

ANNUAL REPORT

15th Annual Report 2018-2019



Rajvir Industries Limited



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 on future performance.

We cannot guarantee that these forward looking statements shall be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and the underlying assumptions undergoing change. Should known or unknown risks or uncertainties emerge, or should underlying assumptions not materialise, the 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.

❖ **CONTENTS** ❖

❖ Vision, Mission, Overview	02
❖ Products	03
❖ Chairman's statement	04
❖ Corporate Information	05
❖ Notice	06
❖ Director's Report	11
❖ Annexures	14
❖ Independent Auditors' Report	42
❖ Balance Sheet	49
❖ Statement of Profit and Loss	50
❖ Cash Flow Statement	51
❖ Notes to Financial Statements	53
❖ Electronic Clearing Service Mandate Form	87
❖ Proxy Form & Attendance Slip	88
❖ Form No MGT-12	89

OUR VALUED Customers

JCPenney

MARKS &
SPENCER

ANN TAYLOR

Sainsbury's

PRIMARK*

RIVER ISLAND

celio*

DEBENHAMS

TESCO

PEACOCKS
QUALITY & VALUE

Bershka

George.

ZARA

MANGO

MATALAN
MAKES FASHION SENSE

Superdry.
極度乾燥(しなさい)

mothercare
m

★ macy's

PUMA®

VICTORIA'S
SECRET

PINK
TOWNHALL

KOHL'S

intimissimi
Italian lingerie

fcuk®

Arcadia Group Limited
BURTONS HARMONY PERMANE SING'S 屈臣氏 OUTFIT TOPSHOP TOPMAN H&M

C&A

H&M

POLO
RALPH LAUREN

switcher
made with respect

NORDSTROM

PENNEYS

OLD NAVY

promod

CHAPS
RALPH LAUREN

URBN
URBAN OUTFITTERS INC.

AMERICAN EAGLE
OUTFITTERS

GAP

TOPSHOP

TOPMAN

ck
CavvKen

next

ESPRIT

Abercrombie
& Fitch
TRADEMARK SINCE 1892

VICTORIA'S
SECRET

KappAhl

TOMMY
HILFINGER

DECATHLON

IKEA

Jennyfer BHS
BRITISH HOME STORES

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 chains 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.

OVERVIEW

Rajvir Industries Ltd. is an integrated producer of cotton, melange, 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 boasts of having a massive collection that encompasses 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) melange/heather yarns, modal yarns, synthetic yarns and cheese-dyed yarns.

EXISTENCE

Headquartered in Hyderabad, Rajvir Industries has a pan-India presence with two manufacturing facilities in Telangana, located in Tandur and Mahabubnagar, along with a dyeing plant. The Company is listed on the National Stock Exchange and the Bombay Stock Exchange. It exports to 42 countries including central America and across continents comprising Asia and Europe.

LOOKING AHEAD TO THE FUTURE

We aspire to evolve continually by innovation and reinvention. The Company plans to increase its Melange Production in the existing facilities by about 50%, and has been taking the necessary steps to increase its fibre dyeing capacity towards this goal. The company is also actively expanding its range of value added products in the wet spinning route.

ENCHANTING COLORS, EXCITING RANGE

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 melange/heather.

Exotic blends with rich animal hair collection – Cotton with blends of silk, cashmere, wool, linen, angora in raw white and melange/heather. Viscose/modal/micro-modal/ polyester with blends of silk, cashmere, wool, linen, angora in raw white and melange/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 melange/heather, 100% fair trade organic and fair trade organic blends with viscose, recycled polyester, modal, micro modal in raw white and melange / heather, 100% BCI and BCI blends with viscose, recycled polyester, modal, micro modal in raw white and melange / 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 polyesterblends with Indian, cotton viscose in melange and dope dyed, 100% compact yarns pima and giza.

PRODUCT BASKET

Rajvir has an attractive and ever expanding range of products just distinguish the company from its competitors. At Rajvir, we endeavour to maintain the highest quality standards for our products and ensure utmost customer satisfaction.

100% cotton yarns

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

Technical textile products

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

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

Fancy yarns

- Raw White Ruffle Loo
- Raw White Sandy Look
- Injected Collection
- Double magic Heather
- Denim Heather
- Twin Galaxy Heather
- Raw White Lurex
- Blossom Heather

Super speciality blends

- Cashmere/Angora blends
- Wool blends
- Spun silk and blends
- Nylon polyamide blends
- Triblend yarns

Awards and certificates

Awards and recognitions have always been strong motivators towards better performance and trigger our desire to win more of them in the future. Some of the prestigious awards and certifications received include:

- Modal partnership with the House of Birla, Aditya Birla Group, for producing modal and modal blends. Pro-tex Certification from the Kaneka Corporation, Japan to produce flame retardant yarns.
- Fair Trade Certification from FloCert GmbH to produce fair trade blended yarns.
- Better Cotton Initiative (BCI) from the leading European chain stores to produce yarn under a new concept of sustainable cotton growing mechanism.
- GOTS/OE Certification from Control Union to produce Orange and Orange blended yarns.
- A Government of India recognized Export House.
- The Company also has fair Trade Certificate from Flo-Cert GmbH.

