

Corporate Information

RAJVIR INDUSTRIES LIMITED

CIN NO: L17116TG2004PLC044053

BOARD OF DIRECTORS

Sri Upender Kumar Agarwal
Sri Ritesh Kumar Agarwal
Sri K C Reddy
Sri Vijay Kumar Gupta
Smt N. Padma Vijay Kumar

Chairman
Managing Director
Independent Director
Independent Director
Independent Director

CHIEF FINANCIAL OFFICER

Sri Shiv Kumar

COMPANY SECRETARY

Sri Attal Anand Kumar

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

Registered Office:

1st Floor, Surya Towers
105, Sardar Patel Road
Secunderabad - 500003
TELANGANA, India
Telephone Nos: 040-6225555, 27845628, 27845650
Fax: 040-27840656
Website: www.rajvirindustrieslimited.com
Email: rajvir@rajvirindustrieslimited.com

FACTORIES

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

SALES DEPOT

No.37, Susai Puram
Sowdambika Towers, Ground Floor
Tirpur - 641604

Registrar & Share Transfer Agent

M/S XL Softech Systems Limited
3, Sagar Society, Road NO.2, Banjara Hills
Hyderabad – 500 034
Ph: 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 Twelfth Annual General Meeting of **RAJVIR INDUSTRIES LIMITED** will be held on **FRIDAY, The 30th September 2016 at 3.30 P.M. at FTAPCCI ,Federation House, 11-6-841, Red Hills, FAPCCI Marg, Hyderabad 500004, Telangana** to transact the following business:

ORDINARY BUSINESS

1. ADOPTION OF AUDITED ACCOUNTS AND REPORTS

To receive, consider and adopt the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss for the year ended as on that date, Directors' Report and Auditors' Report thereon.

2. RE-APPOINTMENT OF DIRECTOR

To appoint a Director in place of Sri K. C Reddy who retires by rotation and being eligible offers himself for reappointment.

3. APPOINTMENT OF AUDITORS

To consider and if thought fit to pass the following resolution with or without modification(s), if any, as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the Company hereby ratifies the appointment of M/s. S.Daga & Co., Chartered Accountants (Firm Registration Number: 000669S) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to be held in the year 2017 at such remuneration plus service tax, as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. APPOINTMENT OF INDEPENDENT DIRECTOR

To consider and if thought fit, to pass, with or without modification(s), if any the following resolution as an Ordinary Resolution:

"RESOLVED THAT Smt N. Padma Vijay Kumar, who was appointed as an Independent Woman Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. APPOINTMENT OF COST AUDITOR

To consider and if thought fit, to pass, with or without modification(s), if any the following Resolution as to Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, Sri Penumarthi Srinivas, Cost Accountant, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2016-17, be paid a remuneration of ₹ 65,000/- exclusive of out of pocket expenses and applicable taxes.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**By the Order of the Board
For Rajvir Industries Limited**

Sd/-
Attal Anand Kumar
Company Secretary

Place : Hyderabad
Date : 27.08.2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Register of members and share transfer books of the company will remain closed from 29.09.2016 to 30.09.2016 (both days inclusive).
3. Members/Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
4. Members, who are holding shares in the identical order of names in more than one folio, are requested to write to the Company to enable it to consolidate their holding in one folio.

5. As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members of the Company in respect of shares held by them. The members, who wish to nominate a person, **may furnish the required details to the Company in prescribed form.**

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses. In respect of electronic holdings, with the Depository through their concerned Depository Participants and members who hold shares in physical form are requested to register the same with our RTA, M/S XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500 034, Telangana .

6. VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 12th Annual Report of the company and the business may be transacted through e-voting. The company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency to provide the e-voting facility.

Sri S. S. Marthi (Membership No.FCS 1989), Practicing Company Secretary, is appointed as scrutinizer to conduct E-voting.

