



**20th
ANNUAL REPORT
2001 - 2002**

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FOR. RAGHUVIR SYNTHETICS LIMITED

Kamlesh

DIRECTOR/AUTHORISED SIGNATORY



RAGHUVIR SYNTHETICS LIMITED

Nr. Gujarat Bottling, Rakhial, Ahmedabad-380 023. INDIA

Phone : 0091-79-2741070, 2741015, 2747902

Fax : 0091-79-2743912

**Board of Directors**

Shri Raghuvirprasad R. Agarwal
 Shri Sunil R. Agarwal
 Shri Kamlesh R. Agarwal
 Shri Girish R. Agarwal
 Shri Mangesh H. Agarwal
 Shri Sushil H. Agarwal

Chairman
 Managing Director
 Director
 Director
 Director
 Director

AUDITORS

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

INTERNAL AUDITORS

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

BANKERS

Bank of Baroda

FOR RAGHUVIR SYNTHETICS LIMITED

DIRECTOR/AUTHORISED SIGNATORY

REGISTERED OFFICE & MILLS

Rakhial Road, Rakhial,
 Ahmedabad - 380 023. (Gujarat)

WIND FARM PROJECT

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

ANNUAL REPORT 2001-2002**NOTICE**

Notice is hereby given that the Twentieth Annual General Meeting of the Company will be held on Saturday, the 28th September, 2002 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, 2002 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 retires by rotation and being eligible, 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(s), the following resolution as Ordinary Resolution.

"RESOLVED THAT Shri Mangesh Agarwal, Director who was appointed as an Additional Director in the meeting of the Board of Directors held on 31/12/2001, who hold office as such up to the date of the ensuing Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose Shri Mangesh Agarwal as a candidate for the office of the Director of the company be and is hereby appointed as a Director of the Company, liable to retire by rotation"

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

"RESOLVED THAT Shri Sushilkumar Agarwal, Director who was appointed as an Additional Director in the meeting of the Board of Directors held on 31/12/2001, who hold office as such up to the date of the ensuing Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose Shri Sushilkumar Agarwal as a candidate for the office of the Director of the company be and is hereby appointed as a Director of the Company liable to retire by rotation"

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 Tuesday, 17th September 2002 to Saturday, 28th September, 2002 (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
Date : 31st July, 2002

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

**ANNEXURE TO THE NOTICE****ITEM NO. 4 and 5**

Explanatory Statement as required under section 173(2) of the Companies Act, 1956:

Shri Mangesh Agarwal and Shri Sushilkumar Agarwal were appointed as an Additional Directors in the Board of Directors of the Company w.e.f. 31/12/2001. In accordance with the provisions of section 260 of the Companies Act, 1956, Shri Mangesh Agarwal and Shri Sushilkumar Agarwal held office up to the date of this Annual General Meeting. Notices in writing have been received from some shareholders of the Company alongwith Rs. 1000 as security deposit in cash signifying their intention to propose Shri Mangesh Agarwal and Shri Sushilkumar Agarwal as candidates for the office of the director. The services of the said directors have been and will be very useful to the company and Board of Directors considers that it is in the best interest of the Company to appoint them as directors of the Company.

Shri Mangesh Agarwal and Shri Sushilkumar Agarwal are interested in the said resolutions for their appointment. None of the other directors of the company is in any way concerned or interested in the said resolution.

BY ORDER OF THE BOARD OF DIRECTORS

RAGHUVIRPRASAD R. AGARWAL

CHAIRMAN

Regd. Office :

Rakhial Road,
Ahmedabad - 380 023.

Place : Ahmedabad

Date : 31st July, 2002

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ANNUAL REPORT 2001-2002**DIRECTORS' REPORT**

To,
The Members,
RAGHUVIR SYNTHETICS LIMITED,
Ahmedabad.

Your Directors take pleasure in presenting the Twentieth Annual Report and Statement of Account of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

	2001-2002	(Rs. In Lacs) 2000-2001
Profit before Interest,		
Depreciation and Tax	216.63	155.35
Interest	67.54	59.84
Depreciation	99.79	73.44
Income-tax :		
- Current	3.80	0.20
- Deferred	21.73	—
Prior period tax adjustment	—	(2.43)
Profit/(Loss) after tax	23.77	24.30
Balance brought forward from last year	60.78	36.48
Balance Carried forward	<u>84.55</u>	<u>60.78</u>

DIVIDEND

With a view to conserve the resources, your directors do not recommend any dividend.

