qualified and Independent Audit Committee comprising of two Non-Executive Independent Directors and One Executive Director with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges.

The Committee is empowered with the powers as prescribed under Clause 49 of the Companies Act, 1956. The Committee also acts in terms of reference and directions of the Board from time to time.

b) Composition, Name of Members and Chairperson

1) Sri Kandukuri Chinnappa Reddy	- Chairman, Non-Executive & Independent
2) Sri Shreedas Narayandas Daga	- Member, Non-Executive & Independent
3) Sri Ritesh Kumar Agarwal	- Member, Executive Director

c) Meetings and attendance during the year

During the financial year ended March 31, 2012, four (4) Audit Committee Meetings were held on 26th May 2011, 12th August 2011, 12th November, 2011 and 14th February 2012.

4. REMUNERATION COMMITTEE

a) The Remuneration Committee comprises of three Non-Executive Independent Directors.

b) Composition, Name of Members and Chairperson

1) Sri Kandukuri Chinnappa Reddy	- Chairman, Non-Executive & Independent
2) Sri Shreedas Narayandas Daga	- Member, Non-Executive & Independent
3) Sri Ritesh Kumar Agarwal	- Member, Executive Director

c) Attendance during the year

The Remuneration Committee has met in the year under review on 26.05.2011.

d) Remuneration policy

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

e) Details of remuneration to the Directors for the year ended 31st March, 2012

Name of the Director	Designation	Salary (₹)	Commission (₹)	Perquisites (₹)	Total (₹)
Upender Kumar Agarwal	Managing Director	36,54,000	-	17,700	36,71,700
Ritesh Kumar Agarwal	Executive Director	32,64,000	-	17,700	32,81,700

Sitting Fees

Names of Directors	Designation	Sitting Fees (₹)
Vijay Kumar Gupta	Non-Executive Director	21,000
Shreedas Narayandas Daga	Non-Executive Director	19,000
Dr Kankanala Janga Reddy	Non-Executive Director	23,000
Kandukuri Chinnappa Reddy	Non-Executive Director	2,000

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

No shares are held by Non- Executive Directors as on 31.03.2012.

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

a) Composition, Name of Members and Chairperson:

- 1) Sri Kandukuri Chinnappa Reddy - Chairman, Non-Executive & Independent
- 2) Sri Shreedas Narayandas Daga - Member, Non-Executive & Independent
- 3) Sri Ritesh Kumar Agarwal - Member, Executive Director

b) Name and designation of Compliance Officer –
Mr. M.J.Kalyan Chakravarthy, Company Secretary

c) During the Financial Year ended March 31,2012, four(4) Shareholders /Investors Grievance Committee meetings were held on 26th May 2011, 12th August 2011, 12th November, 2011 and 14th February 2012.

Shareholders/Investors Grievance Committee is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, Dividend payments, issue of duplicate share certificate, transmission of shares and miscellaneous complaints. During the year the Company has received TWO (2) complaints from the shareholders and all of them were resolved satisfactorily. There were no pending investor complaints pertaining to the Financial Year ended 31st March, 2012.

6. GENERAL BODY MEETINGS

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

Financial year ended	Date	Venue	Time
31st March, 2011	30.09.2011	Hari Hara Kala Bhavan, S.P Road Secunderabad	3.30 P.M
31st March, 2010	18.09.2010	Surana Udyog Hall, FAPCCI Premises, 11-6-841, Red Hills Hyderabad-500004	3.00 P.M
31st March, 2009	30.09.2009	Surana Udyog Hall, FAPCCI Premises, 11-6-841,Red Hills Hyderabad-500004	3.00 P.M

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

i.) 2008-09

No special resolutions were passed

ii) 2009-10

a) Alterations to Articles of Association for increase of Authorised Share Capital from ₹3.5 crores to ₹14 Crores pursuant to Section 31(1) of the Companies Act, 1956.

b) Keep the Registers, Returns, documents and papers relating to shares except copies of Annual Returns as prescribed under Section 163 of the Companies Act, 1956 at M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034 i.e. at a place other than the registered office of the Company.

iii) 2010-11

a) For re-classification of Authorised Share Capital into 75 lakhs Equity Shares of Rs10/- each and 6,50,000 Preference Shares of ₹100/-each.



b) For issue of Redeemable Non-Convertible Cumulative Preference Shares of ₹100/- each at par.

B) Postal Ballot

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

7. DISCLOSURES

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

Besides the transactions mentioned elsewhere in the Annual Report (Note No. 2.36 of Notes on Financial Statements), there were no materially significant related party transactions during the year conflicting with the interest of the Company.

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

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any Stock Exchanges, Securities and Exchange Board of India or any Statutory Authority relating to the Capital Markets.

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

The Executive Director (CEO) and Chief Financial Officer have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2012

(d) **Compliance Certificate:**

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

(e) **Code of Conduct**

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

8. MEANS OF COMMUNICATIONS

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

9. GENERAL SHAREHOLDER INFORMATION

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

Date : 28.09.2012

Time : 3.30 p.m.

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

b) **Financial Calendar Year:** 1st April, 2011 to 31st March, 2012

c) **Date of Book Closure:** 21.09.2012 to 28.09.2012 (both days inclusive)

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

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

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

The listing fees for the year 2012-2013 have been paid to The National Stock Exchange of India Limited and The Bombay Stock Exchange Limited

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

Month	Bombay Stock Exchange (BSE) (in ₹ per share)		National Stock Exchange (NSE) (in ₹ per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2011	208.00	153.95	181.75	153.00
May 2011	196.90	142.00	188.50	145.10
June 2011	178.85	150.60	195.90	150.00
July 2011	174.00	133.25	173.90	130.05
August 2011	155.60	90.70	149.80	87.10
September 2011	140.00	98.00	128.45	99.10
October 2011	121.90	102.15	120.90	96.00
November 2011	109.75	75.05	111.00	70.10
December 2011	104.65	75.25	102.80	73.10
January 2012	101.00	76.20	102.00	80.20
February 2012	112.85	80.25	108.50	79.20
March 2012	100.95	76.05	89.90	75.45