The instructions for shareholders voting electronically are as under:

STEPS FOR E-VOTING

The instructions for Shareholders for e-voting are as under:

(a) In case of Shareholders’ receiving e-mail from NSDL

- Open e-mail and open PDF file viz; “remote e-Voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

- Click on Shareholder - Login
- Put user ID and password as initial password noted in step (i) above. Click Login.
- Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- Select “EVEN” of **M/s. Rajvir Industries Limited**
- Now you are ready for e-Voting as Cast Vote page opens
- Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- Upon confirmation, the message “Vote cast successfully” will be displayed
- Once you have voted on the resolution, you will not be allowed to modify your vote
- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail spcsp1@gmail.com with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders’ receiving Postal Ballot Form by Post:

- Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
105351		

- Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.



Information required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for directors seeking appointment/reappointment in forthcoming annual general meeting:

(i)

Name of Director	K. C. Reddy
Date of Birth	26-10-1955
Date of Appointment	22 nd March 2012
Qualification	Commerce Graduate
Expertise	Construction Industry
Other directorship	NIL
Chairman/Members of the Committee in other Companies	NIL
No of shares held in the Company	NIL

(ii)

Name of Director	Smt N. Padma Vijay Kumar
Date of Birth	16-09-1966
Date of Appointment	31 st August 2015
Qualification	Commerce Graduate
Expertise	Finance
Other directorship	NIL
Chairman/Members of the Committee in other Companies	NIL
No of shares held in the Company	NIL

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO.4

Smt N. Padma Vijay Kumar was appointed as an Additional Director on the Board of the Company w.e.f. August 31, 2015. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Smt N. Padma Vijay Kumar holds office upto the date of this Twelfth Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Smt N. Padma Vijay Kumar as an Independent Woman Director of the Company, liable to retire by rotation along with the prescribed deposit of ₹1,00,000/-.

Save and except Smt N. Padma Vijay Kumar none of the other Directors / Key Managerial Personnel and their relatives are in any way, are concerned or interested, financially or otherwise, in the resolution set out in item no. 4.

Smt N. Padma Vijay Kumar is not disqualified from being appointed as an Independent Woman Director in terms of Section 164 of the Act and has given her consent to be appointed as a Director.

The Board recommends the appointment of Smt N. Padma Vijay Kumar as an Independent Woman Director liable to retire by rotation and propose to pass the resolution set out in Item No. 4 of the notice as an Ordinary Resolution.

ITEM NO.5

The Board on the recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the company for the financial year 2016-17 for a fee of ₹65,000/-, excluding out of pocket expenses and taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2016-17.

None of the Directors of the Company or key managerial personnel of the company including their relatives are concerned or interested in the said resolution.

**By the Order of the Board
For Rajvir Industries Limited**

Sd/-
Attal Anand Kumar
Company Secretary

Place : Hyderabad
Date : 27.08.2016

Directors' Report

Dear Members

Your Directors have pleasure in submitting their Twelfth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

The Company's financials for the year under review along with the corresponding figures of the previous year's figures are as under:-

	(₹ in Lakhs)	
	year ended 31-03-2016	year ended 31-03-2015
Sales and other Income	17426.32	10286.37
Profit before Interest and Depreciation	1829.97	1490.39
Interest and Finance Charges	2152.38	2117.61
Depreciation	940.31	1017.97
Exceptional Items- Insurance claim	337.87	-
Profit before Tax and Exceptional Items	-924.85	-1645.19
Provision for Taxation		
a) Current Tax	-	-
b) Deferred Tax	283.27	480.76
Profit after tax	-641.58	-1164.43
Add: profit b/f from last year	-659.86	598.69
Less: Adjustment of carrying cost of Assets	-	-94.12
	-1301.44	-659.86
APPROPRIATIONS		
Transferred from Debenture Redemption Reserve	-	-917.14
Transferred to General Reserve	-	917.14
Dividend	-	-
Dividend Tax	-	-
Surplus Carried Forward to Balance sheet	-641.58	-659.86
Earning per share(Basic)	-17.85	-38.37
Earning per share(Diluted)	-17.85	-38.37

OPERATIONS

During the year under review, the company achieved a turnover of ₹ 17426.32 lakhs and net loss of ₹641.58 lakhs as against ₹10286.37 lakhs and ₹ 1164.43 lakhs in the previous year respectively.