To conclude, Rajvir Industries is a promising Company having a strong legacy and superior growth perspective in the upcoming years with upgraded technological competencies, innovative product range, fiscal prudence, dedicated efforts and winning customer's faith and confidence.

Awards & Recognition



CHAIRMAN SPEECH

Dear Shareholders,

It is my privilege to welcome you all, on behalf of the Board of Directors and the Management Team of your Company to the 15th Annual General Meeting .

During the Financial Year 2018-19, the Company has achieved a sales turnover of Rs.5787.73 lakhs as compared to the sales turnover of Rs.9365.39 lakhs in the Financial Year 2017-18.

We continue to successfully follow the Zero defect policy and I am pleased to inform that throughout the FY 2018-19, our products were accepted by the clients with minimal defect.

On the other hand, India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world. (SOURCE: India Brand Equity Foundation (IBEF) which is a Trust established by the Department of Commerce, Ministry of Commerce and Industry, Government of India.)

In May 2018, textiles sector recorded investments worth Rs 27,000 crore (US\$ 4.19 billion) since June 2017. The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore job opportunities and attract investments worth Rs 800.00 billion (US\$ 11.93 billion) during 2018-2020. As of August 2018, it generated additional investments worth Rs 253.45 billion (US\$ 3.78 billion) and exports worth Rs 57.28 billion (US\$ 854.42 million). As of August 2018, the Government of India has increased the basic custom duty to 20 per cent from 10 per cent on 501 textile products, to boost Make in India and indigenous production. (SOURCE: India Brand Equity Foundation (IBEF))

India is the largest producer of cotton in the world and the second largest exporter of cotton. The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route.

India's value chain starting from production of natural fibre to the production of yarn, fabric and apparel gives India an edge over other countries (SOURCE: Make in India, Press Information Bureau.)

Presently, the entire textile industry is facing tough time on account of economic slowdown, higher cotton prices on account of MSP and stoppage of yarn buying by China since last few months. The recovery in textile industry seems at distance. As appraised the bank in the past, we were also exploring various options for sale of business or invite strategic investors for settling the dues with the Bank, but that did not find with any success. Fiscal incentives provided by other states to new units and technological upgradation makes the old plant unviable.

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, Guess and Next into the Indian market.

In order to raise funds to settle the liabilities / to fund the working capital needs, we are currently in serious / advanced talks with an Investor and Asset Reconstruction Company. They are presently carrying out the due diligence (financial, technical, legal and business) and are expected to complete the same shortly.

I express my gratitude to the Government of India, Securities Exchange Board of India (SEBI), all our Bankers and all other Statutory and Regulatory Authorities for their continued timely support and valuable guidance.

We are confident of achieving a high turnover of sales and thereby bringing greater financial stability to the Company

With your continued support and best wishes, I am confident that we will achieve the pinnacles of success.

Regards,
Upender Kumar Agarwal
Chairman

CORPORATE INFORMATION

RAJVIR INDUSTRIES LIMITED

CIN No : L17116TG2004PLC044053

BOARD OF DIRECTORS

Sri Upender Kumar Agarwal (DIN 00513348)
 Sri Ritesh Kumar Agarwal (DIN 00513341)
 Smt. Sheetal B. Dave (DIN 08172386)
 Smt N Padma Vijay Kumar (DIN 07337451)(up to 14-08-2018)
 Sri AnkushTandon(DIN 07840833) (up to 06-12-2018)
 Sri. Ritesh Agrawal (DIN 02415143)(From 14-02-2019)

Chairman
 Managing Director
 Independent Director
 Independent Director
 Independent Director
 Independent Director

CHIEF FINANCIAL OFFICER

Sri Vinay Goyal (From 12-10-2018 to 16-05-2019)

COMPANY SECRETARY

Sri Attal Anand Kumar (up to 23-03-2019)
 Sri Anadish Srivastava (From 17-04-2019)

AUDITORS

M/s K C Bhattacharjee & Paul, Chartered Accountants
 8-1-330, 5 Villa Grande, Shaikpet, Hyderabad – 500008.