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

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

g) **Share Transfer System:**

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

h) **Shareholding pattern as on 31.03.2012**

Particulars	No. of shares	% of holding
a) Promoters	20,73,859	68.33
b) Mutual Funds	700	0.02
c) Banks, FIs & Insurance Companies	22,907	0.75
d) Private Corporate Bodies	1,63,303	5.38
e) Indian Public	7,59,491	25.03
f) NRIs/OCBs	14,190	0.47
g) Others	547	0.02
Total	30,34,997	100.00

ii) **Distribution of shareholding as on 31.03.2012**

Nominal Value	Holders		Amount	
	Number	%	₹	%
Upto 5000	2,365	90.82	20,02,230	6.60
5001 - 10000	83	3.19	6,12,560	2.02
10001- 20000	71	2.73	10,63,650	3.50
20001 - 30000	16	0.61	3,96,130	1.31
30001 - 40000	16	0.61	5,56,280	1.83
40001 - 50000	8	0.31	3,65,270	1.20
50001 - 100000	17	0.65	12,91,120	4.25
100001 & above	28	1.08	2,40,62,730	79.28
Total	2,604	100.00	3,03,49,970	100.00
Physical Mode	54,206	51.58	5,42,060	1.79
Demat Mode	29,80,791	48.42	2,98,07,910	98.21



i) Dematerialisation of Shares and Liquidity:

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

29,80,791 shares were dematerialised representing 98.21 % Shares of the Total Paid up Share Capital of the Company as on 31-03-2012.

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

There were no such outstanding instruments as on 31.03.2012.

ISIN: INE011H01014

Address of Registrar and Share Transfer Agent:

M/s XL Softech Systems Limited

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

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

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

k) Plant Locations

Yarn Divisions

1. Pillalamarri Road

Mahabubnagar District, Andhra Pradesh - 509002.

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

Dyeing Division

Edira Village

Mahabubnagar District, Andhra Pradesh - 509002.

l) Address for correspondence:

i) Queries relating to transfer / dematerialisation of share, change of address, dividend, annual reports and other queries relating to the shares of the Company:

M/s XL Softech Systems Limited.

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

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

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

ii) Any other queries:

The Company Secretary

Rajvir Industries Limited

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

Phone No(s) - 040 - 66225555, 27845628, 27845650

Fax No - 040 - 27840656

e-mail: cs@rajvirindustrieslimited.com.

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

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

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March,2012 and certify that to the best of our knowledge and belief;
 - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - II. these statements together present a true and fair view of the Company's Affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls in the Company and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies.
- d) We have indicated to the auditors and the Audit committee of:
 - (i) Significant changes in the internal control during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) There are no instances of significant fraud of which we have become aware.
- e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- f) We further declare that all Board Members and designated Senior Management have affirmed compliance with the Code of Conduct for the Current Year.

Ritesh Kumar Agarwal
Chief Executive Officer

M. J. Kalyan Chakravarthy
Chief Financial Officer

Place : Secunderabad
Date : 13.08.2012

Management Discussion & Analysis

Industry overview

The Textiles Sector in India ranks next to Agriculture. Textile is one of the India's oldest Industries and has a formidable presence in the national economy in as much as it contributes to about 14% of manufacturing value addition, accounts for around one-third of our gross export earnings and provides gainful employment to millions of people. The textile industry occupies a unique place in our country.

Textile Industry is providing one of the most basic needs of people and holds importance, maintaining sustained growth for improving quality of life. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contribution to the country's economy.

Currently, the Indian Textile Industry is valued at US\$ 55 billion, 64% of which caters to domestic demand. The Industry is also significant in a global context, ranking second to China in the production of both cotton yarn and fabric and fifth in the production of synthetic fibers and yarns. Accordingly to the Ministry of Textiles, the Industry's share in the global textile trade is expected to grow to 7% by 2012-13

Indian Textile Industry – SWOT Analysis

Strengths

India's biggest strength lies in its big pool of low cost and talented workforce. However, apart from it there are few other important factors which contribute to its strength like:

- Huge Domestic Market consumption (due to its own population).
- Tremendous Export Potential.
- The new age creative and risk taking entrepreneurs.
- Use of latest technology which produces high quality multi-fiber raw material.
- Supportive government policies.
- Having demographical and environmental advantages

Opportunities

The western countries are now setting up their manufacturing units in India which single-handedly opens up a wide array of possibilities for all the stakeholders within the textile industry.

Experts believe that the golden era of Chinese textile and apparel exports is over and the production base of global textiles is gradually shifting from China to India, Pakistan and other low cost destinations.

Risks and concerns

De-growth risk

A downturn in the textile industry can hamper the Company's prospects.

The tough times induced the Company to frame the following strategies:

- Drew up a market requirement plan to minimise inventory losses
- Drew up plans to target countries with an appetite for niche products and with a potential to generate superior realisations
- Strengthened research to produce innovative designs, leading to higher realisations
- Deepened penetration in north India, enhancing national and regional market shares

Financial risk

A high cost of debt could compel a deferment of expansion plans.

Marketing risk

Ineffective marketing could dent the market share.

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

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

Internal control systems 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 textile industry in India is one of the flourishing sectors of Indian economy. It contributes more than 14% to industrial output, nearly 30% to total exports and 4% to the nation's GDP. The Government of India has taken many initiatives with a view to raise India's share in the global textiles trade to 10% by 2015. The initiatives will not only make the industry cost competitive, but will also enhance manufacturing capacity in the sector.

Union Ministry of Textiles certified Apparel Export Promotion Council (AEPC) has taken the responsibility to motivate the foreign investors to invest in Indian Textile industry by exhibiting its massive and unexplored domestic market. It has also formulated and endorsed the motto of "come, invest, produce and sell in India". Under this, the Ministry has decided to send representatives to Germany, Switzerland,

France, Italy and US. The objective is to trigger the foreign investment towards instituting textile units in India by offering numerous allowances to global investor like low-priced workforce and intellectual right fortification.

The government of India has also taken few initiatives to promote the textile industry by permitting 100% Foreign Direct Investment in the market. Owing to the upright and straight incorporated textiles price chain, the Indian textile industry symbolizes a strong existence in the complete value chain from raw commodities to finished products. The Synthetic and Rayon Textile Export Promotion Council (SRTEPC) has taken all the required steps to meet the target of doubling the synthetic textile exports in India to US\$ 6.2 billion by seizing 4% of market share by FY 2011-12.

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.



Auditors Certificate on compliance of Corporate Governance

To
The Shareholders of
RAJVIR INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by RAJVIR INDUSTRIES LIMITED, for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of said Company with Stock Exchanges.

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

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

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

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

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

T.V. Subba Rao
Partner
Membership No.: 9636
Place: Hyderabad
Date : 14.08.2012

Financial section



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 2012 and also the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement referred to in this report are in agreement with the books of account,
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss 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 2012, 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 and Notes on accounts 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 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S.DAGA & CO.

