



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.

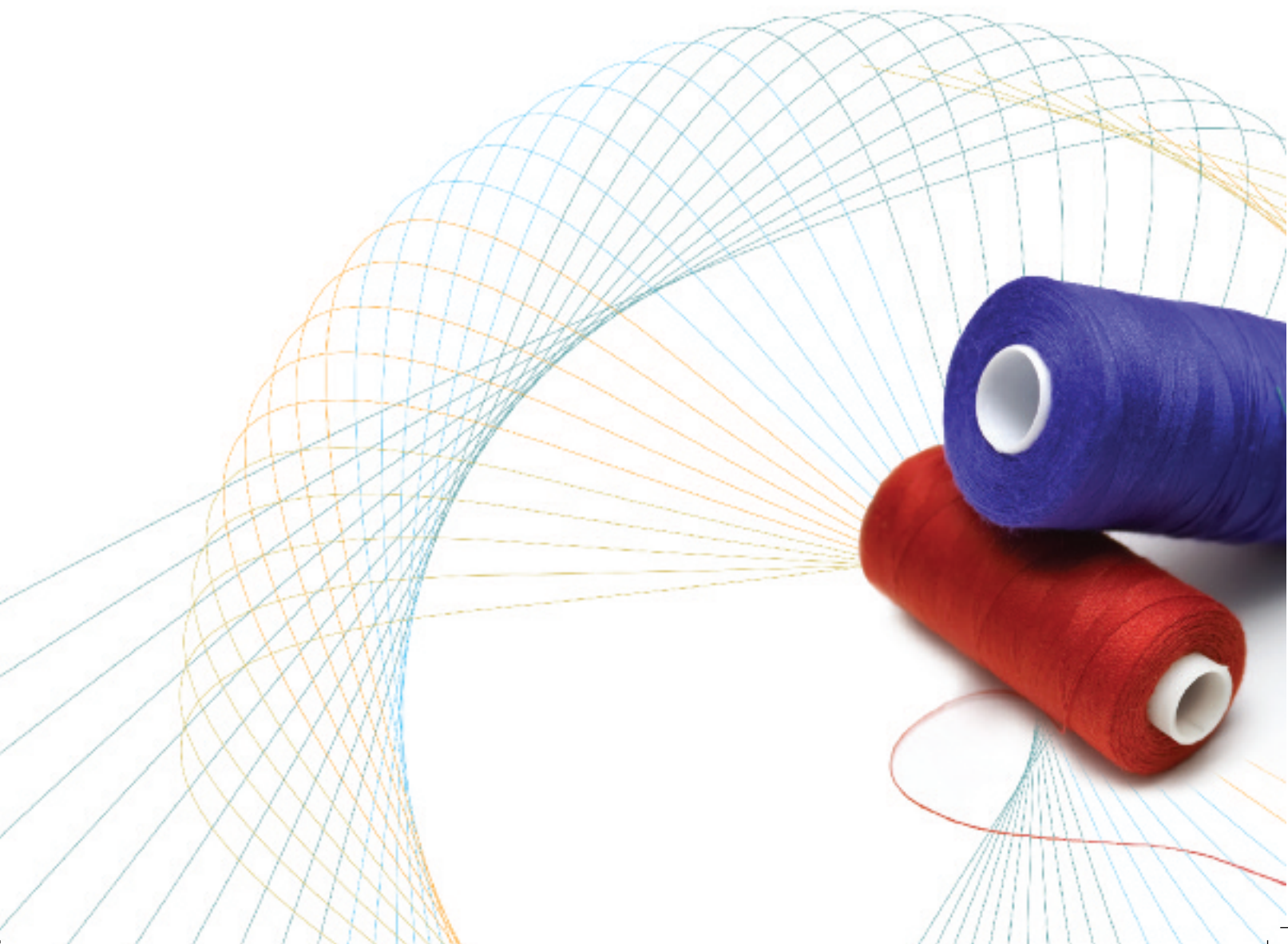
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At Rajvir Industries, we responded to 2010-11 with an overriding priority: *'Never lose focus... from core competence, core values and core resources'*.

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

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

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



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 Et Modal blends.
- Protex certification from Kaneka Corporation, Japan to produce flame retardant yarns.

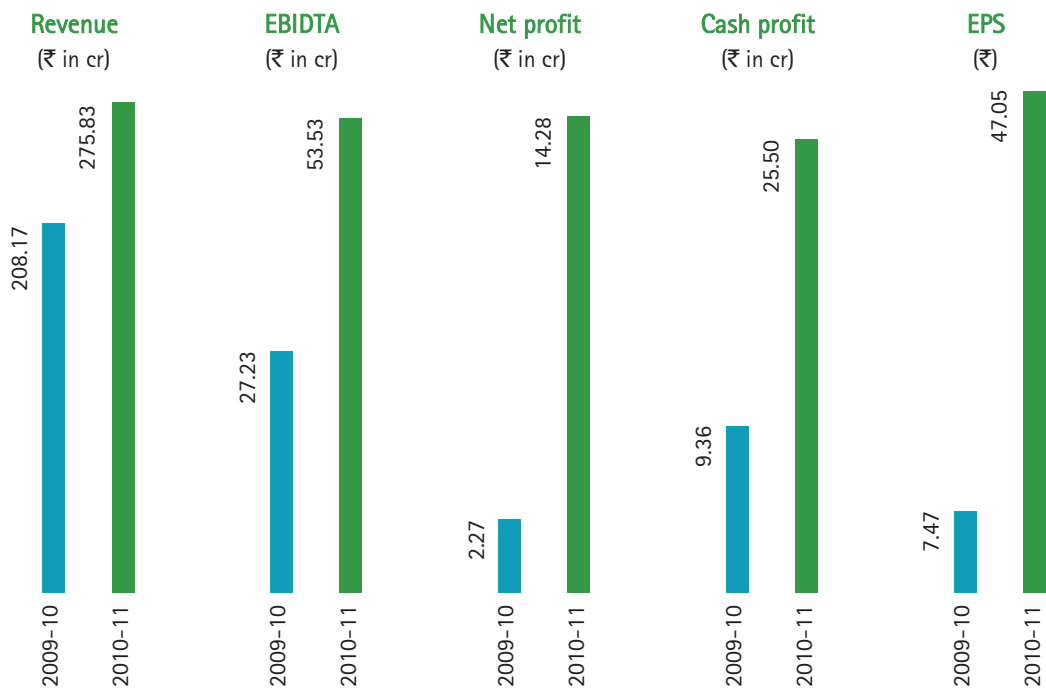
- Fair trade certification from Flo-cert GmbH to produce fair trade and fair trade blended yarns.
- Supima certification from Supima Cotton Growers Association in the United States to produce Supima.
- Better Cotton Initiative (BCI) from the leading European chain stores to produce yarn under a new concept 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

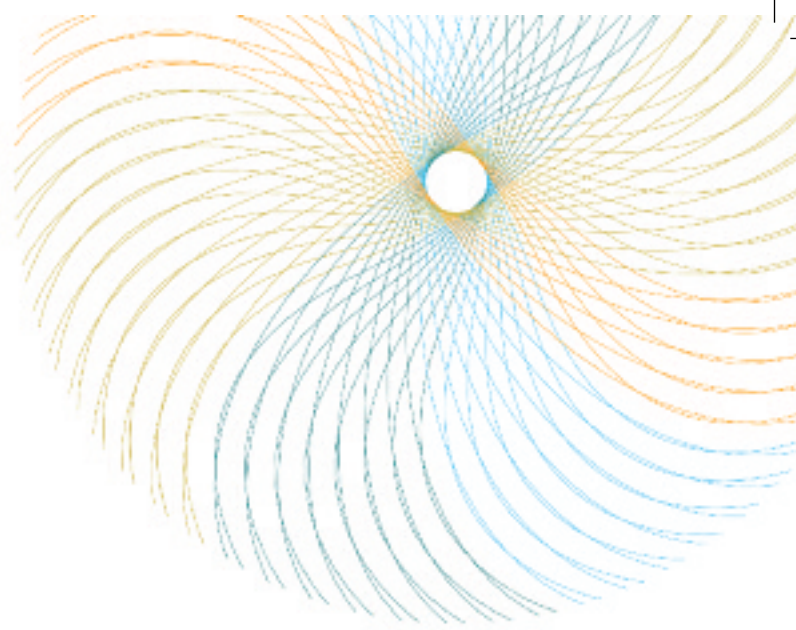
100% Combed Cotton	16s - 32s
Cotton/Modal (Blends of your choice)	16s - 60s
Organic Cotton & Blends	16s - 60s
Fair Trade (Flocert & Ecocert)	16s - 60s
Pima/Giza Cotton	16s - 60s
Better Cotton Initiative & Blends	16s - 60s
Cotton/Viscose Blends	16s - 60s

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 mélangé, 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 Et Viscose blends	20s – 45s
Polyester / Viscose (Blends of your choice)	20s – 45s
Modal / Micro Modal Et 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.





Directors' Profile



MR. UPENDER KUMAR AGARWAL – son of MR. BASUDEV AGARWAL

Sri U. K. Agarwal is a graduate and has more than 35 years of experience in the Cotton Industry. He is the Chairman and Managing Director of M/s Rajvir Industries Limited. He has been associated with the cotton industry for the past 35 years. He is considered to be an expert in the cotton selection process. Besides this, he has acquired considerable expertise in factory operations, finance and general administration.



MR. RITESH KUMAR AGARWAL – son of MR. UPENDER KUMAR AGARWAL

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



MR. VIJAY KUMAR GUPTA – son of MR. BHAGAT RAM GUPTA

Sri Vijay Kumar Gupta is a Commerce graduate and had been trained at the Administrative Staff College of India in the areas of Management. He has about 40 years of experience in textiles trading and textile processing. He has been in textiles trading since 1968 through proprietary concerns belonging to his family. He has been instrumental in taking up the company to its present status and unprecedented growth. He is the Chairman and Managing Director of M/s Vijay Textiles Limited and also associated with Vijay Infotech Ventures as the main Promoter.



MR. JANGI REDDY KANKANALA – son of MR. BALRAM REDDY KANKANALA

Dr. K J Reddy MS, DNB, FRCS (UK), FRCS ORTH is a senior orthopedic consultant surgeon. He is a highly qualified medical practitioner having vast experience. Apart from medicine, he has good experience in Management and Administration as he has been a professor and Registrar in various Medical Colleges & hospitals in India as well as abroad. At present he is a professor in Orthopedics in SVS Medical College & a Senior Consultant in Orthopedics in Apollo Hospital Hyderabad.



MR. SHREEDAS NARAYANDAS DAGA – son of MR. NARAYANDAS DAGA

Sri S. N. Daga is a graduate with about 25 years of Industrial and Entrepreneurial experience. He is Chairman in Vins Bio Products Limited.

Corporate information

BOARD OF DIRECTORS

Sri Upender Kumar Agarwal	Chairman & Managing Director
Sri Ritesh Kumar Agarwal	Executive Director
Sri Vijay Kumar Gupta	Non-Executive Director
Sri Shreedas Narayandas Daga	Non-Executive Director
Dr. Kankanala Jangi Reddy	Non-Executive Director

CHIEF FINANCIAL OFFICER

Sri K. Ravi Kumar

COMPANY SECRETARY

Sri P. Surya Prakash

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
The Bank of Rajasthan Limited
Central Bank of India

FACTORIES

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

REGISTERED OFFICE

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

SALES DEPOT

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

REGISTRAR & SHARE TRANSFER AGENT

M/s XL Softech Limited
3, Sagar Society, Road No. 2, Banjara Hills,
Hyderabad - 500 034
Phone No's: 040 23545913/14/15
Fax : 040 23553214
Website: www.xlsoftech.com
email : xlfield@rediffmail.com



Notice

Notice is hereby given that the Seventh Annual General Meeting of the Members of RAJVIR INDUSTRIES LIMITED will be held on **Friday, the 30th September, 2011 at 3.30 P.M at Hari Hara Kala Bhavan, S.P. Road, Patny Centre, Secunderabad – 500 003** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended 31st March, 2011 along with the Auditors' Report & Directors' Report there on.
2. To declare Dividend on the Equity Shares of the company for the year ended 31st March, 2011
3. To appoint a Director in place of Dr. Kankanala Jangi Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s S. Daga & Co, Chartered Accountants as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in modification of the resolution passed by the members in the Annual General Meeting held on 30th September 2009 and pursuant to the provisions of sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII thereof as amended from time to time the consent of Members of the company be and is hereby accorded to revise the remuneration payable to Sri U.K. Agarwal, as Managing Director of the Company for the remaining tenure of his appointment as detailed below w.e.f. 01.04.2011 (i.e. from 01.04.2011 to 31.03.2014) and other terms and conditions of his appointment remains the same"

- I. 1. **SALARY: ₹ 2,25,000/- per month**

2. COMMISSION:

At the rate of 1% per annum on the Net Profit of the Company or 50% of annual salary whichever is higher subject to the limits to the extent as permitted under the provisions of Schedule XIII of the Companies Act, 1956.

