



Blending excellence
with sustainability

Rajvir Industries Limited
7th Annual Report 2010-11

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.

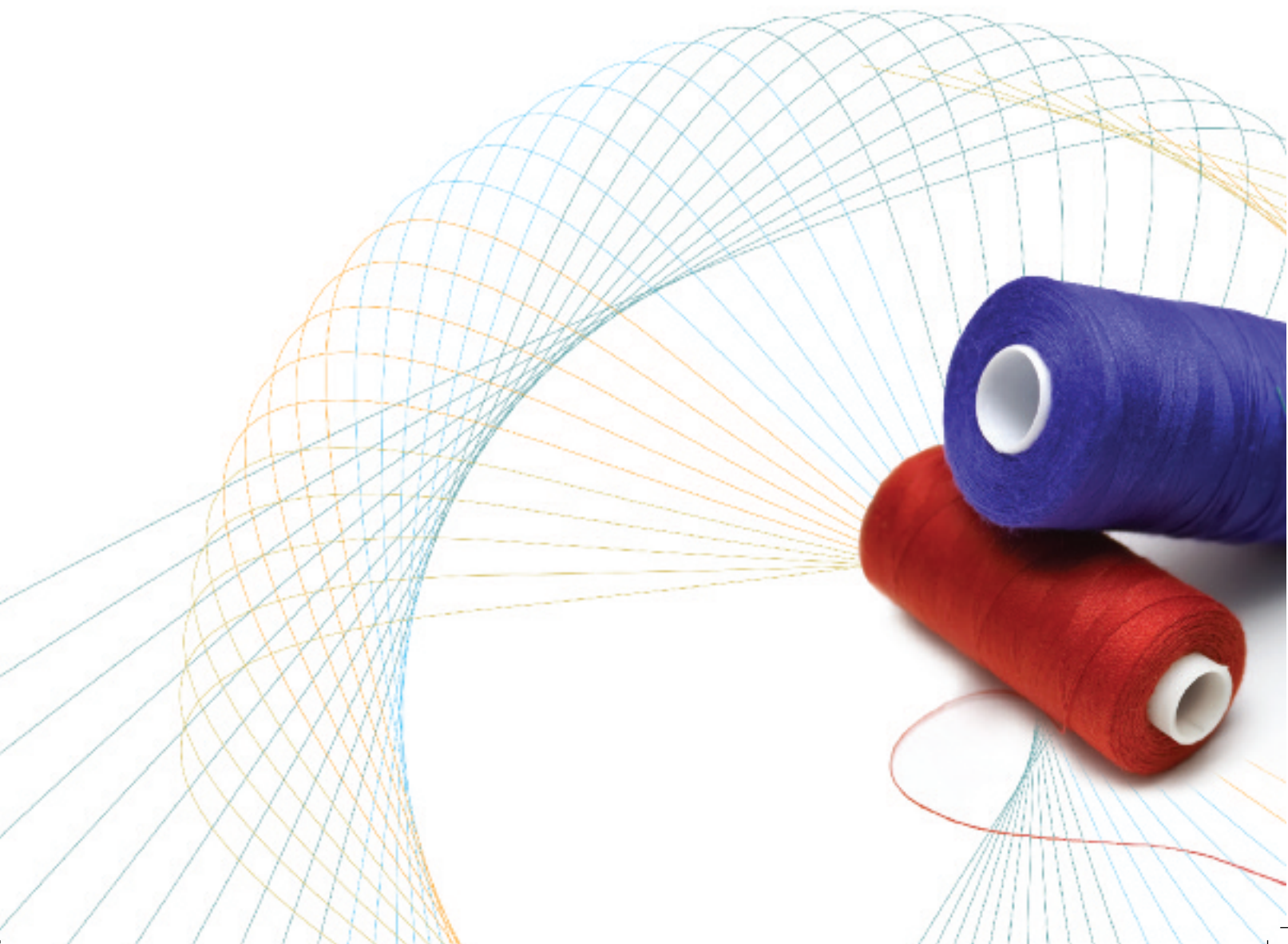
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At Rajvir Industries, we responded to 2010-11 with an overriding priority: *'Never lose focus... from core competence, core values and core resources'*.

