



RAGHUVIR SYNTHETICS LIMITED

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

PHONE : 22910963, 22911015, 22911902

FAX : 22911912

E-mail : raghuvirad1@sancharnet.in



**30th
Annual Report
2011-2012**

Board of Directors

Shri Sunil R. Agarwal
 Shri Yash Agarwal
 Shri Hardik Agarwal
 Shri Mangesh H. Agarwal
 Shri Kamal B. Patel
 Shri Samir R. Sheth

Chairman & Managing Director
 Director
 Director
 Director
 Director
 Director

AUDITORS

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

Ahmedabad.

INTERNAL AUDITORS

M/s. Ashok K. Bhatt & Co.

Ahmedabad.

BANKERS

HDFC Bank Ltd.

REGISTERED OFFICE & MILLS

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

WIND FARM PROJECT

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

REGISTRETE & SHARE TRANSFER AGENTS

M/s. Sharepro Services (INDIA) Pvt. Ltd.
 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram,
 Ellisbridge, Ahmedabad - 380 006

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Members of RAGHUVIR SYNTHETICS LIMITED (the Company) will be held on Friday, the 28TH September, 2012 at 11:00 a.m. at the Registered Office of the Company at Rakhial Road, Rakhial, Ahmedabad - 380023, to transact the following businesses:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012, Profit and Loss Account for the year ended 31st March, 2012 together with the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Mangesh Hanumanprasad Agarwal, who retires by rotation, and being eligible, offers himself for re-appointment as Director.
- 3) To appoint a Director in place of Mr. Kamal Bansilal Patel, who retires by rotation, and being eligible, offers himself for re-appointment as Director.
- 4) To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. G.K Choski & Co., Chartered Accountants, Ahmedabad be and are hereby re-appointed as Statutory Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration (including terms of payment) as may be determined by the Board of Directors in consultation with the Auditors, and to be agreed between auditors and the Board of Directors of the Company."

SPECIAL BUSINESS

- 5) To Consider and, if thought fit, to pass with or without modifications, the following resolution as **Special Resolution**

REAPPOINTMENT OF MR. SUNIL RAGHUVIRPRASAD AGARWAL AS CHAIRMAN AND MANAGING DIRECTOR

"RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, and pursuant to the approval of the remuneration committee of the Board and the Board of Directors at their meeting held on 15th May, 2011, approval of the Company be accorded to the re-appointment of Mr. Sunil R Agarwal, as Chairman and Managing Director of the Company for a period of 3 years with effect from 1st July, 2011 to 30th June, 2014 on a total monthly remuneration of Rs. 50,000/- p.m

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to vary, alter, increase or widen the scope of remuneration and perquisites, to the extent specified in Schedule XIII and other applicable provisions, if any, of the Act as amended from time to time

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary to give effect to above resolution"

- 6) To Consider and, if thought fit, to pass with or without modifications, the following resolution as **Special Resolution**

INCREASE MANAGERIAL REMUNERATION OF MR SUNIL RAGHUVIRPRASAD AGARWAL

"RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, and pursuant to the approval of the remuneration committee of the Board and the Board of Directors at their meeting, approval of the Company and its Shareholders consent for the Increase in salary of Mr. Sunil Agrawal, Managing Director & Chairman of the Company from Rs. 50,000/- p.m to Rs. 2,00,000/- p.m and perquisites, benefits and amenities as stated hereinafter with effect from 1st March, 2012

Particulars of change in terms and conditions of appointment of Managing Director

- 1) Salary :- Rs. 2,00,000/- (Rupees Two Lacs Only) per month
- 2) Perquisites :- In addition to the salary he shall be entitled for benefits under the Provident Fund Scheme, Pension/ Superannuation Fund Scheme and gratuity payable at a rate not exceeding half months salary for each completed year of service and encashment of leave at the end of the tenure in accordance with the Company's rules and regulation in force from time to time

OTHER TERMS AND CONDITIONS :

- a) He shall not be entitled to any sitting fees for attending the meeting of Board of Directors or any committee thereof.
- b) The Company shall reimburse Mr. Sunit Agrawal expenses incurred by him for entertainment, travelling and other expenses in connection with the business of the Company
- c) Mr. Sunil Agarwal shall be free to resign his office by giving three calendar months notice in writing to the company.
- d) Mr. Sunil Agarwal shall be entitled to compensation, for loss of office in accordance with provisions of Section 318 of the Act, if at any time his office is determined before the expiry of his term of office
- e) During the tenure of his term of office he shall not be liable to retire by rotation.
- f) In the event of loss, inadequacy of profit in any year as contemplated by part III of Schedule XIII of the Companies Act, 1956, minimum remuneration as above shall be paid to him.