BANKERS / FINANCIAL INSTITUTIONS

Industrial Development Bank of India (IDBI)
 State Bank of India
 ICICI Bank Ltd
 Central Bank of India
 Axis Bank Limited

REGISTERED OFFICE :

105, 1st Floor, Surya Towers
 Sardar Patel Road
 Secunderabad - 500003
 TELANGANA, India
 Telephone No's: 040-66225555
 Website: www.rajvirindustrieslimited.com
 Email: rajvir@rajvirindustrieslimited.com

CIN NO: L17116TG2004PLC044053

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, Susaipuram
 Sowdambka 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@gmail.com

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of RAJVIR INDUSTRIES LIMITED will be held on Monday, 30th September 2019 at 3.30 P.M. at J.S.Krishna Murthy Hall, 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 Audited Financial Statements of the Company for the financial year ended 31st March 2019, together with the Reports of Directors and Auditors thereon

2. APPOINTMENT OF AUDITORS

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

“RESOLVED THAT pursuant to the provisions of the section 139 of the Companies Act, 2013 read with Companies(Audit and Auditor) Rules 2014, M/S K C Bhattacharjee & Paul, Chartered Accountants,(Firm Registration Number:303026E) be and is hereby re-appointed as Statutory Auditors of the Company to hold the Office from the conclusion of this Annual General Meeting of the Company till the conclusion of the next Annual general Meeting of the Company to be held in the year 2020 at such remuneration to be fixed by the Board of Directors in consultation with the Auditors.”

SPECIAL BUSINESS:

3. APPOINTMENT OF INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 including any

statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sri. Ritesh Agrawal (DIN-02415143) who was appointed as an additional director of the Company, categorized as an Independent, Director by the Board of Directors with effect from 14th February, 2019, in terms of Section 161 of the Companies Act 2013 and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013, proposing Sri. Ritesh Agrawal for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 3 years with effect from 14th February, 2019, not liable to retire by rotation.”

By the Order of the Board
For RAJVIR INDUSTRIES LIMITED

Place: Secunderabad
Date: 14.08.2019

Sd/-
Anadish Srivastava
Company Secretary

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.

Pursuant to the provisions of the Companies Act 2013 and the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percentage of the total share capital of the Company carrying voting rights

2. The Register of members and share transfer books of the company will remain closed from 24-09-2019 to 30-09-2019(both days inclusive) for the purpose of annual closure.
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 the prescribed form.
6. In case of Joint holders attending the meeting, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will entitled to vote
7. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to M/s XL Sofetch Systems Ltd/the Company by sending a duly signed letter along with self-attested copy of Pan Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member.

In the alternative Members are requested to submit a copy of Bank passbook /Statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participants.

8. 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 Sofetch Systems Ltd, 3, Sagar Society, Road No.02, Banjara Hills, Hyderabad - 500034.
9. Electronic copy of the Notice of the 15th Annual General Meeting of the Company interalia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email Ids are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their Email address physical copies of the Notice of the 15th Annual General Meeting of the Company interalia indicating the process and manner of Evoting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that the Notice of the 15th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.rajvirindustrieslimited.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection between 2:00 p.m. to 4:00 p.m. on all working days from Monday to Saturday. Even after registering for E-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the Members may also send requests to the Company or to its Registrar and Share Transfer Agent, at the following Email ID respectively : rajvir@rajvirindustrieslimited.com./ xlfield@gmail.com.

10. The Company (Management and Administration) Rules, 2015 provide that the electronic voting period shall close at 5.00 p.m. on the date preceding the AGM. Accordingly, the e-voting will be available at the <https://www.evoting.nsdl.com>. The remote e-voting period will commence at 9.00 AM (IST) on 27th September, 2019 and will end at 5.00 PM (IST) on 29th September, 2019. The remote e-voting will not be allowed beyond the aforesaid period and time, and the remote e-voting module shall be displayed by NSDL for e-voting thereafter. Once the vote on a resolution is cast by a member shall not be allowed to change subsequently.
11. The member(s) who have cast their vote by remote e-voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote again. In order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set forth in their Notice, the Company is enclosing a Ballot form with the Notice. Resolution(s) passed by the members through ballot forms, remote e-voting and voting at the AGM are deemed to have passed as if they have been passed at the AGM.
12. Members are requested to quote their Registered Folio No. in all correspondence(s) with the Company.
13. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
14. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the 20th September, 2019 only shall be entitled to avail the facility of remote e-voting as well voting at the AGM through ballot paper.
15. Mr. CS S.S. Marthi, Company Secretary (Membership No. FCS 1989) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
16. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
17. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and hereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
18. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.rajvirindustrieslimited.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE and NSE, Mumbai.
19. Process and manner of voting through electronic means: In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements).
Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The instructions for e-voting are as follow:
A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)] :
(i) Open email 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/PIN for remote e-voting. Please note that the password is an initial password.
(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>