

# **RAGHUVIR SYNTHETICS LIMITED**

NR. GUJARAT BOTTLING, RAKHIL ROAD, RAKHIAL,  
AHMEDABAD – 380 023. (INDIA)  
PHONE: 22911070, 22911902  
FAX: 22911912

**29<sup>TH</sup>  
ANNUAL REPORT  
2010-2011**

## **RAGHUVIR SYNTHETICS LIMITED**

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### **NOTICE**

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**NOTICE** is hereby given that the 29<sup>th</sup> Annual General Meeting of the members of Raghuvir Synthetics Limited will be held on Friday, 30<sup>th</sup> Day of September, 2011, at 4.00 p.m., at Kashiram Agarwal Bhavan, University Road, Ahmedabad for transacting the following business :

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2011, Balance Sheet as on that date and Auditors' and Directors' report thereon.
2. To appoint Director in place of Shri Samir R. Sheth who retire by rotation and being eligible for re-appointment offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

#### **Special Business :**

4. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :

"RESOLVED THAT Mr. Yash Sunil Agarwal, who was appointed as additional Director of the Company at the Board Meeting held on 08/07/2011 and whose terms expires at this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 along with the deposit of Rs. 500/- from the member proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the Company."

5. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution :

"RESOLVED THAT Mr. Hardik Sunil Agarwal who was appointed as additional Director of the Company at the Board Meeting held on 08/07/2011 and whose terms expires at this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 along with the deposit of Rs. 500/- from the member proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the Company."

**ORDER OF THE BOARD OF DIRECTORS**



**CHAIRMAN & MANAGING DIRECTOR**

**DATE : 16.08.2011**

**PLACE: AHMEDABAD**

#### NOTES :

- 1) The Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member. Proxy to be effective should reach the registered office of the Company not less than 48 hours before the time fixed for the meeting.
- 2) The register of members and share transfer books of the company will remain closed from Monday, the 24<sup>th</sup> day of September 2011 to Friday, the 30<sup>th</sup> day of September, 2011 (both days inclusive).
- 3) The Members are requested to intimate their change of address, if any, immediately to the Companies Share Transfer Agent, M/s. Sharepro Services (I) Pvt. Ltd., 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006. quoting their Folio No. or Client ID No.
- 4) Members desiring any information on Accounts are requested to write to the Company at least One week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
- 5) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies of Annual Report and the attendance slip at the meeting.
- 6) Nomination facility is available to the Share holders in respect of share held by them.
- 7) Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.

**EXPLANATORY STATEMENT AS PER THE SECTION 173 (2) OF THE COMPANIES ACT, 1956**

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**Item No. 4**

Mr. Yash Sunil Agarwal, was appointed as the Additional Director of the Company w.e.f 08/07/2011, under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing from the member proposing the candidature of Mr. Yash Sunil Agarwal for the office of the Director under section 257 of the Companies Act, 1956.

The Board recommends the resolution for the approval of the members.

Mr. Sunil R. Agarwal, Mr. Hardik Sunil Agarwal, Director of the Company be and are hereby interested in the said resolution.

**Item No. 5**

Mr. Hardik Sunil Agarwal was appointed as the Additional Director of the Company w.e.f 08/07/2011, under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing from the member proposing the candidature of Mr. Hardik Sunil Agarwal for the office of the Director under section 257 of the Companies Act, 1956.

The Board recommends the resolution for the approval of the members.

Mr. Sunil R. Agarwal, Mr. Yash Sunil Agarwal, Director of the Company be and are hereby interested in the said resolution.

**ORDER OF THE BOARD OF DIRECTORS**

**DATE : 16.08.2011**

**PLACE: AHMEDABAD**

  
**CHAIRMAN & MANAGING DIRECTOR**

## **RAGHUVIR SYNTHETICS LIMITED**

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### **DIRECTORS' REPORT**

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TO,  
**THE MEMBERS,**

Your Directors are pleased to present the Annual Report of your Company together with the Audited Statement of accounts for the year ended on 31st March, 2011.

#### **FINANCIAL RESULTS :**

**(RS. IN LACS.)**

	<b>2010-11</b>	<b>2009-10</b>
Operating Income	<b>3622.76</b>	<b>2785.84</b>
Other income	<b>11.25</b>	<b>6.91</b>
Profit before Interest,	<b>414.16</b>	<b>427.79</b>
Depreciation and Tax		
Interest	<b>16.27</b>	<b>16.76</b>
Depreciation	<b>383.23</b>	<b>400.64</b>
Profit/ (Loss) before Tax	<b>14.66</b>	<b>(10.39)</b>
Provision for Tax		
Current	<b>40.00</b>	<b>37.50</b>
Wealth Tax	<b>0.00</b>	<b>0.15</b>
Deferred	<b>28.24</b>	<b>(17.05)</b>
Fringe Benefit Tax	<b>0.00</b>	<b>0.00</b>
Profit/ (Loss) after tax	<b>2.90</b>	<b>(10.21)</b>
Balance brought forward		
from last year	<b>436.90</b>	<b>447.63</b>
Balance Carried Forward	<b>439.80</b>	<b>437.42</b>

#### **DIVIDEND**

Keeping in view the financial results, your directors do not recommend any dividend during the year under review.

#### **DIRECTORS**

Shri Samir R. Sheth, Director of the company will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Shri Kamlesh R. Agarwal and Shri Girish R. Agarwal resigned as directors of the Company w.e.f. 01.07.2011. The Board places on record the sense of appreciation for the services rendered by them during their tenure as directors of the Company.

Shri Yash Agarwal and Shri Hardik Agarwal were appointed as additional directors of the Company w.e.f. 08.07.2011. Under Section 260 of the Companies Act, 1956 Shri Yash Agarwal and Shri Hardik

Agarwal continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. However as required under Section 257, the Company has received notices from members signifying their intention to propose Shri Yash Agarwal and Shri Hardik Agarwal as candidates for the office of Directors of the Company.

## **PARTICULARS OF EMPLOYEES**

No employee is drawing remuneration more than the specified limit prescribed u/s.217(2A) of the Companies Act, 1956, (Particulars of Employees) Rules, 1975. Hence, the information required in terms of Section 217(2A) of the Companies Act, 1956 (Particulars of Employees) Rules, 1975 is not applicable to us.

## **AUDITORS**

The M/s. G. K. Choksi & Co., Chartered Accountant, retiring Auditors, Ahmedabad are eligible and offer themselves for re-appointment. The Auditors have furnished a certificate to the effect that their reappointed, if made shall be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

## **COMPLIANCE CERTIFICATE**

Compliance certificate under the provisions of Section 383(1A) of the Companies Act, 1956 obtained from Rajesh Parekh & Co., Company Secretary in whole time practice is attached herewith for your perusal.

## **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO**

Additional information on Conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of 217(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 is annexed hereto and forms part of this Report.

## **PUBLIC DEPOSIT**

During the year under review your Company has not accepted any deposits from the public.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors state that

- In the presentation of Annual Accounts, the applicable accounting standard had been followed along with proper explanation relating to material departure.
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and the profit or loss of the Company for the period.

- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.

## **CORPORATE GOVERNANCE**

As required under the Listing Agreement with Stock Exchanges, Report on "Corporate Governance" is attached and forms a part of Directors Report. A Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under the Listing Agreement is annexed to the Report of the Corporate Governance.

## **CFO CERTIFICATION**

The Managing Director who look after Finance Function has submitted to the Board regarding the financial statements and other matters as required under clause 49(V) of the Listing Agreement.

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **Economic Scenario:**

Growth was higher than expected in both advanced as well as emerging economies during 2010. The global economy recorded a spectacular growth of 5.1%. This was primarily owing to the synchronized monetary and fiscal stimuli provided by most Governments. Recently Economists expected stronger performance from the global economy in the next two years. According to International Monetary Fund, the Indian Economy is expected to grow by 8.2% for 2011 and 7.8% for 2012.

### **Industry Review:**

The Financial year i. e. 2010-11 was a commendable year after the previous challenging year for the Indian Textile Industry. Even as the Indian Economy recovered rapidly from the slowdown caused by the global financial crisis, inflationary trends and volatility in commodity prices led to strong demand side pressures. The opening up of economy gave the much-needed thrust to the Indian Textile Industry, which has now successfully become one of the largest in the world.

### **Opportunities and Threats:**

The demand for good quality fabric is ever growing from domestic and international markets. The various measures adopted by the Government to assist the textile industry have thrown up opportunities for fundamentally strong companies such as your company.

The fluctuation in raw material cost and volatility in the value of Indian rupee against dollar are a few set backs to the growth of the industry.

### **Risks and Concerns:**

Our major raw material cotton is agriculture produce which suffers from climatic volatility in the major cotton producing countries. In addition, growing demand as well as overall increase in the prices of the

commodities in the world has pushed up the prices of domestic cotton leading to pressure on the textile industry.

We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements and improved customer services to mitigate the growing cost pressure.

#### **Future Outlook:**

It has been constantly emerging market trends and has accordingly from time to time revamped its marketing strategies and product portfolios. The company is trying to come up with some new products and ranges accordingly to changing consumer needs and demands and is on the path to becoming a lifestyle solution for discerning customers with an offering of a range of fabrics in a premium shopping environment.

#### **Internal Control system:**

The company has proper and adequate system of internal controls. Regular Internal Audits and Checks carried out and also management reviews the internal control systems and procedures to ensure orderly and efficient conduct of business and to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. Internal Audit in the organization is an independent appraisal activity and it measures the efficiency, adequacy and effectiveness of other controls in the organization. All significant issues are brought to the attention of the Audit Committee of the Board.