3. PERQUISITES:

In addition to the salary as stated above Sri U.K. Agarwal shall be entitled to the following perquisites

CATEGORY – A

(I) HOUSING:

Rent free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water, etc., or HRA to the extent of 30% of the Salary.

(ii) MEDICAL REIMBURSEMENT:

Expenses incurred for self and his family subject to a ceiling of maximum ₹12, 000/- per month.

CATEGORY – B

- i) Contributions by the Company to Provident Fund as per the rules of the Company.
- ii) Payment of gratuity subject to an amount equal to half month's salary for each completed year of service.

II. Minimum Remuneration

In the event the company does not have profits or its profits are inadequate, Sri U.K. Agarwal shall be paid Salary and perquisites not exceeding the statutory limits as may be prescribed from time to time. However contribution to provident fund/annuity/pension fund/gratuity and encashment of leave at the end of the tenure shall not be included in the ceiling of the salary.

"RESOLVED further that the Board of Directors be and are hereby authorized to alter or vary the terms and conditions of the said appointment so as not to exceed the limits specified in Schedule – XIII or other relevant provisions of the Companies Act, 1956 or any other amendments thereto, as may be agreed between the Board and Sri U.K. Agarwal".

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

ORDINARY RESOLUTION

"RESOLVED THAT in modification of the resolution passed by the members in the Annual General Meeting held on 30th September 2009 and pursuant to the provisions of sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII thereof as amended from time to time the consent of Members of the company be and is hereby accorded to revise the remuneration payable to Sri Ritesh Kumar Agarwal, as Executive Director of the Company for the remaining tenure of his appointment as detailed below w.e.f. 01.04.2011 (i.e. from 01.04.2011 to 31.03.2014) and other terms and conditions of his appointment remains the same"

I. 1. **SALARY: ₹ 2, 00,000/- per month**

2. **COMMISSION:**

At the rate of 1% per annum on the Net Profit of the Company or 50% of annual salary whichever is higher subject to the limits to the extent as permitted under the provisions of Schedule XIII of the Companies Act, 1956.

3. **PERQUISITES:**

In addition to the salary as stated above Sri Ritesh Kumar Agarwal shall be entitled to the following perquisites

CATEGORY - A

(I) **HOUSING:**

Rent free furnished residential accommodation with all facilities and amenities including such services as gas, electricity, water, etc., or HRA to the extent of 30% of the salary.

(ii) **MEDICAL REIMBURSEMENT:**

Expenses incurred for self and his family subject to a ceiling of maximum ₹12, 000/- per month.

CATEGORY - B

iii) Contributions by the Company to Provident Fund as per the rules of the Company

iv) Payment of gratuity subject to an amount equal to half month's salary for each completed year of service.

II. Minimum Remuneration

In the event the company does not have profits or its profits are inadequate, Sri Ritesh Kumar Agarwal shall be paid Salary and perquisites not exceeding the statutory limits as may be prescribed from time to time. However contribution to provident fund/annuity/pension fund/gratuity and encashment of leave at the end of the tenure shall not be included in the ceiling of the salary.

"RESOLVED further that the Board of Directors be and are hereby authorized to alter or vary the terms and conditions of the said appointment so as not to exceed the limits specified in Schedule - XIII or other relevant provisions of the Companies Act, 1956 or any other amendments thereto, as may be agreed between the Board and Sri Ritesh Kumar Agarwal".

7. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT - MODIFICATION(S) THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION

"RESOLVED THAT pursuant to provisions of Section 16 and 94 and all other applicable provisions, if any, of the companies Act, 1956 the existing Authorised Share Capital of the Company comprising of ₹14,00,00,000/- (Rupees fourteen crores only) divided into 1,40,00,000 Equity Shares of ₹10/- each be and is hereby reclassified into ₹7,50,00,000 of 75,00,000 Equity Shares of ₹10/- each and ₹6,50,00,000 of 6,50,000 Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each and consequently the Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following new clause:

V. The Authorised Share Capital of the Company is ₹14,00,00,000/- (Rupees fourteen crores only) divided into 75,00,000 Equity Shares of ₹10/- each aggregating to ₹7,50,00,000 and 6,50,000 Preference Shares of ₹100/-each aggregating to ₹6,50,00,000 whether Cumulative Redeemable or Non Cumulative Redeemable with the power to increase, reduce, subdivide, consolidate, convert into Equity Shares in accordance with the provisions of the law from time to time"



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

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

2. The Authorised Share Capital of the Company is ₹14,00,00,000/- (Rupees fourteen crores only) divided into 75,00,000 Equity Shares of ₹10/- each aggregating to ₹7,50,00,000 and 6,50,000 Preference Shares of ₹100/- each aggregating to ₹6,50,00,000 whether Cumulative Redeemable or Non Cumulative Redeemable with the power to increase, reduce, subdivide, consolidate, convert into Equity Shares in accordance with the provisions of the law from time to time"

9. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATIONS (S) THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to provisions of section 80, 81, and all other provisions, if any, of the companies Act, 1956 and the enabling provisions of the Memorandum and Articles of

Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges where Securities of the Company are listed and subject wherever required to any other approval of the Financial Institutions, appropriate authorities consent of the Members be and is hereby accorded to the Board of Directors of the Company to issue Redeemable Non Convertible Cumulative Preference Shares of ₹100/- each at par and in such numbers as the Board decide from time to time for a sum not exceeding ₹ 6.5 crore (Rupees six crores and fifty lakhs only) in one tranche on Preferential basis to Promoters as the Board may deem fit and on such terms and conditions including the rate of dividend, period of redemption etc., as the Board may in its absolute discretion to decide in the best interest of the company".

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

BY ORDER OF THE BOARD
For Rajvir Industries Limited

P. Surya Prakash
Company Secretary

Place : Secunderabad
Date : 29.08.2011

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed thereto.
4. The Register of Members and Share transfer books will remain closed from 23.09.2011 to 30.09.2011 (both days inclusive) for determining the names of the Members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
5. The Members are requested to notify change, if any, in their address to Registrar and Share Transfer Agent viz., M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034.
6. A Member desirous of getting any information on the Accounts or Operations of the Company is requested to forward his/her queries to the Company atleast seven days prior to the date of the Meeting for consideration for the Management to deal at the Meeting.
7. Unclaimed Dividends will be transferred to the Investor Education and Protection Fund set up by the Central Government. Shareholders who have not so far encashed the dividend warrant(s) are requested to seek revalidation/issue of duplicate warrants/Demand drafts by writing to the Registrars and Share Transfer Agents. Also note that no claim shall be made against said fund or Company in respect for any amounts which were unclaimed and unpaid for a period of seven years from the date they became first due for payment and no payment shall be made in respect of such claims.
8. The details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/re-appointment at the Annual General Meeting, is annexed hereto.

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

Item No. 5

Sri U.K.Agarwal, Managing Director has been reappointed for a period of 5 years w.e.f 1st April 2009 to 31st March 2014 on a remuneration of ₹1, 44,000/- p.m. plus all applicable perquisites.

The activities and responsibilities of the Managing Director, Sri U.K Agarwal have increased on account of continues growth. Considering the increase in size and operations of the Company, the Remuneration Committee in its meeting held on 26th May 2011 and the Board of Directors in their Meeting held on 26th May 2011 have passed a resolution approving and recommending the revision of remuneration of the Managing Director for the remaining period of 3 years with effect from 1st April 2011 to 31st March 2014 on the revised terms and conditions in compliance with Section 269 and other applicable provisions read with Schedule XIII of the Companies Act, 1956 subject to the approval of Members of the Company in the

Annual General Meeting. The terms of increase in remuneration are set out in the resolution.

The Directors recommend the resolution at Item No.5 for approval of the Members.

None of the Directors, except Sri U K Agarwal, Managing Director and Sri Ritesh Kumar Agarwal, Executive Director being his relative, are interested in the said resolution.

Item No. 6

Sri Ritesh Kumar Agarwal, Executive Director has been reappointed for a period of 5 years w.e.f 1st April, 2009 to 31st March, 2014 on a remuneration of ₹1,44,000/- p. m plus all applicable perquisites.

Keeping in view, Sri Ritesh Kumar Agarwal's ability in building up a competent team of Management and his contribution to the



Company, the Remuneration Committee in their meeting held on 26th May, 2011 and the Board of Directors in their meeting held on 26th May, 2011 approved the revision of remuneration payable to Sri Ritesh Kumar Agarwal as Executive Director for the remaining period of 3 years w.e.f. 1st April, 2011 to 31st March, 2014 on the revised terms and conditions in compliance with Section 269 and other applicable provisions read with Schedule XIII of the Companies Act, 1956 subject to the approval of Members of the Company in the Annual General Meeting.

The Directors recommend the resolution at Item No.6 for approval of the Members.

None of the Directors, except Sri Ritesh Kumar Agarwal, Executive Director and Sri U.K. Agarwal, Managing Director being his relative, are interested in the said resolution.

Item Nos.7 & 8

In order to generate long term funds by issue of Preference Shares to Promoters, the Board of Directors at their Meeting held on 29th August, 2011 have decided to reclassify the existing Authorized Share Capital of ₹14,00,00,000/- (Rupees Fourteen Crores only) divided into 1,40,00,000 Equity Shares of ₹10/- each to 75,00,000 Equity Shares of ₹10/- each aggregating to ₹7,50,00,000 and 6,50,000 Preference Shares of ₹100/-each aggregating to ₹6,50,00,000.

The aforesaid re-classification in the Authorized Share Capital of the Capital Clause of the Memorandum of Association of the Company and Capital Clause in the Articles of Association of the Company need to be amended. Hence, the Directors recommend the Ordinary Resolution under item no.7 and Special Resolution under item no.8 of the notice for approval of the Members.

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

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

Item No.9

The Board of Directors at their Meeting held on 29th August, 2011 have approved issue of Redeemable Non Convertible Cumulative Preference Shares for a sum not exceeding ₹6.5 crores (Rupees six crores and fifty lakhs only) to Promoters through Preferential basis to improve the Net Worth of the Company. In terms of Section 81 of the Companies Act, 1956 any increase in the issued capital of the company by allotment of further securities, such further securities shall be first offered to the existing share holders of the company in the manner laid down in Section 81 unless the Shareholders in the General Meeting decides otherwise. As the Preference Shares are proposed to be offered and issued on preferential basis to the Promoters, approval of Members in General Meeting by way of Special Resolution is required.

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

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

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

BY ORDER OF THE BOARD
For Rajvir Industries Limited

P. Surya Prakash
Company Secretary

Place : Secunderabad
Date : 29.08.2011

Directors' Report

To The Members

Your Directors have pleasure in presenting the Seventh Annual Report on the Business and Operations of the Company together with the Audited Accounts for the year ended 31st March, 2011

FINANCIAL RESULTS

(₹ in lakhs)

	2010-11	2009-10
1. Sales and Other Income	27583.35	20817.20
2. Profit Before Interest and Depreciation	5352.93	2722.91
3. Interest and Finance Charges	2162.28	1549.66
4. Depreciation	1121.72	708.71
5. Profit after Interest and Depreciation	2068.93	464.54
6. Provision for Taxation		
a) Current Tax	412.35	78.95
b) Deferred Tax	228.61	158.90
Profit after Tax	1427.97	226.69
Add/ Profit b/f from last year	2106.99	1993.22
	3534.96	2219.91
APPROPRIATIONS		
1. Transferred to Debenture Redemption Reserve	140.00	23.91
2. Transferred to General Reserve	143.00	18.00
3. Dividend	121.40	60.70
4. Dividend Tax	19.70	10.32
5. Surplus Carried Forward to Balance Sheet	3110.86	2106.99

OPERATIONS

During the year under review your Company achieved a turnover of ₹ 27,583.35 lakhs and Net Profit of ₹1, 427.97 lakhs as against turnover of ₹ 20,817.20 lakhs and Net Profit of ₹226.69 lakhs in the previous year.