"FURTHER RESOLVED THAT the draft addendum to the agreement entered into between Mr. Sunil R Agarwal, Managing Director and the Company be and is hereby approved".

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to comply the legal provisions and do all ancillary and consequential matters and to take such steps and to do such acts, matters and things as they may deem proper and give/send such notices, directions as may be necessary for the purpose of giving effect to the above resolution".

Registered Office :

Rakhial Road, Rakhial

Ahmedabad - 3800027

Date : 30th May, 2012

BY THE ORDER OF BOARD OF DIRECTOR

**SUNIL RAGHUVIRPRASAD AGARWAL
CHAIRMAN AND MANAGING DIRECTOR**

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED/CORPORATE OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) The Register of Members and Share Transfer Books of the Company will remain Closed from Saturday, 22nd day of September, 2012 to Friday, 28th September, 2012 (both days inclusive)
- 3) Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the company at an early date so as to enable the Management to keep the information ready.
- 4) The documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays and holidays between 9:30 A.M. to 6:00 P.M. up to the date of the Annual General Meeting.
- 5) The Shareholders are requested to intimate any change in the address to the Company at its Registered Office.
- 6) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote at their behalf at the Annual General Meeting.

BY ORDER OF THE BOARD

Date: 30th May, 2012
Place: Ahmadabad

SUNIL RAGHUVIRPRASAD AGARWAL
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO :- 5

Mr. Sunil Raghuvirprasad Agarwal was reappointed as Chairman and Managing Director w.e.f 1st July, 2011 for a period of 3 years, at a remuneration of Rs. 50,000 per month, subject to review by Remuneration Committee and Board of Directors, so as not exceed the total remuneration of Rs. 50,000/- upto 30th June, 2014.

Mr. Sunil Raghuvirprasad Agarwal has extensive experience of over 28 years in industry and business. His tenure as the Managing Director of the Company ends on 30th June, 2011. Considering his rich and vast experience and exceptional managerial skills, the Board of Directors felt that it would be the best interest of the Company to reappoint him as Chairman and Managing Director of the Company. Accordingly the Board of Directors, in its meeting held on 15th May, 2011, reappointed as Chairman and Managing Director w.e.f 1st July, 2011 and, on the recommendation of the Remuneration Committee, fixed terms and conditions as to the Remuneration payable to him as mentioned in the Item No. 5 resolution.

In terms of Schedule XIII to the Companies Act, 1956, Shri Sunil Raghuvirprasad Agarwal is eligible of re-appointment as Chairman and Managing Director. It is expected that considering the progress and profitability of the Company which is likely to continue in future years also, occasion is not likely to arise for payment of remuneration to him as minimum remuneration during and of the years comprised in the period of his office. However, out of abundant precautions, the provisions of Schedule XIII to the Companies Act, 1956 are being also adhered to.

The terms and conditions of Mr. Sunil Raghuvirprasad Agarwal as stated in the resolution may also be treated as an abstract of the terms of Mr. Sunil Raghuvirprasad Agarwal and the company under section 302 of the Companies Act, 1956

None of the Director except Mr. Yash Sunil Agarwal and Mr. Hardik Sunil Agarwal are concerned or interested in this resolution.

Your directors, recommendation the above resolution for your approval.

ITEM NO :- 6

Mr. Sunil Raghuvirprasad Agarwal is one of key persons in charge of total operations of the Company, where he is looking after all overall administration and other affairs including policy matters, budgeting, planning, market development etc. Looking to the Managerial and business acumen and devotion to the duty and growth that has been achieved by the Company during in his tenure. The management of the company has decided to increase the remuneration of Mr. Sunil Raghuvirprasad Agarwal, Chairman and Managing Director of the Company to Rs. 200,000/- per month, as approved by the Remuneration Committee and Board of Director w.e.f 1st March, 2012. As per the Companies Act, 1956, read with schedule XIII, thereof, approval of shareholders is required for the purpose. Hence the Board recommends the resolution for your approval by way of Special Resolution.

The Remuneration Committee of the Board has on 15th January, 2012 approved the remuneration payable to him.

