



Rajvir Industries Limited

4th Annual Report 2007-2008

CONTENTS

	<u>Page No.</u>
<i>Board of Directors</i>	2
<i>Notice</i>	3 - 4
<i>Directors' Report</i>	5 - 9
<i>Management Discussion and Analysis</i>	10
<i>Report on Corporate Governance</i>	11 - 18
<i>Auditors' Report</i>	19 - 21
<i>Balance Sheet</i>	22
<i>Profit & Loss Account</i>	23
<i>Schedules</i>	24 - 31
<i>Notes on Accounts and Accounting Policies</i>	32 - 41
<i>Cash Flow Statement</i>	42 - 43
<i>Balance Sheet Abstract</i>	44
<i>Statement Pursuant to Section 212</i>	45
<i>Subsidiary Company - Moneysa Fibres Private Ltd.</i>	46 - 52
<i>Consolidated Accounts</i>	53 - 76
<i>Notice to Share holders - ECS Facility</i>	77 - 78



Rajvir Industries Limited

BOARD OF DIRECTORS

Sri U.K Agarwal Chairman and Managing Director
Sri Ritesh Kumar Agarwal Executive Director
Sri Vijay Kumar Gupta
Sri S.N.Daga
Dr.K.J.Reddy

General Manager (Finance)

Sri K. Ravi Kumar

Dy.General Manager (Finance) & Company Secretary

Sri R.D.Sharma

AUDITORS

M/s S.Daga & Co
HYDERABAD

BANKERS

Industrial Development Bank of India
State Bank of India
State Bank of Hyderabad
State Bank of Mysore
State Bank of Bikaner and Jaipur
Axis Bank Limited

Registered Office

1st Floor, Surya Towers
105, Sardar Patel Road
Secunderabad 500003
Telephone : 040-27846841, 27845628, 27845650
Fax : 040-27840656

Factory

- 1) **Mahabubnagr Plant**
Pillallamarri Road
Mahabub Nagar
Andhra Pradesh-509002
- 2) **Tandur Plant**
Gopan Pally Village
Tandur Tahsil
R R Dist.- A.P
- 3) **Dyeing Plant**
Edira Village
Mahabubnagar Dist.
Andhra Pradesh-509002

Sales Depot

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

Registrar & Share Transfer Agent

M/s Sathguru Management Consultants Pvt. Ltd
Plot No.15, Hindi Nagar, Behind Sai Baba Temple
Panjagutta, Hyderabad - 500 034
Tel. Nos.040-23356507, 23356975
Fax No. 040-23354042
Email : sta@sathguru.com



NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
- 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 & VOTE ON THEIR BEHALF AT THE MEETING.**
- Members are requested to bring their Attendance Slip along with their copy of Annual Report at the time of attending the Annual General Meeting.
- Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold share in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
- The Register of Members and Share Transfer Books will remain closed from Tuesday, the 23rd September, 2008 to Tuesday, the 30th September, 2008 (both days inclusive) for determining the names of the Members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
- The shares of the Company are listed in the stock Exchanges of Hyderabad, Bombay and National Stock Exchange of India and the listing fees is paid to Bombay Stock Exchange and National Stock Exchange of India Ltd., up to the 2008-2009.
- Members are requested to notify immediately any change of address to their depository participants in respect of their holdings in electronic form and to M/s. Sathguru Management and Consultants (P) Ltd Unit: Rajvir Industries Limited, in respect of their physical folios if any.
- Members desiring any further information as regards the accounts or operations of the company are requested to write to the company so as to reach at least one week prior to the date of meeting for consideration of the management to discuss at the meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 Item No.5 & 6

Item Nos.5

The borrowings of the company in general is required to be secured by mortgage or charge on all or any of the movable or immovable properties of the company in such form, manner and ranking as may be determined by the Board of Directors of the company from time to time in consultation with the Lender(s)

The Mortgage and/or charge on any of the moveable and / or immovable properties and/ or the whole or any part of the undertakings of the company to secure borrowings of the company or with a power to charge holders to take over the management of the business and concern of the company in certain events of default may be regarded as disposal of the company's undertaking(s) within the meaning of section 293(1)(a) of the Companies Act, 1956. Hence, it is necessary for the members to pass a resolution under the said section.

The Board of Directors accordingly recommended the resolution set out at item No. 5 of the notice for approval of the members.

None of the directors of the company is in any way concerned or interested in the said resolution.

Item No.6

At the Annual General Meeting of the company held on 29.09.2007 the Company had accorded its consent under section 293(1)(d) of the Companies Act, 1956 to the directors for borrowing monies up to a limit of Rs.500 crores (excluding temporary loans obtained from companies bankers in the ordinary course of Business). Taking into account the future requirements of additional finance for future Expansion Plan, it is proposed to increase the existing borrowing limits from Rs.500 crores to Rs.1000 crores. This requires the consent of the members under section 293(1)(d) of the Companies Act, 1956.

The Board recommends the resolution for approval of the members.

None of the directors of the company is in any way interested or concerned in the above resolution

BY ORDER OF THE BOARD
For **RAJVIR INDUSTRIES LIMITED**

(R.D.SHARMA)

Place : Secunderabad DY. GENERAL MANAGER (Finance)
Date : 31.07.2008 & COMPANY SECRETARY



DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the Fourth Annual Report on the business and operations of the Company and Audited Statement of Accounts for the year ended 31st March 2008.

FINANCIAL RESULTS (Rs. in lakhs)

	2007-08	2006-07
1. Sales and Other Income	19059.66	16718.84
2. Profit Before Interest and Depreciation	2431.08	2371.78
3. Interest and Finance Charges	904.79	584.78
4. Depreciation	671.06	527.45
5. Profit Before Tax	855.23	1259.75
6. Provision for Taxation		
a) Current Tax	103.85	147.22
b) Deferred Tax	137.75	306.93
Profit After Tax	613.63	805.60
Add/ Profit b/fd from last year	1749.28	1335.71
	2362.91	2141.31
APPROPRIATIONS		
1. Transferred to Debenture Redemption Reserves	22.00	150.00
2. Transferred to General Reserve	100.00	100.00
3. Dividend	121.40	121.40
4. Dividend Tax	20.63	20.63
5. Surplus Carried Forward to Balance Sheet	2098.88	1749.28

OPERATIONS

During the year under review the company has achieved a turnover of Rs 19059.66 Lakhs and the Net Profit of Rs.613.63 Lakhs as against turn over Rs. 16718.84 Lakhs & Net Profit of Rs.805.60 Lakhs. The Net Profit is lower as compared to previous year even though the Turnover increased by 14% due to slow down in Textile Sector & appreciation of Rupee against Dollar.

DIVIDEND

Your Directors have recommended a dividend @ 40% (Previous year 40% on 3034997 equity shares) on the equity shares of the company for the year ended 31st March 2008, which if approved at forthcoming Annual General Meeting will be paid to the Equity Shareholders. The dividend payment will absorb a sum of Rs.142.03 lakhs inclusive of Tax on dividend

MODERNISATION & EXPANSION

Mahabubnagar Unit:

During the year under review, the company has incurred a capital expenditure of Rs.276.96 lakhs for up gradation of Plant & Machinery

and Balancing Equipments. The Board is pleased to inform you that in next financial year your company is planning to increase the capacity of Mahabubnagar Unit and to modernize the Unit. The Bank of Rajasthan Ltd has already sanctioned a Term Loan for Rs.23.00 Crs for this purpose.

Tandur Unit:

The first Unit of Tandur was fully operational during the year under review & now the production is in optimum level of capacity. As reported last year the company has purchased another running modern Spinning Unit in Italy for commissioning in Tandur and same is referred to as Phase II. Your directors are happy to inform you that erection and commissioning of phase II will be completed & commercial production will start during the financial year 2008-09.

SUBSIDIARY COMPANY

The Board is pleased to inform you that the company has incorporated a Subsidiary Company in November,2007 namely Moneysa Fibres Private Limited. The Company is planning a Joint Venture with a Foreign Company to put an industry in non Textile Sector. The location of the Factory and other aspects of the same are under consideration.

EXPORTS

During the year under review the Company has achieved Exports turnover of Rs.66.36 Crores as against Rs.58.14 Crores last year.

RESERVES

During the year your company has transferred an amount of Rs.100 lakhs to General Reserve Account.

FIXED DEPOSITS

The Company has not invited /accepted any deposits from the public within the meaning of section 58A & 58AA of the companies Act, 1956

DIRECTORS

Pursuant to the provisions of Companies Act, 1956 and in terms of the Articles of Association of the company Dr.K.J.Reddy retires by rotation at the ensuing 4th Annual General Meeting and being eligible offers himself for reappointment. Brief resume of the director retiring by rotation, nature of his expertise in specific functional areas and names of the Organizations in which he holds the Key posts and the Membership/Chairmanship of committees of the Board as stipulated under clause 49 of the listing agreement with the stock exchanges are given in the section of the Corporate Governance elsewhere in the Annual Report.

CORPORATE GOVERNANCE

As per the revised Clause 49 of the Listing Agreement on Corporate Governance, Management Discussion and Analysis Report forms part of the Annual Report. Further, a separate report on the Corporate Governance together with the Certificate from the Auditors of the Company regarding compliance of the Corporate Governance also forms part of the Annual Report.



AUDITORS

The Auditors, M/s S Daga & Co., Chartered Accountants, Statutory Auditors retire at the forthcoming Annual General Meeting and are eligible for re-appointment. They have expressed their willingness to accept the appointment and have confirmed that their appointment, if made, shall be in accordance with the provisions of section 224 (1B) of the companies Act, 1956.

COST AUDITORS

The Cost Accounts records maintained by the Company for the products manufactured are subject to yearly audit by qualified Cost Auditors. Your company has appointed M/s Parankusam & Co., Cost Auditors for the year 2007-2008 for conducting the audit of Cost Account Records.

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 management and the keen interest taken by the Employees of your company in this regard.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

1. That in the preparation of the annual accounts the applicable accounting standards has been followed and there has been no material departure;
2. That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the Profit & Loss Account of the Company for the year ended on that date.
3. That 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;

4. That the annual accounts have been prepared on a going concern basis.

AUDITORS' QUALIFICATIONS

No qualifications were made by the Auditors in their report on the accounts for the year-ended 31.03.2008.

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

The details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure-I and form part of the Report.

EMPLOYEES

The information required to be furnished under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended as per Annexure II and forming part of the Report.

ACKNOWLEDGEMENT

The Board of Directors is pleased to place on record their appreciation of the co-operation and support extended by Banks and various State and Central Government Agencies. The Board would like to thank the Company's shareholders, customers, suppliers for the support and the confidence, which they have reposed in its management. The Board also wishes to place on record its appreciation of the valuable services rendered by all the employees of the Company.

For and on behalf of the Board of Directors

Place : Secunderabad

Date : 31.07.2008

(U.K. Agarwal)

Chairman & Managing Director



ANNEXURE-I

ANNEXURE TO 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 it has put continuous efforts to reduce consumption of energy.
- (b) The Company has taken steps of continuous monitoring 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

	2007-08	2006-07
1. Electricity:		
a) Purchased		
Units (in lakhs of KWH)	501.96	357.83
Total Amount (Rs. In lacks)	1541.19	1236.68
Average Rate: (Rs./Unit)	3.07	3.45
b) Own Generation:		
Through Diesel Generators		
Units (in lakhs of KWH)	1.92	3.38
Units per Litre of Diesel Oil	3.33	3.11
Average Cost: Rs. / Unit	17.15	11.97
2. Coal (Rs. In lakhs)	57.42	46.14
3. Furnace Oil	Nil	Nil
4. Others	Nil	Nil
B. Consumption per Unit of Production		
Yarn Production (Kgs in lakhs)	110.40	99.20
Fibre Dyed (Kgs in lakhs)	10.28	10.35
Electricity (Units/Kg of Yarn)	4.56	3.61
Coal (Kgs/Kg of Dyed Fibre/Yarn)	2.23	4.46



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, adoption and innovation | The Company had adapted indigenous technology and innovated upon the same. |
| 2. Benefits derived as a result of the above efforts e.g Product improvement, cost reduction, product development, import substitution etc. | High Value Products development, Increase in yield & Product improvement. |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished: | No Technology has been imported during 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 increased to Rs. 66.36 Crs. as compared to Rs.58.14 Crs 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 :

	2007-08	2006-07
	Amount (Rs)	Amount (Rs)
i) Plant & Machinery	357491923	44913528
ii) Raw Materials (CIF Value)	2481317	43591531
iii) Stores & Spares (CIF Value)	12831580	3067489
iv) Foreign Traveling	1265167	1963750
v) Export Commission	4457662	4079786
c) Earnings in Foreign Exchange: FOB Value of Exports	622525150	575718363

Rajvir Industries Limited



ANNEXURE-II

ANNEXURE TO 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 directors' report for the year 2007-2008

Name	Age	Qualification	Date of Employment	Designation	Remuneration (Rs)	Experience	Last Employment
Sri. U K Agarwal	57	Graduate	01.04.2005	Chairman & Managing Director	5485101	26	M/s. Suryalakshmi Cotton Mills Limited
Sri Ritesh K. Agarwal	34	Graduate in Business Administration	01.04.2005	Executive Director	4733413	12	M/s. Suryalakshmi Cotton Mills Limited

For and on behalf of the Board of Directors

Place : Secunderabad
Date : 31.07.2008

(U.K. Agarwal)
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS FORMING PART OF THE ANNUAL REPORT DISCUSSES BELOW THE FOLLOWING MATTERS WITH REFERENCE TO THE COMPANY'S BUSINESS VIZ., YARN.

INDUSTRY STRUCTURE, DEVELOPMENTS AND PRODUCT PERFORMANCE

Textile Industry is one of the largest & most important sector in Indian Economy in terms of Industrial Production, Investment & Employment. The Sector employs nearly 35 Mn. of people and after Agriculture, is the second largest employer in the Country. Its importance is underlined by the fact that it accounts for around 4% of GDP, 14% of Industrial Production, 18% of Employment & 16% of the Country's total export earnings. A strong raw material production base, a vast pool of skilled & unskilled personnel, abundant labour, good export potential are some of the salient features of the Indian Textile Industry. It is extremely complex & diversified ranging from small-scale sector to highly sophisticated Mills. The Yarn Industry is the part of Textile Sector comprises of approx. 3000 Mills (including SSI) with installed spindalage of about 40 million and is ranked second after China.