#### **Human Resources :**

The Company continues to lay emphasis on building and sustaining the excellent organisation climate based on human performance. Performance management is the key word for the Company. Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation in the company.

The company firmly believes that intellectual capital and human resources is the backbone of the company's success.

#### **Cautionary Statement :**

This Management Discussion and Analysis statements of the Annual Report has been included in adherence to the spirit enunciated in the code of corporate Governance approved by the Securities and Exchange Board of India, Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates expectation may be "forward-looking Statements" within the meaning of applicable securities laws and regulations. Actual result could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the Government regulations, tax laws and other status and other incidental factors. Further, the discussions following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly



update or revise any of the opinions of forward-looking statements expressed in this report, consequent to new information future events, or otherwise. Readers are hence cautioned not to place undue reliance on these statements, and are advised to conduct their own investigation and analysis of the information contained or referred to this statement before taking any action with regard to specific objectives.

#### **ACKNOWLEDGMENT :**

The Directors wish to place on record their appreciation to the devoted services of the workers, staff and the officers who largely contributed to the efficient management of the Company in the difficult times. The Directors place on record their appreciation for the continued support of the shareholders of the Company. The Directors also take this opportunity to express their grateful appreciation for assistance and co- operation received from the bankers, vendors and stakeholders including financial institutions, Central and State Government authorities, other business associates, who have extended their valuable sustained support and encouragement during the year under review.

**FOR AND ON BEHALF OF THE BOARD**



**SUNIL AGARWAL**  
**CHAIRMAN & MANAGING DIRECTOR**

**PLACE :AHMEDABAD**  
**DATE : 16.08.2011**

## ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.

### A. CONSERVATION OF ENERGY

The Company endeavours to conserve energy wherever possible.

#### Power and Fuel Consumption:

	2010-2011	2009-2010
1. Electricity :		
Purchased Units (KWH `000)	4752	4164
Total Cost (Rs. In Lacs)	243.26	218.62
Rate per Unit (Rupees)	5.12	5.25
Consumption [in Units (per unit of production)]	0.238	0.243
2. Coal and Wooden Dust :		
Quantity Consumed (M.T.)	13558	11171
Total Cost (Rs. In Lacs)	392.90	322.58
Rate per M.T. (Rupees)	2897.92	2887.65
Consumption [in Kgs. (per unit of production)]	0.679	0.653

### B. TECHNOLOGY ABSORPTION:

The Company does not use any imported technology in its manufacturing operations.

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### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(i)	Total Foreign Exchange Used (Rupees)	8158253	33343796
(ii)	Total Foreign Exchange Earned (on F.O.B. Basis) (Rupees)	--	--

*Rajesh Parekh & Co.*

*Company Secretary*



*B.Com., A.C.S., LL.B.*

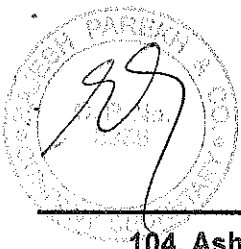
**COMPLIANCE CERTIFICATE**

Registration No. of the Company : 04-5424  
Nominal Capital : 10.00 Crores

To,  
The Members  
**RAGHUVIR SYNTHETICS LIMITED**  
Rakhial Road,  
Rakhial,  
Ahmedabad-380023

I have examined the registers, records, books and papers of **M/S. RAGHUVIR SYNTHETICS LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011 In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, on the date as mentioned in the said Annexure 'B'.
3. The Company being Public Limited Company the provisions of Section 3 (1) (iii) of the Companies Act, 1956, are not applicable.
4. The Board of Directors duly met 8 (Eight) times on 21.04.2010, 30.04.2010, 13.08.2010, 21.08.2010, 09.10.2010, 13.11.2010, 09.02.2011 and 23/03/2011 during the financial year under review in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.



104, Ashwamegh Avenue, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad-380009.  
Phone : 26440731, Mobile : 98797 92252.

5. The Register of members was closed from 25/09/2010 to 30/09/2010 during the Financial Year under review.
6. The Annual General Meeting for the financial year ended on 31/03/2010 was held on 30/09/2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General meeting was held during the financial year under review.
8. The Company has not advanced any loan to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any transaction attracting the provisions of Section 297 of the Companies Act, 1956 during the year under review.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act during the financial year.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government during the financial year under review.
12. The Company has issued duplicate share certificates during the financial year under review.
13. (i) M/s. Sharepro Services (I) Pvt. Ltd., Registrar and Transfer Agent of company has delivered all the certificates on lodgement thereof for transfer and transmission of securities. There was no allotment of securities during the financial year.  
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.  
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.  
(iv) The Company was not required to comply with the provisions of Section 205C of the Companies Act, 1956 as there was no amount outstanding since its incorporation to the Investors of the Company.  
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There were appointments of Mr. Yash Agarwal and Mr. Hardik Agarwal as additional Directors w.e.f. 8.7.2011 and Mr. Girish Agarwal and Kamlesh Agarwal has resigned as directors w.e.f. 01.07.2011. However there was no appointment of alternate Director and Director to fill casual vacancy during the financial year.



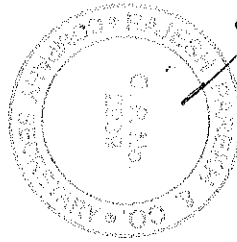
15. There was no appointment of Managing Director / Whole Time Director/ Manager was made during the financial year under review.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain the approval of Company Law Board, Registrar of Companies, Regional Director or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in Form No.24AA in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares / any debentures/ other securities during the financial year.
20. The Company has not bought back any securities during the financial year.
21. The Company has not redeemed any preference shares /debentures during the year under review.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted or renewed deposits including unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company was not required to obtain consent of the shareholders pursuant to section 293(1) (d) of the Companies Act, 1956 in respect of the borrowings made by the Company during the financial year under review.
25. During the year, Company has not made any investment or given any loans or provided guarantee or/ and security to other bodies corporate attracting the provisions of Section 372A of the Companies Act, 1956.
26. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Company's registered office from one State to another during the financial year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the financial year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.



31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security deposit from its employees during the financial year.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities which is within prescribed time limit.

**FOR RAJESH PAREKH & CO.**  
**Company Secretary**

**DATE: 16/08/2011**  
**PLACE: AHMEDABAD**



**RAJESH PAREKH**  
**Proprietor**  
**CP.NO.: 2939**  
**M.NO.: 8073**

## ANNEXURE 'A'

### Statutory and Other Registers maintained by the Company:

1. Register of Directors u/s. 303
2. Register of Members u/s. 154
3. Register of Share Transfer.
4. Minutes Book of the Board of Directors Meetings and General Meetings of the Company.
5. Register of Directors' Shareholding u/s.307
6. Register of Contracts u/s.301
7. Register of Charges u/s. 125
8. Register of Investments

## ANNEXURE "B"

Forms and Return as filed by the Company with the Registrar of Companies, Gujarat during the financial year ended on 31/03/2011.

S.R. NO.	FORM NO./ RETURN	FILED UNDER SECTION	FOR	DATE OF FILING	WHETHER FILED WITHIN PRESCRIBED TIME	IF DELAY IN FILING WHETHER REQUISITE ADDITIONAL FEES PAID
1	Compliance Certificate	383A	2009-10	27/10/2010	YES	N.A.
2	Balance Sheet	220	2009-10	27/10/2010	YES	N.A.
3	Form 21	141	CLB Order U/s. 141 of the Act	20/05/2010	YES	N.A.



## **REPORT ON CORPORATE GOVERNANCE** **[Pursuant to clause 49 of the listing agreement]**

### **1. Corporate Governance**

The principal characteristics of corporate governance are Transparency, Independence, Accountability, Responsibility, Fairness, and Social Responsibility. Corporate Governance pertains to system of blending law, regulations and voluntary practices, which enable the company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while respecting interests of other stakeholders and the society as a whole.

It aims to assure the shareholders that it is "Your Company" and it belongs to you. . The Chairman and Board of Directors are your fiduciaries and trustee pushing the business forward in maximizing long term value for its shareholders. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in Clause 49 for the financial year 2010-11.

### **2. Company's Philosophy on Corporate Governance**

The fundamental approach to corporate governance is to ensure the condition that Board of Directors and managers act in the interest of the Company. The implementation of good corporate governance leads to increase in the long term value of the shareholders and also in the enhancement of the interest of the other stakeholders. The Company is lead by the chairman and the managing director who are responsible for implementing the broad policies and guidelines.

Your Company has followed all the mandatory requirement of clause 49 of Listing Agreement with spirit of corporate governance and looking forward positively to follow non mandatory provisions. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over sustained period of time.

### **Board of Directors**

As on 31.03.2011 the Board of Directors consists was comprising of Six Directors.