DIVIDEND

Your Directors have recommended a dividend @ 40% (previous year

20%) on 30,34,997 Equity Shares on the Equity Shares of the Company for the year ended 31st March, 2011, which if approved at forthcoming Annual General Meeting will be paid to the Shareholders. The dividend payment will absorb a sum of ₹ 141.10 lakhs inclusive of tax on dividend.

CAPITAL EXPENDITURE

During the year under review, your Company has incurred a Capital Expenditure of ₹7.11 crores.

EXPORTS

During the year under review, your Company has achieved Exports Turnover of ₹61.28 crores as against ₹ 61.17 crores in the previous year.

DIRECTORS

In terms of the provisions of Section 255 and 256 of the Companies Act, 1956, and in terms of the Articles of Association of the company, Dr. Kankanala Jangi Reddy would retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

Brief profile of Dr. Kankanala Jangi Reddy, the nature of his expertise in specific functional areas and the number of Companies in which he holds Directorships and Memberships/Chairmanships of Committees of the Board, as stipulated under Clause 49 of the listing agreement with the stock exchanges have been provided under section "Corporate Governance" elsewhere in this Annual Report.

Directors Responsibility Statement:

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

- in the preparation of the Annual Accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed and there were no material departures;
- appropriate accounting policies had been applied consistently, judgment and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profits of the Company for the year;



iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and,

iv) the Annual Accounts have been prepared on a 'going concern' basis.

CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance with ethical corporate practices. As per the requirements of Listing Agreement with the Stock Exchanges, a Compliance Report for the year 2010-11 and Management Discussion and Analysis is annexed as part of the Annual Report along with the Auditor's certificate on its compliance.

AUDITORS

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

COST AUDITORS

The Cost Accounts maintained by the Company for the products manufactured are subject to yearly Audit by qualified Cost Auditors. Your Company has appointed Mr. P.Srinivas, as Cost Auditor for the year 2010-11 for conducting the Audit of Cost Accounts.

FIXED DEPOSITS

Your Company has not invited /accepted any deposits from the public within the meaning of Section 58 A of the Companies Act, 1956.

AUDIT COMMITTEE

Audit Committee consists of the following Directors:

- | | |
|--------------------------|--|
| 1) Sri Vijay Kumar Gupta | - Chairman, Non-Executive
& Independent |
|--------------------------|--|

2) Sri Shreedas Narayandas Daga	- Member, Non-Executive & Independent
---------------------------------	--

3) Dr Kankanala Jangi Reddy	- Member, Non-Executive & Independent
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ENVIRONMENT AND HUMAN RESOURCE DEVELOPMENT

Your Company takes utmost care to prevent and avoid any kind of Environment pollution and in this quest has built State of Art ETP Plant at its dyeing unit. We would like to place on record our appreciation for the efforts made by the Company and the keen interest taken by the employees of your Company in this regard.

AUDITORS' QUALIFICATIONS

No qualifications were made by the Auditors in their report on the Accounts for the year ended 31.03.2011.

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

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

PARTICULARS OF EMPLOYEES

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 given in Annexure II. The industrial relations were cordial at all units of the company.

ACKNOWLEDGEMENT

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

**On behalf of the Board of Directors
for Rajvir Industries Limited**

U.K. Agarwal

Chairman & Managing Director

Place : Secunderabad

Date : 29.08.2011

Annexure-I to the Directors' Report

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

A. CONSERVATION OF ENERGY

Energy conservation measures taken:

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

FORM – A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption	2010-11	2009-10
1. Electricity:		
a) Purchased		
Units (in lakhs of KWH)	639.38	626.49
Total Amount (₹ In lakhs)	2207.11	1902.86
Average Rate: (₹/Unit)	3.45	3.04
b) Own Generation:		
Through Diesel Generators		
Units (in lakhs of KWH)	4.27	2.89
Units per Litre of Diesel Oil	3.16	3.12
Average Cost: ₹ / Unit	12.40	11.43
2. Coal (₹ In lakhs)	7.26	3.31
3. Furnace Oil	-	-
4. Others	-	-
B. Consumption per Unit of Production		
Yarn Production (Kgs in lakhs)	123.09	122.02
Electricity (Units/Kg of Yarn)	5.23	5.15

B. TECHNOLOGY ABSORPTION

Efforts made in Technology absorption as per Form B

FORM B

Form of disclosure of Particulars with respect to technology absorption

A. RESEARCH AND DEVELOPMENT (R & D):

1. Specific areas in which R&D carried by the Company	The company is having R & D facility for introduction and development of value added products
2. Benefits derived as a result of the above R & D	New value added products were developed
3. Future Plan of Action	To further develop more value added products and improve the quality of the products.
4. Expenditure on R & D	Expenditure on in- house research and development has been shown under the respective heads of expenditure in the profit and loss account as no separate account is maintained



B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

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

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

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

Exports of the Company is ₹61.28 Crores as compared to ₹61.17 Crores during the previous year. The Company has exported its products to various countries like USA, Korea, Taiwan, Egypt, Turkey, Spain, Mauritius, South Africa, Bangladesh, Pakistan and other Countries. The Company is exploring new markets for its products.

b) Expenditure in Foreign Currency during the year on account of	2010-11 Amount (₹)	2009-10 Amount (₹)
i) Plant & Machinery (CIF Value)	64,91,298	69,88,700
ii) Raw Materials (CIF Value)	18,72,64,835	5,54,52,369
iii) Stores & Spares (CIF Value)	52,89,077	69,04,763
iv) Foreign Traveling	30,31,990	15,25,231
v) Export Commission	62,23,015	73,17,231
c) Earnings in Foreign Exchange: FOB Value of Exports	61,27,80,613	61,16,68,088

Annexure-II to the Directors' Report

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees Rules 1975) and forming part of the Director's Report for the year 2010-11

Name	Age	Qualification	Date of Employment	Designation	Remuneration (₹)	Experience	Last Employment
Sri. U K Agarwal	60	Graduate	01.04.2005	Chairman & Managing Director	32,80,024	29	M/s. Suryalakshmi Cotton Mills Limited
Sri Ritesh Kumar Agarwal	37	Graduation in Business Administration	01.04.2005	Executive Director	32,71,200	15	M/s. Suryalakshmi Cotton Mills Limited

Note: Remuneration as shown above includes Salary, Commission, Company's contribution to provident fund, reimbursement of medical expenses and other perquisites.

On behalf of the Board of Directors
for Rajvir Industries Limited

Place : Secunderabad
Date : 29.08.2011

U.K. Agarwal
Chairman & Managing Director



Management Discussion & Analysis

Industry overview

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

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

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

Indian Textile Industry – SWOT Analysis

Strengths

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

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

Opportunities

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

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

Risks and concerns

De-growth risk

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

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

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

Financial risk

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

Marketing risk

Ineffective marketing could dent the market share.

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

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



Internal control systems and their adequacy

The Company has adequate internal control procedures. The Internal Audit work is carried out by an independent Chartered Accountant appointed by the Management. The Internal Control Systems are regularly checked by the internal auditors who have access to all records and information of the Company. The Board and the management review the findings and recommendations of the auditors and take corrective actions wherever necessary.

Outlook

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

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

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

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

NOTE:

Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, etc. which are valid only at the time of making the statements. A variety of factors known/unknown expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions. Readers may therefore appreciate the context in which these statements are made before making use of the same.

Report on Corporate Governance

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to the highest standards of Corporate Governance in all its activities and processes. Corporate Governance is crucial for the very existence of the Company as it builds confidence in its investors and other Shareholders. Key elements of Corporate Governance are transparency, disclosure, supervision and internal controls, risk management, internal & external communications, high standard of safety, health, environment, accounting & service quality.

Your Company always believes that good Corporate Governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for its Shareholders. The Company continues to focus its resources, strengths & strategies to achieve its vision of becoming a truly global Company. The Company has also outlined the procedures & practices of Corporate Governance that are followed and steps taken to ensure transparency, accountability and integrity. We are committed to upgrade our system, processes and disclosure norms to achieve high standards of Corporate Governance.

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

2. BOARD OF DIRECTORS

- a. The composition of Board of Directors consists of two (2) Promoters Whole time Directors and three (3) Independent Non-Executive Directors. The number of Independent Directors is more than one-third of the total number of Directors. The number of Non-Executive Directors are more than 50% of total number of Directors.
- b. None of the Directors on the Board is a Member on more than ten (10) companies or Chairman of more than five (5) committees.
- c. During the year under review, five (5) Board Meetings were held on 29th May 2010, 10th August 2010, 11th November 2010, 14th February 2011 and 23rd March, 2011.
- d. The composition of the Board, attendance at Board Meetings (BM), Shareholders'/ Investors' Grievance Committee Meetings (SIGCM) and Audit Committee Meetings (ACM), held during the financial year under review and attendance at the last Annual General Meeting (AGM), number of Directorships and Memberships / Chairmanships in Public Limited Companies and Committees are given below:-

Name of the Director	Category	FY 2010-11 attendance at				No. of other Directorships in Public Companies	Committee Positions	
		BM	SIGCM	ACM	Last AGM held on 18.09. 2010		Member	Chairman
Upender Kumar Agarwal	Chairman Et Managing Director	4	-	-	YES	-	-	-
Ritesh Kumar Agarwal	Executive Director	5	-	-	YES	-	-	-
Vijay Kumar Gupta	Non-Executive Director	5	4	4	YES	1	-	-
Shreedas Narayandas Daga	Non-Executive Director	5	4	4	No	1	-	-
Dr Kankanala Jangi Reddy	Non-Executive Director	5	4	4	No	-	-	-



e. REAPPOINTMENT OF RETIRING DIRECTORS

As required by Clause 49 of the Listing Agreement on Corporate Governance particulars of the Directors being reappointed are provided hereunder.

PROFILE OF DIRECTORS RETIRING BY ROTATION

DR. KANKANALA JANGI REDDY

Dr. Kankanala Jangi Reddy, who was appointed as Director on the Board w.e.f. 31-10-2006 is highly qualified Medical Practitioner having vast experience in Medical field. Apart from his medical profession he is having good experience in Management and administration as he was a professor and Registrar in various Medical Colleges & hospitals in India as well as abroad. At present he is a professor in Orthopedics in SVS Medical College & a senior consultant in Orthopedics in Apollo Hospital Hyderabad.

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

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

3. AUDIT COMMITTEE

a. The Company constituted a qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges.

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

b) Composition, Name of Members and Chairperson

- | | |
|---------------------------------|---|
| 1) Sri Vijay Kumar Gupta | - Chairman, Non-Executive & Independent |
| 2) Sri Shreedas Narayandas Daga | - Member, Non-Executive & Independent |
| 3) Dr Kankanala Jangi Reddy | - Member, Non-Executive & Independent |

c) Meetings and attendance during the year

During the financial year March 31, 2011, four (4) Audit Committee Meetings were held on were held on 29th May 2010, 10th August 2010, 11th November, 2010 and 14th February 2011.

Name	No. of the Meetings attended
Sri Vijay Kumar Gupta	4
Sri Shreedas Narayandas Daga	4
Dr Kankanala Jangi Reddy	4

4. REMUNERATION COMMITTEE

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

b. Composition, Name of Members and Chairperson

- | | |
|---------------------------------|---|
| 1) Sri Vijay Kumar Gupta | - Chairman, Non-Executive & Independent |
| 2) Sri Shreedas Narayandas Daga | - Member, Non-Executive & Independent |
| 3) Dr Kankanala Jangi Reddy | - Member, Non-Executive & Independent |

c) Attendance during the year

The Remuneration Committee has not met during the year under review as there were no instances necessitating the meeting.

d) Remuneration policy

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

e) Details of remuneration to all the Directors for the year ended 31st March, 2011

Name of the Director	Designation	Salary (₹)	Commission (₹)	Perquisites (₹)	Total (₹)
Upender Kumar Agarwal	Managing Director	23,90,400	8,64,000	25,624	32,80,024
Ritesh Kumar Agarwal	Executive Director	23,90,400	8,64,000	16,800	32,71,200
Vijay Kumar Gupta	Director	-	-	-	-
Shreedas Narayandas Daga	Director	-	-	-	-
Dr Kankanala Jangi Reddy	Director	-	-	-	-

Sitting Fees

Names of Directors	Designation	Sitting Fees
Vijay Kumar Gupta	Non-Executive Director	18,000
Shreedas Narayandas Daga	Non-Executive Director	18,000
Dr Kankanala Jangi Reddy	Non-Executive Director	18,000

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

The details of Shares held by Non- Executive Directors as on 31.03.2011

S. No.	Name	No. of shares held
1.	Sri Vijay Kumar Gupta	-
2.	Sri Shreedas Narayandas Daga	-
3.	Dr Kankanala Jangi Reddy	-

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

a) Composition, Name of Members and Chairperson:

1) Sri Vijay Kumar Gupta	- Chairman, Non-Executive & Independent
2) Sri Shreedas Narayandas Daga	- Member, Non-Executive & Independent
3) Dr Kankanala Jangi Reddy	- Member, Non-Executive & Independent

b) Name and designation of Compliance Officer –

Mr P.Surya Prakash – Company Secretary

Shareholders/Investors Grievance Committee is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, Dividend payments, issue of duplicate share certificate, transmission of shares and miscellaneous complaints. During the year the Company has received seven (7) complaints from the shareholders and all of them were resolved satisfactorily. There were no pending investor complaints pertaining to the Financial Year ended 31st March, 2011.