We optimised the use of resources, institutionalised cost-reduction, strengthened cash, capital and credit management and enriched intellectual capital.

The result: a business model that is leaner and better equipped to address the challenges of market cycles.



Rajvir's significant market presence and share are the result of a culture of sustained process and product development.



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.

Location

- Pan-India presence with two yarn manufacturing facilities in Andhra Pradesh, located in Tandur and Mahabubnagar along with a Dyeing Plant in Mahabubnagar.
- Headquartered in Hyderabad
- Listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited

Division	Location	Capacities
Spinning	Gopannapally (Village), Tandur Mandal, Ranga Reddy District, Andhra Pradesh - 501141	52,080 spindles
Spinning	Pillallamarri Road, Mahabubnagar, Andhra Pradesh - 509002	59,760 spindles
Dyeing	Edira Village, Mahabubnagar, Andhra Pradesh - 509002	5 TPD

Market presence

- Globally benchmarked technological capabilities and continuous quality improvement reinforce domestic and global footprint
- Marketing network comprises dedicated marketing teams for domestic and export markets. While the Company exports more than 23% of its manufactured products, it enjoys a comfortable domestic market share



Lineage

- 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 has a spinning capacity of 1,11,840 spindles
- The company has a huge library of over 8,000 mélange/ heather shades and a range that encompasses 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.

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
- Re-cycled polyester blends
- Re-cycled cotton blends

Technical textile products

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

Performance

- Achieved a topline and bottomline growth of 32.5% and 529.92% respectively.

Pride

The company takes pride in having procured certificates from various reputed organizations such as:

- Modal partnership with house of Birla, Aditya Birla Group for producing Modal & Modal blends.
- Protex certification from Kaneka Corporation, Japan to produce flame retardant yarns.

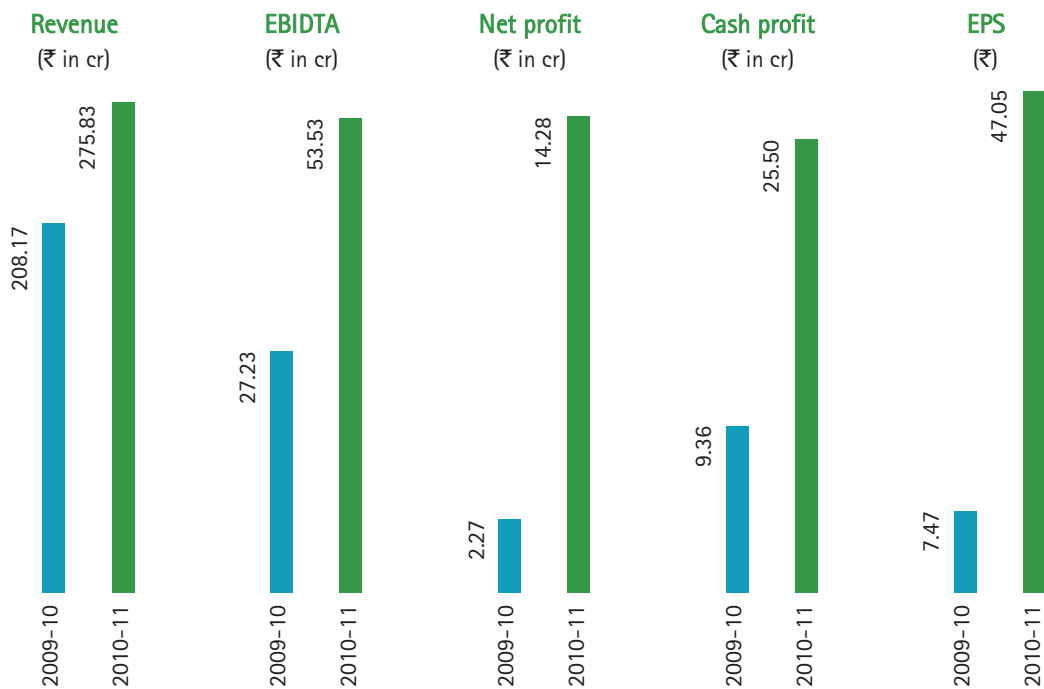
- Fair trade certification from Flo-cert GmbH to produce fair trade and fair trade blended yarns.
- Supima certification from Supima Cotton Growers Association in the United States to produce Supima.
- Better Cotton Initiative (BCI) from the leading European chain stores to produce yarn under a new concept from sustainable cotton growing mechanism.
- GOTS/OE certification from Control Union to Produce Organic and Organic blended yarns.
- A Government of India recognised Star Export House