#### **A. Composition of Board of Directors:**

Name of the Directors	Category of Directorship	No. of Directorship in other Public Companies	No. of Other Board Committees of which member/ chairman
Mr. Kamlesh R. Agarwal	Non-executive Non-independent	NIL	NIL
Mr. Sunil R. Agarwal	Executive Non-independent	NIL	NIL
Mr. Girish R. Agarwal	Non-executive Non-independent	NIL	NIL
Mr. Mangesh H. Agarwal	Non-executive Independent	NIL	NIL
Mr. Samir Sheth	Non-executive Independent	NIL	NIL
Mr. Kamal Patel	Non-executive Independent	NIL	NIL



**B. Attendance of each director at the Board Meeting, Last Annual General Meeting:**

Eight Board meetings were held during the financial year 2010-2011. The Composition of Directors and the attendance at the Board meeting during the year 2010-2011 and Last Annual General meeting:

Name of Director	Category of Directorship	No. of Board meeting attended	Attendance at last AGM
Mr. Kamlesh R. Agarwal	Chairman	8	Y
Mr. Sunil R. Agarwal	Managing Director	8	Y
Mr. Girish R. Agarwal	Director	8	Y
Mr. Mangesh H. Agarwal	Director	6	Y
Mr. Samir Sheth	Director	7	N
Mr. Kamal Patel	Director	5	N

**C. Number of Board meetings held during the financial year and dates of Board meetings:**

Board Meeting	Date
1	21/04/2010
2	30/04/2010
3	13/08/2010
4	21/08/2010
5	09/10/2010
6	13/11/2010
7	09/02/2011
8	23/03/2011

**AUDIT COMMITTEE**

The Current Audit Committee, comprising three Directors all being Non- Executive Directors and most of them have financial and accounting knowledge. The constitution of Audit committee also meets with the requirements under section 292A of the Companies Act, 1956. Members are regularly present at the meetings. The term of reference stipulated by the board to the Audit Committee are, as contained in clause 49 of the Listing agreement and Section 292A of the Companies Act, 1956, as follows :

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on; (a) Any changes in accounting policies and practices, (b) Major accounting entries based on exercise of judgment by management, (c) Qualifications in draft audit report (d) Significant adjustments arising out of audit (e) The going concern assumption, (f) Compliance with accounting standards, (g) Compliance with stock exchange and legal requirements concerning financial statements, (h) Any related party transactions.

- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- i. Reviewing the company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Board of the Company has constituted an Audit Committee, comprising following directors.

Name	Designation	Non-executive /independent	Committee meeting attended
Mr. Mangesh Agarwal	Chairman	Independent & Non-Executive	5
Mr. Kamal Patel	Member	Independent & Non-Executive	5
Mr. Samir Sheth	Member	Independent & Non-Executive	5
Mr. Kamlesh Agarwal	Member	Non-Executive	5

Five meetings were held during the financial year 2010-11 on following dates:

Board Meeting	Date	Board Meeting	Date
1	30/04/2010	3	21/08/2010
2	13/08/2010	4	13/11/2010
5	09/02/2011		

**By invitation :**     || Mr. Rajendra M. Mulani  
                              || Vice President (Audit)  
                              || G. K. Choksi & Co. (Statutory Auditors)

#### **REMUNERATION COMMITTEE**

The Broad terms of reference of the Remuneration Committee are as follows:

- a) Review the performance of the Managing Director after considering the Company's performance.
- b) Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director.
- c) Finalise the perquisites package of the Managing Director within the overall ceiling fixed by the Board.

d) Recommend to the Board, retirement benefits to be paid to the Managing Director and Whole-time Directors.

The composition of the Remuneration Committee and the details of the meetings attended by the Directors are given below:

Name	Designation	Non-executive /independent
Mr. Mangesh Agarwal	Chairman	Independent & Non-Executive
Mr.Kamlesh Agrawal	Member	Non-Executive
Mr. Samir Sheth	Member	Independent & Non-Executive
Mr. Kamal Patel	Member	Independent & Non-Executive

Name of Director	Salary/Perquisite Amount (Rs.)	Commission Amt.(Rs.)	Total Amt. (Rs.)
Mr. Sunil Agarwal	9,72,000	---	9,72,000

- One Meeting of Remuneration Committee was held on 13/08/2010.
- Mr. Mangesh Agarwal, chairman of the committee was present at the Annual General Meeting held on 30<sup>th</sup> September, 2010.
- The Company has complied with non mandatory requirement of the clause 49 regarding the Remuneration Committee.

#### SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Board of the Company has constituted a shareholder'/Investors' Grievance Committee, comprising of following Members:

Name	Designation	Non-executive /independent	Committee meeting attended
Mr. Mangesh Agarwal	Chairman	Independent & Non-Executive	6
Mr.Kamlesh Agrawal	Member	Non-Executive	6
Mr. Samir Sheth	Member	Independent & Non-Executive	6
Mr. Kamal Patel	Member	Independent & Non-Executive	6

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressing of shareholders' complaints like transfers of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. the committee note down that during the year all the complaints have disposed timely and up to the satisfaction of the shareholders.

The Board of Directors has delegated the power of approving transfer of securities to Registrar & Share Transfer Agent. The committee reviews the performance of the Registrar and Transfer Agents, and recommend measures for overall improvement in the quality of investor services. Seven meetings of Investor's Grievance Committee were held on 20<sup>th</sup> June, 2011, 23<sup>rd</sup> July, 2010, 11<sup>th</sup> October, 2010, 22<sup>nd</sup> November, 2010, 22<sup>nd</sup> January, 2011 and 2nd March, 2011.

## CEO Certification

Mr. Sunil Agrawal, Managing Director of the Company hereby certify that:

- (a) he has reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
- (c) he accepts responsibility for establishing and maintaining internal controls and that he has evaluated the effectiveness of the internal control systems of the Company and he has disclosed this to the auditors and the Audit Committee.
- (d) he has indicated to the auditors and the Audit committee :
  - (i) significant changes in internal control during the year.
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

## General Body Meetings

Details of three Annual General Meeting

Year	Date	Time	Venue
2007-08	30/09/2008	4.00 P.M.	Agrawal Kashiram Bhavan, Ambawadi, Ahmedabad-15.
2008-09	30/09/2009	4.00 P.M.	--do--
2009-10	30/09/2010	4.00 P.M.	--do--

- No postal ballot was conducted during the year.

## NOTE ON DIRECTORS APPOINTMENT/RE-APPOINTMENT

Shri Sunil R. Agrawal and Shri Samir R. Sheth Directors of the Company is retiring by rotation at the ensuing AGM and are eligible for reappointment.

## DISCLOSURE:

- (a) No transaction of material nature has been entered into by the Company with the directors or the management and their relatives etc., that may have potential conflict with the interests of the company except transactions entered into with the group Companies and or associate Companies / Concerns are

stated at Schedule-~~m~~ Notes to Accounts. The register of contracts containing transactions in which directors are interested is placed before the Board of Directors regularly.

- (b) Details of non-compliance by the Company, penalties imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:

The Company's shares were suspended from trading by Bombay Stock Exchange. The suspension in trading of the Shares of the company was revoked by Bombay Stock Exchange w.e.f. 10<sup>th</sup> December, 2009. The Bombay Stock Exchange has imposed penalty of Rs. 2,00,000/- for revocation of suspension of the trading of the Company.

### MEANS OF COMMUNICATIONS

The Company has regularly published its quarterly, half yearly & annual results in newspapers & submitted to stock exchange in accordance with the Listing Agreement requirements. Company ordinarily published its quarterly reports in newspaper. Our Website address is [www.raghuvir.com](http://www.raghuvir.com)

The Management Discussion and Analysis Report is form part of the Report.

### GENERAL SHAREHOLDERS INFORMATION:

- a) Annual General Meeting- Date, Time & Venue : 30<sup>th</sup> September, 2011 at 4.00 p.m. at Agrawal Kashiram Bhavan, Ambawadi, Ahmedabad-15.
- b) Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March
- |                                    |                        |
|------------------------------------|------------------------|
| First Quarterly results            | End of July, 2011      |
| Half yearly results                | End of October, 2011   |
| Third quarterly results            | End of January, 2012   |
| Fourth quarterly results           | End of April, 2012     |
| AGM for the year ended March, 2012 | End of September, 2012 |
- c) Date of Book Closure : 24<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (Both days inclusive)
- d) Dividend : Nil
- e) Listing at following Stock Exchanges :  
\* Ahmedabad Stock Exchange  
\* Bombay Stock Exchange
- f) Listing Fees :  
The Company has been regular in paying the listing fees to the stock exchanges.
- g) Scrip Code : ASE-47800 , BSE-14316
- h) ISIN : INE969C01014
- i) Market Price Data :  
The Stock Market Price Data of Trading of Equity Shares of the company at Bombay Stock Exchange for the period from 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011 are as under:

Month	Bombay Exchange	Stock	Ahmedabad Stock Exchange	
	High	Low	High	Low
April, 2010	41.00	33.40	-----	----
May, 2010	36.70	28.10	-----	----
June, 2010	32.50	28.25	-----	----
July, 2010	33.85	26.25	-----	----
August, 2010	32.70	24.60	-----	----
September, 2010	34.90	24.00	-----	----
October, 2010	58.00	30.10	-----	----
November, 2010	37.45	29.50	-----	----
December, 2010	35.00	30.00	-----	----
January, 2011	33.70	27.40	-----	----
February, 2011	31.45	26.05	-----	----
March, 2011	33.90	25.05	-----	----

j) Registrar for Electronic & Physical Mode :

**Sharepro Services (India) Pvt. Ltd.,**  
13, A-B Samhita Warehousing Complex,  
2<sup>nd</sup> Floor, Nr. Sakinaka Telephone Exchange,  
Andheri-Kurla Road,  
Sakinaka, Mumbai-400099.

k) Name of Compliance Officer : Mr. Kirit Patadia

**SHARE HOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2011**

Sr. No.	Category	No. of shares held	% of shareholding
1.	Promoters	2548936	65.78
2.	Mutual Fund and UTI	0	0
3.	Banks, Financial Institutions, Insurance Companies (Central/State Government Institution)	0	0
4.	Foreign Institutional Investors	0	0
5.	Private Corporate Bodies	103710	2.68
6.	Indian Public	1212094	31.53
7.	NRIs/OCBs	260	0.01
8.	GDR	0	0
9.	Clearing Member	0	0
Grand Total :		38,75,000	100.00

**DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2011**

No. of Shares	No. of Holders	No. of Shares	Total No. of Holders %	Total No. of Shares %
1 to 500	4691	683300	93.21	17.63
501 to 1000	206	186375	4.09	4.81
1001 to 2000	77	120189	1.53	3.10
2001 to 3000	14	32727	0.28	0.85
3001 to 4000	13	47915	0.26	1.24
4001 to 5000	3	14200	0.06	0.37
5001 to 10000	11	73488	0.22	1.90
10001 and above	18	2716806	0.36	70.11

## **LISTING AND DEMATERIALISATION OF SHARES AND LIQUIDITY**

The Company's Shares are listed at Ahmedabad Stock Exchange and Bombay Stock Exchange.