6. GENERAL BODY MEETINGS

a. Date, Venue and Time, where last three Annual General Meetings were held:

Financial year ended	Date	Venue	Time
31st March, 2010	18.09.2010	Surana Udyog Hall, FAPCCI Premises, 11-6-841,Red Hills Hyderabad-500004	3.00 P.M
31st March, 2009	30.09.2009	Surana Udyog Hall, FAPCCI Premises, 11-6-841,Red Hills Hyderabad-500004	3.00 P.M
31st March, 2008	30.09.2008	Surana Udyog Hall, FAPCCI Premises, 11-6-841,Red Hills Hyderabad-500004	3.00 P.M

b) All Special Resolutions moved at the last three Annual General Meeting were passed by show of hand by the shareholders present at the meeting. The details of Special Resolution(s) passed at the last three Annual General Meetings are as follows:

In the Annual General Meeting held on 18th September, 2010:

- Alterations to Articles of Association for increase of Authorized Share Capital from ₹3,50,00,000/- (Rupees Three Crores Fifty Lakhs only) divided into 35,00,000 Equity Shares of ₹10/- each to ₹14,00,00,000/- (Rupees Fourteen Crores only) divided into 1,40,00,000 Equity shares of ₹ 10/- pursuant to Section 31(1) of the Companies Act, 1956.
- To keep the Registers, Returns, documents and papers relating to shares except copies of Annual Returns as prescribed under Section 163 of the Companies Act, 1956 at M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034 i.e. at a place other than the registered office of the Company.



Note:

- a. No Special Resolutions were passed at the Annual General Meeting's held on 30th September, 2008 and 30th September, 2009.
- b. No Special Resolution was passed through postal ballot last year.
- c. No Special Resolution is proposed to be conducted through postal ballot.

7. DISCLOSURES

(a) Disclosures on Materially Significant Related Party Transactions:

Besides the transactions mentioned elsewhere in the Annual Report (Note no.18 of Notes on Accounts under Schedule 22), there were no materially significant related party transactions during the year conflicting with the interest of the Company.

(b) Details of Non-compliance and Penalties:

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by any

Stock Exchanges, Securities and Exchange Board of India or any Statutory Authority relating to the Capital Markets.

(c) CEO/CFO Certification:

The Executive Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2011.

(d) Compliance Certificate:

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

(e) Code of Conduct

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

8. MEANS OF COMMUNICATIONS

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

9. GENERAL SHAREHOLDER INFORMATION

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

Date : 30.09.2011

Time : 3.30 p.m.

Venue : Hari Hara Kala Bhavan, S.P. Road, Patny Centre, Secunderabad – 500 003

b) **Financial Calendar Year:** 1st April, 2010 to 31st March, 2011

c) **Date of Book Closure:** 23.09.2011 to 30.09.2011 (both days inclusive)

d) **Dividend Payment Date:** within 30 days of declaration at AGM.

e) Listing on Stock Exchanges & Stock Code

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

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

The listing fees for the year 2011-2012 have been paid to The National Stock Exchange of India Limited and The Bombay Stock Exchange Limited.

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

Month	Bombay Stock Exchange (BSE) (in ₹ per share)		National Stock Exchange (NSE) (in ₹ per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2010	134.00	86.00	134.00	86.00
May 2010	119.60	96.00	123.00	96.50
June 2010	102.60	86.00	104.00	86.30
July 2010	140.00	94.05	140.80	96.05
August 2010	230.70	134.50	224.15	132.20
September 2010	214.40	187.00	219.90	180.10
October 2010	255.90	188.90	259.00	182.00
November 2010	295.50	202.65	294.65	181.00
December 2010	235.95	175.00	237.95	172.35
January 2011	247.95	157.00	245.00	156.00
February 2011	199.90	129.25	197.95	129.00
March 2011	175.50	140.10	165.00	140.00

g) **Address of Registrar and Share Transfer Agent:**

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

h) **Share Transfer System:**

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

i) **Shareholding pattern as on 31st March, 2011**

Particulars	No. of shares	% of holding
a) Promoters	2073859	68.33
b) Mutual Funds	700	0.02
c) Banks, Fls, & Insurance Companies	24907	0.82
d) Private Corporate Bodies	154501	5.09
e) Indian Public	766029	25.25
f) NRIs/OCBs	15001	0.49
Total	3034997	100.00

Distribution of shareholding as on 31st March, 2011

Nominal Value	Holders		Amount	
	Number	% to total	₹	% to total
Upto 5000	2267	90.07	1920320	6.33
5001 - 10000	92	3.66	672860	2.22
10001 - 20000	65	2.58	969800	3.20
20001 - 30000	24	0.95	588230	1.94
30001 - 40000	9	0.36	314240	1.04
40001 - 50000	10	0.40	465620	1.53
50001 - 100000	22	0.87	1625640	5.36
100001 & above	28	1.11	23793260	78.40
Total	2517	100.00	30349970	100.00
Physical Mode	552	51.59	15656380	51.59
Demat Mode	1965	48.41	14693590	48.41



j) Dematerialization of Shares and Liquidity:

The Company's shares are available for dematerialization on both the Depositories i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March, 2011, 14, 69,359 shares were dematerialized by Investors representing 48.41% of the Capital.

ISIN: INE011H01014

Address of Registrars for dematerialization of Shares:

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

k) Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion date and likely impact on Equity

Not applicable, as the Company has not issued any of the above instruments.

l) Plant Locations

Yarn Divisions

1. Gopannapally (Village), Tandur Mandal, Ranga Reddy District, Andhra Pradesh - 501141
2. Pillallamarri Road, Mahabubnagar District, Andhra Pradesh - 509 002

Dyeing Division

Edira Village, Mahabubnagar District,
Andhra Pradesh - 509 002

m) Address for correspondence:


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

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

ii) Any other queries:

The Company Secretary
Rajvir Industries Limited
1st Floor, Surya Towers, 105, S.P.Road, Secunderabad - 500 003
Phone No(s) - 040 - 66225555, 27845628, 27845650
Fax No - 040 - 27840656
e-mail:cs@rajvirindustrieslimited.com.

The above report has been approved by the Board of Directors in their meeting held on 30th May, 2011.



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

We, Ritesh Kumar Agarwal, Executive Director (Chief Executive Officer) and K. Ravi Kumar, Chief Financial Officer, of M/s Rajvir Industries Limited hereby certify to the Board that:

- a) We have reviewed the financial statement and the cash flow statements for the year ended 31st March, 2011 and certify that to the best of our knowledge and belief;
 - i. these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading; and
 - ii. these statements together present a true and fair view of the Company's Affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls in the Company and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies.
- d) We have indicated to the auditors and the Audit committee of:
 - (i) Significant changes in the internal control during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) There are no instances of significant fraud of which we have become aware.
- e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).
- f) We further declare that all Board Members and designated Senior Management have affirmed compliance with the Code of Conduct for the Current Year.

Ritesh Kumar Agarwal
Chief Executive Officer

K. Ravi Kumar
Chief Financial Officer

Place : Secunderabad
Date : 30.05.2011



Auditors Certificate on compliance of Corporate Governance

To
The Shareholders of
RAJVIR INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by RAJVIR INDUSTRIES LIMITED, for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of said Company with Stock Exchanges.

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

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

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

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

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

T.V. Subba Rao
Partner
Membership No.: 9636
Place: Hyderabad
Date : 30.05.2011

Financial section



Auditors' Report

To The Members of RAJVIR INDUSTRIES LTD.

1. We have audited the attached Balance Sheet of RAJVIR INDUSTRIES LTD. as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (and amended by The Companies (Auditor's Report) (Amendment) Order, 2004) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b. in our opinion, proper books of account as required by law have

been kept by the Company so far as appears from our examination of those books,

- c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account,
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956,
 - e. On the basis of written representations received from the directors, as on 31st March 2011, and taken on record by the Board of directors, we report that none of the directors of the company is disqualified as referred to in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956,
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies as appearing in schedule 21 and Notes on accounts as appearing in Schedule 22, more particularly Note No 3 with regard to credit balance of ₹4.44 Cr (Previous year ₹ 4.44 cr.) and Note No.12 regarding accounting treatment of Export benefits under DEPB Scheme amounting to ₹190.60 lakhs (Previous year 402.25 lakhs) gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the company for the year ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S.DAGA & CO.

Chartered Accountants
(F.No.000669S)

T.V. Subba Rao

Partner
Membership No.: 9636

Place: Hyderabad

Date : 30.05.2011



Annexure to Auditors' Report

Referred to in Paragraph 3 of our Report of even date:

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b) As explained to us, the management has physically verified most of the fixed assets during the period and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. No material discrepancies were noticed on such verification.
c) The company has not disposed off any substantial fixed assets which effect the going concern status of the Company.
2. a) As explained to us, inventories have been physically verified by management at reasonable intervals during the period. In our opinion, the frequency of such verification is reasonable.
b) As per the information given to us, the procedure of physical verification of inventory followed by management are, in our opinion, reasonable and adequate in relation to the size of the company and nature of its business.
c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a) The Company had not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
b) In view of our comment in paragraph 3(a) above, (b), (c) & (d) of the aforesaid order are not applicable to the Company.
c) During the period, the Company had taken unsecured loans from nine parties covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved during the period was ₹1076.58 lakhs (Previous year ₹ 1055.63 Lakhs) and the year end balance is ₹991.34 Lakhs (Previous year ₹ 871.53 Lakhs)
d) In our opinion the rate of interest and other terms and conditions on which loans have been taken from the other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 in respect of any party during the period, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sec.58A, 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the Rules made there under.
7. On the basis of internal audit reports broadly reviewed by us, we are of the opinion that the internal audit work carried out by an independent Chartered Accountant appointed by management is commensurate with the size of the company and nature of business.
8. In our opinion and according to the information and explanations given to us, prima facie, the company has made and maintained accounts and records as prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.
9. a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and other material statutory dues applicable to it.



- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March 2011 for a period of more than six months from the date they became payable.
10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. As per the information and explanation given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were raised.
17. Based on information and explanations given to us and on an overall examination of Balance Sheet of the Company, in our opinion, funds raised on a long term basis have not been used for short term investment.
18. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures during the year..
20. According to the information and explanations given to us, the Company has not raised money by public issues during the period.
21. According to the information and explanations given to us, no fraud on or by the company had been noticed or reported during the course of our audit.

For S.DAGA & CO.