TAXATION

During the year, as required by Accounting Standard - 22, the company adopted deferred tax accounting in respect of income tax. This has been explained in detail in note no. 10 of Schedule-N of the financial statements.

OPERATIONS

During the year under review, your company has earned profit of Rs 23.77 Lacs as compared to profit of Rs. 24.30 Lacs during the previous year. We hope to perform better in the current year.

BOARD

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Kamlesh R. Agrawal due to retire by rotation at the Annual General Meeting and being eligible offers himself for re-appointment. The Board recommend his appointment.

In order to broad base and strengthen the Board of the Company. Your Directors have in their meeting

held on 31/12/01 appointed Shri Mangesh Agarwal and Shri Sushilkumar Agarwal as additional directors of the company pursuant to section 260 of the Companies Act, 1956 and they hold their offices as directors of the Company up to the ensuing Annual General Meeting but being eligible offers themselves for re-appointment and the same is to be confirmed at the ensuing Annual General Meeting. The company has also received requisite notices in writing from some members alongwith Rs.1000 as security deposit in cash under section 257 of the Companies Act, 1956 signifying their intention to propose Shri Mangesh Agarwal and Shri Sushilkumar Agarwal for appointment as the directors of the company at the forthcoming Annual General Meeting.

Your directors recommend their appointments.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration of Rs. 12,00,000 or more, employed through out the year or Rs. 1,00,000 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 not given.

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.

DEPOSITS

The company has not accepted any deposits from public.

AUDITORS

M/s. G.K. Choksi & Co., Chartered Accountants, Ahmedabad, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend their 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, 2002 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.



FIRE AT OFFICE PREMISES

Due to fire on 13/06/2002 in the office premises situated near Gujarat Bottling, Rakhial, Ahmedabad, all the original statements, records and source documents, like vouchers, invoices etc. in respect of transactions which have taken place during the year, were destroyed. However, the computers containing accounting data could be saved. Since all the books of accounts containing such transactions for the year were already audited by internal auditors and report in respect thereof were already submitted to management, the Board has specifically approved the transactions involved in the lost records. On the basis of accounting data in computers, the company has reproduced the books of account for verification and the same are considered for preparation of financial statements for the year under consideration. The Board has taken safety measures for fire in future.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of Annual Accounts, the applicable accounting standard had been followed alongwith proper explanation relating to material departure.
- the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are responsible and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and the profit of the company for the year.
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- the Directors has prepared the annual accounts on a going concern basis.

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

RAGHUVIRPRASAD R. AGARWAL
Chairman

Place : Ahmedabad.

Date : 31st July, 2002

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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, 2002.

A. CONSERVATION OF ENERGY

The Company endeavors to conserve energy wherever possible.

Power and Fuel Consumption :

	2001-2002	2000-2001
1. Electricity :		
Purchased Units (KHW '000)	2485	2457
Total Cost (Rs. In Lacs)	107.31	95.09
Rate per Unit (Rupees)	4.31	3.87
Consumption [in Units (per unit of production)]	0.159	0.148
2. Coal and Wooden Dust :		
Quantity Consumed (M.T.)	8920	9024
Total Cost (Rs. In Lacs)	97.32	101.01
Rate per M.T. (Rupees)	1091.03	1119.39
Consumption [in Kgs. (per unit of production)]	0.573	0.546

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.

1. We have audited the attached Balance Sheet of RAGHUVIR SYNTHETICS LIMITED as at 31st March, 2002 and the Profit and Loss Account for the year ended on that date annexed thereto and report as follows. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 Manufacturing and other companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure refer to above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, necessary for the purposes of our audit.
 - (b) 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, subject to Note No.5 of Schedule-'N' regarding loss of original statements, records and source documents due to fire at office premises and note no. 6 regarding non-provision of retirement benefits.
 - (c) The Balance Sheet and the Profit and Loss Account are in agreement with the books of account.

- (d) 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. 6 of Schedule- 'N' as to gratuity and leave encashment accounted on payment basis.
- (e) On the basis of written representation received from the directors as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of 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, subject to
 - (i) Note No. 3 of schedule - 'N' regarding non-compliance of the provision of section 297 of The Companies Act, 1956,
 - (ii) Note No. 6 of schedule - 'N' regarding non provision of retirement benefits in accordance with Accounting Standard - 15.
 - (iii) Note No. 11 of Schedule 'N' regarding non disclosure of outstanding dues to Small Scale Industrial undertakings and details regarding the same.