Chartered Accountants
(F.No.000669S)

T.V. Subba Rao

Partner
Membership No.: 9636

Place: Hyderabad
Date : 14.08.2012

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 fixed assets have been physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. According to the information and explanations given to us, discrepancies noticed on physical verification have been properly dealt with in the books of account;
- c) 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 procedure of physical verification of inventories 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, reporting under clause 4(iii)(b), (c) & (d) of the aforesaid order are not applicable to the Company.
- c) During the period, the Company has taken unsecured loans from 8 parties covered in the register maintained under section 301 of Companies Act, 1956 and the maximum amount involved during the period was ₹1034.38 Lakhs (Previous year ₹1055.03 Lakhs) and the year end balance is ₹353.50 Lakhs (Previous year ₹871.53 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. The Company is generally regular in payment of principal and interest due thereon as per terms.
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 complied with the provision of Sec 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies(Acceptances of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
7. On the basis of internal audit reports broadly reviewed by us, we are of the opinion that the internal audit work carried out by an independent Chartered Accountant appointed by management is commensurate with the size of the Company and nature of business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that the prima facie



the prescribed accounts and records have been made and maintained .

9. a) 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 2012 for a period of more than six months from the date they became payable.
10. In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. Further the Company has not incurred cash losses during the current financial year covered by an audit and the immediately preceding financial year.
11. The Company has delayed in making payment of dues to banks for a short period of 2-3 months during the year. The balance overdue to the banks at the close of the year towards principal of ₹492.78 lakhs and interest of ₹148.54 lakhs, which are since paid by the Company.
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. According to the information and explanation given to us, the Company has made preferential allotment of preference shares to parties covered in the register maintained under section 301 of the Act. In our opinion, the price at which preference shares have been issued is not prejudicial to the interest of the Company.
19. The Company has not issued any fresh Debentures during the year. The Company has created security in respect of debenture issued.
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 has been noticed or reported during the course of our audit.

For S.DAGA & CO.

Chartered Accountants
(F.No.000669S)

T.V. Subba Rao

Partner
Membership No.: 9636

Place: Hyderabad
Date : 14.08.2012

Balance Sheet as at 31st March, 2012

₹ in lakhs

	Note No.	As at 31st March,2012	As at 31st March,2011
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUNDS			
Share capital	2.1	953.50	303.50
Reserves and surplus	2.2	4,096.36	5,076.40
		5,049.86	5,379.90
NON-CURRENT LIABILITIES			
Long-term borrowings	2.3	7,023.20	9,123.62
Deferred tax liabilities (net)	2.4	1,198.42	1,385.59
Other long-term liabilities	2.5	2,738.47	474.78
Long-term provisions	2.6	33.49	26.69
		10,993.58	11,010.68
CURRENT LIABILITIES			
Short-term borrowings	2.7	7,085.90	8,230.88
Trade payables	2.8	3,611.08	3,642.92
Other current liabilities	2.9	3,859.47	3,961.04
Short-term provisions	2.10	4.25	360.35
		14,560.70	16,195.19
TOTAL		30,604.14	32,585.77
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	2.11	17,847.66	18,043.44
Capital work-in-progress		16.04	37.40
		17,863.70	18,080.84
Long-term loans and advances	2.12	769.38	655.69
		18,633.08	18,736.53
CURRENT ASSETS			
Inventories	2.13	8,171.06	9,844.25
Trade Receivables	2.14	1,859.54	1,951.16
Cash and Bank balances	2.15	692.22	541.44
Short-Term Loans and Advances	2.16	316.51	495.77
Other Current Assets	2.17	931.73	1,016.62
		11,971.06	13,849.24
TOTAL		30,604.14	32,585.77

Significant Accounting Policies & Notes on Financial Statements 1 & 2

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

As per our report attached of even date

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

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

Place: Secunderabad
Date: 14th August,2012

M. J. Kalyan Chakravarthy
Chief Financial Officer & Company Secretary

For and on behalf of the Board

U. K. Agarwal
Chairman & Managing Director

Ritesh K Agarwal
Executive Director



Statement of Profit and Loss for the year ended 31st March, 2012

₹ in lakhs

	Note No.	Year ended 31st March, 2012	Year ended 31st March, 2011
INCOME			
Revenue from operations	2.18	30,175.98	27,461.38
Other income	2.19	249.75	121.97
TOTAL REVENUE		30,425.73	27,583.35
EXPENDITURE			
Cost of Materials Consumed	2.20	18,615.03	15,682.04
Purchases of Stock-in-trade	2.21	1,447.28	-
Changes in Inventories of Finished goods and work-in-process	2.22	(1,327.31)	(311.24)
Employee Benefits Expenses	2.23	2,253.37	1,948.97
Finance Costs	2.24	2,931.06	2,162.28
Depreciation / Amortisation	2.11	1,218.80	1,121.72
Other Expenses	2.25	5,568.16	4,910.66
TOTAL EXPENSES		30,706.39	25,514.43
Profit / (Loss) before tax and exceptional items		(280.66)	2,068.92
Exceptional items	2.26	860.18	-
Profit / (Loss) before tax		(1,140.84)	2,068.92
Tax Expense:			
Current tax		-	412.35
Deferred tax charge/(release)		(187.17)	228.61
TOTAL TAX EXPENSE		(187.17)	640.96
Profit / (Loss) for the year		(953.67)	1,427.96
Earnings per equity share(face value of ₹10/- per share)			
(a) Basic	(₹)	(31.42)	47.05
(b) Diluted	(₹)	(31.42)	47.05