Remuneration

- 1) Salary :- Rs. 2,00,000/- (Rupees Two Lacs Only) per month
- 2) Perquisites :- In addition to the salary he shall be entitled for benefits under the Provident Fund Scheme, Pension/ Superannuation Fund Scheme and gratuity payable at a rate not exceeding half months salary for each completed year of service and encashment of leave at the end of the tenure in accordance with the Company's rules and regulation in force from time to time

OTHER TERMS AND CONDITIONS :

- a) He shall not be entitled to any sitting fees for attending the meeting of Board of Directors or any committee thereof.
- b) The Company shall reimburse Mr. Sunit Agrawal expenses incurred by him for entertainment, travelling and other expenses in connection with the business of the Company
- c) Mr. Sunil Agarwal shall be free to resign his office by giving three calendar months notice in writing to the company.
- d) Mr. Sunil Agarwal shall be entitled to compensation, for loss of office in accordance with provisions of Section 318 of the Act, if at any time his office is determined before the expiry of his term of office
- e) During the tenure of his term of office he shall not be liable to retire by rotation.
- f) In the event of loss, inadequacy of profit in any year as contemplated by part III of Schedule XIII of the Companies Act, 1956, minimum remuneration as above shall be paid to him.

Schedule XIII of the Act, fixed the limits for payment of managerial remuneration by companies in case of loss or inadequacy of profits in any financial year and interalia, requires members approval for payment of managerial remuneration to the managerial person for period of not exceeding 3 years by way of special resolution

Besides the terms and conditions for payment of managerial remuneration as contained in the proposed resolution, the other main terms and conditions, contained in the resolution being

Minimum remuneration :- Notwithstanding anything to the contrary herein contained, where in any financial year, during the said remaining period of 3 years, the Company has no profits or its profits are inadequate the Company will pay remuneration by way of salary, perquisites and other allowances as specified above and not exceeding the ceiling limits set out in Section II of part II of Schedule XIII to the Companies Act, 1956 (Including any statutory modification(s) or reenactment thereof, for the time being in force)

The Company shall also reimburse to the Managing Director, entertainment, traveling and all other expenses incurred by him for the business of the Company and on behalf of the Company

The terms and conditions of payment of remuneration, perquisites, allowances and commission specified herein above may be enhanced, enlarged, widened, altered or varied from time to time by Remuneration Committee and Board of Director as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with schedule XIII to the Act and in conformity with any amendments to the relevant provisions of the Companies Act and or the rules and regulations made there under from time to time in future and/or such guidelines and clarifications, as may be announced by the Central Government from time to time

The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

Your directors, recommendation the above resolution for your approval.

A Statement as per requirement of Schedule XIII is given to the Shareholders containing following information of the Company and Mr. Sunil R Agarwal

I. General Information :

1. Nature of Industry : The Company is engaged in the business of bleaching, dyeing, printing and processing work of cotton silk, artificial silk, wool, staple and fiber manufacture, all type of textile and handloom manufacture and all sorts of manufacturing
2. Date or expected date of commencement of commercial production : The Company was incorporated on 18th August, 1982. The Process division commenced its operation in 1982.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :- **Not Applicable**
4. **Financial Performance based on given indicators :-** (Rs. In Lacs).

Financial Year	Income from Operations	Net profit after tax
2009-2010	2785.85	(10.73)
2010-2011	3634.11	2.90
2011-2012	4408.28	17.19

5. Export performance and foreign exchange earned for the financial year ended March 31, 2012 : The exports on FOB basis for the year 2011-2012:- **Not Applicable**
6. Foreign Investments or collaborators, if any :- **Not Applicable**

II. Information about the appointee:

(i) Background details :

Name: - Mr. Sunil Agarwal

Designation: - Chairman and Managing Director

Age: - 43 years

Experience :- 22 years

Mr. Sunil R Agarwal is a Director of the Company since Incorporation of the Company

(ii) Past Remuneration drawn :

PARTICULARS	AMOUNT
Annualized Salary	Rs. 6.00 Lacs (P.A) Plus perquisites & allowances.
Minimum Remuneration in case of Inadequacy of profits during any financial year	Salary, incentive remuneration and perquisites & allowances.