The quota free era has benefited the Indian Textile Industry in terms of export of value added products. While the export for value added products is growing, resulting in an increase in India's Market share, the favorable product mix has contributed to higher realization & better margins. In continuation of its policy to support the Indian Textile Sector the Government of India has initiated the measures like rationalization of fiscal levies, extension of the Technology Upgrading Fund scheme (TUFs) etc. The other growth driver has been a substantial increase in cotton production, higher disposable income level, consumer preference for high-end value added products etc. Further the entry of big retailers is also expected to have a significant impact on the further direction of the Textile Industry. The Industry is quite confident of achieving 10% growth in the coming years.

The Company has continued to focus on production of high value products like Mélange, Modal, Fiber dyed, Synthetic yarns, Organic Cotton Yarns, Combed and Compact yarn. With long-term strategy for establishing itself as a preferred supplier of value added yarn in the national as well as international market. The company is fully committed with quality assurance of the product and for that purpose a state of art quality lab is established in its new Tandur facility.

The Company is continuing the process of modernizing the plant to improve the quality of its products to meet the changing requirements of the garment manufacturers and also the international market in the constantly changing Market scenario. The Company continues to export a variety of high value added yarn to various countries like USA, Korea, Taiwan, Egypt, Turkey, Spain, Mauritius, South Africa, Bangladesh, Pakistan and other Countries. In the domestic market also the company has improved

its supplies to the high-end quality market with better realizations. The Company is reasonably confident of maintaining its progress in this direction.

Performance Highlights

The Company is dedicated to achieving its long-term goals by implanting its business strategies. The result is an increase in turnover despite of fierce competition in the domestic and international Markets. The turn over of the company is increased from Rs.167.18 Crs to Rs. 190.59 Crs, an increase of 14 %. But the PBT of the company is decreased from Rs.1259.75 Crs to Rs. 855.23 due to appreciation of rupee against dollar, high interest cost, increased cotton price etc.

Opportunities, Threats, Risks and Concerns:

The Indian Textile Industry is benefited after removal of quota and has put the India a head of its regional peers in terms of exports of value added products to both EEC & U.S markets. On the other hand due to removal of quota the countries like US & EEC are not bound to import from India but they can import from any country who can supply quality product with low cost. Even though India is having several advantages of raw material availability, man power availability the manufacturing cost is still high compared to the major manufacturing countries like China and Pakistan in some aspects. Power costs, interest costs for borrowings, labour costs form the major aspects of India's cost being on the higher side. The competition from China especially after the year 2008 when quantitative restrictions on China are expected to be removed by major US & EU markets is a threat which the Indian Industry has to handle. In fact China would be the major beneficiary of the free quota trade. Apart from this in India, there had already been a building up of excess capacity in spinning segment identifying the severe competition and due to appreciation of rupee against dollar, the export potential is not encouraging. The Indian producers should therefore, make the best of the situation to consolidate their position to take on the increased competition from other countries. The Industry should also be ready to take on the pressure on the margin from exports due to appreciation of Indian rupee against the U.S.dollar, increase in Cotton Price, slow down in Textile Sector etc.

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.



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Rajvir Industries Limited (RIL) 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 & 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 & 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 Corporate Governance

2. BOARD OF DIRECTORS

- a. The composition of the Board of Directors consists of two promoter whole time director and three 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 companies or chairman of more than five committees as specified in Clause 49.
- c. Name & categories of the Directors on the Board, their directorship in other public limited company, member in other company's Board Committee & Chairman of other company's Board Committee is as under:

Name of the Directors	Category	No.of other Directorships Board in public companies	No.of other Board Committees of which Member	No.of other Board Committees of which Chairman
U K Agarwal	Chairman & Managing Director	Nil	Nil	Nil
Ritesh Kumar Agarwal	Executive Director	Nil	Nil	Nil
Vijay Kumar Gupta	Director	1	Nil	Nil
S N Daga	Director	2	Nil	Nil
Dr. K J Reddy	Director	Nil	Nil	Nil

- d) Number of Board of Directors Meeting held during the Financial Year ended 31-03-2008

Eight Board Meetings were held during the Financial Year 2007-08 on the following Dates: 27-04-2007, 28.07.2007, 31.08.2007, 25.09.2007, 31.10.2007, 28.11.2007, 29-01-2008 and 29.02.2008

- e) Attendance of each Director at the Board of Directors Meeting and the last Annual General Meeting.

Name of the Directors	No.of Board Meetings attended during the period April, 2007 to March, 2008	Attendance at the last Annual General Meeting held on 29.09.2007
U K Agarwal	8	Present
Ritesh Kumar Agarwal	7	Not present
Vijay Kumar Gupta	8	Present
S N Daga	8	Present
Dr. K J Reddy	8	Present



f) 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.

DR.K.J.REDDY

Dr. K.J.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.

- g) None of the Non executive Directors have any material pecuniary relationship or transactions with the Company.
- h) Chairman & Managing Director and Executive Director of the Company are father and son.

3. AUDIT COMMITTEE:

Terms of Reference & Composition, Names of Members and Chairman:

The terms of reference of the Audit Committee is :

- i) To review the quarterly and annual financial statements with a specific emphasis on accounting policies & practices,
 - ii) To comply with the Accounting Standards,
 - iii) Review of adequacy of internal control systems and internal audit functions.
 - iv) Review of Company's financial and risk management policies
 - vi) Review the Reports furnished by Internal Auditors & Statutory Auditors and ensure suitable follow up thereon.
- b) Composition, Name of Members and Chairperson
- 1) Sri Vijay Kumar Gupta - Chairman, Non-Executive & Independent
 - 2) Sri S.N.Daga - Member, Non-Executive & Independent
 - 4) Dr.K.J.Reddy - Member, Non-Executive & Independent
- c) Meetings and attendance during the year:
- During the financial year ended March 31, 2008, five Audit Committee Meetings were held on 27.04.2007, 28.07.2007, 31.08.2007, 31.10.2007 and 29.01.2008.

Name	No. of the Meetings attended
Sri Vijay Kumar Gupta	5
Sri S N Daga	5
Dr.K.J.Reddy	5

4. REMUNERATION COMMITTEE

- a) Brief description of terms of reference:
- To formulate remuneration policy and approve the remuneration or revision in the remuneration payable to the Managing Director/Executive Directors etc. The Company Secretary act as the secretary to the committee.
- b) Composition, Name of members and Chairperson is as follows:
- 1) Sri Vijay Kumar Gupta - Chairman, Non-Executive & Independent
 - 2) Sri S N Daga - Member, Non-Executive & Independent
 - 3) Dr. K J 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:
- To periodically review the remuneration package of whole time Directors and recommend suitable revision to the Board.



Rajvir Industries Limited

e) Details of remuneration to all Directors for the year ended 31st March,2008

Name of the Directors	Designation	Salary Rupees	Commission Rupees	Perquisites Rupees	Total Rupees
U K Agarwal	Chairman & Managing Director	4492800	960740	31561	5485101
Ritesh Kumar Agarwal	Executive Director	3744000	960740	28673	4733413
Vijay Kumar Gupta	Director	Nil	Nil	Nil	Nil
S N Daga	Director	Nil	Nil	Nil	Nil
Dr.K J Reddy	Director	Nil	Nil	Nil	Nil

Sitting Fees

Name of the Directors	No.of Board Meetings attended during the period April, 2007 to March, 2008	Attendance at the last AGM held on 29.09.2007	Sitting Fees
Vijay Kumar Gupta	8	Present	21000
S N Daga	8	Present	21000
Dr. K.J.Reddy	8	Present	21000

The Company does not have any stock option plan or performance linked incentive for the Executive Directors.

The appointments are made for a period of five years on the terms and conditions in the respective resolution passed by the Members in the General Meetings.

Disclosure of shareholding of Non-Executive Directors:

S No	Name	No. of shares held
1.	Sri Vijay Kumar Gupta	Nil
2.	Sri S N Daga	Nil
3.	Dr.K.J.Reddy	Nil

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Board of Directors have constituted Shareholders'/Investors' Grievance Committee. The terms of reference of this committee is to consider transfer/transmission of shares, issue of duplicate share certificates, review of shares dematerialized and other related matters, investors grievances & redressal thereof. During the year the company has received 19 complaints from the shareholders & all of them were resolved satisfactorily by furnishing the requisite information/documents to the shareholders. There were no transfers pending at the close of financial year.

- a) Name of Non-Executive Director heading the Committee : Vijay Kumar Gupta
 b) Name and designation of Compliance Officer : R.D.Sharma - Dy.General Manager (Finance) & Company Secretary
 c) Number of Shareholders Complaints received so far : 19
 d) Number not solved to the satisfaction of shareholders : NIL
 e) Number of pending share transfers : NIL

6. CODE OF CONDUCT

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

7. GENERAL BODY MEETINGS:

a) Location and time, where last AGM held.

Financial Year	Date	Venue	Time
2006-2007	29.09.2007	FAPCCI, Premises, 11-6-841,	3.00 PM
2005-2006	27.09.2006	Red Hills, Hyderabad	2.00 PM
2004-2005	31.12.2005		3.00 PM

Rajvir Industries Limited



Two EGMs were held on 25th April 2005 and 17th October 2005

No special Resolution was put through postal ballot at the last AGM nor is any proposal for this year.

8. DISCLOSURES

a) CEO and CFO Certificate:

The Chairman & Managing Director has given a certificate to the Board as contemplated in Clause 49 of the listing agreement and is enclosed at the end of the Report.

b) Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of Company at large:

There were no materially significant related party transactions having potential conflict with the Interests of the Company at large. Transactions with related parties are disclosed in Note no. 19 of Notes on Accounts under Schedule 24.

c) Details of non-compliance by the company, penalties, strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to the Capital Markets during the last 3 years:

Nil

9 MEANS OF COMMUNICATION

a) Quarterly results.

Quarterly report is not being sent to each household of shareholders as shareholders are intimated through the press.

b) Quarterly results are normally published in which newspapers:

The Quarterly results are usually published in Andhra Prabha and Financial Express:

10. GENERAL SHAREHOLDER INFORMATION

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

Date : Tuesday 30th September 2008,

Time : 3.00 p.m.

Venue : Surana Udyog Hall, FAPCCI Premises, 11-6-841, Red Hills, Hyderabad- 500004

b) Financial Calendar Year: 1st April to 31st March.

Quarterly Results	Publication (Provisional)
1st Quarterly Financial Results	End of July 2008
2nd Quarterly Financial Results	End of October 2008
3rd Quarterly Financial Results	End of January 2009
4th Quarterly Financial Results	End of April 2009

c) Date of Book Closure: 23.09.2008 to 30.09.2008 (both days inclusive)

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

e) Listing on Stock Exchanges & Stock Code

Rajvir Industries Limited



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

Name of the Stock Exchange	CODE	Address
The Hyderabad Stock Exchange		6-3-654, Somajiguda, Hyderabad-500082
The National Stock Exchange of India Ltd	RAJVir	Exchange plaza, 5th Floor, Plot No. C/1, G-Block, 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 2008-2009 have been paid to The National Stock Exchange of India Limited and The Bombay Stock Exchange.

- f) Market Price Data: High, Low during each month in last financial year and Performance in comparison to broad - based indices such as BSE Sensex, CRISIL index, etc. .

Month	NATIONAL STOCK EXCHANGE		THE STOCK EXCHANGE, MUMBAI			
	SHARE PRICE - Rupees		SHARE PRICE - Rupees		SENSEX	
	HIGH	LOW	HIGH	LOW	HIGH	LOW
April 2007	288.00	215.30	279.00	215.55	14383.72	12425.52
May 2007	289.00	233.60	295.45	233.65	14576.37	13554.34
June 2007	264.80	218.10	265.00	225.00	14683.36	13946.99
July 2007	259.90	186.30	280.00	185.60	15868.85	14638.88
August 2007	244.00	166.05	227.00	174.00	15542.40	13779.88
September 2007	249.90	182.60	250.90	180.15	17361.47	15323.05
October 2007	225.15	157.10	194.85	158.10	20238.16	17144.58
November 2007	187.75	144.00	185.15	148.05	20204.21	18182.83
December 2007	224.90	145.65	214.00	155.00	20498.11	18886.40
January 2008	209.00	128.00	200.00	125.00	21206.77	15332.42
February 2008	157.95	96.00	153.00	95.00	18895.34	16457.74
March 2008	140.00	78.00	133.00	84.55	17227.56	14677.24

g) Registrar & Transfer Agents

M/s. Sathguru Management Consultants Pvt. Ltd.,
Plot No.15, Hindi Nagar, Behind Saibaba Temple,
Punjagutta, Hyderabad - 500 034.
Phone No(s) 040-23356507, 23356975, 23350586,
Fax No: 040-23354042.

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.

Rajvir Industries Limited



Shareholding pattern as on 31.03.2008

Particulars	No. of shares	% of holding
a) Promoters	2072959	68.30
b) Mutual Funds	700	0.02
c) Banks, FIs, Central /State Government etc	93415	3.08
d) FIs	92908	3.06
e) Bodies Corporate	233084	7.68
f) Indian Public	526114	17.34
g) NRIs/OCBs	15817	0.52
Total	3034997	100.00

i) Distribution of shareholding As on 31.03.2008

Nominal Value	Holders		Amount	
	Number	% to Total	Rupees	% to Total
Upto 5000	2321	92.76	2022670	6.66
5001 - 10000	76	3.04	557360	1.84
10001 - 20000	42	1.68	645582	2.13
20001 - 30000	15	0.60	358510	1.18
30001 - 40000	7	0.28	247070	0.81
40001 - 50000	5	0.20	229950	0.76
50001 - 100000	7	0.28	602449	1.99
100001 & above	29	1.16	25686379	84.63
Total	2502	100.00	30349970	100.00
Physical Mode	623	24.90	20881570	68.80
Demat Mode	1879	75.10	9468400	31.20

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 above.