Significant Accounting Policies & Notes on Financial Statements 1 & 2

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

As per our report attached of even date

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

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

Place: Secunderabad
Date: 14th August,2012

M. J. Kalyan Chakravarthy
Chief Financial Officer & Company Secretary

For and on behalf of the Board

U. K. Agarwal
Chairman & Managing Director

Ritesh K Agarwal
Executive Director

Cash Flow Statement for the year ended 31st March, 2012

₹ in lakhs

Particulars	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Net profit before tax & extraordinary items		(280.66)		2,068.92
Add: Depreciation	1,218.80		1,121.72	
Interest & Finance charges	2,931.06		2,162.28	
(Profit)/Loss on sale of fixed assets (net)	-		2.07	
Investments written off	-	4,149.86	-	3,286.08
Operating profit before working capital changes		3,869.20		5,355.00
Adjustments for working capital changes				
Sundry debtors	91.62		(296.36)	
Current liabilities	(489.48)		2,032.79	
Inventories	1,673.19		(2,805.04)	
Loans & Advances	179.27		(189.93)	
Other Current Assets	84.89		(122.33)	
Tax & Other provisions	-	1,539.49	114.14	(1,266.73)
Cash generated from Operations		5,408.69		4,088.27
Less: Interest & Finance charges		2,931.06		2,162.28
CASH FLOW BEFORE EXTRAORDINARY ITEMS		2,477.63		1,925.99
Less :Exceptional items		860.18		-
CASH FLOW FROM OPERATING ACTIVITIES		1,617.45		1,925.99
B. CASH FLOW FROM INVESTING ACTIVITIES				
Inflow: Sale of fixed assets		-		5.54
Outflow: Capital Work-in-Progress		(21.36)		-
: Acquisition of fixed assets		1,049.42		614.72
		(1,028.06)		(609.18)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Inflow: Term loans received		-		-
Increase in bank borrowings	(1,144.98)		(612.36)	
Other Long term liabilities & Provisions	2,270.49		1.24	
Increase in Share Capital	650.00		-	
Increase in Pledge Loans	-		1,900.00	
Hire purchase loan	-		49.05	
Unsecured Loans	-		191.83	
		1,775.51		1,529.76
Outflow: Repayment of term loans	2,091.15		2,159.20	
Long term loans & Advances	113.69		96.39	
Corporate Taxes	-		176.98	
Dividend Tax	-		10.32	
Dividends	-		60.70	
Hire Purchase Loans repaid	9.27	2,214.11	18.32	2,521.91
NET CASH FROM FINANCING ACTIVITIES		(438.61)		(992.15)
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)		150.78		324.66
ADD: CASH/CASH EQUIVALENTS AT THE BEGININGOF THE YEAR		541.44		216.78
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR		692.22		541.44

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

As per our report attached of even date

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

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

Place: Secunderabad
Date: 14th August,2012

For and on behalf of the Board

U. K. Agarwal
Chairman & Managing Director

M. J. Kalyan Chakravarthy
Chief Financial Officer & Company Secretary

Ritesh K Agarwal
Executive Director



Note No. 1

Significant Accounting Policies:

1.1 Basis for Preparation of Accounts:

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

1.2 Revenue Recognition:

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

1.3 Expenditure:

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

1.4 Fixed Assets:

- a) 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.
- b) 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.
- c) Depreciation on revalued part is transferred from Revaluation Reserve to Profit & Loss account.
- d) 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 capitalised.

1.5 Inventories:

Inventories are valued as follows:

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

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

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

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

1.6 Employee Benefits:

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

- i) Defined contribution schemes:
 - 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.

1.7 Foreign Exchange Transactions:

- a) Foreign currency transactions are accounted at the exchange rates prevailing at the date of the transaction. Monetary assets and

Note No. 1

Significant Accounting Policies:

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 realised gains and losses on Foreign exchange transactions (other than for fixed assets) are recognised 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 recognised in the profit and loss account.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognised 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 recognised as income or expense over the life of the contract.

1.8 Derivative transactions

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

1.9 Taxes on Income

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

Deferred Tax assets and liabilities are recognised 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 recognised 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 realised.

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.

1.10 Borrowing Costs:

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

1.11 Government Grants:

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

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

1.12 Deferred Revenue Expenditure:

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

1.13 Segment Reporting:

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

1.14 Leases:

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

1.15 Impairment of Assets:

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

1.16 Provisions/Contingent Liabilities:

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



Note No. 2

Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note No. 2.1		
SHARE CAPITAL		
AUTHORISED		
1,40,00,000 (Previous Year 1,40,00,000) Equity Shares of ₹10 each	1,400.00	1,400.00
6,50,000 (Previous Year Nil) 12% Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each	650.00	-
ISSUED, SUBSCRIBED AND PAID UP:		
30,34,997 (Previous year 30,34,997) Equity shares of ₹10/- each fully paid.	303.50	303.50
6,50,000 (Previous Year Nil) 12% Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each	650.00	-
Total	953.50	303.50

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

Particulars	No. of Shares	No. of Shares
Equity Shares		
At the beginning of the period	30,34,997	30,34,997
Issued during the period	-	-
Outstanding at the end of period	30,34,997	30,34,997
12% Redeemable Non-convertible cummulative Preference shares		
At the beginning of the period	-	-
Issued during the period	6,50,000	-
Outstanding at the end of period	6,50,000	-

b) Terms/rights attached to equity shares:

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will

be in proportion to the number of equity shares held by the shareholders.

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

The Preference shares issued are non convertible and redeemable after a period of 5 years with a right of dividend @ 12% p.a

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

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

Particulars	As at 31 March, 2012	%	As at 31 March, 2011	%
Equity Shares				
U.K.Agarwal (Family Trust)	421135	13.88	421135	13.88
Ritesh K Agarwal	348072	11.47	348072	11.47
U. K. Agarwal (HUF)	285439	9.41	285439	9.41
Viraj Agarwal	282911	9.32	282911	9.32
Usha Agarwal	212223	6.99	212223	6.99
Arti Agarwal	164568	5.40	164568	5.40
12% Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each				
Ritesh K Agarwal	335000	51.54	-	-
U.K.Agarwal	315000	48.46	-	-

Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars		As at 31 March, 2012	As at 31 March, 2011
Note No. 2.2			
RESERVES AND SURPLUS			
RESERVES			
Capital reserve		46.76	46.76
Debenture Redemption Reserve			
Balance as per last balance sheet	853.57		713.57
Add: Transferred from surplus in Statement of Profit and Loss	105.00		140.00
		958.57	853.57
Revaluation reserve			
Balance as per last balance sheet	26.38		54.54
Less: Utilised for set off against depreciation	26.38		28.16
		-	26.38
General reserve			
Balance as per last balance sheet	1,038.84		895.84
Add: Transferred from surplus in Statement of Profit and Loss	-		143.00
		1,038.84	1,038.84
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS			
Balance as per last balance sheet	3,110.86		2,106.99
Add: Net Profit / (Loss) after Tax transferred from statement of Profit and Loss	(953.67)		1,427.96
Balance available for Appropriations		2,157.19	3,534.95
APPROPRIATIONS			
Proposed Dividend		-	121.40
Dividend distribution Tax		-	19.69
Transferred to:			
General Reserve		-	143.00
Debenture Redemption Reserve		105.00	140.00
Total Appropriations		105.00	424.09
Net Surplus		2,052.19	3,110.86
TOTAL RESERVES & SURPLUS		4,096.36	5,076.40
Note No. 2.2A			
Capital reserve represents capital subsidy received from Central Government		46.76	46.76



Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars	Non-current Portion		Current Maturities	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Note No. 2.3				
LONG TERM BORROWINGS				
SECURED				
Debentures				
9%,41429(Previous year 146429) Redeemable Non-convertible debentures of ₹100/- each		6.43	-	-
Term loans from Banks				
Loans from Banks	5036.54	6969.20	2,539.89	2,490.11
Hire Purchase Loans - Banks	20.46	29.73	23.42	27.78
UNSECURED				
From Directors	111.77	658.37		
Loans from related parties	236.50	294.54		
Others	755.83	260.00		
Deferred payment liabilities - Sales Tax	862.10	905.36	43.26	20.53
	7,023.20	9,123.62	2,606.57	2,538.42
Amount disclosed under the head "Other Current Liabilities" (Note No. 2.9)	-	-	2,606.57	2,538.42
TOTAL	7,023.20	9,123.62	-	-

- (1) The 9% redeemable non convertible debentures are secured by mortgage of present and future movable & immovable properties situated at Mahaboobnagar unit on pari-passu basis and guaranteed by one director of the Company. The debentures are redeemable in ten quarterly instalments starting from 1st January, 2010 onwards as per reschedulement permitted by IDBI bank.
- (2) Industrial Development of India and State Bank of India Term Loans are secured by mortgage of present and future movable and immovable assets of the Company situated at Mahaboobnagar unit on Pari Passu basis and guaranteed by one Director of the Company.
- (3) State Bank of Hyderabad and State Bank of Bikaner & Jaipur Term Loans are secured by mortgage of present and future movable and immovable assets of the Company situated at Tandur unit on Pari Passu basis and guaranteed by one Director of the Company.
- (4) Term Loans from Axis Bank Ltd are secured by mortgage of present and future movable and immovable assets of the Company situated at Tandur Unit on Pari Passu basis and second Pari Passu charge on entire fixed assets of Mahaboobnagar Unit of the Company both present and future and guaranteed by two Directors of the Company.
- (5) Term Loan of ICICI Bank Ltd is secured on Pari Passu basis of factory land & buildings of Mahaboobnagar Unit present and future, and factory land and buildings of dyeing plant at Yedira Village of Mahaboobnagar district and second Pari Passu charge on fixed assets of Tandur Unit.
- (6) Car Loans are secured by Hypothecation of respective assets and guaranteed by one director of the Company.
- (7) Current maturities of Term Loans include ₹492.78 lakhs instalments over due as on the date of Balance Sheet which has since been paid by the Company

Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note No. 2.4		
DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liabilities		
Depreciation	1517.38	1392.65
On Others	31.01	25.54
Total	1,548.39	1,418.19
Deferred Tax Asset		
On Others	349.97	32.60
Total	349.97	32.60
Net Deferred Tax (Liability)	1,198.42	1,385.59
Note No. 2.5		
OTHER LONG TERM LIABILITIES		
Trade Payables:	2,681.17	419.51
Others	57.30	55.27
Total	2,738.47	474.78
Note No. 2.6		
LONG TERM PROVISIONS		
Provision for gratuity	32.72	26.05
Provision for Leave Encashment	0.77	0.64
Total	33.49	26.69
Note No. 2.7		
SHORT TERM BORROWINGS		
From Banks - Secured	6,935.90	8,230.88
Fixed Deposits from Public- Unsecured	150.00	-
Total	7,085.90	8,230.88
Note No. 2.8		
TRADE PAYABLES		
Other than MSMED Enterprises		
Raw Materials	3,060.04	3,192.23
Others	551.04	450.69
Total	3,611.08	3,642.92
Note No. 2.8 A		
The details of amounts outstanding to Micro, Small, and Medium Enterprises based on available information with the Company is as under:-		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
	-	-



Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note No. 2.9		
OTHER CURRENT LIABILITIES		
Current maturities of long-term debts (Ref Note No. 2.3)		
Debentures - Secured	41.43	140.00
Term loans - From banks Secured	2,563.31	2,517.90
Deferred Payment Liabilities - Sales Tax	43.26	20.53
Interest accrued but not due on bank borrowings	103.62	123.98
Interest accrued and due on bank borrowings	148.54	-
Unclaimed Dividends	7.37	6.28
Liabilities for expenses	601.69	745.16
Other payables		
Advances from customers	303.93	360.91
Interest accrued on Unsecured Loans	46.32	46.28
Total	3,859.47	3,961.04

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

Current maturities of Interest on Term Loans from Banks include ₹148.54 lakhs over due as on the date of Balance Sheet has since been paid by the Company.

Note No. 2.10		
SHORT TERM PROVISIONS		
Provision for employee benefits:		
Provision for payment of gratuity	3.64	2.89
Provision for Leave encashment	0.61	0.07
Provision for Others:		
Provision for tax (net of taxes paid)	-	202.27
Provision for proposed equity dividend	-	121.40
Provision for tax on proposed dividends	-	19.69
Provision for fringe benefit tax	-	14.03
Total	4.25	360.35

Notes on Financial Statements for the year ended 31st March, 2012

Note No. 2.11

FIXED ASSETS

TANGIBLE ASSETS

₹ in lakhs

Tangible assets	Gross Block			Depreciation / Amortisation				Net Block		
	Balance as at 1 April, 2011	Additions	Disposals	Balance as at 31 March, 2012	Balance as at 1 April, 2011	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
Freehold Land	147.88	-	-	147.88	-	-	-	-	147.88	147.88
Buildings	5,268.16	276.15	-	5,544.31	639.39	165.99	-	805.38	4,738.93	4,628.77
Plant and Machinery	18,553.21	743.98	-	19,297.19	5,556.11	1,017.37	-	6,573.48	12,723.71	12,997.12
Furniture and Fixtures	50.08	1.47	-	51.55	25.19	2.48	-	27.67	23.88	24.89
Office Equipment	108.46	9.88	-	118.34	55.37	10.50	-	65.87	52.47	53.09
Vehicles	236.33	17.94	-	254.27	71.02	22.46	-	93.48	160.79	165.31
Revalued Plant & machinery	533.38	-	-	533.38	507.00	26.38	-	533.38	-	26.38
	24,897.50	1,049.42	-	25,946.92	6,854.08	1,245.18	-	8,099.26	17,847.66	18,043.44
Capital work in progress	37.40	1,028.06	1,049.42	16.04	-	-	-	-	16.04	37.40
Total	24,934.90	2,077.48	1,049.42	25,962.96	6,854.08	1,245.18	-	8,099.26	17,863.70	18,080.84
Previous year	24,400.06	1,253.71	718.87	24,934.90	5,707.59	1,149.88	3.40	6,854.07	18,080.84	18,692.47

