

16th ANNUAL REPORT 1997-98

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SEI	✓
YE	✓			✓

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SL
RAGHUVIR
SYNTHETICS
LIMITED

Board of Directors

Shri Raghuvirprasad R. Agarwal Chairman
 Shri Sunil R. Agarwal Managing Director
 Shri Kamlesh R. Agarwal Director
 Shri Girish R. Agarwal Director
 Shri Rajendra H. Tikmani Director

AUDITORS

M/s. G. K. Choksi & Co.
 Ahmedabad

INTERNAL AUDITORS

M/s. Ashok K. Bhatt & Co.
 Ahmedabad.

BANKERS

Bank of Baroda

REGISTERED OFFICE & MILLS

Rakhial Road,
 Ahmedabad-380 023. (Gujarat)

WIND FARM PROJECT

Village - Lamba,
 Taluka - Kalyanpur,
 Dist. - Jamnagar (Gujarat)

**ANNUAL REPORT 1997-98****NOTICE**

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Wednesday, the 30th September, 1998 at 4.00 P.M. at Kashiram Agarwal Bhavan, University Road, Ahmedabad to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date alongwith the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Shri Kamlesh R. Agarwal who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM SELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The register of Members and Share Transfer Register shall remain closed from Monday, 28th September, 1998 to Wednesday, the 30th September, 1998 (both days inclusive).
3. Members are requested to notify immediately any changes in address to the Company quoting their folio number.

Regd.Office :
Rakhial Road,
Ahmedabad - 380 023.

BY ORDER OF THE BOARD OF DIRECTORS
SHRI RAGHUVIRPRASAD R. AGARWAL
CHAIRMAN

Place : Ahmedabad

Date : 17th August, 1998.

RAGHUVIR SYNTHETICS LIMITED**DIRECTORS' REPORT**

To
The Members
RAGHUVIR SYNTHETICS LIMITED
Ahmedabad.

Your Directors take pleasure in presenting the Sixteenth Annual Report and Statement of Account of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	1997-98	1996-97
Profit before Interest,		
Depreciation and Tax	135.53	168.86
Interest	70.85	93.56
Depreciation	53.63	47.91
Provision for Income-tax	1.25	18.00
Profit for the year	9.80	9.39
Income-tax Expenses	21.41	—
Profit /(loss) after tax	(11.61)	9.39
Balance Brought forward		
from last year	77.80	98.41
	66.19	107.80
Transfer to General Reserve	—	30.00
Balance Carried forward	66.19	77.80

DIVIDEND

In view of loss during the year under review, your directors do not recommend any dividend.

OPERATIONS

Due to recession in the textile industry and hike in the prices of raw-materials as compared to that of previous year, your company has witnessed the decrease in Gross Income to Rs. 2,030.04 lacs during the year under review from Rs. 4,005.71 lacs in the previous year. This has resulted into nominal increase in profit for the year under review to Rs. 9.80 lacs from Rs. 9.39 lacs in previous year. In view of adjustment of Income-tax of Rs.21.41 Lacs of earlier years, the company has incurred loss of Rs.11.61 Lacs. However, your directors are optimistic in view of the improving domestic and international market which will make the future prosperous.

BOARD

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Kamlesh R. Agarwal is due to retire by rotation at the Annual General Meeting and being eligible offers

himself for re-appointment.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration of Rs. 3,00,000 or more, employed through out the year or Rs. 25,000 or more per month employed for a part of the year and hence particulars pursuant to Section 217(2A) of the Companies Act, 1956 is Nil.

PARTICULARS PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.

A Statement giving information as required by Section 217 (1) (e) read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules 1988, is annexed to this Report.

AUDITORS

M/s. G.K. Choksi & Co., Chartered Accountants, Ahmedabad, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

SUBSIDIARY

In compliance with the provisions of Section 212 of the Companies Act, 1956, the Audited Statements of Accounts for the year ended 31st March, 1998 of the subsidiary Company, Raghuvir Exim Limited, together with the Reports of the Auditors and Directors and also the Statement under the said Section are attached alongwith the Balance Sheet of the Company.

ACKNOWLEDGEMENT

Your Directors take this opportunity to convey their deep sense of gratitude for valuable assistance and co-operation extended by the Bankers of the Company.

Your Directors wish to place on record their sincere appreciation for the unstinted efforts and spirit of dedication shown by the employees at all levels.

ON BEHALF OF THE BOARD OF DIRECTORS
RAGHUVIRPRASAD AGARWAL
CHAIRMAN

PLACE : AHMEDABAD.

DATE : 17th August, 1998



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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 31ST MARCH, 1998.

A. CONSERVATION OF ENERGY

The Company endeavours to conserve energy wherever possible.