The Company Shares are available for dematerialization on both the Depositories Viz. National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) .

For expediting physical transfer, the Board has delegated share transfer formalities to the share transfer committee Mr. Kirit Patadia is designated as Compliance Officer.

### **Registered Office Address for Correspondence**

Raghuvir Synthetics Limited  
Nr.Gujarat Bottling, Rakhial Road,  
Rakhial, Ahmedabad-380 023.  
Phone :22191015 Fax :22911912

**FOR AND ON BEHALF OF THE BOARD**




**SUNIL R. AGARWAL**  
**CHAIRMAN & MANAGING DIRECTOR**

Date : 16.08.2011  
Place : Ahmedabad

**DECLARATION BY THE MANAGING DIRECTOR  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To  
The Members,  
Raghuvir Synthetics Limited  
Ahmedabad.

I, Sunil R. Agarwal, Managing Director of Raghuvir Synthetics Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2011.



**SUNIL R. AGARWAL**  
Chairman & Managing Director

Date : August 16, 2011  
Place : Ahmedabad.



# *G. K. Choksi & Co.*

*Chartered Accountants*

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.  
Dial : 91 - 79 - 30012009 Fax : 91 - 79 - 26569929 E-mail : gkchoksi@hotmail.com

## CERTIFICATE

To the Members of **Raghuvir Synthetics Limited**

We have examined the compliance of the conditions of Corporate Governance by Raghuvir Synthetics Limited (the Company) for the year ended March 31<sup>st</sup> 2011 as stipulated in clause in 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedure and implementation there of, 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

FOR **G. K. CHOKSI & CO.**

[Firm Registration No.101895W]

*Chartered Accountants*

*Rohit K. Choksi*  
**ROHIT K. CHOKSI**  
*Partner*

Membership No. 31103

Place: Ahmedabad

Date : 16<sup>th</sup> August, 2011.



601, Raheja Chambers, Free Press Journal Road, Nariman Point, **MUMBAI** - 400 021.  
Dial : 91-22-66324446/47 FAX : 91-22-22882133 Email : mumbai@gkcco.com

'Surya Bhavan', Station Road, **PETLAD** - 388 450. Dial : 91-2697-224108

Branches :

'Kirti Kunj', Station Road, **NADIAD** - 387 001. Dial : 91-268-2564279

515, Tolstoy House, Tolstoy Marg, Janpath, **New Delhi** - 110 001  
Dial : 98111 56698; Email : info@gkcco.com

**Certificate by Chief Executive Officer / Chief Financial Officer of the Company.**

- a) We have reviewed financial statement and cash flow statement for the year and that to the best of our knowledge and belief:
- i) The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
  - ii) The statements together present a true and fair view of the Company's affairs and are in compliance with exiting accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violating of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
- i) Significant changes in internal control during the year.
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

**Dt. 16.08.2011**

**For Raghuvir Synthetics Limited**

  
**Mr. Sunil Agrawal**  
**Chairman & Managing Director**

# *G. K. Choksi & Co.*

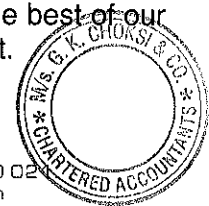
*Chartered Accountants*

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.  
Dial : 91 - 79 - 30012009 Fax : 91 - 79 - 26569929 E-mail : gkchoksi@hotmail.com

## **AUDITORS' REPORT**

To  
The Members,  
Raghuvir Synthetics Limited,  
Ahmedabad.

1. We have audited the attached Balance Sheet of Raghuvir Synthetics Limited as at 31<sup>st</sup> March, 2011, the Profit and Loss Account and Cash Flow Statement of the company 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 the 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 misstatements. 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 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Particular attention is drawn:
  - (i) *Adhering to significant accounting policy, as referred to para 10 of schedule - L leave encashment payable on retirement has been provided in the books based on computation made by the company and not in accordance with actuarial valuation. Thus, the provision made is not in compliance with Accounting Standard 15 (Revised) "Employee Benefits" issued by Institute of Chartered Accountants of India the differential impact is not presently ascertained.*
  - (ii) *The company has not yet compiled the requisite information, related to suppliers who have registered themselves under the Micro, Small And Medium Enterprises Development Act, 2006. In the absence of relevant information the requisite disclosures are not made in the financial statements.*
5. Further to our comments in the Annexure refer at Para 3 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.



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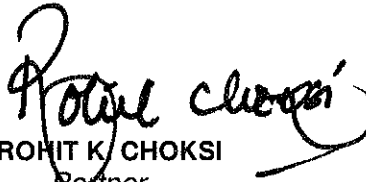
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Dial : 98111 56698; Email : info@gkcco.com

- b. In our opinion, *subject to matters stated at para 4 above and i(a), i(b), ii(c) and viii of annexure to the auditors' report below*, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books.
- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by 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 comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, *except para 4(i) above regarding leave encashment payable at the time of retirement in accordance with Accounting Standard – 15.*
- e. On the basis of written representation received from the directors of the company as at March 31<sup>st</sup>, 2011 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of company under clause (g) of sub-section (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 accounts, *subject to para 4 above*, 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 principle generally accepted in India:
  - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
  - b. in the case of the Profit and Loss Account, of the Profit for the year ended on that date;  
and
  - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR G. K. CHOKSI & CO.  
[Firm Registration No. 101895W]  
Chartered Accountants

  
ROHIT K. CHOKSI  
Partner  
Mem. No. 31103



Place: Ahmedabad.  
Date : 16<sup>th</sup> August, 2011

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 3 of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets *but such records require to be updated as regard to locations and additions/deletions for the year ended 31<sup>st</sup> March 2011.*
- (b) *We were informed that all major items of fixed assets were physically verified by the Management at the end of the year and that no discrepancy was noticed on such verification which, on account of proper records being under compilation, could not be verified.*
- (c) The Company has not disposed of any substantial part of its fixed assets during the year as would affect its going concern status.
- ii. (a) In our opinion, physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
- (c) On the basis of our examination of inventories records, in our opinion, the company is maintaining proper records of inventories, *except colour and chemicals.* The discrepancies noticed on physical verification of inventory as compared to book records which have been properly dealt with in the book records were not material.
- iii. (a) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956;
- (b) As per the information and explanations given to us, the Company has taken unsecured loan from a company covered in the register maintained u/s.301 of the Companies Act, 1956. The balance outstanding on account of this loan as at the year end of Rs. NIL and the maximum balance outstanding during the year is Rs. 4.62 lacs.
- (c) The rate of interest and other terms and conditions of the above loan are prima facie not prejudicial to the interest of the Company.
- (d) As per the information and explanations given to us, repayment of principal amounts as well as interest have been regular during the year, whenever it has fallen due for repayment.
- iv. In our opinion and according to information and explanation given to us; there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets, and for the sale of goods and services. Further on the basis of our examination of books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.



- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the Register maintained under that Section;
- (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 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- vi. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the act and the rules framed there under.
- vii. The Company has appointed a firm of Chartered Accountants as its Internal Auditors. In our opinion the system of internal audit is commensurate with the size of the company and the nature of its business.
- viii. In our opinion and according to the information and explanations given to us, the Company has maintained the Cost records and accounts as required under Section 209(1)(d) of the Companies Act, 1956 *but such records requires to be updated for the year ended 31<sup>st</sup> March 2011.*
- ix. (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. and the Company had no arrears of such outstanding statutory dues as at 31<sup>st</sup> March, 2011 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the details of the dues which have not been deposited up to 31<sup>st</sup> March, 2011 on account of any dispute are as under:

Name of the Statute	Nature of dues	Financial year to which the matter pertains	Forum where the matter is pending	Amount (Rs. in lacs)
Central Excise Act, 1944	Excise Duty	1999-2000	Commissioner of Central Excise (Appeals)	4.73
Employees State Insurance Act, 1948	ESI	2000 to 2005	Employees State Insurance Court	33.33

- x. The Company does not have any accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.



- xi. According to the records of the company examined by us and on the basis of information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The company has not granted any loans and advances on the basis of securities by way pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute applicable to Chit fund, Nidhi or Mutual Benefit Funds/Societies are not applicable to the company.
- xiv. According to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- xv. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- xvi. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii. On the basis of the overall examination of the Balance Sheet of the company, in our opinion, the short term funds has not been applied for the long term investments in fixed assets.
- xviii. The Company has not made any preferential allotment to parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. During the period covered by audit report, the company has not issued any debentures.
- xx. The company has not raised any money by public issues during the year under review.
- Xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR G. K. CHOKSI & CO.**  
[Firm Registration No.101895W]  
*Chartered Accountants*

  
**ROHIT K. CHOKSI**  
Partner

Mem. No. 31103

Place: Ahmedabad.