As on 31-03-2008, 946840 shares were dematerialized representing 31.20% equity shares of the total paid up share capital of the company.

ISIN: INE713B01026

Address of Registrars for Dematerialization of Shares.

M/s. Sathguru Management Consultants Pvt.Ltd.,

Plot No.15, Hindi Nagar, Behind Saibaba Temple,

Punjagutta, Hyderabad - 500 034.

Phone No(s) : 040-23356507, 23356975, 23350586,

Fax No: 040-23354042.

k) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.

NOT APPLICABLE as the Company has not issued any of the above instruments.

Rajvir Industries Limited



l) Plant Locations

Yarn Division

1. Pillalamarri Road
Mahabubnagar Dist.
Andhra Pradesh - 509 002
2. C C I Road
Gopana Palli Village
Tandur Mandal
R R Dist. Andhra Pradesh

Dyeing Division

Edira Village
Mahabubnagar Dist.
Andhra Pradesh - 509 002

m) Address for correspondence :

- i) For transfer / dematerialization of share, change of address of members and other queries relating to the shares of the Company:

M/s. Sathguru Management Consultants Pvt.Ltd.,
Plot No.15, Hindi Nagar, Behind Saibaba Temple,
Punjagutta, Hyderabad - 500 034.
Phone No(s): 040-23356507, 23356975, 23350586.
Fax No: 040-23354042.

- ii) Any queries relating to dividend, annual reports, etc.

The Company Secretary,
Rajvir Industries Limited,
1st Floor, Surya Towers, 105, S.P.Road,
Secunderabad - 500 003.
Phone No(s) : 040-27846841, 27845628, 27845650
Fax No: 040-27840656
Email : cs@rajvirindustrieslimited.com

The Board of Directors in their meeting held on 31.07.2008 have approved the above report.

DECLARATION

As provided under clause 49 of the listing agreement with the stock exchanges, all Board members and senior management personnel have affirmed compliance with Rajvir Industries Limited Code of Conduct for the year ended March 31, 2008.

for Rajvir Industries Limited

(U.K. AGARWAL)

CHAIRMAN & MANAGING DIRECTOR

Place : Secunderabad

Date : 31.07.2008

Rajvir Industries Limited



Auditors' Certificate on compliance of Corporate Governance

To the members of
RAJVIR INDUSTRIES LIMITED, SECUNDERABAD.

We have examined the compliance of conditions of Corporate Governance by RAJVIR INDUSTRIES LIMITED, for the year ended 31st March 2008 as stipulated in Clause 49 of the listing agreement of the Company with Stock Exchanges in India.

The compliance of the 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 with the conditions of Corporate Governance as stipulated in the above listing agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2008, no investor grievances are pending against the Company as on 31.07.2008, as per the records maintained by the Company and presented to the Investors/Shareholders Grievance 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

(T V Subba Rao)
Partner

Membership No. 9636

Place : Hyderabad

Date : 31.07.2008



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 2008** 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 2008, 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 '23 and Notes on accounts as appearing in Schedule '24, more particularly Note No 3 with regard to credit balance of Rs 4.17 Crs. (Previous year Rs.4.17 crs.) which is subject to review and final reconciliation and Note No.11 regarding accounting treatment of Export benefits under DEPB Scheme amounting to Rs. 149.009 lacs (Previous year Rs.111.75 lacs), 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 2008;
 - (ii) in the case of the Profit and Loss Account, of the profit of the company for the period ended on that date; and
 - (iii) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For **S.DAGA & CO.,**
Chartered Accountants

(T.V.Suba Rao)
Partner

Membership No : 9636

Place : Hyderabad
Date : 27.06.2008



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 affect 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 procedures 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 7 parties covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved during the period was Rs 527.42 lacs (Previous year Rs 630.50 Lacs) and the year end balance is Rs 527.42 Lacs (Previous year Rs 442.93 Lacs)
 - 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 information & explanation given to us, the company has not accepted any deposits from the public within the meaning of Section 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 internal audit report broadly reviewed by us, we are of the opinion that the internal Audit work carried out by independent Chartered Accountant appointed by the management is commensurate with the size of the company & 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 2008 for a period of more than six months from the date they became payable.

Rajvir Industries Limited



10. The company does not have any accumulated losses and has not incurred cash losses in the current 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, fund 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

(T.V.Suba Rao)
Partner
Membership No: 9636

Place : Hyderabad
Date : 27.06.2008

Rajvir Industries Limited



BALANCE SHEET AS AT 31st MARCH, 2008

	Schedule	As at 31.03.2008		As at 31.03.2007	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS:					
Shareholders' Funds					
Share Capital	1	30349970		30349970	
Reserves and Surplus	2	<u>366796804</u>		<u>319913694</u>	
			397146774		350263664
Loan Funds					
Secured Loans	3	1482230034		941542464	
Unsecured Loans	4	<u>144802573</u>		<u>136539740</u>	
			1627032607		1078082204
Deferred Tax Liability (Net)	5		<u>90899897</u>		<u>77124575</u>
TOTAL			<u>2115079278</u>		<u>1505470443</u>
APPLICATION OF FUNDS:					
Fixed Assets					
Gross Block	6	1509123899		1463963041	
Less : Depreciation		<u>428199231</u>		<u>358986975</u>	
Net Block		1080924668		1104976066	
Add : Capital Work in Progress		<u>552787618</u>		<u>16371620</u>	
			1633712286		1121347686
Investments	7		98000		-
Current Assets, Loans and Advances					
Inventories	8	537090924		364628609	
Sundry Debtors	9	171786351		122767437	
Cash and Bank Balances	10	40127631		28427891	
Loans and Advances	11	<u>130007277</u>		<u>179492373</u>	
		879012183		695316310	
Less : Current Liabilities and Provisions	12	<u>397743191</u>		<u>312003077</u>	
Net Current Assets			481268992		383313233
Miscellaneous Expenditure	13		-		809524
(To the extent not written off or adjusted)					
TOTAL			<u>2115079278</u>		<u>1505470443</u>
Significant Accounting Policies	23				
Notes on Accounts	24				

The schedules referred to above form an integral part of Balance Sheet
As per our report of even date

For and on behalf of the Board

for S.Daga & Co.,
Chartered Accountants

K.Ravi Kumar
General Manager (Finance)

U.K.Agarwal
Chairman & Managing Director

(T.V.Subba Rao)
Partner
M.No:9636
Place : Secunderabad
Date : 27th June, 2008

R.D.Sharma
Dy.General Manager (Finance) &
Company Secretary

Ritesh K Agarwal
Executive Director

Rajvir Industries Limited



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	Schedule	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
INCOME:			
Gross Sales/Income from operations	14	1865911075	1665599807
Less: Excise Duty		-	29636926
Net Sales		1865911075	1635962881
Increase /(Decrease) in stocks	22	104428930	131219136
Other Income	15	40054984	35921303
	TOTAL	2010394989	1803103320
EXPENDITURE			
Raw Materials Consumed	16	977525382	777041353
Purchase of Yarn - Trading		12831450	2124062
Purchase of Cotton - Trading		251288275	373074705
Other Manufacturing Expenses		10951800	5908885
Chemicals, Stores & Spares Consumed	17	70540038	50549243
Power and Fuel	18	163204571	132329066
Payments to & provisions for Employees	19	107989455	81534206
Administrative expenses	20	161927522	130571655
Interest & Finance Charges	21	90478567	58478414
Managerial Remuneration		10218514	11005297
Depreciation	6	69922985	55561499
Less: Tfr from revaluation reserve		2816217	2816217
Miscellaneous Expenditure Written off	13	809524	1766544
	TOTAL	1924871866	1677128712
		85523123	125974608
Profit before tax			
Provision for taxation			
Corporate Tax		9725000	14135000
Fringe Benefit Tax		655000	586728
Deferred Tax		13775322	30692902
		61367801	80559978
Less: Prior period Income Tax adjustment(net)		4798	-
Profit after tax		61363003	80559978
Add: Profit brought forward from last year		174927456	133570672
		236290459	214130649
APPROPRIATIONS			
Proposed Dividend		12139988	12140000
Tax on Dividend		2063191	2063193
Debenture Redemption Reserve		2200000	15000000
Transfer to General Reserve		10000000	10000000
Balance carried to Balance Sheet		209887280	174927456
	TOTAL	236290459	214130649
Earnings per share (Face value Rs.10) (Basic and diluted)		20.22	26.54
Significant Accounting Policies	23		
Notes on Accounts	24		

The schedules referred to above form an integral part of Profit and Loss Account
As per our report of even date

For and on behalf of the Board

for S.Daga & Co.,
Chartered Accountants

K.Ravi Kumar
General Manager (Finance)

U.K.Agarwal
Chairman & Managing Director

(T.V.Subba Rao)
Partner
M.No:9636
Place : Secunderabad
Date : 27th June, 2008

R.D.Sharma
Dy.General Manager (Finance) &
Company Secretary

Ritesh K Agarwal
Executive Director

Rajvir Industries Limited



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - I		
SHARE CAPITAL:		
Authorised: 35,00,000 Equity Shares of Rs.10/- each	35000000	35000000
	35000000	35000000
Issued,Subscribed and Paid up:		
30,34,997(Previous year 30,34,997) Equity Shares of Rs.10/- each fully paid. (51500 (Previous year 51500) Equity shares of Rs 10 each issued for cash and 2983497(Previous year 2983497) Equity shares of 10 each issued for consideration other than cash)	30349970	30349970
	30349970	30349970

SCHEDULE - 2

RESERVES AND SURPLUS:

	As at 01.04.2007 Rupees	Additions Rupees	Deductions/ Adjustments Rupees	As at 31.03.2008 Rupees
Debenture Redemption Reserve	55000000	2200000		57200000
	(40000000)	(15000000)		(55000000)
Revaluation Reserve	13902532		2816217	11086315
	(16718749)		(2816217)	(13902532)
Capital Reserve		2539503		2539503
General Reserve	76083706	10000000		86083706
	(66083706)	(10000000)		(76083706)
Balance as per Profit & Loss Account	174927456	209887280	174927456	209887280
	(133570672)	(174927456)	(133570672)	(174927456)
	319913694	224626783	177743673	366796804

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



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 3		
SECURED LOANS		
Debentures		
9.00%, 428571 (Previous year 642857) Secured Redeemable Non-Convertible Debentures of Rs.100/- each	42857142	64285714
Term Loans (Under TUF Scheme) from		
Industrial Development Bank of India - I	12156000	21868000
Industrial Development Bank of India -II	24000000	30000000
State Bank of Hyderabad	143683136	169478708
State Bank of Bikaner & Jaipur	140144062	168336950
Axis Bank Limited	457647738	-
State Bank of india	157461176	89093530
	935092112	478777188
Working Capital Loans from		
State Bank of India	266273924	233774457
State Bank of Hyderabad	115733656	79112066
State Bank of Mysore	119187045	81959554
	501194625	394846077
	1479143879	937908979
Hire Purchase Car Loans		
	3086155	3633485
from Banks	1482230034	941542464

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 fourteen quarterly instalments of Rs.5357143/-, starting from 1st January, 2007 onwards as per reschedulement permitted by IDBI with a premium of 5% on redemption.
- 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 & 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 loan from Axis Bank Ltd. is secured by mortgage of present and future movable & immovable assets of the company situated at tandur unit on pari passu basis and guaranteed by two directors of the company.
- All Working Capital loans, Cash Credit and FCNRB - DL are secured by hypothecation of stocks of raw materials, yarn, stock-in-process, stores and spares, book debts and by a 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.
- Car loans referred above are secured by hypothecation of the respective assets and guaranteed by one of the directors of the company.

Rajvir Industries Limited



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 4		
UNSECURED LOANS		
OTHER LOANS AND ADVANCES		
a) From Directors	31605000	29500000
b) From Others	111603350	106529281
c) Interest accrued and due	1594223	510459
	<u>144802573</u>	<u>136539740</u>
 SCHEDULE - 5		
DEFERRED TAX		
Deferred Tax Liabilities		
Depreciation	91242250	77022749
On Others	1681030	1313746
	<u>92923280</u>	<u>78336495</u>
 Deferred tax Assets		
Unabsorbed Depreciation	-	-
On Others	2023383	1211920
	<u>2023383</u>	<u>1211920</u>
Deferred Tax Liabilities (Net)	<u>90899897</u>	<u>77124575</u>



**SCHEDULE - 6
FIXED ASSETS**

Description of the Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2007 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2008 Rs.	Upto 31.03.2007 Rs.	For the year Rs.	Deductions Rs.	Upto 31.03.2008 Rs.	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
	LAND	7299697	4591740		11891437					11891437
FACTORY BUILDINGS	196393440	9326001		205719441	19517409	6585142		26102551	179616890	176876031
NON-FACTORY BUILDINGS	49654157	1807132		51461289	2803512	811783		3615295	47845994	46850645
TOWN SHIP	12582688			12582688	2009278	205098		2214376	10368312	10573410
WORK SHOP EQUIPMENT	122089			122089	115930	532		116462	5627	6159
PLANT AND MACHINERY	1038316905	25082922		1063399827	272816236	53486971		326303207	737096620	765500669
TESTING EQUIPMENT	10460366			10460366	300609	496074		796683	9663683	10159757
ELECTRICAL INSTALATIONS	67261974	3131535		70393509	13395693	3055813		16451506	53942003	53866281
WEIGHING MACHINES	1025718	29694		1055412	382133	47280		429413	625999	643585
WATER WORKS	1670618			1670618	281189	27231		308420	1362198	1389429
FURNITURE & FIXTURES	4106640	352354		4458994	1392437	277895		1670332	2788662	2714203
OFFICE EQUIPMENT	3114710	345071		3459781	879491	240338		1119829	2339952	2235219
VEHICLES	15781599	1722282	1858118	15645763	4144544	1466492	710729	4900307	10745456	11637055
DATA PROCESSING EQPT.	2834998	630245		3465243	1513604	406119		1919723	1545520	1321394
REVALUED PLANT & MACHINERY	53337442			53337442	39434910	2816217		42251127	11086315	13902532
Capital Work in Progress	1463963041	47018976	1858118	1509123899	358986975	69922985	710729	428199231	1080924668	1104976066
	16371620	583434974	47018976	552787618					552787618	16371620
Previous year	1480334661	630453950	48877094	2061911517	358986975	69922985	710729	428199231	1633712286	1121347686
	1157061914	898678268	575405521	1480334661	303928867	55561499	503391	358986975	1121347686	853133047