Chartered Accountants
(F.No.000669S)

T.V. Subba Rao

Partner
Membership No.: 9636

Place: Hyderabad
Date : 30.05.2011

Balance Sheet as at 31st March, 2011

	Schedule	As at 31.03.2011		As at 31.03.2010	
		₹	₹	₹	₹
SOURCES OF FUNDS:					
Shareholders' Funds					
Share Capital	1	3,03,49,970		3,03,49,970	
Reserves and Surplus	2	50,76,40,434		38,17,69,006	
			53,79,90,404		41,21,18,976
Loan Funds					
Secured Loans	3	1,78,94,13,714		1,87,34,73,343	
Unsecured Loans	4	21,85,06,658		19,93,23,837	
			2,00,79,20,372		2,07,27,97,180
Deferred Tax Liability (Net)	5		13,85,58,926		11,56,97,796
TOTAL			2,68,44,69,702		2,60,06,13,952
APPLICATION OF FUNDS:					
Fixed Assets					
Gross Block	6	2,48,97,50,994		2,41,93,86,150	
Less : Depreciation		68,54,06,859		57,07,58,899	
Net Block		1,80,43,44,135		1,84,86,27,251	
Add : Capital Work in Progress		1,17,27,162		2,06,20,197	
			1,81,60,71,297		1,86,92,47,448
Current Assets, Loans and Advances					
Inventories	7	98,44,24,801		70,39,20,988	
Sundry Debtors	8	19,51,15,976		16,54,79,530	
Cash and Bank Balances	9	5,41,43,817		2,94,94,909	
Loans and Advances	10	24,03,85,065		19,66,85,958	
		1,47,40,69,659		1,09,55,81,385	
Less : Current Liabilities and Provisions	11	60,56,71,254		36,42,14,881	
Net Current Assets			86,83,98,405		73,13,66,504
TOTAL			2,68,44,69,702		2,60,06,13,952
Significant Accounting Policies	21				
Notes on Accounts	22				

The schedules referred to above form an integral part of Profit and Loss Account

As per our report of even date

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

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

Place: Secunderabad
Date: 30th May, 2011

K. Ravi Kumar
Chief Financial Officer

P. Surya Prakash
Company Secretary

for and on behalf of the Board

U. K. Agarwal
Chairman & Managing Director

Ritesh K Agarwal
Executive Director



Profit and Loss Account for the year ended 31st March, 2011

	Schedule	Year ended 31.03.2011		Year ended 31.03.2010	
		₹	₹	₹	₹
INCOME					
Gross Sales/Income from operations	12		2,72,02,63,225		2,03,21,48,897
Increase /(Decrease) in stocks	20		3,11,24,118		(3,26,64,850)
Other Income	13		3,80,71,593		4,95,71,398
TOTAL			2,78,94,58,936		2,04,90,55,445
EXPENDITURE					
Raw Materials Consumed	14		1,56,82,04,206		1,18,82,73,767
Purchase of Cotton - Trading			-		28,09,239
Other Manufacturing Expenses			83,95,301		2,27,41,042
Chemicals,Stores & Packing materials consumed	15		7,84,10,552		7,15,28,201
Power and Fuel	16		22,67,38,398		19,39,19,389
Payments to & provisions for Employees	17		18,83,45,500		14,43,77,672
Administrative expenses	18		17,75,20,307		14,72,38,142
Interest & Finance Charges	19		21,62,28,404		15,49,66,347
Managerial Remuneration			65,51,224		58,76,566
Depreciation	6	114988284		73686615	
Less: Tfr from revaluation reserve		2816217	11,21,72,067	2816217	7,08,70,398
TOTAL			2,58,25,65,959		2,00,26,00,763
Profit before tax			20,68,92,977		4,64,54,682
Provision for taxation					
Corporate Tax			4,12,34,805		78,95,000
Deferred Tax			2,28,61,130		1,58,90,306
Profit after tax			14,27,97,042		2,26,69,376
Add: Profit brought forward from last year			21,06,98,572		19,93,21,905
			35,34,95,614		22,19,91,281
APPROPRIATIONS					
Proposed Dividend			1,21,39,988		60,69,994
Tax on Dividend			19,69,410		10,31,595
Debenture Redemption Reserve			1,40,00,000		23,91,120
Transfer to General Reserve			1,43,00,000		18,00,000
Balance carried to Balance Sheet			31,10,86,216		21,06,98,572
TOTAL			35,34,95,614		22,19,91,281
Earnings per share (Face value ₹10) (Basic and diluted)			47.05		7.47
Significant Accounting Policies	21				
Notes on Accounts	22				

The schedules referred to above form an integral part of Profit and Loss Account

As per our report of even date

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

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

Place: Secunderabad
Date: 30th May, 2011

K. Ravi Kumar
Chief Financial Officer

P. Surya Prakash
Company Secretary

for and on behalf of the Board

U. K. Agarwal
Chairman & Managing Director

Ritesh K Agarwal
Executive Director

Schedules annexed to and forming part of accounts

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE - 1		
SHARE CAPITAL		
Authorised:		
1,40,00,000 Equity Shares of ₹10/- each (Previous year 35,00,000 Equity sharea of ₹10/- each)	14,00,00,000	3,50,00,000
	14,00,00,000	3,50,00,000
Issued,Subscribed and Paid up:		
30,34,997(Previous year 30,34,997) Equity Shares of ₹10/- each fully paid. [51500 (Previous year 51500) Equity shares of ₹ 10 each issued for cash and 2983497 (Previous year 2983497) Equity shares of 10 each issued for consideration other than cash]	3,03,49,970	3,03,49,970
	3,03,49,970	3,03,49,970

	As at 01.04.2010 ₹	Additions ₹	Deductions/Adjustments ₹	As at 31.03.2011 ₹
SCHEDULE - 2				
RESERVES & SURPLUS				
Debenture Redemption Reserve	7,13,57,144	1,40,00,000	-	8,53,57,144
	(6,89,66,024)	(23,91,120)	-	(7,13,57,144)
Revaluation Reserve	54,53,881	-	28,16,217	26,37,664
	(82,70,098)	-	(28,16,217)	(54,53,881)
Capital Reserve	46,75,703	-	-	46,75,703
	(25,39,503)	(21,36,200)	-	(46,75,703)
General Reserve	8,95,83,706	1,43,00,000	-	10,38,83,706
	(8,77,83,706)	(18,00,000)	-	(8,95,83,706)
Balance as per Profit & Loss Account	21,06,98,572	31,10,86,216	21,06,98,572	31,10,86,216
	(19,93,21,905)	(21,06,98,572)	(19,93,21,905)	(21,06,98,572)
	38,17,69,006	33,93,86,217	21,35,14,789	50,76,40,434
	(36,68,81,236)	(21,70,25,892)	(20,21,38,122)	(38,17,69,006)

Notes: Previous year's figures are given in brackets.



Schedules annexed to and forming part of accounts

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE - 3		
SECURED LOANS		
Debentures		
9.00%, 146429 (Previous year 286429) Secured Redeemable Non-Convertible Debentures of ₹100/- each	1,46,42,856	2,86,42,856
Term Loans		
Industrial Development Bank of India - I		46,72,000
Industrial Development Bank of India -II	1,32,00,000	1,92,00,000
State Bank of Hyderabad	12,98,00,040	15,87,50,040
ICICI Bank Limited	5,77,15,487	6,54,10,887
State Bank of Bikaner Et Jaipur	10,13,20,680	11,99,20,680
State Bank of Mysore	2,50,00,000	5,00,00,000
Axis Bank Limited	45,97,88,110	53,15,18,110
Central Bank of India	12,18,75,000	15,00,00,000
State Bank of India	3,72,32,000	4,83,79,738
	94,59,31,317	1,14,78,51,455
Working Capital Loans		
State Bank of India	38,18,74,803	42,03,37,183
State Bank of Hyderabad	12,78,91,406	15,16,31,368
State Bank of Mysore	12,33,21,843	63,30,88,052
		12,23,55,378
		69,43,23,929
Pledge Loan		
Industrial Development Bank of India	19,00,00,000	-
	1,78,36,62,225	1,87,08,18,240
Car Loans from Banks		
	57,51,489	26,55,103
	1,78,94,13,714	1,87,34,73,343

Notes:

- The 9% Redeemable, Non convertible debentures are secured by mortgage of present and future movable and immovable properties of the company situated at Mahaboobnagar unit on pari-passu basis and guaranteed by one director of the Company. The Debentures are redeemable in ten quarterly instalments starting from 1st January, 2010 onwards as per reschedulement permitted by IDBI Bank.
- Industrial Development Bank of India Limited and State Bank of India term loans are secured by mortgage of present and future movable & immovable assets of the company situated at mahaboobnagar unit on pari passu basis and guaranteed by one director of the company.
- State Bank of Hyderabad and State Bank of Bikaner Et Jaipur term loans are secured by mortgage of present and future movable & immovable assets of the company situated at tandur unit on pari passu basis and guaranteed by one director of the company.
- Term loans from Axis Bank Ltd. are secured by mortgage of present and future movable & immovable assets of the company situated at tandur unit on pari passu basis and second paripassu charge on entire fixed assets of Mahaboobnagar unit of the company, present and future and guaranteed by two directors of the company.
- Term Loan of ICICI Bank Ltd., (formerly The Bank of Rajasthan Ltd.) is secured on paripassu basis by Factory land and Buildings of Mahaboobnagar unit present and future, and factory land and buildings of dyeing Plant at Yedira Village of Mahaboobnagar district and second paripassu charge on fixed assets of Tandur Unit.
- Corporate loan from State Bank of Hyderabad is secured by extension of pari passu first charge on all chargeable current assets and second charge on the fixed assets at Mahaboobnagar and Tandur on pari passu basis alongwith other working capital loans and personal guarantee of two directors.
- Corporate loan from State Bank of Mysore is secured by extension of pari passu first charge on all chargeable current assets and second charge on the fixed assets at Mahaboobnagar and Tandur on pari passu basis alongwith other working capital loans and personal guarantee of two directors.
- Working capital term loan from Central Bank of India is secured by paripassu second charge on fixed assets of Tandur unit and personal guarantee of two directors. Pari passu second charge on fixed assets of Mahbubnagar unit was registered on 26-04-2011.
- All Working Capital loans, are secured by hypothecation of stocks of raw materials, yarn, stock-in-process, stores and spares, book debts and Second Charge on the present and future immovable properties of the company on pari-passu basis and further guaranteed by two directors of the company.
- Loan from IDBI Bank is secured by pledge of stocks of Cotton and guaranteed by two directors of the company.
- Car loans are secured by hypothecation of respective assets and guaranteed by one director of the company.

Schedules annexed to and forming part of accounts

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE - 4		
UNSECURED LOANS		
a) From Directors	6,58,36,511	5,77,95,442
b) From Others	14,80,42,378	13,36,75,197
c) Interest accrued and due	46,27,769	78,53,198
	21,85,06,658	19,93,23,837
SCHEDULE - 5		
DEFERRED TAX		
Deferred Tax Liabilities		
Depreciation	13,92,64,592	11,58,66,305
On Others	25,54,032	25,04,804
	14,18,18,624	11,83,71,109
Deferred tax Assets		
On Others	32,59,698	26,73,313
	32,59,698	26,73,313
Deferred Tax Liabilities (Net)	13,85,58,926	11,56,97,796

SCHEDULE - 6 FIXED ASSETS

Description of the Asset	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 01.04.2010 ₹	Additions ₹	Deductions ₹	As at 31.03.2011 ₹	Upto 31.03.2010 ₹	For the year ₹	Deductions ₹	Upto 31.03.2011 ₹	As at 31.03.2011 ₹	As at 31.03.2010 ₹
LAND	1,45,83,774	2,04,000	-	1,47,87,774	-	-	-	-	1,47,87,774	1,45,83,774
FACTORY BUILDINGS	39,89,78,045	30,77,345	-	40,20,55,390	3,99,94,225	1,33,34,196	-	5,33,28,421	34,87,26,969	35,89,83,820
NON-FACTORY BUILDINGS	8,14,00,841	2,47,80,225	-	10,61,81,066	59,13,887	13,30,243	-	72,44,130	9,89,36,936	7,54,86,954
TOWN SHIP	1,69,09,148	-	-	1,69,09,148	27,01,082	2,75,619	-	29,76,701	1,39,32,447	1,42,08,066
WORK SHOP EQUIPMENT	1,28,391	-	-	1,28,391	1,17,755	299	-	1,18,054	10,337	10,636
PLANT AND MACHINERY	1,68,96,99,149	3,20,61,084	-	1,72,17,60,233	43,60,30,145	8,80,54,621	-	52,40,84,766	1,19,76,75,467	1,25,36,69,004
TESTING EQUIPMENT	1,05,14,802	4,10,568	-	1,09,25,370	17,91,528	5,05,978	-	22,97,506	86,27,864	87,23,274
ELECTRICAL INSTALATIONS	11,82,60,168	25,56,184	-	12,08,16,352	2,29,96,053	54,66,611	-	2,84,62,664	9,23,53,688	9,52,64,115
WEIGHING MACHINES	16,64,785	27,127	-	16,91,912	5,69,846	76,969	-	6,46,815	10,45,097	10,94,939
WATER WORKS	16,70,618	-	-	16,70,618	3,62,882	27,231	-	3,90,113	12,80,505	13,07,736
FURNITURE & FIXTURES	49,08,970	99,417	-	50,08,387	22,11,404	3,07,884	-	25,19,288	24,89,099	26,97,566
OFFICE EQUIPMENTS	46,63,453	9,51,665	-	56,15,118	16,41,464	3,28,534	-	19,69,998	36,45,120	30,21,989
VEHICLES	1,82,72,770	61,21,363	7,61,308	2,36,32,825	55,93,958	18,47,886	3,40,324	71,01,520	1,65,31,305	1,26,78,812
DATA PROCESSING EQPT	43,93,794	8,37,174	-	52,30,968	29,51,109	6,15,996	-	35,67,105	16,63,863	14,42,685
REVALUED PLANT & MACHINERY	5,33,37,442	-	-	5,33,37,442	4,78,83,561	28,16,217	-	5,06,99,778	26,37,664	54,53,881
	2,41,93,86,150	7,11,26,152	7,61,308	2,48,97,50,994	57,07,58,899	11,49,88,284	3,40,324	68,54,06,859	1,80,43,44,135	1,84,86,27,252
Capital Work in Progress	2,06,20,197	6,22,33,117	7,11,26,152	1,17,27,162	-	-	-	-	1,17,27,162	2,06,20,197
Total	2,44,00,06,347	13,33,59,269	7,18,87,460	2,50,14,78,156	57,07,58,899	11,49,88,284	3,40,324	68,54,06,859	1,81,60,71,297	1,86,92,47,449
Previous year	2,29,96,25,044	1,00,34,70,104	86,30,88,801	2,44,00,06,347	49,76,79,990	7,36,86,615	6,07,706	57,07,58,899	1,86,92,47,448	1,80,19,45,054