Highlights, 2010-11

- Increased our mélange manufacturing capacities by 30% utilizing the existing spindlage to add a variety of new melange/heather yarns in the synthetic and cotton blended routes.
- Doubling of our dyeing capacities and TFO capacities is underway.
- The synthetic division expansion to the tune of 30% is being planned.
- Introduced value-added products such as silk, cashmere, angora, modal, flame-retardant, linen and woolen blends with micro modal, modal and rich Egyptian cotton.
- Participated in several international exhibitions including Texworld (Paris), Texworld (USA), Cems (Bangladesh) and several other prestigious textile fairs.

How we grew last year



Financial

34%

increase in turnover from
₹ 203 cr in 2009-10 to
₹ 272 cr in 2010-11



Segment overview



Combed cotton yarn division

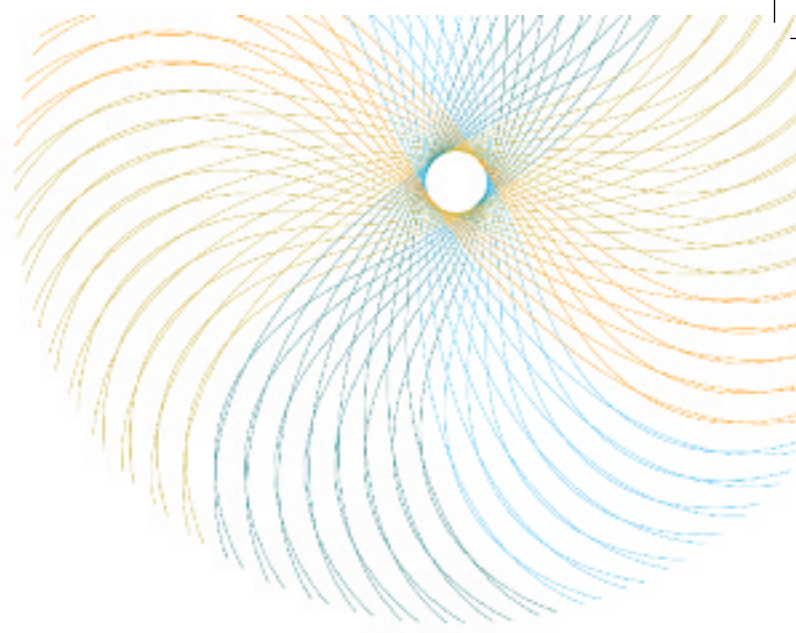
100% Combed Cotton	16s – 32s
Cotton/Modal (Blends of your choice)	16s – 60s
Organic Cotton & Blends	16s – 60s
Fair Trade (Flocert & Ecocert)	16s – 60s
Pima/Giza Cotton	16s – 60s
Better Cotton Initiative & Blends	16s – 60s
Cotton/Viscose Blends	16s – 60s

Overview: While the unit has the latest state of the art machinery, such as LC 300A Cards, Rieter D35 Drawframes, LK 54 Combers, LR6 Ring frames and Schlafhorst 338 / Murata 21C cone winders with contamination clearers, we have retained old equipment such as Lakshmi C 1/3 cards in excellent condition to produce delicate fibre blends of wool, silk, cashmere and angora which are usually produced in the worsted spinning route.

