

RAGHUVIR SYNTHETICS LIMITED



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17th
ANNUAL REPORT
1998-99

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)



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NOTICE

Notice is hereby given that the seventeenth Annual General Meeting of the Company will be held on Thursday, the 30th September, 1999 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, 1999 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 Rajendra Tikamani 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 HIMSELF 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, 27th September, 1999 to Thursday, the 30th September, 1999 (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.
Place : Ahmedabad

BY ORDER OF THE BOARD OF DIRECTORS
SHRI RAGHUVIRPRASAD AGARWAL
CHAIRMAN

Date : 31st July, 1999

RAGHUVIR SYNTHETICS LIMITED**DIRECTORS' REPORT**

To
The Members
RAGHUVIR SYNTHETICS LIMITED
Ahmedabad.

Your Directors take pleasure in presenting the Seventeenth Annual Report and Statement of Account of the Company for the year ended 31st March, 1999.

FINANCIAL RESULTS

	(Rs. In Lacs)	
	1998-99	1997-98
Profit before Interest,		
Depreciation and Tax	78.99	135.53
Interest	71.36	70.85
Depreciation	62.74	53.63
Provision for Income-tax	—	1.25
Income-tax Expenses	1.34	21.41
Profit/(Loss) after tax	(56.45)	(11.61)
Balance brought forward from last year	66.19	77.80
Balance Carried forward	9.74	66.19

DIVIDEND

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

OPERATIONS

The textile sector is still passing through a critical period. The continuing recessionary trend and increasing input cost has adversely affected the performance of the company. During the year under review, your company has incurred loss of Rs.56.45 Lacs as compared to loss of Rs.11.61 Lacs during the previous year. However, with higher capacity utilisation and better product-mix, the management is hopeful to achieve satisfactory results in the current year.

STATUS OF Y2K COMPLIANCE

The Company has taken necessary steps to make the hardware and software systems used by the company y2k compliant. The expenditure to ensure y2k compliance is negligible and the same has no material financial impact on the company.

BOARD

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Rajendra Tikmani 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. 6,00,000 or more, employed through out the year or Rs. 50,000 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, 1999 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

The Directors sincerely express their deep appreciation to Employees at all levels, Bankers, Customers and Shareholders for their sustained support and co-operation and hope that the same will continue in future.

**FOR AND ON BEHALF
OF THE BOARD OF DIRECTORS
RAGHUVIRPRASAD AGARWAL
CHAIRMAN**

PLACE : AHMEDABAD.

DATE : 31st July, 1999

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, 1999.

A. CONSERVATION OF ENERGY

The Company endeavors to conserve energy wherever possible.

	1998-99	1997-98
POWER AND FUEL CONSUMPTION :		
1. Electricity :		
Purchased Units (KHW '000)	2481	3629
Total Cost (Rs. In Lacs)	105.01	96.37
Rate per Unit (Rupees)	4.23	2.65
Consumption [in Units (per unit of production)]	1.166	0.558
2. Coal :		
Quantity Consumed (M.T.)	5532	9611
Total Cost (Rs. In Lacs)	62.17	108.17
Rate per M.T. (Rupees)	1123.88	1125.45
Consumption [in Kgs. (per unit of production)]	0.614	0.652
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, 1999 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, 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, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except Note No.1(g)(ii) of Schedule- 'N' as to leave encashment accounted on payment basis.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with 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, 1999
 - and
 - b. in the case of the Profit and Loss Account, of the Loss for the year ended on that date.
6. 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 or from Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
 - viii. the company has not granted loans, except, advances against purchase of goods, to firms or other parties listed in the Register maintained u/s. 301 of the Companies Act, 1956 and 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 : 31st July, 1999

RAGHUVIR SYNTHETICS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 1999

	SCH- DULE	Rs.	AS AT 31-03-1999 Rs.	AS AT 31-03-1998 Rs.
SOURCES OF FUNDS :				
Shareholders' Funds :				
Share Capital	A	38,541,000		38,541,000
Reserves and Surplus	B	48,706,400		54,351,568
			87,247,400	92,892,568
LOAN FUNDS :				
Secured Loans	C	17,058,038		13,221,813
Unsecured Loans	D	---		56,260
			17,058,038	13,278,073
TOTAL :			104,305,438	106,170,641
APPLICATIONS OF FUNDS :				
Fixed Assets :	E			
Gross Block		85,339,587		83,556,796
Less : Depreciation		36,657,943		30,401,634
		48,681,644		53,155,162
Capital goods work in progress		303,530		266,116
Net Block :			48,985,174	53,421,278
Investments	F		5,562,400	5,210,000
Current Assets, Loans and Advances :	G			
Inventories		18,750,706		22,518,191
Sundry Debtors		20,742,233		11,714,851
Cash and Bank Balances		1,102,135		1,461,176
Loans and Advances		36,590,175		40,879,616
		77,185,249		76,573,834
Less : Current Liabilities and Provisions	H			
Liabilities		27,880,171		29,398,707
Provisions		2,164,629		2,907,924
		30,044,800		32,306,631
Net Current Assets :			47,140,449	44,267,203
Miscellaneous Expenditure to the extent not written off or adjusted :				
Capital Issue Expenses			2,617,415	3,272,160
TOTAL :			104,305,438	106,170,641

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 : 31st July, 1999

PLACE : AHMEDABAD

DATE : 31st July, 1999



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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

	SCH- DULE	Rs.	FOR THE YEAR ENDED 31-03-1999 (Rs.)	FOR THE YEAR ENDED 31-03-1998 (Rs.)
INCOME :				
Sales	I	154,169,890		193,655,372
Other Income	J	10,022,035		9,349,132
Increase/(Decrease) in Stock	K	<u>1,531,334</u>		<u>(4,935,264)</u>
			165,723,259	<u>198,069,240</u>
EXPENDITURE :				
Manufacturing and Other Expenses	L	157,824,018		184,516,173
Financial Charges	M	7,135,933		7,085,318
Depreciation		<u>6,274,380</u>		<u>5,363,128</u>
			171,234,331	<u>196,964,619</u>
Profit/(Loss) for the year			<u>(5,511,072)</u>	<u>1,104,621</u>
Income-tax			134,096	2,265,704
Profit/(Loss) after Tax			<u>(5,645,168)</u>	<u>(1,161,083)</u>
Balance as per last Balance Sheet			<u>6,619,468</u>	<u>7,780,551</u>
Balance Carried to Balance Sheet			<u>974,300</u>	<u>6,619,468</u>
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

PLACE : AHMEDABAD
DATE : 31st July, 1999

FOR AND ON BEHALF OF THE BOARD
RAGHUVIRPRASAD AGARWAL
CHAIRMAN

SUNIL AGARWAL MANAGING DIRECTOR

KAMLESH AGARWAL
GIRISH AGARWAL
RAJENDRA TIKMANI



DIRECTOR

PLACE : AHMEDABAD
DATE : 31st July, 1999