₹ in lakhs

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Note No. 2.11A		
The revaluation of Plant & Machinery and other equipment was carried out by an approved valuer in March 1993 resulted in increase in the gross value of assets by ₹533.37 lacs. The same was accounted on 31.03.1993, in fixed assets and corresponding credit to revaluation reserve to that extent. The depreciation on revalued assets for the period adjusted against the revaluation reserve.	26.38	28.16

Note No. 2.11B

Depreciation / Amortisation expenses - Revalued Machinery

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Depreciation / amortisation for the year on tangible assets	1,245.18	1,149.88
Less: Utilised from revaluation reserve	26.38	28.16
Depreciation and amortisation for the year	1,218.80	1,121.72

₹ in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note No. 2.12		
LONG TERM LOANS AND ADVANCES (Unsecured Considered Good)		
Capital advances	53.80	79.87
Security deposits	663.36	574.36
Advance income tax (net of provisions)	50.76	-
CENVAT credit receivable	1.46	1.46
Total	769.38	655.69



Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note No. 2.13		
INVENTORIES		
Raw Materials	1,785.69	4,768.80
Work-in-process	1,614.80	1,003.67
Finished goods	4,184.91	3,477.03
Stores and Spares	569.99	587.38
Cotton Waste	15.67	7.37
Total	8,171.06	9,844.25
Note No. 2.13 A		
Raw Materials includes under pledge and custody with Banks	516.24	2,266.00
Note No. 2.14		
TRADE RECEIVABLES (Unsecured, Considered Good)		
Exceeding Six months	121.09	46.24
Others	1,738.45	1,904.92
Total	1,859.54	1,951.16
Note No. 2.15		
CASH AND BANK BALANCES		
Balances with Banks *	195.64	23.08
Cash on hand	9.03	30.62
Fixed Deposits with Banks **	487.55	487.74
Total	692.22	541.44
*Balances with Banks include unclaimed dividend of ₹7.37 Lakhs (previous year ₹6.28 lakhs) and balance in Exchange Earners Foreign Currency Account ₹1.48 Lakhs (previous year ₹8.31 lakhs)		
** Fixed Deposits with Banks include Margin Money Deposits of ₹449.55 Lakhs of which ₹449.55 lakhs (previous year ₹202.69 lacs) with maturity of more than 12 months.		
Note No. 2.16		
SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Advances to employees	10.68	9.04
Prepaid expenses	105.12	43.55
Advances to suppliers	200.71	443.18
Total	316.51	495.77
Note No. 2.17		
OTHER CURRENT ASSETS		
Interest accrued	77.56	534.64
Incentives Receivable	468.79	280.12
Export Incentives Receivable	143.54	74.20
VAT Credit Receivable	241.84	57.13
Insurance Claim Receivable	-	70.53
Total	931.73	1,016.62

Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note No. 2.18		
REVENUE FROM OPERATIONS		
Sale of products	29,824.21	27,202.63
Other operating revenues	351.77	258.75
Total	30,175.98	27,461.38
Note:		
(i) Sale of products		
Manufactured goods		
Yarn	26,966.57	26,263.50
Waste	1,408.10	939.13
	28,374.67	27,202.63
Traded goods		
Cotton	1,449.54	-
	1,449.54	-
Total	29,824.21	27,202.63
(ii) Other operating revenues		
Sale of scrap	-	1.95
Duty drawback and other export incentives	351.77	190.60
Jobwork charges	-	66.20
Total	351.77	258.75
Note No. 2.19		
OTHER INCOME		
Interest income	82.02	55.22
Net gain on foreign currency transactions and translation	111.78	51.84
Insurance claims (net)	16.69	-
Other non-operating Income	39.26	14.90
Total	249.75	121.97
Note No. 2.20		
COST OF MATERIALS CONSUMED		
Opening stock	2,502.79	2,390.20
Add: Purchases	17,381.69	15,794.64
	19,884.48	18,184.84
Less: Closing stock	1,269.45	2,502.79
Cost of material consumed	18,615.03	15,682.04
Material consumed comprises:		
Cotton	13,151.12	10,418.92
Polyester staple Fibre	3,823.41	3,208.13
Viscose staple Fibre	1,640.50	2,054.99
Total	18,615.03	15,682.04



Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note No. 2.21		
PURCHASE OF TRADED GOODS		
Cotton	1,447.28	-
Total	1,447.28	-
Note No. 2.22		
CHANGE IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROCESS		
Opening Inventory		
Yarn	3,477.03	3,426.38
Work-in-process	1,003.67	747.71
Cotton waste	7.37	2.74
	4,488.07	4176.83
Closing Inventory		
Yarn	4,184.91	3,477.03
Work-in-process	1,614.80	1003.67
Cotton waste	15.67	7.37
	5,815.38	4488.07
Net (Increase) / Decrease	(1327.31)	(311.24)
Note No. 2.23		
EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	1,968.19	1,699.91
Contributions to provident and other funds	90.81	78.91
Gratuity & Leave encashment	27.35	25.59
Staff welfare expenses	167.02	144.56
	2,253.37	1,948.97

Note No. 2.23 A

Employee Benefits

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

Defined Contributions:

Payments and provisions for employees include ₹86.24 lakhs (Previous Year ₹74.89 lakhs) recognised as expenses in respect of defined contribution plans.

Defined Benefit Plans:

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

Leave Encashment - Entitlement to annual leave is recognised when they accrue to employees. Annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leaves.

Notes on Financial Statements for the year ended 31st March, 2012

Note No. 2.23 A (contd...)

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

₹ in lakhs

Particulars	GRATUITY		LEAVE ENCASHMENT	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
a) Change in Present Value of obligation				
Present value of obligation at beginning of period	28.94	24.77	0.71	0.68
Interest cost	2.31	1.98	0.06	0.05
Current Service cost	5.03	4.29	0.20	0.01
Benefits paid	(3.05)	(7.37)	(16.24)	(14.02)
Actuarial (gain) / Loss on obligation	3.12	2.85	16.65	13.98
Present value of obligation at the end of period	36.35	28.94	1.38	0.71
b) Amounts to be recognised in the balance sheet and statement of Profit & Loss				
Present value of obligation at end of period	36.35	28.94	1.38	0.71
Fair value of Plan Assets at end of period	-	-	-	-
Funded status	(36.35)	(28.94)	(1.38)	(0.71)
Unrecognised Actuarial Gain/(Loss)	-	-	-	-
Net Asset/(Liability) recognised in the balance sheet	(36.35)	(28.94)	(1.38)	(0.71)
c) Expense recognised in the statement of Profit & Loss				
Current service cost	5.03	4.29	0.20	0.01
Interest cost	2.31	1.98	0.06	0.05
Expected return on Plan asset	-	-	-	-
Net Actuarial (Gain)/Loss recognised for the period	3.12	2.85	16.65	13.98
Expense recognised in the statement of Profit & Loss	10.46	11.54	16.91	14.04
d) Movements in the Liability recognised in Balance sheet				
Opening Net liability	28.94	24.77	0.71	0.68
Expenses as above	10.46	11.54	16.91	14.04
Contribution paid	-	-	-	-
Benefits paid	(3.05)	(7.37)	(16.24)	(14.02)
Closing Net Liability	36.35	28.94	1.38	0.71
Assumptions:				
Mortality	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)
Discount rate	8%	8%	8%	8%
Rate of increase in compensation	4%	4%	4%	4%
Rate of return (expected) on plan assets	N.A.	N.A.	N.A.	N.A.
Attrition rate	10%	10%	10%	10%
Expected average remaining service of Employees in years	23.63	23.66	-	-