Schedules annexed to and forming part of accounts

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE - 7		
INVENTORIES		
Rawmaterials	25,02,79,480	23,90,19,863
Rawmaterials - (with third Party)	22,66,00,431	-
Stores and Spares	5,87,38,192	4,72,18,545
Finished Goods	34,77,02,982	34,26,38,249
Stock-in-process	10,03,66,636	7,47,71,019
Cotton Waste	7,37,080	2,73,312
	98,44,24,801	70,39,20,988
SCHEDULE - 8		
SUNDRY DEBTORS (Unsecured, considred good)		
Exceeding six months	46,24,076	50,35,798
Others	19,04,91,900	16,04,43,732
	19,51,15,976	16,54,79,530
SCHEDULE - 9		
CASH AND BANK BALANCES		
Cash On hand	30,61,953	23,40,033
Balances with Scheduled banks		
Current Accounts	16,79,706	4,09,615
Margin Money Accounts	2,02,68,741	1,83,72,032
Dividend Accounts	6,28,496	5,56,254
Deposit with Schedule Bank	90,00,000	-
Deposit with Schedule Bank (Under lien)	1,95,04,921	78,16,975
	5,41,43,817	2,94,94,909
SCHEDULE - 10		
LOANS AND ADVANCES (Unsecured considered good)		
Advances receivable in cash or in kind or for value to be received	10,70,57,451	9,03,41,215
Advances for Purchases	4,43,28,089	3,17,10,992
Deposits - With Government	3,49,44,792	3,33,04,081
- With others	2,24,91,556	2,24,81,247
Advance tax & TDS	3,15,63,177	1,88,48,423
	24,03,85,065	19,66,85,958

Schedules annexed to and forming part of accounts

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE - 11		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors for goods	31,95,66,951	15,09,51,001
Creditors for expenses	11,62,53,923	9,05,07,070
Creditors for others	5,04,65,456	4,75,29,046
Unclaimed Dividend *	6,28,496	5,56,254
Advances received against sales	3,60,90,637	2,99,85,768
Interest Accrued but not due on Term Loans	1,23,98,013	1,35,03,028
	53,54,03,476	33,30,32,167
B. PROVISIONS		
Provision for Corporate Tax	5,17,90,057	2,01,32,649
Provision for Fringe Benefit Tax	14,03,230	14,03,230
Provision for Corporate Dividend Tax	19,69,410	10,31,595
Provision for Gratuity	28,94,135	24,76,769
Provision for Leave Encashment	70,958	68,477
Proposed Dividend	1,21,39,988	60,69,994
	7,02,67,778	3,11,82,714
Total : A + B	60,56,71,254	36,42,14,881
* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.		
	Year ended 31.03.2011 ₹	Year ended 31.03.2010 ₹
SCHEDULE - 12		
SALES/INCOME FROM OPERATIONS		
Yarn	2,62,63,49,883	1,95,34,42,970
Waste	9,39,13,342	7,48,39,581
Traded Goods - Cotton	-	38,66,346
	2,72,02,63,225	2,03,21,48,897
SCHEDULE - 13		
OTHER INCOME		
Interest (TDS ₹ 5,23,626/- Previous year ₹ 4,45,575/-)	55,22,150	42,46,143
Profit on sale of assets	-	5,98,634
Insurance Claims (Net)	-	7,03,464
Export Benefits	1,90,60,572	4,02,25,112
Jobwork Charges Received	66,19,658	17,54,940
Foreign Exchange fluctuations	51,84,144	-
Miscellaneous Receipts	16,85,069	20,43,105
	3,80,71,593	4,95,71,398
SCHEDULE - 14		
CONSUMPTION OF RAW MATERIALS		
Opening Stocks	23,90,19,863	8,87,33,835
Add : Purchases	1,57,94,63,823	1,33,85,59,795
	1,81,84,83,686	1,42,72,93,630
Less : Closing Stocks	25,02,79,480	23,90,19,863
Raw Materials consumed	1,56,82,04,206	1,18,82,73,767



Schedules annexed to and forming part of accounts

	Year ended 31.03.2011 ₹	Year ended 31.03.2010 ₹
SCHEDULE - 15		
CHEMICALS, STORES & PACKING MATERIAL CONSUMED		
Stores & spares	3,72,74,709	2,71,04,970
Dyes & Chemicals	1,31,79,206	1,85,40,241
Packing Material	2,79,56,637	2,58,82,990
	7,84,10,552	7,15,28,201
SCHEDULE - 16		
POWER & FUEL		
Electricity Charges	22,60,12,629	19,35,88,932
Fuel	7,25,769	3,30,457
	22,67,38,398	19,39,19,389
SCHEDULE - 17		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Bonus	16,34,39,744	12,13,32,606
Contribution to Provident Fund & other funds	78,91,346	69,68,982
Gratuity and Leave encashment	25,58,937	27,03,939
Staff & Workmen welfare	1,44,55,473	1,33,72,145
	18,83,45,500	14,43,77,672
SCHEDULE - 18		
ADMINISTRATIVE EXPENSES		
Rent	30,56,657	22,44,186
Security Charges	37,89,566	32,62,886
Rates & Taxes	45,37,023	38,07,845
Printing & Stationery	14,19,866	14,30,901
Postage, Telegrams & Telephones	23,47,677	26,28,661
Travelling & Conveyance	1,16,15,877	82,95,161
Directors' Sitting fees	54,000	44,000
Advertisements	5,02,630	2,38,366
Foreign Exchange Fluctuations	-	29,88,659
Commission & Expenses on Sales	8,93,96,247	7,79,53,812
Insurance	75,70,723	57,06,700
Auditors' Remuneration	5,34,912	3,53,875
Legal & Professional Charges	35,52,968	28,02,896
Repairs to : Buildings	15,63,647	9,54,933
: Machinery	2,35,51,706	1,66,17,864
: Other Assets	43,14,457	38,21,705
Loss on sale of Fixed Assets	2,07,184	8,203
Vehicle Maintenance	33,47,973	26,48,235
Miscellaneous Expenses	1,55,14,094	1,11,02,248
Investments Written off	-	98,000
Donations	6,43,100	2,29,006
	17,75,20,307	14,72,38,142

Schedules annexed to and forming part of accounts

		Year ended 31.03.2011 ₹		Year ended 31.03.2010 ₹
SCHEDULE - 19				
INTEREST & FINANCE CHARGES				
On Debentures		22,59,431		30,82,168
On Term Loans	14,58,86,437		14,59,20,577	
Less: Interest subsidy under TUF	2,99,15,147		3,54,42,178	
Less: Borrowing Cost Charged to Fixed Assets	-	11,59,71,290	5,43,61,422	5,61,16,977
To Banks		7,31,55,428		6,84,70,984
To Others		1,22,94,987		1,29,39,514
Bank charges		1,25,47,268		1,43,56,704
		21,62,28,404		15,49,66,347
SCHEDULE - 20				
INCREASE/(DECREASE) IN STOCKS				
Opening Stocks				
Yarn	34,26,38,249		36,45,65,281	
Work-in-process	7,47,71,019		8,55,77,191	
Cotton Waste	2,73,312	41,76,82,580	2,04,958	45,03,47,430
Closing Stocks				
Yarn	34,77,02,982		34,26,38,249	
Work-in-process	10,03,66,636		7,47,71,019	
Cotton Waste	7,37,080	44,88,06,698	2,73,312	41,76,82,580
Increase/(Decrease) in stocks		3,11,24,118		(3,26,64,850)



Cash Flow Statement for the year ended 31st March, 2011

Particulars	For the year ended 31.03.2011		For the year ended 31.03.2010	
	₹	₹	₹	₹
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Net profit before tax & extraordinary items		20,68,92,977		4,64,54,682
Add: Depreciation	11,21,72,067		7,08,70,398	
Interest & Finance charges	21,62,28,404		15,49,66,347	
(Profit)/Loss on sale of fixed assets (net)	2,07,184		(5,90,431)	
Investments written off	-	32,86,07,655	(98,000)	22,51,48,314
Operating profit before working capital changes		53,55,00,632		27,16,02,996
Adjustments for working capital changes				
Sundry debtors	(2,96,36,446)		(15,11,381)	
Current liabilities	20,34,02,904		(1,42,93,424)	
Inventories	(28,05,03,813)		(11,95,31,961)	
Loans & Advances	(4,08,65,430)		3,01,88,080	
Tax provisions	1,14,14,104	(13,61,88,681)	(58,17,610)	(11,09,66,296)
Cash generated from Operations		39,93,11,951		16,06,36,700
Less: Interest & Finance charges		21,62,28,404		15,49,66,347
CASH FLOW BEFORE EXTRAORDINARY ITEMS		18,30,83,547		56,70,353
Add: Extra ordinary items: Capital reserve		-		-
CASH FLOW FROM OPERATING ACTIVITIES		18,30,83,547		56,70,353
B. CASH FLOW FROM INVESTING ACTIVITIES				
Inflow: Sale of fixed assets		5,54,124		28,42,500
Outflow: Acquisition of fixed assets		6,14,71,809		14,32,23,803
		(6,09,17,685)		(14,03,81,303)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Inflow: Term loans received		-	70,56,020	
Increase in bank borrowings	(6,12,35,877)		7,53,56,241	
Increase in Pledge Loans	19,00,00,000		-	
Hire purchase loan	49,05,118		12,56,000	
Unsecured Loans	1,91,82,821		(4,23,277)	
Corporate loans		15,28,52,062	17,12,50,000	25,44,94,984
Outflow: Repayment of term loans	20,19,20,138		10,80,99,705	
Repayment of NCDs	1,40,00,000		35,00,000	
Corporate Taxes	1,76,98,052		29,71,363	
Dividend Tax	10,31,595		10,31,595	
Dividends	60,69,994		60,69,994	
Hire Purchase Loans Repaid	18,32,263	24,25,52,042	-	12,16,72,657
NET CASH FROM FINANCING ACTIVITIES		(8,96,99,979)		13,28,22,327
NET INCREASE IN CASH/CASH EQUIVALENTS (A+B+C)		3,24,65,883		(18,88,624)
ADD: Cash/Cash Equivalents at the beginning of the year		2,16,77,934		2,35,66,558
Cash/Cash Equivalents at the closing of the year		5,41,43,817		2,16,77,934

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

As per our report of even date

for and on behalf of the Board

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

K. Ravi Kumar
Chief Financial Officer


U. K. Agarwal
Chairman & Managing Director

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

P. Surya Prakash
Company Secretary

Ritesh K Agarwal
Executive Director

Place: Secunderabad
Date: 30th May, 2011



Notes

forming part of the accounts

SCHEDULE – 21

1. SIGNIFICANT ACCOUNTING POLICIES:

i. Basis for Preparation of Accounts:

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

ii. Revenue Recognition:

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

iii. Expenditure:

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

iv. Fixed Assets:

- 1) Fixed assets are stated at cost less accumulated depreciation and impairment loss if any, except for Plant & Machinery and other equipment which were revalued on 31.03.1993 and shown as a separate item.
- 2) Depreciation has been provided on assets on Straight Line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- 3) Depreciation on revalued part is transferred from Revaluation Reserve to Profit & Loss account.
- 4) All costs, including financing costs till commencement of commercial production, net charges on Foreign exchange contracts and adjustments arising from exchange rate variations attributable to fixed assets are capitalized.

v. Inventories:

Inventories are valued as follows:

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

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

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

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

vi. Employee Benefits:

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

i) Defined contribution schemes:

- a) Employee Provident Fund
- b) Family Pension Scheme
- c) Employee State Insurance Scheme
- d) Labour Welfare Fund

ii) Defined benefit Schemes:

- a) Gratuity plan – Gratuity is payable to all eligible employees of the company in terms of the provisions of the Payment of Gratuity Act.
- b) Leave Encashment Plan – Eligible employees can carry forward and encash leave on superannuation death/ resignation subject to maximum accumulation of 15 days.

vii. Foreign Exchange Transactions:

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



liabilities relating to Foreign currency transactions remaining unsettled at the end of the year are translated at the year end rate and the difference in translation and realized gains and losses on Foreign exchange transactions (other than for fixed assets) are recognized in the profit and loss account.

