

# **RAGHUVIR SYNTHETICS LIMITED**

NR. GUJARAT BOTTLING, RAKHIL ROAD, RAKHIAL,  
AHMEDABAD – 380 023. (INDIA)  
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**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)	--	--