Rajvir Industries Limited



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 7		
INVESTMENTS (AT COST)	98000	-
(Long Term, unless otherwise stated)		
Unquoted - Trade		
In shares		
In subsidiary companies:		
9800 (Previous year - nil) Equity shares		
of Rs.10/- each fully paid up in M/s.Moneysa Fibres (P) Ltd.,		
 SCHEDULE - 8		
INVENTORIES		
Rawmaterials	221557408	157100181
Stores and Spares	37487533	33911375
Finished Goods	228977931	137776590
Stock-in-process	48521970	35110172
Cotton Waste	546082	730291
	<u>537090924</u>	<u>364628609</u>
 SCHEDULE - 9		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Exceeding six months	8268490	6944566
Others	163517861	115822871
	<u>171786351</u>	<u>122767437</u>
 SCHEDULE - 10		
CASH AND BANK BALANCES		
Cash On hand	9293048	4328508
Cheques on hand	6544756	7842666
Balances with Scheduled banks		
In Current Accounts	11221123	2029694
In Deposits	13068704	14227023
	<u>40127631</u>	<u>28427891</u>
 SCHEDULE - 11		
LOANS AND ADVANCES		
(Unsecured considered good)		
Advances to Subsidiary	6000	-
(M/s.Moneysa Fibres Private Limited)		
Advances receivable in cash or in kind or for value to be received	59849359	77328806
Advances for Purchases	20296107	49473227
Deposits - With Government	23636038	21821752
- With others	1043511	1142811
Advance tax	25176262	29725777
	<u>130007277</u>	<u>179492373</u>

Rajvir Industries Limited



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 12		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors for goods	203656984	144815992
Creditors for expenses	83466826	61927782
Creditors for others	56150546	46522247
Unclaimed Dividend *	320542	210102
Advances received against sales	11904778	15493960
	<u>355499676</u>	<u>268970083</u>
B. PROVISIONS		
Provision for Corporate Tax	23860000	25635000
Provision for Fringe Benefit Tax	1241728	1136728
Provision for Corporate Dividend Tax	2063191	2063193
Provision for Gratuity	2334325	1627961
Provision for Leave Encashment	604283	430112
Proposed Dividend	12139988	12140000
	<u>42243515</u>	<u>43032993</u>
Total : A + B	<u><u>397743191</u></u>	<u><u>312003077</u></u>

* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

SCHEDULE - 13

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Deferred Revenue Expenses			
Opening Balance	809524	2576068	
Less : written off during the year	<u>809524</u>	<u>1766544</u>	809524
	<u>-</u>	<u>-</u>	<u>809524</u>
	Year ended March 31,2008 Rs.	Year ended March 31,2007 Rs.	

SCHEDULE - 14

Sales/Income from operations

Yarn	1538941051	1226717961
Waste	42955837	30780887
Traded Goods - Cotton	268572230	408100959
Traded Goods - yarn	15441958	-
	<u>1865911075</u>	<u>1665599807</u>



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	Year ended March 31,2008 Rs.	Year ended March 31,2007 Rs.
SCHEDULE -15		
Other Income		
Interest (TDS Rs. 425576/-..Previous year Rs.419322/-)	2635751	2170467
Insurance Claims	-	4089574
Other claims	8790	14587210
Profit on discarded assets	-	1457082
Profit on sale of assets	666	-
Export Benefits	30107332	11175395
Miscellaneous Receipts	7302445	2441574
	<u>40054984</u>	<u>35921303</u>
SCHEDULE - 16		
Consumption of Raw Materials		
Opening Stocks	157100181	118929589
Add : Purchases	1041982610	838911885
	1199082791	957841474
Less : Closing Stocks	221557408	157100181
	977525382	800741293
Less:Stocks lost in fire accident	-	23699940
Raw Materials consumed	<u>977525382</u>	<u>777041353</u>
SCHEDULE - 17		
Chemicals,Stores & Spares consumption		
Stores & spares	18475842	12598085
Dyes & Chemicals	30709624	20219355
Packing Material	21354572	17731803
	<u>70540038</u>	<u>50549243</u>
SCHEDULE - 18		
Power & Fuel		
Electricity Charges	157408514	127714793
Fuel	5796057	4614273
	<u>163204571</u>	<u>132329066</u>
SCHEDULE - 19		
Payments to & Provisions for Employees		
Salaries, Wages and Bonus	92260885	69231268
Contribution to Provident Fund & other funds	4848345	4123871
Gratuity and Leave encashment	1737187	1652462
Staff & Workmen welfare	9143038	6526605
	<u>107989455</u>	<u>81534206</u>

Rajvir Industries Limited



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	Year ended March 31, 2008 Rs.	Year ended March 31, 2007 Rs.
SCHEDULE - 20		
Administrative Expenses		
Rent	2042494	1917280
Security Charges	3424870	2541599
Rates & Taxes	4953179	5982689
Printing & Stationery	1150465	1089668
Postage, Telegrams & Telephones	2640612	2706751
Travelling & Conveyance	7169752	8142802
Directors' Sitting fees	62000	54000
Advertisements	484590	471599
Foreign Exchange Fluctuations	15112505	2951053
Commission / Expenses on Sales	92128747	74330338
Insurance	4840442	5728808
Auditors' Remuneration	305424	198234
Legal & Professional Charges	2347845	2931897
Repairs to : Buildings	448443	505082
: Machinery	13011253	10172014
: Other Assets	605296	350204
Loss on sale of vehicles	333055	-
Vehicle Maintenance	2558937	2433472
Miscellaneous Expenses	7980434	7222280
Donations	327179	841886
	<u>161927522</u>	<u>130571655</u>
SCHEDULE - 21		
Interest & Finance Charges		
Debentures	5077419	6642864
Term Loans	72738939	46912158
Less: Interest subsidy under TUF	19923185	15585089
Less: Interest Transferred to Fixed Assets	19099066	13636781
Banks & others	45372554	17690288
Bank charges	6311905	3908632
	<u>90478567</u>	<u>58478414</u>
SCHEDULE - 22		
Increase/(Decrease) in Stocks		
Opening Stocks		
Yarn	137776590	20518242
Work-in-process	35110172	21677231
Cotton Waste	730291	202444
	<u>173617053</u>	<u>42397917</u>
Closing Stocks		
Yarn	228977931	137776590
Work-in-process	48521970	35110172
Cotton Waste	546082	730291
	<u>278045983</u>	<u>173617053</u>
Increase/(Decrease) in stocks	<u>104428930</u>	<u>131219136</u>



NOTES FORMING PART OF THE ACCOUNTS

SCHEDULE-23

I. 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. Income from services rendered is accounted as per contractual terms with the parties concerned.
- c. Dividend income is accounted for in the year in which it is declared.
- d. 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 31.3.1993 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 and net realizable value.
Work in process	At lower of cost and net realizable value.
Stores & Spares	At lower of cost and net realizable value.
Finished Goods (Yarn)	At lower of cost and net realizable value.

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

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

Cost of Stores and Spares is determined on Weighted Average basis

vi. Employee Benefits:

During the year 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.



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE-23 (Contd.)

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 realised 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 a 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.



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE-24 NOTES ON ACCOUNTS

	31.03.2008 Rs in Lacs	31.03.2007 Rs in Lacs
1) Contingent Liabilities not provided for:		
a) Letters of Credit	1235.39	634.00
b) Bank Guarantees	13.97	13.97
c) Contingent Liabilities in respect of Bills Discounted & outstanding	258.58	1826.23
2) Capital commitments		
For the amounts of Contracts remaining to be executed	699.75	3361.50
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 Rs. 444.16 lacs plus interest which the company has disputed and filed a counter claim for Rs. 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 carried out by an approved valuer in March 1993 resulted in increase in the gross value of assets by Rs.53337442. The same was adopted on 31.03.1993, by showing under fixed assets schedule as separate item and by creating revaluation reserve to that extent. The depreciation on the balance of revalued assets for the period adjusted against the revaluation reserve and the asset respectively.	28.16	28.16
5) The capital subsidy received from TUFs (The Ministry of Textiles, Govt. of India) during the year has been credited to Capital Reserve, which is subject to certain stipulations under the scheme.	25.39	Nil
6) Auditors Remuneration includes:		
Statutory Audit	2.00	1.20
Tax Audit	0.40	0.25
Certification & others	0.50	0.38
Reimbursement of Expenses	0.15	0.15
	3.05	1.98
7) Instalments of Term Loans and Debentures due within the next 12 months period payable to:		
a) Industrial Development Bank of India	371.41	371.41
b) State Bank of India	194.60	194.60
c) State Bank of Hyderabad	186.00	280.00
d) State Bank of Bikaner and Jaipur	186.00	280.00
e) State Bank of India (Corp Loan)	300.00	0.00
f) Axis Bank Ltd	75.00	0.00
	1313.01	1126.01



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	31.03.2008 Rs in Lacs	31.03.2007 Rs in Lacs
8) Other Loans and Advances includes:		
(i) Interest free Sales Tax Loan received from the State Government, which is repayable in four annual instalments commencing from the year 2012.	20.00	20.00
(ii) Sales Tax Deferment Liability which is due for repayment from the year 2014.		
For the Year	1.88	85.03
Aggregate for the year	899.24	897.36
9) Current Assets , 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 depreciation and for all known liabilities are adequate and not in excess of the amounts considered reasonably necessary.	-	-
10) Travelling & Conveyance includes Directors travelling	27.05	43.22
11) EXPORT BENEFITS:		
The details of export benefits accounted for on accrual basis on exports made during the year as incentive under Duty Entitlement Pass Book is as under :		
a) For the year	149.00	111.75
b) Aggregate at the end of the year	149.00	111.75
12) Disclosure in accordance with section 22 of Micro, Small and Medium Enterprises Development Act, 2006		

SI No.	Particulars	2007-08 Rs. Lacs	2006-07 Rs. Lacs
a.	Principal amount remaining unpaid and interest due thereon	Nil	Nil
b.	Interest paid in terms 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.

13) Foreign currency exposure that are not hedged by derivative or forward contracts	81.19	29.51
--	-------	-------



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	31.03.2008 Rs in Lacs	31.03.2007 Rs in Lacs
14) The operations of the company predominantly comprises of "Manufacturing of yarn". These activities constitute the Primary segment and is the only reportable 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 geographical revenues are segregated based on the locations of the customers. 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 tables shows the distribution of the company's turnover by geographical locations.		

SECONDARY (GEOGRAPHICAL) SEGMENTS	Amount in Rs.	Amount in Rs.
Revenue attributable to location of customers:		
India	1202273397	1054528529
Rest of the world	663637678	581434352
15) Assets / Capital Work-in-progress		
Interest on borrowings towards purchase of assets / capital work-in-progress capitalised during the year	190.99	136.37
16) Employee Benefits :		
	Year ended 2007-08 Rs. (in Lacs)	Year ended 2007-08 Rs. (in Lacs)

The assumptions and other disclosures relating to the Actuarial valuation of gratuity and leave encashment are as under:

	Gratuity	Leave Encashment
a) Change in Present value of obligation		
Present value of obligation at beginning of period	16.28	4.30
Interest cost	1.30	0.34
Current service cost	5.76	0.66
Benefits paid	-	(6.54)
Actuarial (gain)/Loss on obligation	-	7.28
Present value of obligation at the end of period	23.34	6.04
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	2.02	6.54
Actuarial gain/(Loss) on plan assets	-	-
Fair value of plan asset at end of period	-	-



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	Year ended 2007-08 Rs. (in Lacs)	Year ended 2007-08 Rs. (in Lacs)
c) Fair value of Plan assets		
Fair value of Plan Assets at beginning of period	-	-
Actuarial return on Plan assets	-	-
Contributions	-	-
Benefits paid	2.02	6.54
Fair value of Plan Assets at end of period	-	-
Funded status	(23.34)	(6.04)
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	23.34	6.04
Fair value of Plan Assets at end of period	-	-
Funded status	(23.34)	(6.04)
Unrecognised Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognised in the balance sheet	-	-
e) Expense recognised in the statement of P&L A/c		
Current service cost	5.76	0.66
Interest cost	1.30	0.34
Expected return on Plan asset	-	-
Net Actuarial (Gain)/Loss recognised for the period	-	-
Expense recognised in the statement of P&L A/c	9.09	8.28
f) Movements in the Liability recognised in Balance sheet		
Opening Net liability	16.28	4.30
Expenses as above	9.09	8.28
Contribution paid	-	-
Benefits paid	2.02	6.54
Closing Net Liability	23.34	6.04
Assumptions:		
Mortality	LIC (1994-96)	LIC (1994-96)
Discount rate		
Rate of increase in compensation		
Rate of return (expected) on plan assets	N.A.	N.A
Attrition rate		
Expected average remaining service of Employees in years	-	-

Notes:

- 1) 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.
- 2) This being the first year of adoption of Accounting Standard 15 (Revised), comparative figures for the previous year are not available.
- 3) Payments and provisions for employees includes Rs.4577448/- (Previous year Rs.3784130/-) recognised as expense in respect of defined contribution plans.

Rajvir Industries Limited



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	Year ended 2007-08 Rs. (in Lacs)	Year ended 2006-07 Rs. (in Lacs)
17) Earning per share		
No of Equity Shares	3034997	3034997
Profit available to Equity Share Holders (Rs)	61363003	80559978
Nominal per Equity share (Rs)	10	10
Basic & Diluted Earning per share (Rs.)	20.22	26.54
18) Managerial Remuneration		
Salary	8236800	8236800
Commission	1921480	2710456
Perquisites	41514	39321
Contribution to provident and other Funds	18720	18720
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	85523123	125974608
Add: Managerial Remuneration	10218514	11005297
Less : Profit on Discarded assets	666	1457082
Add : Loss on sale of vehicles	333055	-
Net profit for the year in accordance with section 349 of the companies act,1956	96074026	135522823
Commission payable to :-		
Managing Director - 1% of the above net profit	960740	1355228
Executive Director - 1% of the above net profit	960740	1355228
Managing Director - restricted to 50% of Annual salary	1728000	1728000
Executive Director - restricted to 50% of Annual salary	1440000	1440000
Since 1% of the Net Profit is lower the same is considered.		
19) 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		
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		



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

(Amount in Rs.)