- b) Pursuant to adoption of the Companies (Accounting Standards) Rules, 2006 exchange differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed assets are recognized in the profit and loss account.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognized as Revenue.
- d) In case of forward contracts, the exchange difference between the forward rate and the exchange rate at the date of transaction is recognized as income or expense over the life of the contract.

viii. Derivative transactions

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

ix. Taxes on Income

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

Deferred Tax assets and liabilities are recognized on timing differences between taxable income and accounting income, originating in one period and expected to reverse in subsequent periods.

The Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date.

x. Borrowing Costs:

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

xi. Government Grants:

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

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

xii. Deferred Revenue Expenditure:

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

xiii. Segment Reporting:

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

xiv. Leases:

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

xv. Impairment of Assets:

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

xvi. Provisions/Contingent Liabilities:

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

Notes forming part of the accounts

SCHEDULE – 22

NOTES ON ACCOUNTS

	31.03.2011 ₹ in Lacs	31.03.2010 ₹ in Lacs
1) Contingent Liabilities not provided for:		
a) Bank Guarantees	1.97	11.97
b) In respect of Bills Discounted & outstanding	831.64	2512.28
c) In respect of suits filed but not acknowledged as debt	26.80	26.80
2) Capital commitments		
For the amounts of Contracts remaining to be executed	9.94	20.30
3) The Company has disputed the amount payable to M/s Surya Lakshmi Cotton Mills Limited on account of demerger and consequential transactions. M/s Surya Lakshmi Cotton Mills Limited has filed recovery suit for ₹ 444.16 lacs plus interest which the company has disputed and filed a counter claim for ₹ 700.00 lacs. The Company has also initiated other legal proceedings against the aforesaid company for recovery of Various Benefits, Refunds and other Dues, which are pending before the Judicial Authorities. The Company expects no further liability.	–	–
4) The revaluation of Plant & Machinery and other equipment was carried out by an approved valuer in March 1993 resulted in increase in the gross value of assets by ₹53337442. The same was adopted on 31.03.1993, in fixed assets schedule by creating revaluation reserve to that extent. The depreciation on revalued assets for the period adjusted against the revaluation reserve.	28.16	28.16
5) The capital subsidy received under TUFS (The Ministry of Textiles, Govt. of India) has been credited to Capital Reserve, which is subject to certain stipulations under the scheme.	46.76	46.76
6) Auditors Remuneration includes:		
Statutory Audit	2.25	2.25
Tax Audit	0.40	0.40
Certification & others	2.51	0.78
Reimbursement of Expenses	0.18	0.11
	5.34	3.54
7) Instalments of Term Loans and Debentures due within the next 12 month period payable to:	2,533.61	2,299.36
8) Other Loans and Advances under Schedule 4 includes:		
(i) Sales Tax Deferment Liability which is due for repayment from the year 2011		
At the end of year	925.88	943.17
(ii) Insurance claim receivable	71.15	171.15
9) Current Assets and Loans and Advances: In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known liabilities are adequate and not in excess of the amounts considered reasonably necessary.	–	–
10) Confirmations from debtors & creditors are subject to confirmation and reconciliation		
11) Travelling & Conveyance includes Directors travelling	45.29	31.95
12) EXPORT BENEFITS:		
The export benefits are accounted for on accrual basis on exports made during the year as incentives under Duty Entitlement Pass Book are as under :		
a) For the year	190.60	402.25
b) At the end of the year	66.41	166.74



Notes forming part of the accounts

SCHEDULE – 22 (contd.)

13) Disclosure in accordance with section 22 of Micro, Small and Medium Enterprises Development Act, 2006

Sl. No.	Particulars	31.03.2011 ₹ in Lacs	31.03.2010 ₹ in Lacs
a.	Principal amount remaining unpaid and interest due thereon	Nil	Nil
b.	Interest paid in term of Section 16	Nil	Nil
c.	Interest due and payable for the period of delay in payment	Nil	Nil
d.	Interest accrued and remaining unpaid	Nil	Nil
e.	Interest due and payable even in succeeding years	Nil	Nil
	The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.		
14)	The operations of the company predominantly comprises of "Manufacturing of yarn". These activities constitute the Primary segment. Secondary segmental reporting is made on the basis of geographical location of the customers. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. The company's major exports are made in four principal geographical areas in the World. In India, its home country, the company carries out manufacturing of Yarn and Trading of raw cotton. The following table to shows the distribution of the company's turnover by geographical locations.		
	SECONDARY (GEOGRAPHICAL) SEGMENTS		
	Revenue attributable to location of customers:		
	India	20,951.58	14,233.18
	Asia	3,130.45	4,462.23
	Europe	2,333.63	1,101.38
	South Africa	438.39	291.10
	Rest of the world	348.58	233.60
		27,202.63	20,321.49

		Year ended 2010-11 ₹ in Lacs	Year ended 2009-10 ₹ in Lacs
15)	Employee Benefits: The assumptions and other disclosures relating to the Actuarial valuation of gratuity and leave encashment are as under: Gratuity:		
a)	Change in Present value of obligation		
	Present value of obligation at beginning of period	24.77	15.05
	Interest cost	1.98	1.20
	Current service cost	4.29	4.23
	Benefits paid	(7.37)	(5.32)
	Actuarial (gain)/Loss on obligation	2.85	9.61
	Present value of obligation at the end of period Certificate	28.94	24.77

Notes forming part of the accounts

SCHEDULE – 22 (contd.)

	Year ended 2010-11 ₹ in Lacs	Year ended 2009-10 ₹ in Lacs
b) Change in fair value of Plan assets		
Fair value of plan assets at beginning of period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	5.32
Actuarial gain/(Loss) on plan assets	-	-
Fair value of plan asset at end of period	-	-
c) Fair value of Plan assets		
Fair value of Plan Assets at beginning of period	-	-
Actuarial return on Plan assets	-	-
Contributions	-	-
Benefits paid	-	5.32
Fair value of Plan Assets at end of period	-	-
Funded status	-	(24.77)
Excess of actual over estimated return on Plan assets	-	-
d) Amounts to be recognised in the balance sheet and statement of profit & loss account		
Present value of obligation at end of period	28.94	(24.77)
Fair value of Plan Assets at end of period	-	-
Funded status	-	(24.77)
Unrecognised Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	-	-
e) Expense recognised in the statement of P&L A/c		
Current service cost	4.29	4.23
Interest cost	1.98	1.20
Expected return on Plan asset	-	-
Net Actuarial (Gain)/Loss recognised for the period	2.85	9.61
Expense recognised in the statement of P&L A/c	11.54	5.32
f) Movements in the Liability recognised in Balance sheet		
Opening Net liability	24.77	15.05
Expenses as above	11.54	5.32
Contribution paid	-	-
Benefits paid	(7.37)	5.32
Closing Net Liability	28.94	24.77
Assumptions:		
Mortality	LIC (1994-96)	LIC (1994-96)
Discount rate	-	-
Rate of increase in compensation	4%	4%
Rate of return (expected) on plan assets	N.A.	N.A.
Attrition rate	-	-
Expected average remaining service of Employees in years	10%	-



Notes forming part of the accounts

SCHEDULE – 22 (contd.)

	Year ended 2010-11 ₹ in Lacs	Year ended 2009-10 ₹ in Lacs
Leaves encashment:		
(a) Change in Present value of obligation		
Present value of obligation at beginning of period	0.68	0.37
Interest cost	0.05	0.03
Current service cost	0.01	0.09
Benefits paid	(14.02)	(11.63)
Actuarial (gain)/Loss on obligation	13.98	11.82
Present value of obligation at the end of period	0.71	0.68
(b) Change in fair value of Plan assets		
Fair value of plan assets at beginning of period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	11.63
Actuarial gain/(Loss) on plan assets	-	-
Fair value of plan asset at end of period	-	-
(c) Fair value of Plan assets		
Fair value of Plan Assets at beginning of period	-	-
Actuarial return on Plan assets	-	-
Contributions	-	-
Benefits paid	-	11.63
Fair value of Plan Assets at end of period	-	-
Funded status	-	0.68
Excess of actual over estimated return on Plan assets	-	-
(d) Amounts to be recognised in the balance sheet and statement of profit & loss account		
Present value of obligation at end of period	0.71	0.68
Fair value of Plan Assets at end of period	-	-
Funded status	-	0.68
Unrecognised Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	-	-
(e) Expense recognised in the statement of P&L A/c		
Current service cost	0.01	0.09
Interest cost	0.05	0.03
Expected return on Plan asset	-	-
Net Actuarial (Gain)/Loss recognised for the period	13.98	-
Expense recognised in the statement of P&L A/c	14.04	11.63
(f) Movements in the Liability recognised in Balance sheet		
Opening Net liability	0.68	0.37
Expenses as above	14.04	11.63
Contribution paid	-	-
Benefits paid	(14.02)	11.63
Closing Net Liability	0.71	0.68
Assumptions:		
Mortality	LIC (1994-96)	LIC (1994-96)
Discount rate		
Rate of increase in compensation	4%	4%
Rate of return (expected) on plan assets	N.A.	N.A.
Attrition rate	-	-
Expected average remaining service of Employees in years	10%	-

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

Notes forming part of the accounts

SCHEDULE – 22 (contd.)

	Year ended 2010-11 ₹ in Lacs	Year ended 2009-10 ₹ in Lacs
16) Earning per share		
No of Equity Shares	30,34,997	3,03,4997
Profit available to Equity Share Holders (₹)	14,27,97,042	2,26,69,376
Nominal per Equity share (₹)	10	10
Basic & Diluted Earning per share (₹)	47.05	7.47
17) Managerial Remuneration		
Salary	47,80,800	47,80,800
Commission	17,28,000	10,34,816
Perquisites	23,704	42,230
Contribution to provident and other Funds	18,720	18,720
Computation of Net Profit in accordance with section 349 and Sch. XIII of the Companies Act, 1956 for calculation of commission payable to directors		
Profit for the year before Taxation	20,68,92,977	4,64,54,682
Add : Managerial Remuneration	65,51,224	58,76,566
Less : Profit on Sale of assets	-	5,98,634
Add : Loss on sale of vehicles	2,07,184	8,203
Net profit for the year in accordance with section 349 of the companies act,1956	21,36,51,385	5,17,40,817
Commission payable to :-		
Managing Director - 50% of annual salary	8,64,000	5,17,408
Executive Director - 50% of annual salary (50% annual salary ₹8,64,000/- each (previous year ₹8,64,000/-) is lower than 1% of the net profit)	8,64,000	5,17,408

18) Related party disclosure

NAMES OF KEY MANAGEMENT PERSONNEL

Sri U.K.Agarwal
Sri Ritesh K. Agarwal

RELATIVES OF KEY MANAGEMENT PERSONNEL.

Mrs. Usha Bai Agarwal	wife of Sri. U.K..Agarwal
Mrs. Arti Agarwal	wife of Sri. Ritesh K..Agarwal
Master Viraj Agarwal	Son of Sri. Ritesh K. Agarwal
Miss Neysa Agarwal	Daughter of Sri. Ritesh K. Agarwal

NAMES OF OTHER ASSOCIATES

M/s Balaji Enterprises
M/s Sri Laxmi Enterprises
U.K.Agarwal (Family Trust)
U.K.Agarwal (HUF)
M/s U.K.Cotton Exports



Notes forming part of the accounts

SCHEDULE – 22 (contd.)