DIVIDEND

As the company did not earn distributable profits, the board of directors did not recommend any dividend for the financial year under review.

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no unpaid dividend pending to be transferred to the Investor Education and Protection Fund.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The future business scenario of our products is bright in the domestic market we have met forays in Southern Textile markets and we expect to substantial turnover with them. On the Export front the company has captured world major markets in UK, US, Europe, Argentina. We have made an impressive presentation of our new fancy product range in these countries and our confident of securing huge orders in the next few months.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, Directors of your company hereby state and confirm that :

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis; and
- The Directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls and are adequate and operating effectively;



- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The company has adequate internal financial controls and has a separate Audit committee to assess the internal controls and guide the company accordingly.

DETAILS OF SUBSIDIARIES, JOINT VENTURES, ASSOCIATE COMPANIES & THEIR PERFORMANCE

The Company does not have any subsidiary or joint venture or associate company, as such, their performance details will not arise.

DEPOSITS

The Company has renewed the fixed deposits received from the public. The amount of deposits outstanding as on 31st March 2016 was ₹50.00 lakhs. There were no deposits accepted under the provisions of Chapter V of the Companies Act, 2013. The company does not have any deposits lying unpaid or unclaimed as on 31st March 2016. Further, there has been no default in repayment of deposits or payment of interest thereon during the year.

RISK MANAGEMENT POLICY OF THE COMPANY

The Company has formulated and adopted a risk management policy at its Board Meeting. As per the policy, the management continues to review and assess the risk and also the steps for mitigating the same.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility does not apply to the company. However, your company continues to carry out activities for the community and society.

RELATED PARTY TRANSACTIONS

The related party transactions entered into by the company during the financial year under review have been disclosed vide Note No. 2.39 of the financial statements of the company for the financial year ended 31st March 2016. All the transactions entered into are at an arm's length basis and in the ordinary course of business. The relevant details in form AOC-2 is enclosed hereto at **Annexure -A**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review your company has not extended any guarantees or made any investments.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri K.C. Reddy, Director, of the Company retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Smt.N.Padma Vijay Kumar was appointed as an Independent Woman Director w.e.f. 31st August 2015, and holds office till the date of the ensuing Annual General Meeting. Smt.N Padma Vijay Kumar has furnished a declaration under Section 149(7) of the Companies Act, 2013 that she fulfils the criteria for being appointed as an independent director. Hence, the Board recommends for her appointment as an Independent Director for a period of one year. The company has received a notice in writing from a member along with the requisite deposit of ₹1,00,000/- under Section 160 of the Companies Act, 2013 proposing her candidature.

The Independent Directors have submitted declarations disclosing to the Board that they fulfil the criteria stipulated under Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules made there under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Shri Shiv Kumar, CFO, of the company was appointed as Key Managerial Personnel.

Sri Attal Anand Kumar is appointed as a Company Secretary and Compliance Officer of the company.

MEETINGS OF THE BOARD

There were 8 (Eight) Meetings of the Board of Directors during the year under review the details of which are furnished in the report on Corporate Governance.

AUDIT COMMITTEE

The committee comprises of Sri K C Reddy, Vijay Kumar Gupta, and Ritesh Kumar Agarwal. The recommendations made by the committee have been accepted by the Board.

VIGIL MECHANISM

Pursuant to the provisions of Section 177 (9) and (10) of the Companies Act, 2013, a vigil mechanism for Directors and employees has been established for reporting their concerns.

REMUNERATION RATIO OF THE DIRECTORS/KEY MANAGERIAL PERSONNEL/EMPLOYEES

The details as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided at **Annexure B**.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Nomination and Remuneration Committee is vested with the powers to recommend the Appointment of a Director and recommend the remuneration accordingly.

EVALUATION OF THE BOARD

Since the company was going through severe stress and strain in connection with the financial aspects of the company, it could not formulate a remuneration policy in line with the provisions of the Companies Act, 2013. However, steps have been taken now to comply with the same.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Report and is annexed hereto as **"Annexure C"**.

