

Spinning
a growth Story

ANNUAL REPORT 2019-2020



Rajvir Industries Limited

16th Annual Report 2019-2020



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 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	13
❖ Annexures	16
❖ Independent Auditors' Report	45
❖ Balance Sheet	53
❖ Statement of Profit and Loss	54
❖ Cash Flow Statement	55
❖ Notes to Financial Statements	57

Brands that has patronised Rajvir fancy yarns

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®

fcuk®

VICTORIA'S
SECRET

PINK
TODAY'S HERE

KOHL'S

intimissimi
Italian lingerie

Arcadia Group Limited
BURTON BODENWEISSER BOUTIQUE C&A Debenhams DEbenhams OUTFIT TOPSHOP TOPMAN V&S

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
CavnKen

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 melange/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 melange / 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

- Anti microbiale yarn
- 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 Look
- Raw White Sandy Look
- Raw White Twin feed
- Raw white Marvel
- Raw White Futter
- Raw White Streaky wool feel
- Injected Collection
- Doubl magic Heather
- Denim Heather
- Twin Galaxy Heather
- Tweeling Injecta
- Raw White Lurex
- Blossom Heather

Awards & Recognition



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:

- 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 Organic and Organic 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 Organic and Organic blended yarns.
- A Government of India recognized Export House.

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.



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 16th Annual General Meeting.

The world is challenging Covid-19 Pandemic, which has not left any part of the world to face it. Among the massive impact that corona virus had on the economies, textile industry is one of the hardest-hit industries.

However, the industry is grappling with major hurdles in the Import & Exports of raw material, Labour force and employment, Cash flow constraints and Supply chain disruption.

Despite the Challenges the Company has achieved a sales turnover of Rs.3393.96 lakhs in the Financial Year 2019-20 as compared to the sales turnover of Rs. 5787.73 lakhs in the Financial Year 2018-19 by following the Zero defect policy

Given the unfavourable demand scenario, textile firms may not utilise their full capacities or may undertake production cuts, thus bringing down the overall output of textiles during FY21.

According to the Clothing Manufacturers' Association of India (CMAI), On an average, India exports 20-25 million kg of cotton yarn a month to China. Cotton yarn prices have fallen by 3 to 4 per cent in domestic market as traders anticipate a curtailed demand from China due to the prevailing situation there. Further prolonging of the coronavirus will result in a decline in China's imports of cotton yarn and hence, impact the cotton yarn export business of India. This will divert India's surplus cotton yarn to the domestic market, further reducing the price of cotton yarn.

In positive news, global buyers are turning to India to source textiles from the country as China grapples with the deadly coronavirus outbreak. According to the Cotton Textile Export Promotion Council (TEXPROCIL) In the medium to long-term, some demand from the US and the EU markets is expected to shift (though gradually) from China to other major garment manufacturers viz. Vietnam, Bangladesh, India and Cambodia, as the customers will like to decrease their dependence on China

We are expecting the Support package from the government and also rebate of State and Central Taxes for cotton yarn and fabrics since the entire value chain is impacted and also we are hopeful for getting any financial assistance from the Aatmanirbhar Bharat Abhiyan package announced by the Minister of Finance, GOI.

nounced by the Minister of Finance, GOI.

The Southern India Mills' Association (SIMA) informed that the Association has sent a representation to the Prime Minister appealing him to mandate the banks to provide a moratorium of one year (April 1, 2020 to March 31, 2021) for repayment of principal and interest amount to the banks to enable the Indian textiles and clothing industry to tide over the crisis. (SOURCE: Indian textile journal)

Going forward the textile industry scenario will depend on how the situation evolves in the domestic and international markets and faster return to normalcy will enable the industry to curtail the damages and improve on its growth prospects and only when domestic and overseas markets open and consumer demand comes back.

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

We put our best efforts to overcome all the hurdles and crisis and achieve a high turnover of sale and improve the financial stability to the Company and thanking for your continued support and best wishes.

Regards,
Upender Kumar Agarwal
Chairman

Corporate Information

RAJVIR INDUSTRIES LIMITED

CIN NO: L17116TG2004PLC044053

BOARD OF DIRECTORS

Sri Upender Kumar Agarwal (DIN 00513348)	Chairman
Sri Ritesh Kumar Agarwal (DIN 00513341)	Managing Director
Smt. Sheetal B. Dave (DIN 08172386)	Independent Director
Sri. Ritesh Agrawal (DIN 02415143)(upto 31-07-2020)	Independent Director
Sri. Sudhakar Kanneboyina (DIN 02509185)(From 31-07-2020)	Independent Director

COMPANY SECRETARY

Sri Anadish Srivastava (From 17-04-2019 to 30-05-2020)

AUDITORS

M/S K C Bhattacharjee & Paul
8-1-330,5,Vila Grande, Shaikpet
Hyderabad - 500 008

Bankers / Financial Institutions

State Bank of India
Industrial Development Bank of India
ICICI Bank Ltd
Axis Bank Limited
Central Bank of India

Registered Office:

1st Floor, Surya Towers 105,
Sardar Patel Road Secunderabad - 500003
TELANGANA, India
Telephone Nos : 040- 6225555,
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, Susai Puram
Sowdambika Towers, Ground Floor
Tirpur - 641604

Registrar & Share Transfer Agent M/S XL Softech Systems Limited

3, Sagar Society, Road N0.2, 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 16th Annual General Meeting of RAJVIR INDUSTRIES LIMITED will be held on Wednesday, 30th September 2020 at 3.30 P.M. through Video Conferencing/ Other Audio - Visual Means (OAVM) 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, 2020, the Profit and Loss Account for the year ended as on that date, Directors' Report and Auditors' Report 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 2021 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 Shri. Sudhakar Kanneboyina (DIN 02509185) who was appointed as an Additional Director by the Board of Directors with effect from 31st July, 2020 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company, but who is eligible for appointment and recommended by the Nomination and Remuneration Committee, be and is hereby appointed as Director of the Company.

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

to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), as amended from time to time, the appointment of Shri. Sudhakar Kanneboyina, who meets the criteria for independence as provided in Section 149(6) of the Act read along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI LODR and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing 31st July, 2020 to 30th July, 2025, be and is hereby approved."

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

Place : Secunderabad
Date : : 01-09-2020

Sd/-
Upender Kumar Agarwal
Chairman

NOTES:

1. In view of the prevailing COVID-19 pandemic across the country and restrictions on the movements apart from social distancing, restriction of gatherings, travel restrictions and other preventive advisories being issued by the Government from time to time, Ministry of Corporate Affairs ("MCA"), vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars"), permitted the companies to hold their Annual General Meeting ("AGM") through video conferencing ("VC") or other audio visual means ("OAVM") for the calendar year 2020 without the physical presence of the shareholders at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. In compliance with the aforesaid MCA Circulars and the Securities and Exchange Board of India ("SEBI") circular dated May 12, 2020 (hereinafter referred to as "SEBI Circular"), owing to the difficulties involved in dispatching of physical copies of the Annual Report for the financial year 2019-20 including financial statements (along with Board's Report, Auditor's Report or other documents required to be attached therewith), Notice of the 16th AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those shareholders whose email addresses are registered with the Company/ Depositories/ Registrar and Share Transfer Agent of the Company. Shareholders may note that this Notice along with Annual Report for the financial year 2019-20 will also be available on the website of the Company at www.rajvirindustrieslimited.com and website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSE at www.nseindia.com
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the AGM is annexed hereto.
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting. Hence the Proxy Form, Attendance Slip and Route Map are not annexed with this AGM Notice.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.rajvirindustrieslimited.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSE at www.nseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated

May 05, 2020.

9. As per the provisions of Section 103 of the Act, shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum.
10. The Company has appointed Mr. S.S.Marthi, Practising Company Secretary, (Membership No. FCS 1989 /CP 1937), to act as the Scrutiniser for scrutinising the e-voting process in a fair and transparent manner.
11. Pursuant to Section 113 of the Act, Corporate shareholders are required to send the scanned copy (in PDF or JPG format) of the certified Board Resolution / Authority Letter from its governing body, as the case may be, authorising their representative(s) to attend this AGM through VC / OAVM and vote on their behalf through remote e-voting or at the AGM, by email from their registered email addresses to the Scrutiniser through e-mail to spcsp1@gmail.com, with a copy marked to xlfield@gmail.com or cs@rajvirindustries-limited.com
12. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020, both days inclusive, for annual closing and for determining the entitlement of the shareholders to the final dividend for the financial year 2019-20, if any.
13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. SEBI has also mandated that the requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except in the cases of transmission or transposition of securities. In view of above, shareholders holding shares in physical form are requested to open a demat account with a Depository Participant (DP) and deposit their physical shares with such DP and get their shares demat at the earliest to avoid any kind of inconvenience.
14. Details as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms an integral part of the Notice.
15. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements shall be available for inspection by the Members on the website of the Company upto the date of AGM.
16. Procedure for obtaining the Annual Report, AGM Notice and e-voting instructions by the shareholders whose email addresses are not registered with the

depositories or with RTA on physical folios: Members who have not registered their email addresses and in consequence the Annual Report including Notice of AGM and e-voting instructions could not be serviced, may get their email address and mobile number registered with the Company's Registrar and Share Transfer Agent, M/s. XL Softech Systems Limited. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to xlfield@gmail.com.

Alternatively, members may send an e-mail request at the email id xlfield@gmail.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for obtaining the Annual Report, Notice of AGM and the e-voting instructions.

17. Voting through electronic means (Remote E-Voting):
The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting through electronic means. 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 NSDL.
- (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.
- ii) The "cut-off date" for determining the eligibility for voting either through remote electronic voting system is fixed as Wednesday, September 23, 2020.

The e-voting period commences on Sunday, September 27, 2020 at 9.00 a.m. IST and ends on Tuesday, September 29, 2020 at 5.00 p.m. IST. During this period, a person whose name is recorded in the Register of Members or in the Register of Beneficiary Owners maintained by the depositories, as on the cut-off date, shall be entitled to avail the facility of remote e-voting. The remote-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from