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



Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars	Year ended 31 March, 2012	Year ended 31 March, 2011
Note No. 2.24		
FINANCE COST		
Interest expenditure		
Borrowings	2,446.29	2,016.37
Others	215.68	20.44
Bank charges	269.09	125.47
	2,931.06	2,162.28
Note No. 2.25		
OTHER EXPENSES		
Consumption of stores and Packing material	906.09	784.10
Power and fuel	2,456.03	2,267.38
Repairs to		
Buildings	28.62	15.64
Machinery	273.55	235.52
Others	40.57	43.14
Rent	42.52	30.57
Rates and taxes	57.94	45.37
Insurance	79.47	75.71
Freight and forwarding & other selling expenses	824.12	603.72
Professional charges	29.94	35.53
Travelling and conveyance	131.76	116.16
Vehicle maintenance	35.72	33.48
Sales commission	328.62	290.24
Miscellaneous Expenses	333.21	334.10
TOTAL	5,568.16	4,910.66
Note No. 2.26		
EXCEPTIONAL ITEMS		
The subsidy of interest under TUFs has been withdrawn by appropriate authorities effective from January 2006 amounting to ₹639.02 lakhs, pertaining to prior period and interest thereon of ₹221.16 lakhs. This has been disclosed under the head 'exceptional items'.	860.18	-
	860.18	-

Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars	31 March, 2012	31 March, 2011
Note No. 2.27		
Contingent Liabilities not provided for:		
a) Letters of credit	168.52	-
b) Bank Guarantees	2111.97	1.97
c) In respect of Bills Discounted & outstanding	2561.87	831.64
d) In respect of suits filed but not acknowledged as debt	26.80	26.80

Note No. 2.28		
Capital Commitments		
For the amounts of Contracts remaining to be executed	8.70	9.94

Note No. 2.29		
Earning per share		
No of Equity Shares	3034997	3034997
Profit available to Equity Share Holders	(953.67)	1427.97
Nominal per Equity share (₹)	10	10
Basic & Diluted Earning per share (₹)	(31.42)	47.05

Note No. 2.30		
Payments to Statutory Auditors towards		
Audit Fee	2.25	2.25
Fee for Audit under the Income-Tax Act, 1961	0.40	0.40
Fee for Certification and other services	0.75	2.51
Reimbursement of expenses	0.20	0.18
	3.60	5.34

₹ in lakhs

Particulars	%	31 March, 2012	%	31 March, 2011
Note No. 2.31				
Value of Raw Materials Consumed				
Imported	12.69	2362.38	10.19	1598.00
Indigenous	87.31	16252.65	89.81	14084.04
	100.00	18615.03	100.00	15682.04
Note No. 2.32				
Value of Stoes & Spares Consumed				
Imported	4.67	19.13	5.13	19.12
Indigenous	95.33	390.22	94.87	353.63
	100.00	409.35	100.00	372.75



Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars	31 March, 2012	31 March, 2011
Note No. 2.33		
i) CIF Value of Imports:		
Plant Et Machinery	63.39	64.91
Raw Materials	1682.01	1872.65
Stores and Spares	18.80	52.89
ii) Expenditure in Foreign Currency		
Travelling Expenses	24.04	30.32
Commission	50.30	62.23
Note No. 2.34		
Earnings in Foreign Exchanges		
FOB Value of Exports	7109.05	6127.81

Note No. 2.35

The operations of the Company predominantly comprises of "Manufacturing of yarn". These activities constitute the Primary segment.

Secondary segmental reporting is made on the basis of geographical location of the customers. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

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

SECONDARY (GEOGRAPHICAL) SEGMENTS

Revenue attributable to location of customers:

India	22597.69	21031.50
Asia	4086.56	3130.45
Europe	2230.69	2333.63
Africa	612.32	438.39
Rest of the World	296.95	268.66
	29824.21	27202.63

Note No. 2.36

RELATED PARTY TRANSACTIONS

NAMES OF ASSOCIATES FIRMS

M/s Balaji Enterprises

M/s Sri Laxmi Enterprises

U.K.Agarwal (Family Trust)

U.K.Agarwal (HUF)

M/s U.K.Cotton Exports

NAMES OF KEY MANAGEMENT PERSONNEL

Sri U.K.Agarwal

Sri Ritesh K. Agarwal

NAMES OF RELATIVES OF KEY MANAGEMENT PERSONNEL

Mrs. Usha Agarwal

- Wife of Sri. U.K.Agarwal

Mrs. Arti Agarwal

- Wife of Sri. Ritesh K Agarwal

Master Viraj Agarwal

- Son of Sri. Ritesh K Agarwal

Miss Neysa Agarwal

- Daughter of Sri. Ritesh K. Agarwal

Notes on Financial Statements for the year ended 31st March, 2012

Note No. 2.36 (contd...)