Name of the Transaction	Other Associates	Key Management Personnel	Relatives	Total
Rent	1140000 (1140000)	- -	- -	1140000 (1140000)
Remuneration	- -	10218514 (11005297)	- -	10218514 (11005297)
Cotton Purchases	333507906 (304704497)	- -	- -	333507906 (304704497)
Loan : Receipt	-	7105000 (15500000)	14350000 (29850000)	21455000 (45350000)
Payment	-	5000000 (8900000)	9600000 (21557000)	14600000 (30457000)
Interest	280644 (338604)	2374142 (2272918)	1089943 (679019)	3744729 (3290541)

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.

	31.03.2008	31.03.2007
20) Stock of finished goods includes stocks lying with consignment agents (Rs.)	25051740	9570724

Rajvir Industries Limited



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

SCHEDULE-24 (contd.)

	<u>2007-08</u>		<u>2006-07</u>	
	Quantity in Kgs.	Amount Rs.	Quantity in Kgs.	Amount Rs.
21) Licensed Capacity : Not applicable since the Industry is delicensed Installed Capacity : No of Spindles (The figures have been certified by management and not verified by the Auditors being a technical matter.)		84000		84000
22) Production & Sales				
a) Production				
Yarn	11039827		9920054	
b) Purchase of Traded goods				
Yarn	168900	12831450	21607	2124062
Cotton	4522694	251288275	8311063	373074705
c) Sales:				
Yarn	10800472	1538941051	9177483	1226717961
Waste	2392558	42955837	2099618	30780887
	13193030	1581896888	11277101	1257498848
d) Sales of traded goods				
Yarn	168900	15441958		
Cotton -- Exports	4522694	268572230	8311063	408100959
23) Opening and Closing Stocks:				
a) Opening Stocks:				
Yarn	929106	137776590	186981	20518242
In Process	332670	35110172	282716	21677231
Waste	31811	730291	17595	202444
		173617053		42397917
b) Closing Stocks:				
Yarn	1140555	228977931	929106	137776590
In Process	420851	48521970	332670	35110172
Waste	30962	546082	31811	730291
		278045983		173617053
Note: Process loss in the course of dyeing of yarn is 26938 Kgs. (Previous year 22053 kgs) and 968 Kgs out of traded yarn and sale of yarn includes samples (Previous year nil) sent to customers.				
24) Stock of Rawmaterials:				
a) Opening Stocks:				
Cotton	2061326	133565676	2039329	102621178
Polyster Staple Fibre	103739	6465060	159782	10941636
Viscose Staple Fibre	159423	17069445	69682	5366776
	2324488	157100181	2268793	118929590
b) Closing Stocks:				
Cotton	2646158	178585185	2061326	133565676
Polyster Staple Fibre	196949	12275384	103739	6465060
Viscose Staple Fibre	244349	30696839	159423	17069445
	3087456	221557408	2324488	157100181



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS SCHEDULE-24 (contd.)

	<u>Quantity</u> in Kgs.	<u>2007-08</u> Amount Rs.	Quantity in Kgs.	<u>2006-07</u> Amount Rs.
25) Purchase of Rawmaterials:				
Cotton	9329491	536244370	8070270	463075584
Polyster Staple Fibre	2768282	189152461	2640925	176963073
Viscose Staple Fibre	2573322	316585779	2006158	198873228
	14671095	1041982610	12717353	838911885
26) a) Rawmaterials Consumed				
Cotton	8744659	491224861	8048273	408431145
Polyster Staple Fibre	2675072	183342137	2696968	181439649
Viscose Staple Fibre	2488396	302958385	1916417	187170559
	13908127	977525383	12661659	777041353
	%	Amount Rs.	%	Amount Rs.
b) Rawmaterials Consumed				
Indignous	99.00	964794431	100.00	777041353
Imported	1.00	12730952	--	--
	100.00	977525383	100.00	777041353
27) Spare parts & Components Consumed				
Indignous	84.01	15522171	87.79	11060461
Imported	15.99	2953671	12.21	1537624
	100.00	18475842	100.00	12598085
28) CIF value of imports:				
i) Plant & Machinery - Imported (CIF Value)		357491929		44913528
ii) Raw Materials (CIF Value)		2481317		43591531
iii) Stores and Spares (CIF Value)		12831580		3067489
29) Expenditure in Foreign Currency during the Year on account of :				
i) Foreign Travel		1265167		1963750
ii) Export Commission		4457662		4079786
30) Export Sales (FOB)		622525150		575718363
31) General :				
a) Paise are rounded off to the nearest Rupee.				
b) Previous year's figures have been regrouped / recast wherver considered necessary to make these comparable with those of the current year.				

As per our report of even date

for S.Daga & Co.,
Chartered Accountants

K.Ravi Kumar
General Manager (Finance)

For and on behalf of the Board

U.K.Agarwal
Chairman & Managing Director

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

R.D.Sharma
Dy.General Manager (Finance) &
Company Secretary

Ritesh K Agarwal
Executive Director

Place : Secunderabad
Date : 27th June, 2008

Rajvir Industries Limited



CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2008

PARTICULARS	31.03.2008		31.03.2007	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net profit before tax & extraordinary items		85523123		125974608
Add: Depreciation	67106768		52745282	
Misc.expenses written off	809524		1766544	
Interest & Finance charges	90478567		58478414	
		<u>158394859</u>		<u>112990240</u>
		<u>243917982</u>		<u>238964848</u>
Operating profit before working capital changes		243917982		238964848
Adjustments for working capital changes				
Sundry debtors	(49018914)		26071155	
Current liabilities	97758986		90732904	
Inventories	(172462315)		(173912668)	
Loans & Advances	60554971		(86276748)	
Tax provisions	(24587977)		0	
		<u>-87755249</u>		<u>-143385357</u>
Cash generated from Operations		156162733		95579491
Less: Interest & Finance charges		90478567		58478414
CASH FLOW BEFORE EXTRAORDINARY ITEMS		65684166		37101077
Add: Extraordinary items: Capital reserve		2539503		-
CASH FLOW FROM OPERATING ACTIVITIES		<u>68223669</u>		<u>37101077</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Outflow : Acquisition of fixed assets		582287585		323287415
		<u>-582287585</u>		<u>-323287415</u>

Rajvir Industries Limited



CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31,2008 (Contd.)

PARTICULARS	31.03.2008		31.03.2007	
	Rs.	Rs.	Rs.	Rs.
C CASH FLOW FROM FINANCING ACTIVITIES				
Inflow: Term Loans received	457647738		154309020	
Increase in Bank borrowings	106348548		164987569	
Investments	(98000)		-	
Hire purchase loan	(547330)		2605818	
Unsecured Loans	8262833		26636348	
Corporate loan - SBI	88125660	659739449	-	348538755
Outflow: Repayment of Term loans	89458474		74935248	
Repayment of N C Ds	21428572		10714286	
Corporate tax	9006682		14643660	
Dividend Tax	2063193		1702635	
Dividends	12018872	133975793	12140000	114135829
NET CASH FROM FINANCING ACTIVITIES		525763656		234402926
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)		11699740		-51783412
ADD:CASH/CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR.		28427891		80211303
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR		40127631		28427891

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

As per our report of even date

For and on behalf of the Board

for S.Daga & Co.,
Chartered Accountants

K.Ravi Kumar
General Manager (Finance)

U.K.Agarwal
Chairman & Managing Director

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

R.D.Sharma
Dy.General Manager (Finance) &
Company Secretary

Ritesh K Agarwal
Executive Director

Place : Secunderabad
Date : 27th June,2008



Rajvir Industries Limited

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
3	1	0	3	

 Balance Sheet

2	0	0	8
---	---	---	---

 Date Month Year
 State Code

0	1
---	---

II. Capital including Share Premium raised during the year

(Amount in Rs. Thousands)

Public Issue

	N	I	L
	N	I	L

 Right Issue

	N	I	L
	N	I	L

 Bonus Issue

	N	I	L
	N	I	L

 Private Placement

	N	I	L
	N	I	L

3. Position of Mobilisation and Deployment of Funds

Total Liabilities

2	5	1	2	8	2	2
---	---	---	---	---	---	---

Total Assets

2	5	1	2	8	2	2
---	---	---	---	---	---	---

Sources of Funds
 Paid up Capital

		3	0	3	5	0
1	4	8	2	2	3	0

 Reserves & surplus

		3	6	6	7	9	7
		1	4	4	8	0	2

 Secured Loans

		3	0	3	5	0
1	4	8	2	2	3	0

 Unsecured Loans

		3	6	6	7	9	7
		1	4	4	8	0	2

Application Of Funds
 Net Fixed Assets

1	6	3	3	7	1	2
	4	8	1	2	6	9

 Investments

						9	8
							0

 Net Current Assets

 Misc. Expenses

 Deferred Tax Liability (Net)

4. Performance of Company

Turnover

1	9	0	5	9	6	6
		8	5	5	2	3

 Total Expenditure

1	8	2	0	4	4	3
		6	1	3	6	3

 Profit Before tax

		8	5	5	2	3
		2	0		2	2

 Profit after Tax

		8	5	5	2	3
		2	0		2	2

 Earning Per share (Rs.) (based on weighted average)

		2	0		2	2
		2	0		2	2

 Dividend Rate %

						4	0

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

Product Description	Item Code No. (ITC Code)
COTTON Y ARN	520300
PV YARN	550900

As per our report of even date

For and on behalf of the Board

for S.Daga & Co.,
Chartered Accountants

K.Ravi Kumar
General Manager (Finance)

U.K.Agarwal
Chairman & Managing Director

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

R.D.Sharma
Dy.General Manager (Finance) &
Company Secretary

Ritesh K Agarwal
Executive Director

Place : Secunderabad
Date : 27th June, 2008



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES

1. Name of the Subsidiary	Moneysa Fibers Private Limited
2. Financial year of the Subsidiary ended on	31st March, 2008
3. Shares of the Subsidiary held by the Company on the above date:	
a) Number of shares	10,000
Face Value	Equity Shares of Rs.10 each
b) Extent of Holding	98%
4. Net aggregate amount of profits/(loses) of the Subsidiary for the above financial year so far As they concern members of the Company	
a) dealt with in the accounts of the Company for the year ended 31st March, 2008	Nil
b) not dealt with in the accounts of the Company for the year ended 31st March, 2008	Nil
5. Net aggregate amount of profits/(losses) for previous years of the Subsidiary, since it became a subsidiary so far as they concern members of the Company.	
a) dealt with in the accounts of the Company for the year ended 31st March, 2007	Nil
c) not dealt with in the accounts of the Company for the year ended 31st March, 2007	Nil
6. Change in the interest of the Company in the Subsidiary between the end of the financial year Of the subsidiary and that of the Company.	Nil
7. Material changes between the end of the financial year of the Subsidiary and end of the financial year of the Company in respect of the ubvestnebts, lending and borrowing for the purpose other than meeting their current liabilities	Nil
8. Remarks	Nil

For and on behalf of the Board

K.Ravi Kumar
General Manager (Finance)

U.K.Agarwal
Chairman & Managing Director

Place : Secunderabad
Date : 27th June,2008

R.D.Sharma
Dy.General Manager (Finance) &
Company Secretary

Ritesh K Agarwal
Executive Director

Moneysa Fibres Private Limited

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the 1st Annual Report on the business and operations of the Company and Audited statement of Accounts for the year ended 31st March 2008.

OPERATIONS

During the year under review there was no operation of the company. The Company has been incorporated on 29th November, 2007 with an object to carry on business in non textile sector. The location of the plant & other aspects of the same are under consideration. During the year the company has incurred the following expenses:

Incorporation Expenses	:	Rs.	6000.00
Audit fees	:	Rs.	10000.00
		Rs.	16000.00

DIVIDEND

As there is no operation of the company, the directors have not recommended any dividend for the year 2007-08.

FIXED DEPOSITS

The Company has not invited /accepted any deposits from the public within the meaning of section 58A & 58AA of the companies Act, 1956

DIRECTORS

Pursuant to the provisions of Companies Act, 1956 and in terms of the Articles of Association of the company Mr. U.K. Agarwal retires by rotation at the ensuing 1st Annual General Meeting and being eligible offers himself for reappointment.

AUDITORS

The Auditors, M/s S Daga & Co., Chartered Accountants, Statutory Auditors retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

1. That in the preparation of the annual accounts the applicable accounting standards has been followed and there has been no material departure;
2. That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the Profit & Loss Account of the Company for the year ended on that date.
3. That 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;
4. That the annual accounts have been prepared on a going concern basis.

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

The details as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure-I and form part of the Report.

EMPLOYEES

The information required to be furnished under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended as per Annexure II and forming part of the Report.

For and on behalf of the Board of Directors

(U.K. Agarwal)
Director

Place : Secunderabad

Date : 31.07.2008

Moneysa Fibres Private Limited

ANNEXURE-I

ANNEXURE TO 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:

Not Applicable as company is yet to commence operations.

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): Not applicable as no R&D activity is carried out.

B. Technology absorption, adoption and innovation : Not Applicable

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

During the year there is no Foreign Exchange Earning or outgo.

ANNEXURE II

ANNEXURE TO 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 directors' report for the year 2007-2008: Not Applicable

MoneySA Fibres Private Limited

AUDITORS' REPORT

To
The Shareholders of
MONEYSA FIBRES PVT.LTD.

We have audited the attached Balance Sheet of MONEYSA FIBRES PVT.LTD., as at 31st March, 2008 and Cash Flow Statement for the period 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.

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.