Date :



# RAGHUVIR SYNTHETICS LIMITED

## Balance Sheet as on 31st March, 2011

	Sche- dule	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	3 85 41 000	3 85 41 000
Reserves and Surplus	B	8 05 28 787	8 02 38 553
		11 90 69 787	11 87 79 553
<b>Loan Funds</b>			
Secured Loans	C	3 50 70 341	3 99 44 185
		3 50 70 341	3 99 44 185
Deferred Tax Liability (Net)		2 08 48 477	2 36 72 017
<b>Total :</b>		17 49 88 605	18 23 95 755
<b>APPLICATIONS OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	D	43 37 84 901	43 08 29 896
Less : Depreciation		23 46 66 606	21 09 90 376
Net Block		19 91 18 295	21 98 39 520
Capital Work in Progress		9 57 150	56 35 795
		20 00 75 445	22 54 75 315
Investments	E	55 04 000	55 04 000
<b>Current Assets, Loans and Advances</b>			
Inventories	F	94 33 629	73 69 833
Sundry Debtors		2 48 16 779	2 01 06 518
Cash and Bank Balances		53 22 288	76 54 427
Loans and Advances		2 85 21 753	2 39 83 626
		6 80 94 449	5 91 14 404
Less : <b>Current Liabilities &amp; Provisions:</b>	G		
Current Liabilities		9 00 96 169	9 59 32 371
Provisions		85 89 120	1 17 65 593
		9 86 85 289	10 76 97 964
<b>Net Current Assets</b>		( 3 05 90 840)	( 4 85 83 560)
<b>Total :</b>		17 49 88 605	18 23 95 755
		0	0

Significant Accounting Policies

Notes to the Financial Statements

As per our attached Report of even date.

**FOR G. K. CHOKSI & Co.**

[Firm Registration No. 101895W]

Chartered Accountants

*RoHit Choksi*  
**ROHIT K. CHOKSI**  
 Partner



**FOR AND ON BEHALF OF THE BOARD**

*Sunil R. Agarwal*  
**SUNIL R. AGARWAL**  
 Chairman & Managing Director

*Yash S. Agarwal*  
**YASH S. AGARWAL**  
 Director

*Hardik S. Agarwal*  
**HARDIK S. AGARWAL**  
 Director

Place: Ahmedabad  
 Date: 16th August, 2011

Place: Ahmedabad  
 Date: 16th August, 2011



# RAGHUVIR SYNTHETICS LIMITED

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

	Sche- dule	Rs.	For the yer ended 31st March, 2011 Rs.	For the yer ended 31st March, 2010 Rs.
<b>INCOME</b>				
Gross Sales and Services		36 22 76 079		27 85 84 220
Other Income	H	11 24 985	36 34 01 064	6 90 990
				27 92 75 210
<b>EXPENDITURE</b>				
Manufacturing and Other Expenses	I	31 31 74 122		23 07 02 592
Personnel Cost	J	88 10 516		57 93 687
Interest and Financial Charges	K	16 26 974		16 75 684
Depreciation		3 83 22 758		4 00 64 029
			36 19 34 370	27 82 35 992
Profit before tax			14 66 694	10 39 218
Less: Provision for tax				
Current Tax		40 00 000		37 50 000
Wealth Tax		0		15 000
Deferred Tax		( 28 23 540)	11 76 460	( 16 52 127)
				21 12 873
Profit after Tax			2 90 234	( 10 73 655)
Balance as per last Balance Sheet			4 36 89 766	4 47 63 421
<b>Balance Carried to Balance Sheet</b>			<b>4 39 80 000</b>	<b>4 36 89 766</b>
Basic, as well as, diluted Earning per share Rs. (Refer Note No. 6 of Schedule-'M')			0.07	( 0.28)

Significant Accounting Policies L  
Notes to the Financial Statements M

As per our attached Report of even date.

**FOR G. K. CHOKSI & Co.**

[Firm Registration No. 101895W]  
Chartered Accountants

**ROHIT K. CHOKSI**  
Partner



**FOR AND ON BEHALF OF THE BOARD**

**SUNIL R. AGARWAL**  
Chairman & Managing Director

**YASH S. AGARWAL**  
Director

**HARDIK S. AGARWAL**  
Director

Place: Ahmedabad  
Date: 16th August, 2011

Place: Ahmedabad  
Date: 16th August, 2011

# RAGHUVIR SYNTHETICS LIMITED, AHMEDABAD

## Cash Flow Statement for the Financial Year 2010-2011

	2010-2011 Amount (Rs.)	2009-2010 Amount (Rs.)
<b>1 Cash Flow from Operations :</b>		
Profit before taxation	14 66 694	10 39 218
Adjustments for :		
i Depreciation	3 83 22 758	4 00 64 029
ii Loss/(Profit) on Sale of Fixed Assets	2 51 999	4 11 209
iii Interest and Financial Charges	15 97 180	13 81 107
iv Interest Income	( 5 81 795)	( 4 72 365)
v Loss on sale of investments	0	5 12 768
vi Sundry Balances written back	( 2 22 940)	0
vii Loss on the assets discarded from active use	1 51 646	5 34 092
	<u>3 95 18 848</u>	<u>4 24 30 840</u>
		4 09 85 542
Adjustments for :		
i Inventories	( 20 63 796)	( 12 38 137)
ii Trade Receivable	(1 12 27 548)	1 26 39 868
iii Liabilities	( 57 27 675)	1 41 18 431
		<u>(1 90 19 019)</u>
Cash Generated from Operations	2 19 66 523	6 89 90 220
Net Tax Payment / (Refund) (Net)	50 04 900	50 27 967
<b>Net Cash Flow from Operations :</b>	<u>1 69 61 623</u>	<u>6 39 62 253</u>
<b>2 Cash Flow from Investment Activities :</b>		
i Purchase of Fixed Assets	(1 91 46 178)	(3 89 65 125)
ii Capital Work-in-Progress	46 78 645	( 14 31 872)
iii Sale / (Purchase) of Investments	0	4 45 229
iv Sale Proceeds of Fixed Assets	13 30 290	4 00 000
v Interest Received	3 14 505	4 72 365
<b>Net Cash Flow from Investment Activities</b>	<u>(1 28 22 738)</u>	<u>(3 90 79 403)</u>
<b>3 Cash Flow from Financing Activities :</b>		
i Interest paid	( 15 97 180)	( 13 81 107)
ii Procurement / (Repayment) of Term Loan	( 48 73 844)	2 44 74 756
ii Procurement / (Repayment) of Unsecured Loan	0	(5 50 00 000)
<b>Net Cash from Financing Activities</b>	<u>( 64 71 024)</u>	<u>(3 19 06 351)</u>
<b>Net Change in Cash &amp; Cash Equivalents</b>	<u>( 23 32 139)</u>	<u>( 70 23 501)</u>
<b>Cash and Cash Equivalent at the beginning of the year</b>	76 54 427	1 46 77 928
<b>Cash and Cash Equivalent at the end of the year</b>	<u>53 22 288</u>	<u>76 54 427</u>

As per our attached Report of even date

**FOR G. K. CHOKSI & Co.**

[Firm Registration No. 101895]

Chartered Accountants

**ROHIT K. CHOKSI**  
Partner



**FOR AND ON BEHALF OF THE BOARD**

**SUNIL R. AGARWAL**  
Chairman & Managing Director

**YASH S. AGARWAL**  
Director

**HARDIK S. AGARWAL**  
Director

Place: Ahmedabad.  
Date: 16th August, 2011

Place: Ahmedabad.  
Date: 16th August, 2011

# RAGHUVIR SYNTHETICS LIMITED

## Schedule - 'A' : Share Capital

Rs.	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<b>Authorised</b>		
1,00,00,000 (P.Y. 1,00,00,000) Equity Shares of Rs. 10 each	10 00 00 000	10 00 00 000
	<u>10 00 00 000</u>	<u>10 00 00 000</u>
<b>Issued, Subscribed and Paid-up</b>		
38,75,000 (P.Y. 38,75,000) Equity Shares of Rs. 10 each fully paid up	3 87 50 000	3 87 50 000
Includes 3 00 010 Equity shares issued as fully paid Bonus Shares by Capitalisation of General Reserve in the year 1991-92		
Less : Allotment Money in Arrears	2 09 000	2 09 000
<b>Total :</b>	<u>3 85 41 000</u>	<u>3 85 41 000</u>

## Schedule - 'B' : Reserves and Surplus

General Reserve	1 95 07 587	1 95 07 587
Share Premium	1 72 50 200	1 72 50 200
Less : Allotment Money in Arrears	<u>2 09 000</u>	<u>2 09 000</u>
	1 70 41 200	1 70 41 200
Profit and Loss Account	4 39 80 000	4 36 89 766
<b>Total :</b>	<u>8 05 28 787</u>	<u>8 02 38 553</u>

## Schedule - 'C' : Loan Funds

### Secured Loans

#### From Bank

(a) Term Loan from HDFC Bank Limited (Secured by way of hypothecation of plant & machinery acquired out of Term Loan and further secured by lien on fixed deposit of Raghuvir Exim Ltd.(Associate Concern) and personal guarantee of directors)	2 96 44 474	3 77 26 185
(b) HDFC Bank Limited (Secured against Hypothication of Vehicle)	97 200	6 49 871
(c) HDFC Bank Limited (Secured against Hypothication of Vehicle)	4 17 300	0
(b) HDFC Bank Limited (Secured against Hypothication of Vehicle)	31 63 575	0
(b) HDFC Bank Limited (Secured against Lien on Fixed Deposits)	89 309	0
(e) IDBI Bank (Secured against Lien on Fixed Deposits)	16 58 483	15 68 129
	<u>3 50 70 341</u>	<u>3 99 44 185</u>
<b>Total :</b>	<u>3 50 70 341</u>	<u>3 99 44 185</u>



**RAGHUVIR SYNTHETICS LIMITED**

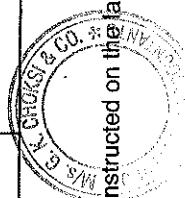
**Schedule - 'D' : Fixed Assets**

[Amount in Rs.]