Fancy yarn division

100% Cotton Combed Melanges (Pima, Giza, Fair Trade, Organic, BCI)	16s – 60s
Cotton /Polyester Melanges (Blends of your choice)	16s – 60s
Cotton Viscose Melanges (Blends of your choice)	16s – 60s
Cotton/Modal Melanges (Blends of your choice)	16s – 60s
Neppy / Triblend / Streaky / Irregular yarns	16s – 60s

Overview: Extensive research and development is the reason that we have been able to meet versatility. With a plethora of options of mélange, 8000 plus shades, Rajvir is supported by a well equipped dye house, where matching a shade is just a task of 48 hours. 100 new shades are practically added to the library every month and the Melange division has earned the distinction of producing one of the largest range of blended top dyed heather yarns. Heather yarns are produced every month in both the fancy yarn division as well as synthetic yarn division put together with lot size varying between 20 kgs to 100,000 kgs.



Synthetic yarn division

Viscose & Viscose blends	20s – 45s
Polyester / Viscose (Blends of your choice)	20s – 45s
Modal / Micro Modal & Modal / Micro Modal blends	16s – 80s
Modal / Polyester (Blends of your choice)	20s – 60s
Melange in blend of Polyester / viscose and Modal	20s – 60s
Excel and Excel blends	16s – 60s

Overview: Our 20,500 spindle-strong synthetic yarn division is adequately capacitated in producing exclusive range of synthetic products in grey/colour, single/multifold polyester and viscose blends. Its products in modal or blends of modal is also most sought after which is why it receives bulk orders from clients all over the world. However in this division we also manufacture two ply, low TPI yarns and multi fold yarns using the latest TFO and wet splicing technologies.

Dyeing division

100% Cotton Dyed Yarn	16s – 45s
Modal/Cotton (Blends of your choice)	16s – 40s
100% Organic Dyed Yarns	16s – 40s
Modal and Modal blended dyed yarns	16s – 40s

Overview: With a dyeing capacity of over five tons a day, Rajvir's dye house offers both fibre as well as cheese dyeing in various lot sizes to suit customer requirements. Computerised colour-matching is performed by AGS equipments for all dye lots. With precision versa cheese winders, radio frequency drying for Yarn and Fiber and rewinding with electronic clearers and splicers. Zero Liquid Discharge (ZLD) by highly effective way of ETP systems with sound driven R.O. system and evaporation equipment. Rajvir ensures the supply of dyed yarn that is knot-free and suitable for high-speed knitting and weaving machines. This coupled with a diverse range of vessels meet multiple requirements in the lot sizes of 1, 20, 100, 200, 250, 300, 500, 1000 kilos.



Compact yarn division

100% Conventional	40s – 60s
100% Organic Combed	40s – 60s
100% Fair trade Combed	40s – 60s
100% Pima Cotton Yarn	40s – 60s
BCI Combed Compact	40s – 60s

Overview: The latest addition to Rajvir Industries Limited is a fully automatic Compact Yarn division with auto doffing, link coners and compact machines from the house of Rieter (COM4). This 52000 spindle facility houses state-of-the art equipment like Blowroom, Cards, Ringframes and Combers from Rieter / Trutzschler, Simplex from Zinser and Toyota, Ringframes from Rieter K 44 (COM4) / Suessen with Link coners from Muratec and Schlafhorst (with Quantum contamination clearers).

Also special care for manufacturing contamination controlled yarns is taken by using contamination clearers from Jossi and Loptex in the Blow room. Multiple number of Blowroom lines have been installed to ensure that we can manufacture smaller lots in the compact route with organic cotton, pima and giza cottons as well, customized for your special requirement

Benefits claimed from compact spinning

1. 40-45% reduction in hairiness of yarn
2. 10-15% improvement in yarn tenacity
3. Twist in yarn can be reduced by 10% while maintaining same yarn strength thereby reducing fabric spirality.
4. Better abrasion resistance of yarn leading to fewer end breaks in weaving thereby resulting in better loom efficiency.