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, 2002
- and
- b. in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

For G. K. CHOKSI & CO.
Chartered Accountants

ROHIT K. CHOKSI
Partner

Place : Ahmedabad

Date : 31 July, 2002

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ANNEXURE TO THE AUDITORS' REPORT

(referred to in our Report of even date)

Internal Controls:

- i. In our opinion, an according to the information and explanation given to us, there are 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;
- ii. 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.

Fixed Assets :

- iii. The Fixed Asset Register showing full particulars including quantitative details and location of fixed assets is under compilation. The fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancy has been noticed on such verification.
- iv. None of the fixed assets of the Company has been revalued during the year.

Inventories :

- v. 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.
- vi. 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.
- vii. The discrepancies noticed on physical verification of stocks as compared to book records have been properly dealt with in the books of account.
- viii. 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.
- ix. 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.
- x. The Company does not have any by-product. It accounts for sale of realisable scrap, which is not significant, on cash basis.
- xi. In respect of company's trading activity we are inform that there are no damage stock.
- xii. 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 complied.
- xiii. **Loans and Advances :**
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.

- xiv. The company has not granted loans to firms or other parties listed in the Register maintained u/s. 301 of the Companies Act, 1956 and the company has not granted loans to Companies under the same management except advances against purchase of goods and capital assets.
- xv. 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.

Transactions with parties under section 301 of the Companies Act, 1956 :

- xvi. 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.

Fixed Deposits :

- xvii. The Company has not accepted any deposit from the public.

Staff Welfare :

- xviii. The Company has been regular in depositing the Provident Fund and Employees' State Insurance dues with the appropriate authorities.
- xix. According to the information and explanation given to us and the records of the company examined by us, personal expenses other than those payable under contractual obligations in accordance with the generally accepted business practices, have not been charged to revenue account;

Taxation :

- xx. 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.

Others :

- xxi. 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, 2002



RAGHUVIR SYNTHETICS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2002

	Sche dule	Amount (Rs.)	As at 31-03-2002 Amount (Rs.)	As at 31-03-2001 Amount (Rs.)
SOURCES OF FUNDS :				
Shareholders' Funds:				
Share Capital	A	3 85 41 000		3 85 41 000
Reserves and Surplus	B	4 50 03 697	8 35 44 697	5 38 10 289
				<u>9 23 51 289</u>
Loan Funds:				
Secured Loans	C		3 76 95 167	3 53 39 616
Net Deferred Tax Liability			<u>1 33 56 843</u>	<u>0</u>
Total :			<u>13 45 96 707</u>	<u>12 76 90 905</u>
APPLICATIONS OF FUNDS :				
Fixed Assets:				
Gross Block	D	14 07 18 887		11 43 36 340
Less : Depreciation		<u>5 12 51 278</u>		<u>4 68 25 642</u>
Net Block :		8 94 67 609		6 75 10 698
Capital Work in Progress		<u>0</u>	8 94 67 609	<u>41 53 800</u>
				<u>7 16 64 498</u>
Investments	E		52 10 000	52 10 000
Current Assets, Loans and Advances:				
Inventories	F	3 20 98 865		3 86 31 134
Sundry Debtors		2 00 89 622		1 75 70 286
Cash and Bank Balances		11 24 534		12 52 904
Loans and Advances		<u>1 51 22 626</u>		<u>2 87 62 968</u>
		<u>6 84 35 647</u>		<u>8 62 17 292</u>
Less : Current Liabilities & Provisions:	G			
Liabilities		2 87 43 337		3 65 07 571
Provisions		<u>4 26 392</u>		<u>2 01 239</u>
		<u>2 91 69 729</u>		<u>3 67 08 810</u>
Net Current Assets :			3 92 65 918	<u>4 95 08 482</u>
Miscellaneous Expenditure to the extent not written off or adjusted :				
Preliminary Expenses			6 53 180	13 07 925
Total :			<u>13 45 96 707</u>	<u>12 76 90 905</u>

Significant Accounting Policies M

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, 2002

FOR AND ON BEHALF OF THE BOARD

RAGHUVIRPRASAD R. AGARWAL
CHAIRMAN

SUNIL R. AGARWAL MANAGING DIRECTOR

KAMLESH R. AGARWAL
GIRISH R. AGARWAL
MANGESH H. AGARWAL
SUSHIL H. AGARWAL

DIRECTORS

SURESH SAVALIA COMPANY SECRETARY

PLACE : AHMEDABAD
DATE : 31st July, 2002