₹ in lakhs

Name of the Transaction	Associates		Key Management Personnel		Relatives		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Purchase of Goods								
Sri Laxmi Enterprises	4000.23	3570.97	-	-	-	-	4000.23	3570.97
Rent Paid								
Balaji Enterprises	9.60	9.60	-	-	-	-	9.60	9.60
Remuneration Paid to Directors								
Sri U.K.Agarwal	-	-	69.53	65.51	-	-	69.53	65.51
Sri Ritesh K Agarwal	-	-	32.82	32.71	-	-	32.82	32.71
Loans Received								
Sri U.K.Agarwal	-	-	145.46	89.56	35.70	25.10	181.16	114.66
Sri Ritesh K Agarwal	-	-	78.04	49.50	-	-	78.04	49.50
Sri Ritesh K Agarwal	-	-	67.42	40.06	-	-	67.42	40.06
Arti Agarwal	-	-	-	-	14.75	13.90	14.75	13.90
Neysa Agarwal	-	-	-	-	1.15	1.30	1.15	1.30
Usha Agarwal	-	-	-	-	8.50	4.25	8.50	4.25
Viraj Agarwal	-	-	-	-	11.30	5.65	11.30	5.65
U.K.Agarwal (Family Trust)	17.50	8.40	-	-	-	-	17.50	8.40
U.K.Agarwal (HUF)	11.40	13.02	-	-	-	-	11.40	13.02
Loans Paid								
Sri U.K.Agarwal	-	-	694.59	46.49	116.25	83.83	810.84	130.32
Sri Ritesh K Agarwal	-	-	354.59	46.49	-	-	354.59	46.49
Sri Ritesh K Agarwal	-	-	340.00	-	-	-	340.00	-
Arti Agarwal	-	-	-	-	60.00	67.57	60.00	67.57
Usha Agarwal	-	-	-	-	56.25	13.76	56.25	13.76
Viraj Agarwal	-	-	-	-	-	2.50	-	2.50
Interest Paid								
Sri U.K.Agarwal	11.91	9.31	33.52	49.03	12.59	14.61	58.02	72.95
Sri U.K.Agarwal	-	-	15.39	22.11	-	-	15.39	22.11
Sri Ritesh K Agarwal	-	-	18.13	26.92	-	-	18.13	26.92
Arti Agarwal	-	-	-	-	4.19	6.45	4.19	6.45
Usha Agarwal	-	-	-	-	4.12	4.71	4.12	4.71
Viraj Agarwal	-	-	-	-	4.13	3.40	4.13	3.40
Neysya Agarwal	-	-	-	-	0.15	0.05	0.15	0.05
U.K.Agarwal (Family Trust)	6.87	5.35	-	-	-	-	6.87	5.35
U.K.Agarwal (HUF)	5.04	3.96	-	-	-	-	5.04	3.96
Balances as on 31.03.2012:								
Creditors								
Sri Laxmi Enterprises	1019.47	680.14	-	-	-	-	1019.47	680.14
Balaji Enterprises	6.90	-	-	-	-	-	6.90	-
U.K.Cotton Exports	9.95	10.14	-	-	-	-	9.95	10.14
Loans (Cr)								
Sri U.K.Agarwal	-	-	56.43	319.27	-	-	56.43	319.27
Sri Ritesh K Agarwal	-	-	79.28	366.14	-	-	79.28	366.14
Arti Agarwal	-	-	-	-	11.32	53.87	11.32	53.87
Neysa Agarwal	-	-	-	-	2.63	1.34	2.63	1.34
Usha Agarwal	-	-	-	-	6.94	50.98	6.94	50.98
Viraj Agarwal	-	-	-	-	60.10	46.08	60.10	46.08
U.K.Agarwal (Family Trust)	99.47	77.27	-	-	-	-	99.47	77.27
U.K.Agarwal (HUF)	72.87	57.33	-	-	-	-	72.87	57.33



Notes on Financial Statements for the year ended 31st March, 2012

₹ in lakhs

Particulars	31 March, 2012	31 March, 2011
Note No. 2.37		
Stock of finished goods includes stocks lying with consignment agents	216.50	546.46

₹ in lakhs

Particulars	Sales Values		Closing Inventory	Opening Inventory
	2011-12	2010-11	31.03.2012	1.04.2011
Note No. 2.38				
Particulars of Sales, Closing & Opening Inventory				
Manufactured Items				
Yarn	26,966.57	26,263.50	4,184.91	3,477.03
Waste	1,408.10	939.13	15.67	7.37
	28,374.67	27,202.63	4,200.58	3,484.40
Traded Goods				
Cotton	1,437.92	-	-	-
Others	11.62	-	-	-
	1449.54	-	-	-

Note No. 2.39

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

As per our report attached of even date

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

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

Place: Secunderabad
Date: 14th August, 2012

M. J. Kalyan Chakravarthy
Chief Financial Officer & Company Secretary

For and on behalf of the Board

U. K. Agarwal
Chairman & Managing Director

Ritesh K Agarwal
Executive Director



Dear Shareholder,

Re: Green Initiative in Corporate Governance: Go Paperless

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

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

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

For Rajvir Industries Limited

M. J. Kalyan Chakravarthy

Company Secretary

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



E-Mail ID for receiving the documents through Electronic Mode

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

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

.....
Signature of the Member

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

To

The Shareholders

M/s. Rajvir Industries Limited

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

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

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

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

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

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

For Rajvir Industries Limited

M J Kalyan Chakravarthy

Company Secretary

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

To

M/s. XL Softech Systems Limited

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

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

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

(UNIT: Rajvir Industries Limited)

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

Registered Folio No.

ECS Ref. No.

(for Office use only)

Name of the First/Sole shareholder

Name of the Bank

Branch Address & Telephone No. of Branch

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

Account Type (Please tick the option)

Saving ()

Current ()

Account Number

(as appearing on the cheque book)

Bank account Ledger Folio No. (if any)

Effective date of this mandate

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

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

Place:

.....

Date:

(Signature of the holder)

Notes:

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

Banker's Certification

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

Banker's Seal

Date:

Signature of the Authorised Official of the Bank



Rajvir Industries Limited

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

ATTENDANCE SLIP

8th Annual General Meeting dated 28th September 2012 at 3.30 P.M at Lotus Hall, 1st Floor, Country Club,6-3-1219, Begumpet, Hyderabad-16. Please complete this attendance slip and hand it over at the entrance of the meeting Hall.

DP ID NO.* FOLIO NO.

CLIENT ID NO.*

NO. OF SHARES HELD

Name:

I hereby record my presence at the 8th Annual General Meeting dated 28th September 2012 at 3.30 P.M

Signature of the Member or the Proxy attending the Meeting

Applicable for investors holding shares in electronic form

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



Rajvir Industries Limited

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

PROXY FORM

DP ID NO.* FOLIO NO.

CLIENT ID NO.*

NO. OF SHARES HELD

I/We of

.....being a member /members

of Rajvir Industries Limited hereby appoint

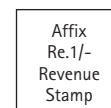
of or failing him.....

..... of

as my/our proxy to attend and vote on my/our behalf on the 8th Annual General Meeting dated 28th September 2012 at 3.30 PM or at any adjournment thereof.

Signed on this day of 2012

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.

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If undelivered, please return to :

RAJVIR INDUSTRIES LIMITED

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

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

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