Name of the Transaction	Other Associates	Key Management Personnel	Relatives	Total (₹)
Rent Paid	9,60,000	-	-	9,60,000
	(11,40,000)	-	-	(11,40,000)
Remuneration	-	65,51,224	-	65,51,224
		(58,76,566)	-	(58,76,566)
Cotton Purchases	3,57,096,923	-	-	35,70,96,923
	(25,03,76,404)	-	-	(25,03,76,404)
Loan:				
Receipt	21,42,150	89,56,334	25,10,000	1,36,08,484
	(27,53,576)	(2,73,13,684)	(5,70,000)	(3,06,37,260)
Payment	0	46,49,140	83,83,048	1,30,32,188
	(10,00,000)	(2,10,00,000)	(1,81,00,000)	(4,01,00,000)
Interest Paid	9,30,964	49,02,749	14,60,203	72,93,916
	(7,46,627)	(41,64,169)	(26,30,716)	(75,41,512)

Note : (i) Related party relationship is as identified by the company and relied upon by the Auditors
(ii) Previous year figures are given in brackets.

	31.03.2011	31.03.2010
19) Stock of finished goods includes stocks lying with consignment agents (₹)	5,46,46,462	89,75,255

Notes forming part of the accounts

SCHEDULE – 22 (contd.)

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3,4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT 1956

	2010-11	2009-10
20) Licensed Capacity : Not applicable since the Industry is delicensed		
Installed Capacity : No of Spindles	1,11,840	1,11,840
(The figures have been certified by management and not verified by the Auditors being a technical matter.)		

	2010-11		2009-10	
	Quantity (Kgs.)	Amount (₹)	Quantity (Kgs.)	Amount (₹)
21) Production & Sales				
a) Production				
Yarn	1,23,09,098		1,22,02,210	
b) Purchase of Traded goods				
Cotton			48,415	28,09,239
c) Sales:				
Yarn	1,24,58,328	2,62,63,49,883	1,23,95,729	1,95,34,42,970
Waste	31,73,845	9,39,13,342	30,75,246	7,48,39,581
	1,56,32,173	2,72,02,63,225	1,54,70,975	2,02,82,82,551
d) Sales of traded goods				
Cotton – Domestic	–	–	48,415	28,22,837
Cotton – Exports	–	–	5,539	10,43,509
	–	–	–	38,66,346
		2,72,02,63,225		2,03,21,48,897
22) Opening and Closing Stocks:				
a) Opening Stocks:				
Yarn	16,83,211	34,26,38,249	18,79,124	36,45,65,281
In Process	5,54,844	7,47,71,019	5,96,178	8,55,77,191
Waste	18,898	2,73,312	15,665	2,04,958
		41,76,82,580		45,03,47,430
b) Closing Stocks:				
Yarn	15,26,514	34,77,02,982	16,83,211	34,26,38,249
In Process	5,40,052	10,03,66,636	5,54,844	7,47,71,019
Waste	21,546	7,37,080	18,898	2,73,312
		44,88,06,698		41,76,82,580

Note: Process loss in the course of dyeing of yarn is 7,467 Kgs. (Previous year 2,394 kgs) and sale of yarn includes samples. (Previous year nil) sent to customers.



Notes forming part of the accounts

SCHEDULE – 22 (contd.)

	2010-11		2009-10	
	Quantity (Kgs.)	Amount (₹)	Quantity (Kgs.)	Amount (₹)
23) Stock of Raw Materials:				
a) Opening Stocks:				
Cotton	19,11,625	17,99,49,764	4,81,371	4,24,29,555
Polyster Staple Fibre	3,60,057	2,44,57,648	3,00,391	2,17,39,371
Viscose Staple Fibre	2,53,831	3,46,12,451	1,60,645	2,45,64,909
	25,25,513	23,90,19,863	9,42,407	8,87,33,835
b) Closing Stocks:				
Cotton	9,74,518	16,70,03,000	19,11,625	17,99,49,764
Polyster Staple Fibre	3,10,457	2,95,35,213	3,60,057	2,44,57,648
Viscose Staple Fibre	2,69,960	5,37,41,267	2,53,831	3,46,12,451
	15,54,935	25,02,79,480	25,25,513	23,90,19,863
24) Purchase of Raw Materials:				
Cotton	96,06,203	1,02,89,45,453	1,17,68,917	82,33,28,699
Polyster Staple Fibre	39,04,789	32,58,91,039	32,55,524	23,92,55,465
Viscose Staple Fibre	13,26,514	22,46,27,331	21,07,267	27,59,75,631
	1,48,37,506	1,57,94,63,823	1,71,31,708	1,33,85,59,795
25) a) Raw Materials Consumed				
Cotton	1,05,43,310	1,04,18,92,217	1,03,38,663	68,58,08,490
Polyster Staple Fibre	39,54,389	32,08,13,474	31,95,858	23,65,37,186
Viscose Staple Fibre	13,10,385	20,54,98,515	20,14,081	26,59,28,091
	1,58,08,084	1,56,82,04,206	1,55,48,602	1,18,82,73,767
	2010-11		2009-10	
	%	₹	%	₹
25) b) Raw Materials Consumed				
Indigenous	89.81	1,40,84,04,341	95.64	1,13,64,17,971
Imported	10.19	15,97,99,865	4.36	5,18,55,796
	100.00	1,56,82,04,206	100.00	1,18,82,73,767
26) Spare Parts and Components Consumed				
Indigenous	94.87	3,53,62,600	85.98	2,33,05,584
Imported	5.13	19,12,109	14.02	37,99,386
	100.00	3,72,74,709	100.00	2,71,04,970
27) CIF value of imports:				
i) Plant & Machinery - Imported (CIF Value)		64,91,298		69,88,700
ii) Raw Materials (CIF Value)		18,72,64,835		5,54,52,369
iii) Stores and Spares (CIF Value)		52,89,077		69,04,763

Notes forming part of the accounts

SCHEDULE – 22 (contd.)

	2010-11 ₹	2009-10 ₹
28) Expenditure in Foreign Currency during the Year on account of :		
i) Foreign Travel	30,31,990	15,25,231
ii) Export Commission	62,23,015	73,17,231
29) FOB Value of Exports		
Export Sales (FOB)	61,27,80,613	61,16,68,088
30) General:		
a) Paise are rounded off to the nearest ₹.		
b) Previous year's figures have been regrouped / recast wherever considered necessary to make these comparable with those of the current year.		

As per our report of even date

for and on behalf of the Board

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

K. Ravi Kumar
Chief Financial Officer

U. K. Agarwal
Chairman & Managing Director

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

P. Surya Prakash
Company Secretary

Ritesh K Agarwal
Executive Director

Place: Secunderabad
Date: 30th May, 2011



Balance Sheet Abstract and Company's General Business Profile

(As required under part IV of the amended Schedule VI of the Companies Act, 1956)

I. Registration Details

Registration No.	4 4 0 5 3	State Code	0 1
Balance Sheet Date	3 1 0 3 2 0 1 1		

II. Capital including Share Premium raised during the year (Amount in ₹ Thousands)

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	3 2 9 0 1 4 1	Total Assets	3 2 9 0 1 4 1
Sources of Funds			
Paid up Capital	3 0 3 5 0	Reserves & Surplus	5 0 7 6 4 0
Secured Loans	1 7 8 9 4 1 4	Unsecured Loans	2 1 8 5 0 7
Application of Funds			
Net Fixed Assets	1 8 1 6 0 7 2	Investments	0
Net Current Assets	8 6 8 3 9 8	Misc. Expenses	0
		Deferred Tax Liability (Net)	- 1 3 8 5 5 9

IV. Performance of Company

Turnover	2 7 5 8 3 3 5	Total Expenditure	2 5 5 1 4 4 2
Profit Before Tax	2 0 6 8 9 3	Profit After Tax	1 4 2 7 9 7
Earning Per share (₹) (based on weighted average)	4 7 . 0 5	Dividend Rate %	4 0

V. Generic Names of three principal Products / Services of Company (as per Monetary terms)

Product Description	Item Code No. (ITC Code)
P V Y A R N	5 2 0 3 0 0
C O T T O N Y A R N	5 5 0 9 0 0

for and on behalf of the Board

U. K. Agarwal
Chairman & Managing Director

K. Ravi Kumar
Chief Financial Officer

Ritesh K Agarwal
Executive Director

P. Surya Prakash
Company Secretary

Place: Secunderabad
Date: 30th May, 2011



Dear Shareholder,

Re: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance: (Circular No.17/2011 dated 21.04.2011 and Circular No.18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/documents to its Shareholders through electronic mode to the registered e-mail addresses of shareholders. This move by the MCA is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication, avoid loss in postal transit.

Keeping in view the underlying theme and the circulars issued by MCA, we are keen to participate in Green Initiative and henceforth proposed to send documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors Report, Auditors Report etc., to the shareholders in the electronic form to the e-mail address provided by you and made available to us by the Depositories.

In case you are holding shares in electronic form and have registered your e-mail ID with the Depository we intend using e-mail address provided by you to the Depositories viz., NSDL/CDSL and available to the Company from time to time to send various notices/documents, etc., henceforth. If you desire to have a different e-mail id registered, please update the same with your Depository Participants (DP) or email at: xlfield@rediffmail.com or xlfield@gmail.com specifying your client ID and DP ID.

All those shareholders who have not yet registered their email ids or holding shares in physical form are requested to immediately registered their email ids with NSDL/CDSL and/or our Registrar and Share Transfer Agent at: xlfield@rediffmail.com or xlfield@gmail.com alongwith your Folio No. and No. of shares/Client ID and DP ID.

Kindly note that if you still wish to receive a physical copy of all the above mentioned communications/documents the company undertakes to provide the same at no extra cost to you, if a request is received by the company or its Registrars. Please note that these documents will be available on the Company's website: www.rajvirindustrieslimited.com.

We are sure that as a responsible citizen you will whole heartedly support this initiative and will co-operates with the Company in implementing the same.

For Rajvir Industries Limited

P.Surya Prakash

Company Secretary



E-Mail ID for receiving the documents through Electronic Mode

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

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

.....
Signature of the Member

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

To

The Shareholders

M/s. Rajvir Industries Limited

The Company has introduced NECS/ Electronic Clearing Service (ECS) for payment of dividend. This would facilitate the shareholders to obtain the dividend electronically and the payment would consequently be faster and loss of dividend instrument in postal transit would be eliminated.

Under this method, the Company would issue payment instructions to the Clearing House of Reserve Bank of India through the Bankers of the company. The Clearing House would furnish to the service branches of the destination banks branchwise credit reports indicating the beneficiary details such as names of the branches where the accounts are maintained, the names of the beneficiaries, account type, account numbers and the respective amounts. The service branch in turn would pass the advices to the concerned branches of their bank, which would credit the beneficiary's accounts on the appointed date. An advice of remittance would be sent by the Company to the shareholders opting for electronic transfer.

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

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

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

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

For Rajvir Industries Limited

P. Surya Prakash

Company Secretary

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

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

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

Registered Folio No.

ECS Ref. No.

(for Office use only)

Name of the first/Sole shareholder

Name of the Bank

Branch Address & Telephone No. of Branch

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

Account Type (Please tick the option)

Saving ()

Current ()

Account Number

(as appearing on the cheque book)

Bank account Ledger Folio No. (if any)

Effective date of this mandate

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

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

Place:

Date:

.....
(Signature of the holder)

Notes:

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

Banker's Certification

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

Banker's Seal

Date:

.....
Signature of the Authorised Official of the Bank



Rajvir Industries Limited

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

ATTENDANCE SLIP

7th Annual General Meeting dated 30th September 2011 at 3.30 P.M at Hari Hara Kala Bhavan, S.P. Road, Patny Centre, Secunderabad-500003
Please complete this attendance slip and hand it over at the entrance of the meeting Hall.

DPID NO.* FOLIO NO.

CLIENT ID NO.*

NO. OF SHARES HELD

Name:

I hereby record my presence at the 7th. Annual General Meeting dated 30th September 2011 at 3.30 P.M

Signature of the Member or the Proxy attending the Meeting

Applicable for investors holding shares in electronic Form

If member, please sign here. If Proxy please sign here.



Rajvir Industries Limited

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

PROXY FORM

DPID NO.* FOLIO NO.

CLIENT ID NO.*

NO. OF SHARES HELD

I/We of

.....being a member /members

of Rajvir Industries Limited hereby appoint

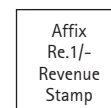
of or failing him.....

..... of

as my /our proxy to attend and vote on my/our behalf on the 7th Annual General Meeting dated 30th September 2011 at 3.30 PM or at any adjournment thereof.

Signed on this day of 2011

Signature



Note: 1. Office of the company not less than 48 hours before the time of holding the meeting

2. A proxy need not be a member

* Applicable for investors holding shares in electronic form.



RAJVIR INDUSTRIES LIMITED

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

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