Sr. No.	Description	Gross Block (At cost)				Depreciation				Net Block	
		As at 01/04/2010	Additions	Deductions	As at 31/03/2011	Upto 31/03/2010	For the year	Deductions/ Adjustments	Upto 31/03/2011	As at 31/03/2011	As at 31/03/2010
1	Land	1 12 476	0	0	1 12 476	0	0	0	0	1 12 476	1 12 476
2	Buildings	1 58 70 544	0	0	1 58 70 544	50 54 391	5 08 894	0	55 63 285	1 03 07 259	1 08 16 153
3	Plant and Machinery	40 50 59 462	1 39 65 944	3 13 21 567	38 77 03 839	20 17 62 383	3 55 32 776	1 23 42 021	22 49 53 138	16 27 50 701	20 32 97 079
4	Furniture & Fixtures	9 98 307	68 160	0	10 66 467	6 13 221	44 473	0	6 57 694	4 08 773	3 85 086
5	Computer	20 76 790	1 51 664	0	22 28 454	17 76 316	1 28 339	0	19 04 655	3 23 799	3 00 474
6	Office Equipment	11 41 099	0	0	11 41 099	3 06 921	54 201	0	3 61 122	7 79 977	8 34 178
7	Vehicles	42 71 218	49 60 410	14 26 606	78 05 022	14 77 144	4 67 953	7 18 385	12 26 712	65 78 310	27 94 074
	Capital Work in progress	42 95 29 896	1 91 46 178	3 27 48 173	41 59 27 901	21 09 90 376	3 67 36 636	1 30 60 406	23 46 66 606	18 12 61 295	21 85 39 520
	Asset retired from active use & held for sale	13 00 000	1 66 60 000	1 03 000	1 78 57 000	0	15 86 122	15 86 122	0	9 57 150	56 35 795
	Total :	43 08 29 896	1 91 46 178	3 27 48 173	43 37 84 901	21 09 90 376	3 83 22 758	1 46 46 528	23 46 66 606	20 00 75 445	22 54 75 315
	Previous Year	40 97 02 664	3 89 65 125	1 91 37 893	43 08 29 896	18 74 18 939	4 00 64 029	1 64 92 592	21 09 90 376	22 54 75 315	

**Notes :**

Factory building have been constructed on the land let out by Kashiram Textile Mills to the Company.



# RAGHUVIR SYNTHETICS LIMITED

## Schedule - 'E' : Investments (At cost)

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<b>Trade Investments (Unquoted)</b>		
5 00 000 Equity Shares of Rs.10 each fully Paid-up of Raghuvir Exim Limited	50 00 000	50 00 000
400 Equity Shares of Rs. 10 each fully Paid-up of The South Eastern Roadways Ltd.	<u>4 000</u>	<u>4 000</u>
	50 04 000	50 04 000
<b>Other (Unquoted)</b>		
<i>In Mutual Fund</i>		
SBI Blue Chip Fund (50000 Units of Rs. 10/- each) NAV Rs.11.37 (P.Y. Rs. 12.29) per unit	5 00 000	5 00 000
<b>Total :</b>	<u>55 04 000</u>	<u>55 04 000</u>

## Schedule - 'F' : Current Assets, Loans and Advances

### Inventories

(At cost, except otherwise stated)

(As taken, valued and certified by the Management)

Raw Materials	20 144	22 383
Stock-in-Process	3 99 526	18 592
Finished Goods (Inclusive of Returned Processed Goods) (At cost or net realisable value which ever is lower)	9 22 145	4 85 444
Stores, Spares, Colour & Chemicals and Coal	79 81 814	67 38 414
Scrap / Waste Material (At estimated net realisation value)	<u>1 10 000</u>	<u>1 05 000</u>
	94 33 629	73 69 833

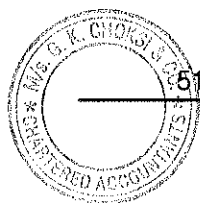
### Sundry Debtors

(Unsecured, considered Good)

Outstanding for more than six Months	24 34 602	21 41 007
Others	<u>2 23 82 177</u>	<u>1 79 65 511</u>
	2 48 16 779	2 01 06 518

### Cash and Bank Balances

Cash on Hand	1 74 492	2 33 264
Balances with Scheduled Banks :		
In Current Accounts	0	0
In Fixed Deposit Accounts	<u>51 47 796</u>	<u>74 21 163</u>
	53 22 288	76 54 427



... Continued..

# RAGHUVIR SYNTHETICS LIMITED

## Schedule - 'F' : ... Continued..

	As at 31st March, 2011. Rs.	As at 31st March, 2010 Rs.
<b>Loans and Advances</b> (Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	1 41 59 203	1 11 13 706
Doubtful	49 55 792	49 55 792
Less : Provision	49 55 792	49 55 792
	<u>0</u>	<u>0</u>
Intrest Accrued but not Due	3 59 999	92 709
Advance Tax	1 07 66 051	1 27 45 211
Deposits	32 36 500	32 000
	<u>2 85 21 753</u>	<u>2 39 83 626</u>
<b>Total :</b>	<u>6 80 94 449</u>	<u>5 91 14 404</u>

## Schedule - 'G' : Current Liabilities and Provisions

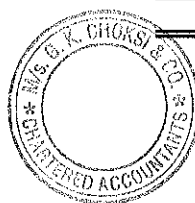
### Current Liabilities

#### Sundry Creditors

For Goods and expenses	7 40 38 157	7 01 96 408
Other Liabilities	1 60 58 012	2 57 35 963
	<u>9 00 96 169</u>	<u>9 59 32 371</u>

#### Provisions

For Income Tax	77 00 000	1 09 55 000
For Wealth Tax	0	30 000
For Bonus	32 699	30 536
For Retirement Benefits	8 56 421	7 50 057
	<u>85 89 120</u>	<u>1 17 65 593</u>
<b>Total :</b>	<u>9 86 85 289</u>	<u>10 76 97 964</u>



# RAGHUVIR SYNTHETICS LIMITED

## Schedule - 'H' : Other Income

	For the year ended 31st March, 2011		For the year ended 31st March, 2010
	Rs.	Rs.	Rs.
Interest		5 81 795	5 65 074
Sundry credit balances written back		2 500	1 240
Sale of Waste		2 38 195	0
Dividend Income		75 000	100
Excess provision for Income tax Written back		2 12 495	0
Excess provision for Wealth tax Written back		15 000	0
Profit on Sale of Fixed Assets		0	1 24 576
<b>Total :</b>		<b>11 24 985</b>	<b>6 90 990</b>

## Schedule - 'I' : Manufacturing and Other Expenses

### Cost of Materials / Products

Raw Materials Consumed	16 03 654	59 12 080
Purchase of Finished Goods	29 69 531	14 73 966
Colour and Chemicals	18 65 06 528	10 89 52 313
Freight and Octroi	8 23 727	6 81 443
Packing Materials	45 92 103	32 20 784
	<b>19 64 95 543</b>	<b>12 02 40 586</b>

### (Reduction) / Accretion in Stock

#### Closing Stock

Finished Goods (Inclusive of Return Processed Goods)	9 22 145	4 85 444
Stock-in-Process	3 99 526	18 592
Scrape / Waste Material	1 10 000	1 05 000
	<b>14 31 671</b>	<b>6 09 036</b>

#### Less : Opening Stock

Finished Goods (Inclusive of Return Processed Goods)	4 85 444	4 80 000
Stock-in-Process	18 592	2 50 825
Stock of scrap/waste Material	1 05 000	95 000
	<b>6 09 036</b>	<b>8 25 825</b>
	<b>( 8 22 635)</b>	<b>2 16 789</b>

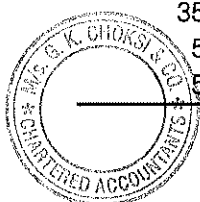
### Reduction/(Accretion) in cost on job work in process

Closing Cost	1 01 99 443	74 95 857
Opening Cost	74 95 857	37 76 390
	<b>( 27 03 586)</b>	<b>( 37 19 467)</b>

Store and Spareparts	2 43 09 756	2 10 20 664
Job Work Charges	1 61 27 239	2 33 39 322
Power and Fuel	6 36 28 986	5 41 22 675

#### Repairs and Maintenance :

Plant and Machinery	35 67 442	47 74 260
Building	5 54 337	1 32 933
Others	5 19 412	3 42 027
	<b>46 41 191</b>	<b>52 49 220</b>



... Continued..