CORPORATE GOVERNANCE

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as laid down under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance is annexed herewith, as part of the Annual Report along with the Auditor's Certificate on its compliance as **"Annexure D"**.

ANNUAL RETURN

The extracts of the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 in Form MGT 9 is attached to this Report at **Annexure E**.

STATUTORY AUDITORS

The Company has received a certificate from Ms. S Daga & Co, Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Auditors Report does not contain any qualifications, reservations or adverse remarks.

COST AUDIT

Pursuant the provisions of the Companies Act, 2013, and the rules framed there under Sri Penumarthy Srinivas has been appointed as the Cost Auditor of the company.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 Secretarial Audit has been conducted for the Financial Year 2015-16 by M/S Marthi & Co., Company Secretaries, Hyderabad, and their Secretarial Audit report for the financial year ended 31st March 2016 is enclosed at **Annexure F**.

LISTING & TRADING

The Equity Shares of the Company are listed on The Bombay Stock Exchange Limited and National Stock Exchange, Mumbai. The Market price of the Share as on 31st March, 2016 was ₹ 45.45 and ₹ 48.45 per share on BSE and NSE respectively.

During the year 9,59,863 Equity Shares of ₹10/- each were issued and allotted at a premium of ₹46.06 ps to Smt. Usha Agarwal and Smt. Arti Agarwal, Promoters of the company, against the monies brought in by the promoters as per the stipulation in the CDR package sanctioned by the CDR cell. The said shares are locked-in upto 16th August 2019. The company has received the listing and trading approval for the said shares from National Stock Exchange and BSE.

PARTICULARS OF EMPLOYEES

Information as required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given elsewhere in the report. As per the proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the particulars of employees posted and working outside India is NIL.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outflow

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts Rules), 2014 is attached hereto at **Annexure G**.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed in your Company.

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

Sd/-
U K Agarwal
Chairman

Place : Hyderabad
Date : 27.08.2016



ANNEXURE - A

FORM NO. AOC.2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:	
(a) Name(s) of the related party and nature of relationship	Nil
(b) Nature of contracts/arrangements/transactions	Nil
(c) Duration of the contracts/arrangements/transactions	Nil
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e) Justification for entering into such contracts or arrangements or transactions	Nil
(f) date(s) of approval by the Board	Nil
(g) Amount paid as advances, if any:	Nil
(h) Date on which the special resolution was passed in general meeting as required under first provision to Section 188 Nil	Not Applicable
2. Details of material contract or arrangement or transactions at arm's length basis:	
(a) Name(s) of the related party and nature of relationship	M/s Balaji Enterprises M/s Sree Lakshmi Enterprises
(b) Nature of contracts/arrangements/transactions	Purchase of Goods / Renting of Godown
(c) Duration of the contracts/arrangements/transactions	No Contract for purchase / Rental Agreement valid till 2018.
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 4,80,000/- is paid as rent for the godown used for storage of goods.
(e) Date(s) of approval by the Board, if any:	13th February 2016
(f) Amount paid as advances, if any: M/s Balaji Enterprises / M/s Sree Lakshmi Enterprises	* Please refer the note given below

***NOTE:** The details of names, nature of relationship; nature of such contracts / arrangements / transactions are disclosed in Note No.2.39 of the Financial Statements.

ANNEXURE - B

REMUNERATION RATIO OF THE DIRECTORS/KEY MANAGERIAL PERSONNEL/EMPLOYEES

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014:

- (i) The percentage increase in remuneration of each Director, other key managerial personnel (KMP), Ratio of the remuneration of each director to the median remuneration of the employees of the company and the comparison of the remuneration of each KMP against the performance of the Company during the financial year 2015-16 are as under.