- 1) This report does not include a statement on the matters specified in paragraph 4 of 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 Section 227 (4A) of the Companies Act, 1956, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the company.
- 2) Further to our comments in the annexure referred to in paragraph (1) above:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from the examination of such books.

- c) The Balance Sheet dealt with by this report is in agreement with the books of accounts
- d) In our opinion the Balance Sheet and Cash Flow Statement dealt with by this statement complies with the mandatory Accounting Standards referred to in section 211(3C) of the Companies Act, 1956, wherever applicable.
- e) As per the information and explanation given to us, no director of the Company is disqualified from being appointed as director under clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read together with the notes thereon with regard to going concern assumption; give 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 2008;
 - ii) In the case of Cash Flow statement, of the cash flows for the period ended on that date.

For S.DAGA & CO.,
Chartered Accountants

(T.V.SUBBA RAO)
Partner
M.No.9636

Place : Hyderabad
Date : 27.6.2008

Moneysa Fibres Private Limited

BALANCE SHEET AS AT 31st MARCH, 2008

	Schedule	As at 31.03.2008	
		Rupees	Rupees
SOURCES OF FUNDS:			
Shareholders' Funds			
Share Capital	1	100000	100000
Loan Funds			
Secured Loans		-	
Unsecured Loans	2	6000	6000
TOTAL			106000
APPLICATION OF FUNDS:			
Fixed Assets			
Gross Block		-	
Less : Depreciation		-	
Net Block			-
Current Assets, Loans and Advances			
Cash and Bank Balances	3	100000	
		100000	
Less : Current Liabilities and Provisions	4	10000	
Net Current Assets			90000
Miscellaneous Expenditure	5		16000
(To the extent not written off or adjusted)			
TOTAL			106000
Significant Accounting Policies & Notes on Accounts	6		

The schedules referred to above form an integral part of Balance Sheet

As per our report of even date

for S.Daga & Co.,
Chartered Accountants

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

Place : Secunderabad
Date : 27th June, 2008

For and on behalf of the Board

U.K.Agarwal
Director

Ritesh K Agarwal
Director

Moneysa Fibres Private Limited ITED

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

As at
31.03.2008
Rs.

SCHEDULE - I

SHARE CAPITAL:

Authorised:

10,000 Equity Shares of Rs.10/- each

100000

100000

Issued, Subscribed and Paid up:

10,000 Equity Shares of Rs.10/- each fully paid.

100000

100000

As at
31.03.2008
Rs.

SCHEDULE - 2

UNSECURED LOANS

OTHER LOANS AND ADVANCES

a) From Directors

-

b) From Others

6000

(Rajvir Industries Limited - Holding company)

6000

As at
31.03.2008
Rs.

SCHEDULE - 3

CASH AND BANK BALANCES

Cash On hand

-

Cheques on hand

100000

Balances with Scheduled banks

-

100000

As at
31.03.2008
Rs.

SCHEDULE - 4

CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Creditors for expenses

10000

10000

for the period
31.03.2008
Rs.

SCHEDULE - 5

MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Preliminary & Pre-operative expenses

6000

Statutory Audit fee

10000

16000

Moneya Fibres Private Limited

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

SCHEDULE-6

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

The Financial Statements are prepared on the historical cost convention method.

B. NOTES ON ACCOUNTS:

As at 31.03.2008

Amount (Rs)

i) Contingent liabilities provided for	Nil
ii) Estimated amounts of contracts to be executed on Capital account and not provided in the books of account	Nil
iii) The company has prepared the statement of pre-operative expenses instead of Profit & loss account. The necessary details as per Part II of Schedule VI of the Companies Act, 1956 to the extent applicable have been disclosed in the said statement.	
iv) This is the first Balance Sheet of the Company covering a period from the date of incorporation i.e. from 29th November,2007 to 31st March,2008 and therefore there are no previous year's figures.	
v) Other information as required under para 4-C and 4-B of Schedule VI, Part II of the Companies Act,1956.	Nil

The schedules referred to above form an integral part of Balance Sheet

As per our report of even date

for S.Daga & Co.,
Chartered Accountants

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

Place : Secunderabad
Date : 27th June, 2008

For and on behalf of the Board

U.K.Agarwal
Director

Ritesh K Agarwal
Director

Moneya Fibres Private Limited

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31,2008

PARTICULARS	31.03.2008	
	Rs.	Rs.
A CASH FLOW ARISING FROM OPERATING ACTIVITIES:		
Net profit before tax & extraordinary items	-	-
Add: Depreciation	-	-
Misc.expenses written off	-	-
Interest & Finance charges	-	-
	<hr/>	<hr/>
Operating profit before working capital changes		-
Adjustments for working capital changes		
Sundry debtors	-	-
Current liabilities	10000	-
Inventories	-	-
Loans & Advances	-	-
Intangible assets	(16000)	(6000)
	<hr/>	<hr/>
Cash generated from Operations	-	(6000)
Less: Interest & Finance charges	-	-
		<hr/>
CASH FLOW BEFORE EXTRAORDINARY ITEMS		(6000)
Add: Extraordinary items: Capital reserve		-
CASH FLOW FROM OPERATING ACTIVITIES		<hr/>
		(6000)
B CASH FLOW FROM INVESTING ACTIVITIES		
Outflow: Acquisition of fixed assets	-	-
		<hr/>
		-
C CASH FLOW FROM FINANCING ACTIVITIES		
Inflow: Increase in share Capital	100000	-
Increase in Bank borrowings	-	-
Unsecured Loans	6000	106000
	<hr/>	<hr/>
NET CASH FROM FINANCING ACTIVITIES		106000
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)		100000
ADD:CASH/CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR.		-
		<hr/>
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR		100000
		<hr/>

As per our report of even date

for S.Daga & Co.,
Chartered Accountants

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

Place : Secunderabad
Date : 27th June, 2008

For and on behalf of the Board

U.K.Agarwal
Director

Ritesh K Agarwal
Director

Rajvir Industries Limited



CONSOLIDATED ACCOUNTS

To

The Board of Directors
RAJ VIR INDUSTRIES LIMITED,
Secunderabad.

To the Board of Directors of Rajvir Industries Limited on the consolidated financial statements of Rajvir Industries Limited and its subsidiary, Moneysa Fibres Pvt.Ltd.

We have examined the attached Consolidated Balance Sheet of Rajvir Industries Limited and its subsidiary Moneysa Fibres Pvt.Ltd., as at 31st March 2008, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto.

These consolidated financial statements are the responsibility of Rajvir Industries Limited's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have 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 prepared, in all material respects, in accordance with an identified financial reporting frame work and 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.

We report that consolidated financial statements have been prepared by the Company in accordance with the requirements of

Accounting Standards (AS) 21 – Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Rajvir Industries Limited, Moneysa Fibres Pvt.Ltd. included in the consolidated financial statements.

On the basis of the information and explanations given to us, and on consideration of the separate audit reports on individual audited financial statements of Rajvir Industries Limited and its subsidiary, we are of the opinion that:

- (a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Rajvir Industries Limited and its subsidiary as at 31st March 2008.
- (b) The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Rajvir Industries Limited and its subsidiary for the ended on that date; and
- (c) The Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows of Rajvir Industries Limited and its subsidiary for the year ended on that date.

For S.DAGA & CO.,
Chartered Accountants

(T.V.SUBBA RAO)
Partner
M.No.9636

Place : Hyderabad.

Date : 27.6.2008

Rajvir Industries Limited



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2008

	Schedule	As at 31.03.2008		As at 31.03.2007	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS:					
Shareholders' Funds					
Share Capital	1	30349970		30349970	
Reserves and Surplus	2	366796804		319913694	
			397146774		350263664
Minority Interest	2A		2000		
Loan Funds					
Secured Loans	3	1482230034		941542464	
Unsecured Loans	4	144802573		136539740	
			1627032607		1078082204
Deferred Tax Liability (Net)	5		90899897		77124575
TOTAL			2115081278		1505470443
APPLICATION OF FUNDS:					
Fixed Assets					
Gross Block	6	1509123899		1463963041	
Less : Depreciation		428199231		358986975	
Net Block		1080924668		1104976066	
Add : Capital Work in Progress		552787618		16371620	
			1633712286		1121347686
Investments	7		Nil		Nil
Current Assets, Loans and Advances					
Inventories	8	537090924		364628609	
Sundry Debtors	9	171786351		122767437	
Cash and Bank Balances	10	40227631		28427891	
Loans and Advances	11	130001277		179492373	
		879106183		695316310	
Less : Current Liabilities and Provisions	12	397753191		312003077	
Net Current Assets			481352992		383313233
Miscellaneous Expenditure	13		16000		809524
(To the extent not written off or adjusted)					
TOTAL			2115081278		1505470443
Significant Accounting Policies	23				
Notes on Accounts	24				

The schedules referred to above form an integral part of Balance Sheet
As per our report of even date

For and on behalf of the Board

for S.Daga & Co.,
Chartered Accountants

K.Ravi Kumar
General Manager (Finance)

U.K.Agarwal
Chairman & Managing Director

(T.V.Subba Rao)
Partner
M.No:9636
Place : Secunderabad
Date : 27th June, 2008

R.D.Sharma
Dy.General Manager (Finance) &
Company Secretary

Ritesh K Agarwal
Executive Director

Rajvir Industries Limited



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	Schedule	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
INCOME:			
Gross Sales/Income from operations	14	1865911075	1665599807
Less: Excise Duty		-	29636926
Net Sales		1865911075	1635962881
Increase /(Decrease) in stocks	22	104428930	131219136
Other Income	15	40054984	35921303
	TOTAL	2010394989	1803103320
EXPENDITURE			
Raw Materials Consumed	16	977525382	777041353
Purchase of Yarn - Trading		12831450	2124062
Purchase of Cotton - Trading		251288275	373074705
Other Manufacturing Expenses		10951800	5908885
Chemicals, Stores & Spares Consumed	17	70540038	50549243
Power and Fuel	18	163204571	132329066
Payments to & provisions for Employees	19	107989455	81534206
Administrative expenses	20	161927522	130571655
Interest & Finance Charges	21	90478567	58478414
Managerial Remuneration		10218514	11005297
Depreciation	6	69922985	55561499
Less: Tfr from revaluation reserve		2816217	2816217
Miscellaneous Expenditure Written off	13	809524	1766544
	TOTAL	1924871866	1677128712
		85523123	125974608
Profit before tax			
Provision for taxation			
Corporate Tax		9725000	14135000
Fringe Benefit Tax		655000	586728
Deferred Tax		13775322	30692902
		61367801	80559978
Less: Prior period Income Tax adjustment(net)		4798	0
Profit after tax		61363003	80559978
Add: Profit brought forward from last year		174927456	133570672
		236290459	214130649
APPROPRIATIONS			
Proposed Dividend		12139988	12140000
Tax on Dividend		2063191	2063193
Debenture Redemption Reserve		2200000	15000000
Transfer to General Reserve		10000000	10000000
Balance carried to Balance Sheet		209887280	174927456
	TOTAL	236290459	214130649
Earnings per share (Face value Rs.10) (Basic and diluted)		20.22	26.54
Significant Accounting Policies	23		
Notes on Accounts	24		

The schedules referred to above form an integral part of Profit and Loss Account
As per our report of even date

For and on behalf of the Board

for **S.Daga & Co.,**
Chartered Accountants

K.Ravi Kumar
General Manager (Finance)

U.K.Agarwal
Chairman & Managing Director

(T.V.Subba Rao)
Partner
M.No:9636
Place : Secunderabad
Date : 27th June, 2008

R.D.Sharma
Dy.General Manager (Finance) &
Company Secretary

Ritesh K Agarwal
Executive Director

Rajvir Industries Limited



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
--	----------------------------	----------------------------

SCHEDULE - I

SHARE CAPITAL:

Authorised:

35,00,000 Equity Shares of Rs.10/- each	35000000	35000000
	35000000	35000000

Issued,Subscribed and Paid up:

30,34,997(Previous year 30,34,997) Equity Shares of Rs.10/- each fully paid. (51500 (Previous year 51500) Equity shares of Rs 10 each issued for cash and 2983497 (Previous year 2983497) Equity shares of 10 each issued for consideration other than cash)	30349970	30349970
	30349970	30349970

SCHEDULE - 2

RESERVES AND SURPLUS:

	As at 01.04.2007 Rupees	Additions Rupees	Deductions/ Adjustments Rupees	As at 31.03.2008 Rupees
Debenture Redemption Reserve	55000000 (40000000)	2200000 (15000000)		57200000 (55000000)
Revaluation Reserve	13902532 (16718749)		2816217 (2816217)	11086315 (13902532)
Capital Reserve		2539503		2539503
General Reserve	76083706 (66083706)	10000000 (10000000)		86083706 (76083706)
Balance as per Profit & Loss Account	174927456 (133570672)	209887280 (174927456)	174927456 (133570672)	209887280 (174927456)
	319913694	224626783	177743673	366796804

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

SCHEDULE - 2A

MINORITY INTEREST

	As at 31.03.2008 Rupees	As at 31.03.2007 Rupees
Share Capital	2000	-
	2000	-



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 3		
SECURED LOANS		
Debentures		
9.00%, 428571 (Previous year 642857) Secured Redeemable Non-Convertible Debentures of Rs.100/- each	42857142	64285714
Term Loans (Under TUF Scheme) from		
Industrial Development Bank of India - I	12156000	21868000
Industrial Development Bank of India -II	24000000	30000000
State Bank of Hyderabad	143683136	169478708
State Bank of Bikaner & Jaipur	140144062	168336950
Axis Bank Limited	457647738	0
State Bank of india	157461176	89093530
	935092112	478777188
Working Capital Loans from		
State Bank of India	266273924	233774457
State Bank of Hyderabad	115733656	79112066
State Bank of Mysore	119187045	81959554
	501194625	394846077
	1479143879	937908979
Hire Purchase Car Loans		
	3086155	3633485
from Banks	1482230034	941542464

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 fourteen quarterly instalments of Rs.5357143/-, starting from 1st January, 2007 onwards as per reschedulement permitted by IDBI with a premium of 5% on redemption.
- 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 & 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 loan from Axis Bank Ltd. is secured by mortgage of present and future movable & immovable assets of the company situated at tandur unit on pari passu basis and guaranteed by two directors of the company.
- All Working Capital loans, Cash Credit and FCNRB - DL are secured by hypothecation of stocks of raw materials, yarn, stock-in-process, stores and spares, book debts and by a 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.
- Car loans referred above are secured by hypothecation of the respective assets and guaranteed by one of the directors of the company.