	1997-98	1996-97
POWER AND FUEL CONSUMPTION		
1. Electricity :		
Purchased Units (KHW '000)	3,629	2,982
Total Cost (Rs. in Lacs)	96.37	73.15
Rate per unit (Rupees)	2.65	2.45
Consumption (in units) per Unit of production	0.558	0.407
2. Coal :		
Quantity Consumed (M.T.)	9,611	9,499
Total Cost (Rs. in Lacs)	108.17	98.67
Rate per M. T. (Rupees)	1,125.45	1,038.76
Consumption (in Kgs.) per unit of Production	0.652	0.549

B. TECHNOLOGY ABSORPTION :

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

— —

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(i) Total Foreign Exchange Used (Rupees)

— —

(ii) Total Foreign Exchange Earned
(on F.O.B. Basis) (Rupees)

— —

AUDITORS' REPORT

To :
The Members,
RAGHUVIR SYNTHETICS LIMITED
Ahmedabad.

We have audited the attached Balance Sheet of RAGHUVIR SYNTHETICS LIMITED as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date annexed thereto and report as follows :

1. 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.
2. In our opinion, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books.
3. The Balance Sheet and the Profit and Loss Account are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, subject to Note No. 5 of the Schedule "N" regarding non-provision of liability for Gratuity, the said accounts read together with other Notes annexed thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998 and
 - b. in the case of the Profit and Loss Account, of the Loss for the year ended on that date.
5. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board and on the basis of such examination of the books and records of the Company as we considered appropriate and on the basis of the information and explanations given to us during the course of our audit, we further report that in our opinion :
 - i. the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancy has been noticed on such verification.
 - ii. none of the fixed assets of the Company has been revalued during the year.
 - iii. the stocks of finished goods and raw materials have been physically verified by the Management. The frequency of verification is reasonable. Since the Company follows the practice of charging to revenue items of stores and spare parts at the stage of purchase itself, stocks of such items are only taken at the end of the year.
 - iv. 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.
 - v. the discrepancies noticed on physical verification of stocks as compared to book records have been properly dealt with in the books of account.
 - vi. the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
 - vii. the company has not taken any loan from companies, firms or other parties listed in the Register maintained u/s. 301 of the Companies Act, 1956 except from the companies under the same management as defined under Sub-section (1B) of Section 370 of that Act. The rate of interest and other terms and conditions of loan from company, are not prima facie, prejudicial to the interest of the company.
 - viii. the company has granted loans to firms or other parties listed in the Register maintained u/s. 301 of the Companies Act, 1956. The rate of interest and terms and conditions on which such loans are granted are not, prima facie, prejudicial to the interest of the company. The company has not granted loans to Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.

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- ix. in respect of Loans and Advances in the nature of loans given to employees and others, recovery of principal and interest, wherever applicable, has been as stipulated.
- x. there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of stores, raw materials, plant and machinery, equipment and other assets and for the sale of goods.
- xi. the transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.
- xii. the Company has a system of determining unserviceable or damaged stores, raw materials or finished goods, if any, and for making provision for loss in respect thereof in the accounts.
- xiii. the Company has complied with the provision of section 58-A of the Companies Act, 1956 and (acceptance of deposits) Rules 1975 with regards to deposits accepted from the public.
- xiv. the Company does not have any by-product. It accounts for sale of realisable scrap, which is not significant, on cash basis.
- xv. the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- xvi. we are informed that the cost records prescribed for the Company by the Central Government under Section 209(1)(d) of the Companies Act, 1956 are not yet compiled.
- xvii. except for brief delays, the Company has been regular in depositing the Provident Fund and Employees' State Insurance dues with the appropriate authorities.
- xviii. there is no undisputed amount payable in respect of Income-tax, Wealth-tax, Sales-tax, Customs Duty and Excise Duty outstanding as at the end of the year for a period of more than six months from the date it became payable.
- xix. personal expenses other than those payable under contractual obligations in accordance with the generally accepted business practices, have not been charged to revenue account.
- xx. the Company is not a sick industrial Company within the meaning of Clause (o) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For G. K. CHOKSI & CO.
 CHARTERED ACCOUNTANTS
ROHIT K. CHOKSI
 PARTNER

PLACE : AHMEDABAD.
 DATE : 17th August, 1998

RAGHUVIR SYNTHETICS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 1998

	SCHE DULE	Rs.	AS AT 31-03-1998 Rs.	AS AT 31-03-1997 Rs.
SOURCES OF FUNDS :				
Shareholders' Funds :				
Capital	A	38,541,000		38,541,000
Reserves and Surplus	B	54,351,568		55,512,651
			92,892,568	94,053,651
Loan Funds :				
Secured Loans	C	13,221,813		22,921,947
Unsecured Loans	D	56,260		86,766
			13,278,073	23,008,713
TOTAL			106,170,641	117,062,364
APPLICATIONS OF FUNDS :				
Fixed Assets :	E			
Gross Block		83,556,796		69,786,163
Less : Depreciation		30,401,634		25,379,700
		53,155,162		44,406,463
Capital goods work in progress		266,116		210,691
			53,421,278	44,617,154
Investments	F		5,210,000	5,317,800
Current Assets, Loans and Advances :	G			
Inventories		22,518,191		25,647,927
Sundry Debtors		11,714,851		22,075,509
Cash and Bank Balances		1,461,176		2,796,802
Loans and Advances		40,879,616		46,260,399
		76,573,834		96,780,637
Less : Current Liabilities and Provisions :	H			
Liabilities		29,398,707		18,924,717
Provisions		2,907,924		14,655,415
		32,306,631		33,580,132
Net Current Assets			44,267,203	63,200,505
Miscellaneous Expenditure to the extent not written off or adjusted :				
Capital issue Expenses			3,272,160	3,926,905
TOTAL			106,170,641	117,062,364
Notes Forming Part of Accounts	N			

As per our attached Report of even date.