# RAGHUVIR SYNTHETICS LIMITED

## Schedule - 'I' : ... Continued..

	For the year ended 31st March, 2011 Rs.	Rs.	For the year ended 31st March, 2010 Rs.
Rent		2 72 000	2 92 875
Rates and Taxes		2 78 449	2 19 009
Insurance		2 77 841	2 86 549
Fees and Legal Expenses		4 57 546	8 13 540
Stationery and Printing		4 38 848	3 76 563
Auditors' Remuneration		2 75 000	2 75 000
Telephone		4 67 837	4 08 146
Travelling Expenses		1 04 438	54 384
Vehicle Expenses		9 33 504	5 88 003
Selling and Distribution Expenses		53 35 594	39 08 764
Other Expenses		7 44 726	9 05 305
Loss on Sale of Fixed Assets		2 51 999	5 35 785
Loss on assets discarded/impaired		1 51 646	5 34 092
Loss on Sale of Shares		0	5 10 477
Donation		15 08 200	5 24 311
<b>Total :</b>		<u>31 31 74 122</u>	<u>23 07 02 592</u>

## Schedule - 'J' Personnel Cost

Salaries, Wages and Bonus	81 11 900	51 58 491
Contribution to Provident & Other Funds	2 81 160	2 71 771
Employee Welfare Expenses	4 17 456	3 63 425
<b>Total :</b>	<u>88 10 516</u>	<u>57 93 687</u>

## Schedule - 'K' : Interest and Financial Charges

Interest on Term Loans	13 98 702	7 01 104
Bank and Other Interest	1 98 478	6 80 003
Bank Charges	29 794	2 94 577
<b>Total :</b>	<u>16 26 974</u>	<u>16 75 684</u>





## **RAGHUVIR SYNTHETICS LIMITED**

### **Schedule - 'L': Significant Accounting Policies**

#### **1. General**

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, and in accordance with the Companies Act, 1956 and the applicable accounting standards issued by The Institute of Chartered Accountants of India.

#### **2. Use of Estimates**

These financial statements have been prepared on the basis of estimates, wherever necessary, which have an effect on the reported amounts of assets and liabilities as on the date of the statements and the reported amounts of income and expenditure for the reporting period. The difference between actual and estimates is recognized in the subsequent period when the actual are known.

#### **3. Revenue Recognition**

- (i) Sales are recognized upon delivery of goods and are recorded net of trade discount.
- (ii) Revenue from job work processes are recognized as and when the related jobs are performed, the cost incurred up to reporting date for the in-completed jobs are carried to balance sheet under the head cost on job work in process.

#### **4. Fixed Assets and Depreciation**

- (i) Fixed Assets are stated at cost less accumulated depreciation. Cost includes interest on borrowings attributable to the acquisition of the Fixed Assets, up to the date of their commissioning, and other incidental expenses incurred up to that date.
- (ii) Depreciation is provided under the Straight Line method at the rates specified in Schedule XIV to the Companies Act, 1956.
- (iii) Fixed Assets retired from active use & held for sale has been stated at Net Realisable Value or Written Down Value whichever is lower.

#### **5. Impairment of Assets**

An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

#### **6. Borrowing Costs**

Borrowing Costs that are directly attributable to acquisition of qualifying assets are capitalized for the period until the asset is ready for intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### **7. Investments**

Long Term Investments are carried at cost less provision for permanent diminution in the value of such investments, if any. Current Investments are carried at the lower of cost and market value.



## **8. Inventories**

Raw Materials, Stock-in-process, Finished Goods are valued at lower of cost or net realizable value. Stores, Colours & Chemicals and Coal are valued at cost. Processed Goods Returned is valued at net realizable value. Cost of stock-in-process and finished goods include materials, labour, manufacturing overhead and other cost incurred in bringing the inventories to their present location.

Items of Colour and Chemicals, Stores and Spares are charged to revenue at the stage of purchase and stock of such items as at the end of the year is accounted at cost.

The stock of scrap / waste materials are valued at estimated net realizable value.

## **9. Taxes on Income**

- (i) Current tax provision is based on the taxable income computed in accordance with the provision of the Income Tax Act, 1961.
- (ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The deferred tax in respect of timing differences which had originated during the tax holiday period and reversed during the tax holiday period had not been recognized to the extent the enterprise's gross total income is subject to the deduction during the tax holiday period. However deferred tax in respect of timing differences which had originated during the tax holiday period but reversed after the tax holiday period had been recognized in the year in which the timing differences originated.

## **10. Retirement Benefits**

- (i) Contributions to Provident/Pension Funds are charged to Profit and Loss Account as incurred.
- (ii) The company provides retirement benefit in form of Gratuity on the basis of valuation, as at the Balance Sheet date, carried out by independent actuaries.

## **11. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## **12. Earning for Share**

Earning per share is calculated by dividing the profit attributable to the equity shareholder by weighted averages number by equity shares outstanding during the year.



## RAGHUVIR SYNTHETICS LIMITED

### Schedule - 'M': Notes forming part of accounts

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance) Rs.NIL (Previous Year Rs. 2173120/-).

2. Contingent Liabilities not provided for :

[Amount in Rs.]

Particulars	2010-2011	2009-2010
1. Claims not acknowledged as debts—Excise Duty (See note no. 3(i) )	4,73,162	4,73,162
2. Claims not acknowledged as debts – ESI (See note no. 3 (ii)(a) & (b))	33,32,912	33,32,912

3. (i) The company had received a show cause notice dated 25/06/1999 from excise authorities for Rs. 4,73,162/- (including Rs. 10,892/- interest) on 30/06/1999. The company has disputed the same by filing a reply with the Central Excise Department. Against this reply, the Excise Department sent another notice vide their letter no. 54/15-96/Demand/99, dtd.22/6/2000. This new notice was also disputed by the company and an appeal against the same is filed by the company with the commissioner of Central Excise (Appeals) Ahmedabad on 25/07/2000. The matter is still pending with Excise Authority.  
  
(ii) (a) The Company has received order u/s 45-A of the ESI Act, 1948, for the year 2000 to 2002 raising demand of Rs. 7,97,990/-. The company has disputed the demand raised by the corporation by filing a case in the court of Kamdar Rajya Bima Adalat, Ahmedabad and Rs 300000/- has been deposited under the direction of E.S.I Court, Ahmedabad in the Registrar, Industrial Court Ahmedabad.  
  
(b) The Company has received order u/s 45-A of the ESI Act, 1948, for the year 2002 to 2005 raising demand of Rs. 25,34,922/-. The company has disputed the demand raised by the corporation by filing a case in the court of Kamdar Rajya Bima Adalat, Ahmedabad and Bank Guarantee of Rs. 1300000/- has been given under the direction of E.S.I Court, Ahmedabad.

#### 4. Employee Benefits

- (a) Defined contribution to provident fund, employee state insurance fund and Employees Death Linked Insurance

The Company makes contribution towards Employees' Provident Fund, Employee State Insurance fund and Employees Death Linked Insurance. In accordance with the provisions of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company has, during the year, recognized the sum of Rs. 2.81 lacs (March 31, 2010: Rs.2.72 Lacs) as expense towards contributions to these plans.



## (b) Defined benefit plans

The following table sets out the status of the gratuity plans as at 31<sup>st</sup> March, 2011.

[Amount in Rs.]

Particulars	March, 2011 Gratuity	March, 2010 Gratuity
<b>Changes in the present value of obligation</b>		
Present value of obligation (Opening)	7,50,057	6,10,313
Interest cost	60,005	--
Past service cost	--	--
Current service cost	67,768	64,200
Curtailment Cost / (Gain)	--	--
Settlement Cost / (Gain)	--	--
Benefits paid	--	--
Actuarial (Gain) / Loss	21,408	75,544
Present value of obligation (Closing)	8,56,421	7,50,057
<b>Changes in the fair value of plan assets</b>		
Present value of plan assets (Opening)	--	--
Expected return on plan assets	--	--
Actuarial Gain / (Loss)	--	--
Employers Contributions	--	--
Employees Contributions	--	--
Benefits paid	--	--
Fair Value of Plan Assets (Closing)	--	--
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>		
Bank Deposits (Special Deposit Scheme, 1975)	--	--
Debt Instruments	--	--
Administered by Life Insurance Corporation of India	--	--
Others	--	--
<b>Reconciliation of the present value of defined benefit obligation and the fair value of assets</b>		
Present value of funded obligation as at the year end	--	--
Fair value of plan assets as at year end	--	--
Funded (Asset)/Liability recognized in the balance sheet	--	--
Present value of unfunded obligation as at the year end	8,56,421	7,50,057
Unrecognized past service cost	--	--
Unrecognized Actuarial (Gain) / Loss	--	--
Unfunded net liability/(asset) recognized in the balance sheet	8,56,421	7,50,057
<b>Amount recognized in the balance sheet</b>		
Present value of obligation as at the year end	8,56,421	7,50,057
Fair value of plan assets as at the year end	--	--
(Asset) / Liability recognized in the balance sheet	8,56,421	7,50,057
<b>Expenses recognized in the profit &amp; loss account</b>		
Current service cost	67,768	64,200
Past service cost	--	--
Interest cost	60,005	--
Expected return on plan assets	--	--
Curtailment Cost / (Credit)	--	--
Settlement Cost / (Credit)	--	--
Net Actuarial (Gain) / Loss	(21,408)	75,544
Employee's Contribution	--	--
Total expenses recognized in the profit & loss account	1,06,364	1,39,744

... Continued..