Rajvir Industries Limited



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 4		
UNSECURED LOANS		
OTHER LOANS AND ADVANCES		
a) From Directors	31605000	29500000
b) From Others	111603350	106529281
c) Interest accrued and due	1594223	510459
	<u>144802573</u>	<u>136539740</u>
 SCHEDULE - 5		
DEFERRED TAX		
Deferred Tax Liabilities		
Depreciation	91242250	77022749
On Others	1681030	1313746
	<u>92923280</u>	<u>78336495</u>
 Deferred tax Assets		
Unabsorbed Depreciation	-	-
On Others	2023383	1211920
	<u>2023383</u>	<u>1211920</u>
Deferred Tax Liabilities (Net)	<u>90899897</u>	<u>77124575</u>



**SCHEDULE - 6
FIXED ASSETS**

Description of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2007 Rs.	Additions Rs.	Deductions Rs.	As at 31.03.2008 Rs.	Upto 31.03.2007 Rs.	For the year Rs.	Deductions Rs.	Upto 31.03.2008 Rs.	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
	LAND	7299697	4591740		11891437					11891437
FACTORY BUILDINGS	196393440	9326001		205719441	19517409	6585142		26102551	179616890	176876031
NON-FACTORY BUILDINGS	49654157	1807132		51461289	2803512	811783		3615295	47845994	46850645
TOWN SHIP	12582688			12582688	2009278	205098		2214376	10368312	10573410
WORK SHOP EQUIPMENT	122089			122089	115930	532		116462	5627	6159
PLANT AND MACHINERY	1038316905	25082922		1063399827	272816236	53486971		326303207	737096620	765500669
TESTING EQUIPMENT	10460366			10460366	300609	496074		796683	9663683	10159757
ELECTRICAL INSTALATIONS	67261974	3131535		70393509	13395693	3055813		16451506	53942003	53866281
WEIGHING MACHINES	1025718	29694		1055412	382133	47280		429413	625999	643585
WATER WORKS	1670618			1670618	281189	27231		308420	1362198	1389429
FURNITURE & FIXTURES	4106640	352354		4458994	1392437	277895		1670332	2788662	2714203
OFFICE EQUIPMENT	3114710	345071		3459781	879491	240338		1119829	2339952	2235219
VEHICLES	15781599	1722282	1858118	15645763	4144544	1466492	710729	4900307	10745456	11637055
DATA PROCESSING EQPT.	2834998	630245		3465243	1513604	406119		1919723	1545520	1321394
REVALUED PLANT & MACHINERY	53337442			53337442	39434910	2816217		42251127	11086315	13902532
Capital Work in Progress	1463963041	47018976	1858118	1509123899	358986975	69922985	710729	428199231	1080924668	1104976066
	16371620	583434974	47018976	552787618					552787618	16371620
	1480334661	630453950	48877094	2061911517	358986975	69922985	710729	428199231	1633712286	1121347686
Previous year	1157061914	898678268	575405521	1480334661	303928867	55561499	503391	358986975	1121347686	853133047

Rajvir Industries Limited



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 7		
INVESTMENTS (AT COST)	Nil	Nil
(Long Term, unless otherwise stated)		
Unquoted - Trade		
 SCHEDULE - 8		
INVENTORIES		
Rawmaterials	221557408	157100181
Stores and Spares	37487533	33911375
Finished Goods	228977931	137776590
Stock-in-process	48521970	35110172
Cotton Waste	546082	730291
	<u>537090924</u>	<u>364628609</u>
 SCHEDULE - 9		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Exceeding six months	8268490	6944566
Others	163517861	115822871
	<u>171786351</u>	<u>122767437</u>
 SCHEDULE - 10		
CASH AND BANK BALANCES		
Cash On hand	9293048	4328508
Cheques on hand	6644756	7842666
Balances with Scheduled banks		
In Current Accounts	11221123	2029694
In Deposits	13068704	14227023
	<u>40227631</u>	<u>28427891</u>
 SCHEDULE - 11		
LOANS AND ADVANCES		
(Unsecured considered good)		
Advances receivable in cash or in kind or for value to be received	59849359	77328806
Advances for Purchases	20296107	49473227
Deposits - With Government	23636038	21821752
- With others	1043511	1142811
Advance tax	25176262	29725777
	<u>130001277</u>	<u>179492373</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 12		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors for goods	203656984	144815992
Creditors for expenses	83476826	61927782
Creditors for others	56150546	46522247
Unclaimed Dividend *	320542	210102
Advances received against sales	11904778	15493960
	<u>355509676</u>	<u>268970083</u>
B. PROVISIONS		
Provision for Corporate Tax	23860000	25635000
Provision for Fringe Benefit Tax	1241728	1136728
Provision for Corporate Dividend Tax	2063191	2063193
Provision for Gratuity	2334325	1627961
Provision for Leave Encashment	604283	430112
Proposed Dividend	12139988	12140000
	<u>42243515</u>	<u>43032993</u>
Total : A + B	<u><u>397753191</u></u>	<u><u>312003077</u></u>

* These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

SCHEDULE - 13

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Deferred Revenue Expenses			
Opening Balance	809524	2576068	
Less : written off during the year	809524	1766544	809524
Preliminary & Pre-operative expenses		16000	-
		<u>16000</u>	<u>809524</u>
		<u><u>16000</u></u>	<u><u>809524</u></u>
	Year ended March 31,2008 Rs.		Year ended March 31,2007 Rs.

SCHEDULE - 14

Sales/Income from operations

Yarn	1538941051	1226717961
Waste	42955837	30780887
Traded Goods - Cotton	268572230	408100959
Traded Goods - yarn	15441958	-
	<u>1865911075</u>	<u>1665599807</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Year ended March 31,2008 Rs.	Year ended March 31,2007 Rs.
SCHEDULE - 15		
Other Income		
Interest (TDS Rs. 425576/-..Previous year Rs.419322/-)	2635751	2170467
Insurance Claims	-	4089574
Other claims	8790	14587210
Profit on discarded assets	-	1457082
Profit on sale of assets	666	-
Export Benefits	30107332	11175395
Miscellaneous Receipts	7302445	2441574
	<u>40054984</u>	<u>35921303</u>
SCHEDULE - 16		
Consumption of Raw Materials		
Opening Stocks	157100181	118929589
Add : Purchases	1041982610	838911885
	<u>1199082791</u>	<u>957841474</u>
Less : Closing Stocks	221557408	157100181
	<u>977525382</u>	<u>800741293</u>
Less:Stocks lost in fire accident	-	23699940
Raw Materials consumed	<u>977525382</u>	<u>777041353</u>
SCHEDULE - 17		
Chemicals,Stores & Spares consumption		
Stores & spares	18475842	12598085
Dyes & Chemicals	30709624	20219355
Packing Material	21354572	17731803
	<u>70540038</u>	<u>50549243</u>
SCHEDULE - 18		
Power & Fuel		
Electricity Charges	157408514	127714793
Fuel	5796057	4614273
	<u>163204571</u>	<u>132329066</u>
SCHEDULE - 19		
Payments to & Provisions for Employees		
Salaries, Wages and Bonus	92260885	69231268
Contribution to Provident Fund & other funds	4848345	4123871
Gratuity and Leave encashment	1737187	1652462
Staff & Workmen welfare	9143038	6526605
	<u>107989455</u>	<u>81534206</u>



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

	Year ended March 31, 2008 Rs.	Year ended March 31, 2007 Rs.
SCHEDULE - 20		
Administrative Expenses		
Rent	2042494	1917280
Security Charges	3424870	2541599
Rates & Taxes	4953179	5982689
Printing & Stationery	1150465	1089668
Postage, Telegrams & Telephones	2640612	2706751
Travelling & Conveyance	7169752	8142802
Directors' Sitting fees	62000	54000
Advertisements	484590	471599
Foreign Exchange Fluctuations	15112505	2951053
Commission / Expenses on Sales	92128747	74330338
Insurance	4840442	5728808
Auditors' Remuneration	305424	198234
Legal & Professional Charges	2347845	2931897
Repairs to : Buildings	448443	505082
: Machinery	13011253	10172014
: Other Assets	605296	350204
Loss on sale of vehicles	333055	-
Vehicle Maintenance	2558937	2433472
Miscellaneous Expenses	7980434	7222280
Donations	327179	841886
	<u>161927522</u>	<u>130571655</u>
SCHEDULE - 21		
Interest & Finance Charges		
Debentures	5077419	6642864
Term Loans	72738939	46912158
Less: Interest subsidy under TUF	19923185	15585089
Less: Interest Transferred to Fixed Assets	<u>19099066</u>	<u>13636781</u>
Banks & others	45372554	17690288
Bank charges	6311905	3908632
	<u>90478567</u>	<u>58478414</u>
SCHEDULE - 22		
Increase/(Decrease) in Stocks		
Opening Stocks		
Yarn	137776590	20518242
Work-in-process	35110172	21677231
Cotton Waste	<u>730291</u>	<u>202444</u>
	173617053	42397917
Closing Stocks		
Yarn	228977931	137776590
Work-in-process	48521970	35110172
Cotton Waste	<u>546082</u>	<u>730291</u>
	278045983	173617053
Increase/(Decrease) in stocks	<u>104428930</u>	<u>131219136</u>



NOTES FORMING PART OF THE THE ACCOUNTS

SCHEDULE-23

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:

i. Principles of consolidation

The consolidated financial statements relate to Rajvir Industries Limited ("The Company") and to its subsidiary company Moneysa Fibres Pvt. Ltd.,

The consolidated financial statements have been prepared on the following basis.

- a) The financial statements of the company and its subsidiary company are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income & expenses, after fully eliminating intra group balances and/or transactions resulting in unrealized profits or losses in accordance with accounting standard (AS) - 21 "consolidated financial statements" issued by the Institute of Chartered Accountants of India.
- b) Minority Interest's share of net assets of consolidated subsidiary for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

ii. 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.

iii. Revenue Recognition:

- a. Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customer.
- b. Income from services rendered is accounted as per contractual terms with the parties concerned.
- c. Dividend income is accounted for in the year in which it is declared.
- d. 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.

iv. Expenditure:

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

v. 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 31.3.1993 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.

vi. Inventories:

Inventories are valued as follows:

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



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE-23 (Contd.)

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

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

Cost of Stores and Spares is determined on Weighted Average basis

vii. Employee Benefits:

During the year 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.

viii. 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 realised 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.

ix. 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.

x. 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.



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE-23 (Contd.)

xi. 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.

xii. 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 a deduction from the gross value of the asset concerned and subsidies not related to specific fixed asset are treated as Capital Reserve.

xiii. 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.

xiv. 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.

xv. 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.

xvi. 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.

xvii. 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.



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE-24 NOTES ON ACCOUNTS

	31.03.2008 Rs in Lacs	31.03.2007 Rs in Lacs
1) Contingent Liabilities not provided for:		
a) Letters of Credit	1235.39	634.00
b) Bank Guarantees	13.97	13.97
c) Contingent Liabilities in respect of Bills Discounted & outstanding	258.58	1826.23
2) Capital commitments		
For the amounts of Contracts remaining to be executed	699.75	3361.50
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 Rs. 444.16 lacs plus interest which the company has disputed and filed a counter claim for Rs. 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 carried out by an approved valuer in March 1993 resulted in increase in the gross value of assets by Rs.53337442.The same was adopted on 31.03.1993, by showing under fixed assets schedule as separate item and by creating revaluation reserve to that extent. The depreciation on the balance of revalued assets for the period adjusted against the revaluation reserve and the asset respectively.	28.16	28.16
5) The capital subsidy received from TUFs (The Ministry of Textiles, Govt. of India) during the year has been credited to Capital Reserve, which is subject to certain stipulations under the scheme.	25.39	Nil
6) Auditors Remuneration includes:		
Statutory Audit	2.00	1.20
Tax Audit	0.40	0.25
Certification & others	0.50	0.38
Reimbursement of Expenses	0.15	0.15
	3.05	1.98
7) Instalments of Term Loans and Debentures due within the next 12 months period payable to:		
a) Industrial Development Bank of India	371.41	371.41
b) State Bank of India	194.60	194.60
c) State Bank of Hyderabad	186.00	280.00
d) State Bank of Bikaner and Jaipur	186.00	280.00
e) State Bank of India (Corp Loan)	300.00	0.00
f) Axis Bank Ltd	75.00	0.00
	1313.01	1126.01



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	31.03.2008 Rs in Lacs	31.03.2007 Rs in Lacs
8) Other Loans and Advances includes:		
(i) Interest free Sales Tax Loan received from the State Government, which is repayable in four annual instalments commencing from the year 2012.	20.00	20.00
(ii) Sales Tax Deferment Liability which is due for repayment from the year 2014.		
For the Year	1.88	85.03
Aggregate for the year	899.24	897.36
9) Current Assets , 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 depreciation and for all known liabilities are adequate and not in excess of the amounts considered reasonably necessary.	-	-
10) Travelling & Conveyance includes Directors travelling	27.05	43.22
11) EXPORT BENEFITS:		
The details of export benefits accounted for on accrual basis on exports made during the year as incentive under Duty Entitlement Pass Book is as under :		
a) For the year	149.00	111.75
b) Aggregate at the end of the year	149.00	111.75
12) Disclosure in accordance with section 22 of Micro, Small and Medium Enterprises Development Act, 2006		

SI No.	Particulars	2007-08 Rs. Lacs	2006-07 Rs. Lacs
a.	Principal amount remaining unpaid and interest due thereon	Nil	Nil
b.	Interest paid in terms 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.