(iii) Job Profile and suitability :

Mr. Sunil R Agarwal is responsible for overall management of the Company, subject to the supervision and control of the Board of Directors. He is also responsible to perform such other duties as may from time to time be entrusted by the Board. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors

(iv) Remuneration Proposed :

Salary	Rs. 200,000/- p.m. pluse perquisites & allowances.
Minimum Remuneration in case of Inadequacy of profits during any financial year	Salary, incentive remuneration and perquisites & allowances.

- (v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): Taking in to consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointees in other companies
- (vi) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any :- Apart from Mr. Sunil R Agarwal is a Managing Director and Chairman of the Company and receiving managerial remuneration, he holds 8,87,400 Equity Shares of Rs. 10 each of the Company in his individual capacity. Mr Sunil R Agarwal is father of Mr. Yash Agarwal and Mr. Hardik Agarwal, who are the directors of the Company.

III. Other Information:

- (i) Reason for inadequate profits

The Company earned Profit after tax of Rs. 17.19 Lac. as against Profit after tax of Rs. 2.90 Lac. in previous year.

The business environment has been increasingly challenging and margins continue to remain under pressure. The Textile component of industry foresees rising costs of inputs, labour and power to be the key challenges in the Financial year 2011-12.

To counter these key challenges, cost control and risk management have emerged as the key strategic focus areas for textile companies for the Financial Year 2011-2012.

- (ii) Steps taken by the Company to improve performance

To address these challenges, the Company has initiated several measures towards achieving organizational and operating efficiencies and strengthening core competencies, alongside working on improvements in processes and controls. These cut across manufacturing, supply chain, quality and other domains, and address issues of cost controls, value analysis

- (iii) Expected increase in productivity and profits in measureable terms :

The above measure undertaken is expected to yield positive results in the coming years. While it is difficult to give precise figures, the above initiatives are expected to improve the financial performance of the Company.

The Board therefore recommend the Ordinary resolution for approval of members of the Company for the reappointment of Mr. Sunil Raghuvirprasad Agarwal as Chairman and Managing Director of the Company for the period of 3 (three) years.

Mr. Sunil Raghuvirprasad Agarwal is interested in the resolution. Mr Yash Sunil Agarwal and Mr. Hardik Sunil Agarwal, Directors of the Company being related to Mr. Sunil Raghuvirprasad Agarwal may be deemed to be concerned or interested in the resolution.

BY ORDERED OF THE BOARD

Date: - 30th May, 2012

Place: - Ahmadabad

**SUNIL RAGHUVIRPRASAD AGARWAL
CHAIRMAN AND MANAGING DIRECTOR**

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

The Directors are pleased to present their 30th Annual Report and the Audited Financial accounts for the year ended March, 2012

FINANCIAL RESULTS:

A summary of the financial results for the year under review is as follows:

(Rs. in Lacs)

Particulars	For the year ended on 31 st March, 2012	For the year ended on 31 st March 2011
Total Income		
Profit / (Loss) before Tax	37.34	16.36
Provision for Taxes (Including Deferred Tax)	20.15	13.46
Profit After Tax	17.19	2.90
Balance available for appropriation	17.19	2.90
Which the Directors propose to appropriate as under :		
(i) Proposed Dividend	NIL	NIL
(ii) Corporate Dividend Tax	NIL	NIL
Surplus carried to Balance Sheet	17.19	2.90
Earning Per Share Basic and Diluted	0.44	0.07

OPERATIONAL PERFORMANCE

The total revenue of the Company has increased from 36.45 Crore to 44.37 Crores. The profit before tax of the Company has also increased from 16.36 lacs to 37.34 Lacs, while the net profit after tax has increased to '2.90 Lacs as compared to previous year's net profit of 17.19 Lacs. The EPS (Earning per Share) has also increased from '0.07 to 0.44

DIVIDEND

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

DIRECTORS

Shri Mangesh Hanumanprasad Agarwal and Shri Kamal Bansilal Patel, Directors of the Company

will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment

PARTICULARS OF EMPLOYEES

No employee is drawing remuneration more than the specified limit prescribed under section 272 (2A) of the Companies Act, 1956 , particulars of employee Rules, 1975, 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

M/s. G.K Choksi & Co., Chartered Accountant, Ahmedabad, the Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment

AUDITORS REPORT

The Observation made in the auditors report are self explanatory and, therefore, need not require any further comment under section 217 of the Companies Act, 1956

COMPLIANCE CERTIFICATE

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

PUBLIC DEPOSIT

The Company has not accepted any Public Deposit during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors report that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date.