(b) Defined benefit plans ... *Continued..*

Particulars	March, 2011 Gratuity	March, 2010 Gratuity
<b>Principal actuarial assumption</b>		
Rate of discounting	8.00%	8.00%
Expected return on plan assets	--	--
Rate of increase in salaries	5.00%	5.00%
Attrition Rate (Employees opting for early retirement)	—	—

5. The company operates in a solitary business segment i.e. textile business. Accordingly, no further financial information for business segment is required to be given.

6. **Related Party Disclosures**

As required by accounting standard – AS 18 “Related Parties Disclosure” issued by The Institute of Chartered Accountants of India are as follows:

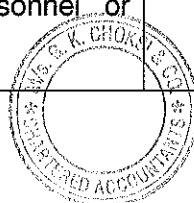
- (a) List of related parties with whom transactions have taken place during the year and relationship:

Sr. No.	Name of related party	Relationship
1 2 3	Kamlesh R Agarwal Sunil R. Agarwal Girish R. Agarwal	Key Management Personnels
4 5	RSL Dyecot Limited Kashiram Textile Mills (Prop. R. R. Family Trust)	Enterprise under significant influence of Key Management Personnel or their relatives.
6	Raghuvir Exim Limited	Associate Enterprise

(b) Transactions with related parties

[Amount in Rs.]

Sr. No.	Nature of transaction	2010-2011	2009-2010
(i)	Managerial Remuneration	9,72,000	9,72,000
(ii)	Expenditure on Other Service		
-	Enterprise under significant influence of Key Management Personnel or their relatives.	2,34,000	2,34,000



(b) Transactions with related parties... *Continued.*

[Amount in Rs.]

Sr. No.	Nature of transaction	2010-2011	2009-2010
(iii)	Sales, Processing Charges and Other Income		
	- Associates Enterprise	17,76,91,555	11, 70, 55,426
(iv)	Advances Given		
	- Associates Enterprise	54,09,459	--
(v)	Advances Returned back		
	- Associates Enterprise	4,61,771	5, 84, 64,485
(vi)	Interest Paid		
	- Associates Enterprise	--	5, 13,079

## (c) Outstanding Balances

[Amount in Rs.]

		31/03/2011	31/03/2010
	<b>Due by Company</b>		
	- Enterprise under significant influence of Key Management Personnel or their relatives. (Net)	318000	84,000
	- Key Management Personnel	56,640	58,180
	<b>Due to Company</b>		
	- Associates Enterprise	1,53,26,797	2,51,48,081

The particulars given above have been identified on the basis of information available with the company.

## 7. Particulars of Earning per Share

Particulars	2010-2011	2009-2010
Net Profit/(Loss) for the year Rs.	2,90,234	(10,73,655)
Number of equity shares	38,75,000	38,75,000
Nominal value of the share Rs.	10	10
Basic, as well as, diluted Earning per Share Rs.	0.07	(0.28)

There is no change in the number of equity shares during the year.

8. **Deferred Tax Asset / (Liability) comprise timing differences on account of:**

Particulars	2010-2011		2009-2010	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Timing difference on account of Depreciation:				
(a) Difference between book depreciation and depreciation under Income Tax Act, 1961		2,10,05,505		2,37,41,744
(b) Expenditure u/s.43B of Income Tax Act, 1961	1,57,028		69,727	
	1,57,028	2,08,48,477	69,727	2,37,41,744
Net Deferred Tax Liability		2,08,48,477		2,36,72,017

9. Adhering to significant Accounting Policy on Fixed Assets and Depreciation, based on quotes received from parties interested in buying the assets retired from active use & held for sale, written down value of such assets have been reduced to their net realizable value & loss to the tune of Rs.1.52 has been recognized in the Profit & Loss Account for the year under review.
10. Balances of debtors, creditors, loans, advances and deposits are subject to confirmation by the parties concerned.
11. In the absence of necessary information relating to the suppliers registered as Micro, Small and Medium enterprises under the Micro, Small and Medium Enterprises (Development) Act, 2006, the company has not been able to identify such suppliers and the information required under the said Act could not be complied and disclosed.

12. **Directors' Remuneration is made up of:**

[Amount in Rs.]

Particulars	2010-2011	2009-2010
Salary	6,00,000	6,00,000
Contribution to Provident Fund	72,000	72,000
Perquisites	3,00,000	3,00,000
Total :	9,72,000	9,72,000

The company has been advised that the computation of Net Profits for the purpose of Director's Remuneration under section 349 of the companies Act, 1956 need not be enumerated since no commission has been paid to the Directors. Fixed monthly remuneration has been paid to the directors as per Section II of Part II of Schedule-XIII to the companies Act, 1956.



13. Auditors' Remuneration is made up of :

[Amount in Rs.]

Particulars	2010-2011	2009-2010
Audit Fees	2,00,000	2,00,000
Tax Audit Fees	75,000	75,000
<b>Total :</b>	<b>2,75,000</b>	<b>2,75,000</b>

14. Stock, Production and Sales of Finished Goods (Inclusive of returned processed goods) :

	2010-2011		2009-2010	
	Qty.	Value	Qty.	Value
	Fabrics Meters	(Rs.)	Fabrics Meters	(Rs.)
Opening Stock	5,925	4,85,444	5,431	4,80,000
Closing Stock	9,566	9,22,145	5,925	4,85,444
Production	32,647	--	1,88,035	--
Purchases	38,461	29,69,531	26,061	14,73,966
Sales	67,466	49,85,541	2,13,602	1,12,38,597

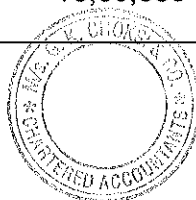
Production and Sales exclude 1,99,30,251 (Previous Year 1,69,15,857 meters) meters of Fabrics processed by the Company for other parties on job work basis.

15. Details of Raw Materials Consumed:

	2010-2011		2009-2010	
	Qty.	Value (Rs.)	Qty.	Value (Rs.)
Grey Cloth (Meters)	39,150	16,03,654	1,79,435	59,12,080

16. Other information required in terms of Para 4-C and 4-D of Part-II of Schedule VI to the Companies Act, 1956 :

Sr. No.	Particulars	2010-11	2009-10
a.	Licensed Capacity	N.A.	N.A.
b.	Installed Capacity (as certified by Management)	450 Lacs Mtrs.	450 Lacs Mtrs.
c.	C.I.F. value of Imports of : Raw Materials Spare Parts Capital Goods	NIL 64,97,573 16,60,680	NIL 81,45,463 2,51,98,333





16. Other information

Sr. No.	Particulars	2010-2011		2009-2010	
d.	Expenditure in Foreign Currency	NIL		NIL	
		2010-2011		2009-2010	
		Value (Rs.)	%	Value (Rs.)	%
e.	Consumption of:				
i.	<i>Raw materials:</i>				
	Indigenous	16,03,654	100	59,12,080	100
	Imported	--	--	--	--
ii	<i>Stores and Spare parts:</i>				
	Indigenous	1,78,12,183	73.27	1,28,75,201	61.25
	Imported	64,97,573	26.73	81,45,463	38.75
f.	Remittances in Foreign Currency on account of Dividend	--	--	--	--

17. The Previous Year's figures have been regrouped and reclassified wherever necessary so as to make them comparable with those of the Current Year.

As per our attached Report of even date.

FOR G. K. CHOKSI & CO.

[Firm Registration No.101895W]

Chartered Accountants

**ROHIT K. CHOKSI**  
Partner



FOR AND ON BEHALF OF THE BOARD

**SUNIL AGARWAL**  
Chairman and Managing Director

**YASH S. AGARWAL**  
Director

**HARDIK S. AGARWAL**  
Director

Place: Ahmedabad  
Date: 16th August, 2011

Place: Ahmedabad  
Date: 16th August, 2011

**RAGHUVIR SYNTHETICS LIMITED****BALANCE SHEET ABSTRACTS AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

Registration No. 5424,  
Balance Sheet Date 31<sup>st</sup> March 2011

State Code: 04

**II. Capital Raised during the year (Amount in Rs. Thousand)**

Public Issue:	--	Right Issue:	--
Bonus Issue:	--	Private Placement:	--

**III. Position of mobilization and Deployment of Funds (Amount in Rs. Thousand)**

<b>Total Liabilities</b>	<b>1,74,988</b>	<b>Total Assets</b>	<b>1,74,988</b>
<b>Sources of Funds</b>		<b>Application of Funds</b>	
Paid-up Capital	38,541	Net Fixed Assets	2,00,075
Reserve and Surplus	80,529	Investments	5,504
Secured Loan	35,070	Net Current Assets	(30,591)
Unsecured Loan	--	Misc. Expenditure	--
Deferred Tax Liability (Net)	20,848	Accumulated Losses	--

**IV. Performance of Company (Amount in Rs. Thousand)**

Turnover and Other Income	363401	Total Expenditure	361934
(+) Profit/(Loss) before tax	1467	(+) Profit/(Loss) after tax	290
Earning per share	0.07	Dividend Rate	--

**V. Generic names of three principal products services of company (as per monetary terms)**

Product/Service Description	Item code No.
1. Cotton Fabrics	5207
2. MMF Fabrics	5407

**FOR AND ON BEHALF OF THE BOARD**  
**SUNIL AGARWAL***Chairman and Managing Director*  
**YASH S. AGARWAL***Director*  
**HARDIK S. AGARWAL***Director*

Place: Ahmedabad  
Date: 16th August, 2011