13) Foreign currency exposure that are not hedged by derivative or forward contracts	81.19	29.51
--	-------	-------



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	31.03.2008 Rs in Lacs	31.03.2007 Rs in Lacs
14) The operations of the company predominantly comprises of "Manufacturing of yarn". These activities constitute the Primary segment and is the only reportable 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 geographical revenues are segregated based on the locations of the customers. 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 tables shows the distribution of the company's turnover by geographical locations.		
SECONDARY (GEOGRAPHICAL) SEGMENTS	Amount in Rs.	Amount in Rs.
Revenue attributable to location of customers:		
India	1202273397	1054528529
Rest of the world	663637678	581434352
15) Assets / Capital Work-in-progress	Rs in Lacs	Rs in Lacs
Interest on borrowings towards purchase of assets / capital work-in-progress capitalised during the year	190.99	136.37
16) Employee Benefits :	Year ended 2007-08 Rs. (in Lacs)	Year ended 2007-08 Rs. (in Lacs)
The assumptions and other disclosures relating to the Actuarial valuation of gratuity and leave encashment are as under:		
	Gratuity	Leave Encashment
a) Change in Present value of obligation		
Present value of obligation at beginning of period	16.28	4.30
Interest cost	1.30	0.34
Current service cost	5.76	0.66
Benefits paid	-	(6.54)
Actuarial (gain)/Loss on obligation	-	7.28
Present value of obligation at the end of period	23.34	6.04
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	2.02	6.54
Actuarial gain/(Loss) on plan assets	-	-
Fair value of plan asset at end of period	-	-



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	Year ended 2007-08 Rs. (in Lacs)	Year ended 2007-08 Rs. (in Lacs)
	Grautiy	Leave Encashment
c) Fair value of Plan assets		
Fair value of Plan Assets at beginning of period	-	-
Actuarial return on Plan assets	-	-
Contributions	-	-
Benefits paid	2.02	6.54
Fair value of Plan Assets at end of period	-	-
Funded status	(23.34)	(6.04)
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	23.34	6.04
Fair value of Plan Assets at end of period	-	-
Funded status	(23.34)	(6.04)
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	5.76	0.66
Interest cost	1.30	0.34
Expected return on Plan asset	-	-
Net Actuarial (Gain)/Loss recognised for the period	-	-
Expense recognised in the statement of P&L A/c	9.09	8.28
f) Movements in the Liability recognised in Balance sheet		
Opening Net liability	16.28	4.30
Expenses as above	9.09	8.28
Contribution paid	-	-
Benefits paid	2.02	6.54
Closing Net Liability	23.34	6.04
Assumptions:		
Mortality	LIC (1994-96)	LIC (1994-96)
Discount rate		
Rate of increase in compensation		
Rate of return (expected) on plan assets	N.A.	N.A
Attrition rate		
Expected average remaining service of Employees in years	-	-

Notes:

- 1) 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.
- 2) This being the first year of adoption of Accounting Standard 15 (Revised), comparative figures for the previous year are not available.
- 3) Payments and provisions for employees includes Rs.4577448/- (Previous year Rs.3784130/-) recognised as expense in respect of defined contribution plans.



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

	Year ended 2007-08 Rs. (in Lacs)	Year ended 2006-07 Rs. (in Lacs)
17) Earning per share		
No of Equity Shares	3034997	3034997
Profit available to Equity Share Holders (Rs)	61363003	80559978
Nominal per Equity share (Rs)	10	10
Basic & Diluted Earning per share (Rs.)	20.22	26.54
18) Managerial Remuneration		
Salary	8236800	8236800
Commission	1921480	2710456
Perquisites	41514	39321
Contribution to provident and other Funds	18720	18720
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	85523123	125974608
Add: Managerial Remuneration	10218514	11005297
Less : Profit on Discarded assets	666	1457082
Add : Loss on sale of vehicles	333055	
Net profit for the year in accordance with section 349 of the companies act,1956	96074026	135522823
Commission payable to :-		
Managing Director - 1% of the above net profit	960740	1355228
Executive Director - 1% of the above net profit	960740	1355228
Managing Director - restricted to 50% of Annual salary	1728000	1728000
Executive Director - restricted to 50% of Annual salary	1440000	1440000
Since 1% of the Net Profit is lower the same is considered.		
19) 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		
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		



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE-24 (Contd.) NOTES ON ACCOUNTS

(Amount in Rs.)

Name of the Transaction	Other Associates	Key Management Personnel	Relatives	Total
Rent	1140000 (1140000)	- -	- -	1140000 (1140000)
Remuneration	- -	10218514 (11005297)	- -	10218514 (11005297)
Cotton Purchases	333507906 (304704497)	- -	- -	333507906 (304704497)
Loan : Receipt	-	7105000 (15500000)	14350000 (29850000)	21455000 (45350000)
Payment	-	5000000 (8900000)	9600000 (21557000)	14600000 (30457000)
Interest	280644 (338604)	2374142 (2272918)	1089943 (679019)	3744729 (3290541)

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.

	31.03.2008	31.03.2007
20) Stock of finished goods includes stocks lying with consignment agents (Rs.)	25051740	9570724

Rajvir Industries Limited



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

SCHEDULE-24 (contd.)

	<u>2007-08</u>		<u>2006-07</u>	
21) Licensed Capacity : Not applicable since the Industry is delicensed Installed Capacity : No of Spindles (The figures have been certified by management and not verified by the Auditors being a technical matter.)		84000		84000
	Quantity in Kgs.	Amount Rs.	Quantity in Kgs.	Amount Rs.
22) Production & Sales				
a) Production				
Yarn	11039827		9920054	
b) Purchase of Traded goods				
Yarn	168900	12831450	21607	2124062
Cotton	4522694	251288275	8311063	373074705
c) Sales:				
Yarn	10800472	1538941051	9177483	1226717961
Waste	2392558	42955837	2099618	30780887
	13193030	1581896888	11277101	1257498848
d) Sales of traded goods				
Yarn	168900	15441958		
Cotton -- Exports	4522694	268572230	8311063	408100959
23) Opening and Closing Stocks:				
a) Opening Stocks:				
Yarn	929106	137776590	186981	20518242
In Process	332670	35110172	282716	21677231
Waste	31811	730291	17595	202444
		173617053		42397917
b) Closing Stocks:				
Yarn	1140555	228977931	929106	137776590
In Process	420851	48521970	332670	35110172
Waste	30962	546082	31811	730291
		278045983		173617053
Note: Process loss in the course of dyeing of yarn is 26938 Kgs. (Previous year 22053 kgs) and 968 Kgs out of traded yarn and sale of yarn includes samples (Previous year nil) sent to customers.				
24) Stock of Rawmaterials:				
a) Opening Stocks:				
Cotton	2061326	133565676	2039329	102621178
Polyster Staple Fibre	103739	6465060	159782	10941636
Viscose Staple Fibre	159423	17069445	69682	5366776
	2324488	157100181	2268793	118929590
b) Closing Stocks:				
Cotton	2646158	178585185	2061326	133565676
Polyster Staple Fibre	196949	12275384	103739	6465060
Viscose Staple Fibre	244349	30696839	159423	17069445
	3087456	221557408	2324488	157100181



SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS SCHEDULE-24 (contd.)

	<u>Quantity in Kgs.</u>	<u>2007-08 Amount Rs.</u>	<u>Quantity in Kgs.</u>	<u>2006-07 Amount Rs.</u>
25) Purchase of Rawmaterials:				
Cotton	9329491	536244370	8070270	463075584
Polyster Staple Fibre	2768282	189152461	2640925	176963073
Viscose Staple Fibre	2573322	316585779	2006158	198873228
	14671095	1041982610	12717353	838911885
26) a) Rawmaterials Consumed				
Cotton	8744659	491224861	8048273	408431145
Polyster Staple Fibre	2675072	183342137	2696968	181439649
Viscose Staple Fibre	2488396	302958385	1916417	187170559
	13908127	977525383	12661659	777041353
	%	Amount Rs.	%	Amount Rs.
b) Rawmaterials Consumed				
Indignous	99.00	964794431	100.00	777041353
Imported	1.00	12730952	--	--
	100.00	977525383	100.00	777041353
27) Spare parts & Components Consumed				
Indignous	84.01	15522171	87.79	11060461
Imported	15.99	2953671	12.21	1537624
	100.00	18475842	100.00	12598085
28) CIF value of imports:				
i) Plant & Machinery - Imported (CIF Value)		357491929		44913528
ii) Raw Materials (CIF Value)		2481317		43591531
iii) Stores and Spares (CIF Value)		12831580		3067489
29) Expenditure in Foreign Currency during the Year on account of :				
i) Foreign Travel		1265167		1963750
ii) Export Commission		4457662		4079786
30) Export Sales (FOB)		622525150		575718363
31) General :				
a) Paise are rounded off to the nearest Rupee.				
b) Previous year's figures have been regrouped / recast wherver 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

K.Ravi Kumar
General Manager (Finance)

U.K.Agarwal
Chairman & Managing Director

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

R.D.Sharma
Dy.General Manager (Finance) &
Company Secretary

Ritesh K Agarwal
Executive Director

Place : Secunderabad
Date : 27th June, 2008

Rajvir Industries Limited



CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2008

PARTICULARS	31.03.2008		31.03.2007	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net profit before tax & extraordinary items		85523123		125974608
Add: Depreciation	67106768		52745282	
Misc.expenses written off	809524		1766544	
Interest & Finance charges	90478567		58478414	
		<u>158394859</u>		<u>112990240</u>
		<u>243917982</u>		<u>238964848</u>
Operating profit before working capital changes		243917982		238964848
Adjustments for working capital changes				
Sundry debtors	(49018914)		26071155	
Current liabilities	97758986		90732904	
Inventories	(172462315)		(173912668)	
Loans & Advances	60560971		(86276748)	
Tax provisions	(24587977)		-	
		<u>-87739249</u>		<u>-143385357</u>
Cash generated from Operations		156178733		95579491
Less: Interest & Finance charges		<u>90478567</u>		<u>58478414</u>
CASH FLOW BEFORE EXTRAORDINARY ITEMS		65700166		37101077
Add: Extraordinary items: Capital reserve		<u>2539503</u>		<u>-</u>
CASH FLOW FROM OPERATING ACTIVITIES		<u>68239669</u>		<u>37101077</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Outflow: Acquisition of fixed assets		582287585		323287415
Miscellaneous exps of Subsidiary company		-16000		-
Minority interest of the subsidiary company		2000		-
		<u>-582301585</u>		<u>-323287415</u>

Rajvir Industries Limited



CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31,2008 (Contd.)

PARTICULARS	31.03.2008		31.03.2007	
	Rs.	Rs.	Rs.	Rs.
C CASH FLOW FROM FINANCING ACTIVITIES				
Inflow: Term Loans received	457647738		154309020	
Increase in Bank borrowings	106348548		164987569	
Hire purchase loan	(547330)		2605818	
Unsecured Loans	8262833		26636348	
Corporate loan - SBI	88125660	659837449	-	348538755
Outflow: Repayment of Term loans	89458474		74935248	
Repayment of N C Ds	21428572		10714286	
Corporate tax	9006682		14643660	
Dividend Tax	2063193		1702635	
Dividends	12018872	133975793	12140000	114135829
NET CASH FROM FINANCING ACTIVITIES		525861656		234402926
NET INCREASE IN CASH/CASH EQUIVALENTS(A+B+C)		11799740		-51783412
ADD:CASH/CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR.		28427891		80211303
CASH/CASH EQUIVALENTS AT THE CLOSING OF THE YEAR		40227631		28427891

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

As per our report of even date

For and on behalf of the Board

for S.Daga & Co.,
Chartered Accountants

K.Ravi Kumar
General Manager (Finance)

U.K.Agarwal
Chairman & Managing Director

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

R.D.Sharma
Dy.General Manager (Finance) &
Company Secretary

Ritesh K Agarwal
Executive Director

Place : Secunderabad
Date : 27th June,2008



ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM FOR PAYMENT OF DIVIDEND

To
The Shareholders
M/s. Rajvir Industries Limited

The Company has introduced Electronic Clearing Services (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 the service Branches of the destination Bank's Branch wise 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 number's and the respective amounts. The service Branch in turn would pass the advices to the concerned branches of the bank, which would credit the beneficiary's accounts on the appointed date. The company would send an advice of remittance to the shareholders opting for electronic transfer.

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

Presently ECS facility is available at 15 centers of the Reserve Bank of India viz., Ahemadabad, Bangalore, Calcutta, Chandigarh, Chennai, Gowhati, Hyderabad, Jaipur, Kanpur,, Bombay, Nagpur, New Delhi, Patna, Pune and Thiruvanataha Puram .This facility is available only for payment up to a maximum amount of Rs.5 lakhs.

If shareholder holding shares in physical form wish to participate in the scheme, please fill in the ECS form printed overleaf in legible and readable form in English preferably in Capital letters, sign and return the same to the Registrar and Transfer Agents of the company immediately. 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 Bank's certification, you may attach a blank cancelled cheque or a photocopy of a cheque for verification of the particulars provided by you in the ECS mandate Form.

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

For **Rajvir Industries Limited**

(R.D.SHARMA)

Dy.G.M. (Finance) & Company Secretary

Rajvir Industries Limited



ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM FOR PAYMENT OF DIVIDEND

M/s. Sathguru Management Consultants (P) Ltd
(UNIT: Rajvir Industries Limited)
Plot No.15, Hindi Nagar, Punjagutta, Hyderabad-500034

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 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

ATTENDANCE SLIP



Rajviir Industries Limited

Registered Office: Surya Towers,
1st Floor, and 105, S.P. ROAD, Secunderabad-500003

4th Annual General Meeting dated 30th September 2008 at 3.00 PM at Surana Udyog Hall, FAPCCI premises, 11-6-841, Red Hills, Hyderabad-500004. 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 4th. Annual General Meeting dated 30th September 2008 at 3.00 PM

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.



PROXY FORM

Rajviir Industries Limited

Registered Office : Surya Towers, 1st Floor, 105, S.P. Road, Secunderabad-500003

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 4th Annual General Meeting dated 30th September 2008 at 3.00 PM or at any adjournment thereof

Signed on this.....day of.....2008

Affix Re.1/-
Re.1/-
Revenue
Stamp

Signature



Note 1. The Proxy Form duly completed must be deposited at the Registered 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.