S. No	Directors/KMPs/ Manager's Name	Remuneration of Director/KMP for financial year 2015-16 (In Rupees)	% increase in Remuneration in the Financial Year 2015-16	Ratio to median remuneration	Comparison of the Remuneration of the KMP against the performance of the company
1	Shri Upender Kumar Agarwal	3539600	58.62%	15.02	-
2	Shri Ritesh Kumar Agarwal	3539600	58.75%	15.02	
3	Shri Shiv Kumar	2063400	-	7.16	
4	Shri Attal Anand Kumar	110850	-	0.38	
(ii)	Percentage increase in the median remuneration of employees in the financial year 2015-16 compared to 2014-15			18.6	
(iii)	Number of permanent employees on the rolls of the company:				
	As on 31.03.2016		As on 31.03.2015		
	850		780		
(iv)	Explanation on the relationship between average increase in remuneration and the company performance			Increase in the remuneration of the Directors. No increase in the remuneration of the Key Managerial Personnel.	
(v)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company			The company could get its debt restructured and is able to carry on operations in a smooth and profitable manner	
(vi)	Average percentile increase in salaries of Employees other than managerial Personnel			9.3	
	Percentile increase in the managerial remuneration			Nil	
	Comparison of above			Part of the managerial remuneration paid includes commission paid to Chairman and Managing Director, which is variable and dependent upon the net profits of the Company. Since the company has not earned profits, there is no change in the managerial remuneration paid	
(vii)	Key parameters for any variable component of remuneration availed by the Directors			The Chairman and Managing Director of the Company are eligible for commission besides salary, however in aggregate not exceeding 10% of the profits of the Company as calculated under Section 198 of the Companies Act 2013.	
(viii)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year			NOT APPLICABLE	



ANNEXURE - C

MANAGEMENT DISCUSSION & ANALYSIS

A. INDUSTRY STRUCTURE & DEVELOPMENT-INTRODUCTION

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The industry realized export earnings worth US \$41.4 billion in 2014-15, a growth of 5.4 percent. The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The Indian textiles industry, currently estimated at around US \$108 billion, is expected to reach US \$223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

The Indian textile industry has the potential to reach US \$500 billion in size. The growth implies domestic sales to rise to US \$315 billion from currently US \$68 billion. India's overall textile exports during FY 2015-16 stood at US \$40 billion.

Helped by the government's special package and marketing plans, India's textiles and apparel exports are expected to touch US\$50 billion mark this fiscal from US\$38 billion in FY16.

The Government has announced a special package and is taking elaborate marketing plans to boost exports. It has also allowed 100 percent FDI in the Indian textiles sector under the automatic route. Also the country is ready to capitalize on falling share of China in textile exports in the international market.

B. Road Ahead

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, GAP and Next into the Indian market. The organized apparel segment is expected to grow at a Compound Annual

Growth Rate (CAGR) of more than 13 per cent over a 10-year period.

C. OPPORTUNITIES, THREATS, RISKS & CONCERNS

Strength

- Your Company has a strong R & D which is constantly engaged in developing new fashion yarns as per the latest market trends and requirements Worldwide.
- During the last few months we have added new collection of Raw White fancy yarns which mainly includes:
 - Rajvir raw white snake skin look.
 - Rajvir raw white natural look.
 - Rajvir raw white twin rocky.
 - Rajvir cottlinen look.
 - Rajvir twin cradle.
- Highly skilled and efficient technical production team at the plant. with high flexibility in the production facility thereby enabling the change in the product mix rapidly adhering to the ever changing marketing requirements
- Handling all types of fibers – Natural & Manmade— name it – Exotic like Angora, Wool, Silk Cashmere or Technical yarns like Fire Retardant etc, apart from normal fibers like cotton, Modal, Micro Modal, Viscose, Polyester etc.
- The major world Brands like H&M, Next, Marks & Spencer, GAP, J C Penny, Zara support us by utilizing our creativity / developments of all value added fashion yarn required for their outlets.

Weakness

- Logistics – Longer lead times for delivery in yarns, both to domestic markets up north as well as to countries such as South America and Central America, which is always challenging as it hinders garment producers shorter lead times to complete their garment deliveries for good brands.
- Restricted availability of fancy fibers such as Cashmere, Angora and Wool within India forces the Company to buy these fibers from around the World thereby increasing the lead times of exotic yarns to customers Worldwide.
- The Company is forced to import important special fibers like Angelina (Lurex), Cashmere, angora, wool due to nonavailability of such special