For G. K. CHOKSI & Co.
 CHARTERED ACCOUNTANTS
ROHIT K. CHOKSI
 PARTNER

FOR AND ON BEHALF OF THE BOARD

RAGHUVIRPRASAD R. AGARWAL
 CHAIRMAN

SUNIL R. AGARWAL MANAGING DIRECTOR

KAMLESH R. AGARWAL
GIRISH R. AGARWAL
RAJENDRA H. TIKMANI } DIRECTOR

PLACE : AHMEDABAD
 DATE : 17th August, 1998

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 DATE : 17th August, 1998



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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1998

	SCHE DULE	Rs.	1997-98 Rs.	1996-97 Rs.
INCOME :				
Sales	I	193,655,372		393,074,518
Other Income	J	9,349,132		7,496,122
Increase / (Decrease) in Stock	K	(4,935,264)		(12,100,935)
			198,069,240	388,469,705
EXPENDITURE :				
Manufacturing and Other				
Expenses	L	184,516,173		371,583,183
Financial Charges	M	7,085,318		9,355,954
Depreciation		5,363,128		4,791,197
			196,964,619	385,730,334
Profit before tax			1,104,621	2,739,371
Income-tax (Including earlier years Rs. 21,40,704)			2,265,704	1,800,000
Profit after Tax			(1,161,083)	939,371
Balance as per last balance sheet			7,780,551	9,841,180
Amount available for appropriation			6,619,468	10,780,551
Transfer to General Reserve				3,000,000
Balance Carried to Balance Sheet			6,619,468	7,780,551
Notes Forming Part of Accounts	N			

As per our attached Report of even date.

For G. K. CHOKSI & Co.
CHARTERED ACCOUNTANTS
ROHIT K. CHOKSI
PARTNER

FOR AND ON BEHALF OF THE BOARD

RAGHUVIRPRASAD R. AGARWAL
CHAIRMAN

SUNIL R. AGARWAL MANAGING DIRECTOR

KAMLESH R. AGARWAL
GIRISH R. AGARWAL
RAJENDRA H. TIKMANI } DIRECTOR

PLACE : AHMEDABAD
DATE : 17th August, 1998

PLACE : AHMEDABAD
DATE : 17th August, 1998

RAGHUVIR SYNTHETICS LIMITED

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1998

	Rs.	AS AT 31-03-1998 Rs.	AS AT 31-03-1997 Rs.
SCHEDULE - 'A' : SHARE CAPITAL			
Authorised :			
1,00,00,000 Equity Shares of Rs. 10 each		100,000,000	100,000,000
		<u>100,000,000</u>	<u>100,000,000</u>
Issued, Subscribed and Paid-up :			
38,75,000 Equity Shares of Rs. 10 each			
(Includes 3,00,010 Equity Shares issued			
as fully paid Bonus Share by Capitalisation			
of General Reserve in the year 1991-92)		38,750,000	38,750,000
Less : Allotment Money in Arrears		<u>209,000</u>	<u>209,000</u>
TOTAL		<u>38,541,000</u>	<u>38,541,000</u>

SCHEDULE - 'B' : RESERVES AND SURPLUS

Investment Allowance Reserve Utilised :

Balance as per last balance sheet	491,000	1,266,000
Less : Transferred to General Reserve	<u>491,000</u>	<u>775,000</u>
		<u>491,000</u>

General Reserve :

Balance as per last Balance Sheet	30,199,900	26,424,900
Add : Transfer from Investment		
Allowance Reserve Utilised	491,000	775,000
Add : Transfer from Profit and		
Loss Account	--	<u>3,000,000</u>
	30,690,900	30,199,900
Share Premium	17,250,200	17,250,200
Less : Allotment Money in Arrears	<u>209,000</u>	<u>209,000</u>
	17,041,200	17,041,200
Profit and Loss Account	6,619,468	7,780,551
TOTAL	<u>54,351,568</u>	<u>55,512,651</u>

SCHEDULE - 'C' : SECURED LOANS

From a Bank :

On Cash Credit Account	1,256,353	334,716
On Bills Account	--	8,362,414
On Book Debts Account	<u>4,250,465</u>	<u>5,320,148</u>
	5,506,818	14,017,278

The above Loans are secured by Hypothecation of stocks, receivables and all movable machinery and assets of the Company and guaranteed by the Directors of the Company and secured further by certain assets belonging to a director of the Company and his relatives.