



RAGHUVIR SYNTHETICS LIMITED

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

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**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.

- (iii) Proper and sufficient care has been taken 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; and
- (iv) The annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has no manufacturing activity during the year and as such there is no information to be provided as per Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors), Rules, 1988 with respect to conservation of energy, research and development and technology exchange earnings and outgo.

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 this Report

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 AND ANALYSIS
ECONOMIC SCENARIO:**

As it become clearer that Indian Economy will not be able to achieve its GDP growth forecast of 8 % or thereabouts, it might have to possibly settle for a figure slower than the governments revised estimates of 7.5 %. The global economic outlook is still very uncertain, with the risks of a renewed

recession in advanced economies and widespread financial crisis growing. Further deterioration of the economic crisis cannot be ruled out and it wont be good news for emerging economies including in India.

INDUSTRY REVIEW:

The Financial year 2011-12 was 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 compliance 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

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 organisation is an Independent appraisal activity and it measures the efficiency, adequacy and effectiveness of other controls in the organisation. 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

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 and 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 express or implied. Important factors that could make a difference to the Company's operation include economic conditions affecting demand/ supply and price conditions in the Government regulations, tax laws and other status and other incidental factors. Further, the discussion 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 obligations to publicly update or revise any of the opinions of forward looking statements expressed in this report, consequent to new information future events, or other wise. Readers are hence cautioned not to place undue reliance on these statements, and are advised to conduct their own investigations 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 cooperation 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 RAGHUVIRPRASAD AGARWAL
CHAIRMAN AND MANAGING DIRECTOR**

ANNEXURE – A TO DIRECTORS REPORT

STATEMENT PURSUANT TO SECTION 217 (E) OF THE COMPANIES ACT,, 1956 AND THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FORMING POART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

A. CONVERSATION OF ENERGY	2011-2012	2010-2011
1. The Company endeavours to conserve energy wherever possible		
Power and Fuel Consumption :		
Purchased Units (KHW '000)	4735	4752
Total Cost	258.76	243.26
Rate per Unit (Rupees)	5.46	5.12
Consumption in Units (Per unit of production)	0.245	0.238
2. Coal and Wooden Dust		
Quantity Consumed (M.T)	13472	13558
Total Cost (Rs. In Lacs)	462.06	392.90
Rate per M.T (Rupees)	3429.75	2897.92
Consumption in Kgs. (Per unit of production)	0.697	0.679
B. TECHNOLOGY ABSORPTION		
The Company does not use any imported technology in its manufacturing operations	NIL	NIL
C. FOREIGN EXCHANGE EARNINGS AND OUT GO :	NIL	NIL
I) Total Foreign Exchange Used	8501962	8158253
II) Total Foreign Exchange Earned (on F.O.B basis)		

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2011-2012

(As required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

Your Company is committed to good Corporate Governance, based on effective independent Board, separation of supervisory role from the executive management and the constitution of Committees to oversee critical areas.

1. THE COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY :-

The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the best practices that are followed in the area of Corporate Governance across various geographic. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a trustee of its Shareholder and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

In addition, the Company has established systems to encourage and recognize employee participation in environmental and social initiative that contribute to organizational sustainability, conservation of energy, and promotion of safety and health, which are in integral part of the Company's business model.

Your Company has adopted a Code of Conduct for members of the Board and senior management. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. Your Company has received confirmations from all concerned regarding their adherence to the said Code.

Pursuant to Clause 49 of the Listing Agreement, a confirmation from the Managing Director of the Company regarding compliance with the code of conduct regarding compliance with the code by all the members of the Board and senior management is given on the page no.12 of annual report

2. A COMPLY WITH CORPORATE GOVERNANCE GUIDELINES :

The Company is fully compliant with the requirements of the prevailing and applicable Corporate Governance Code. Your Company's compliance with requirements is presented in the subsequent sections of this Report.

BOARD OF DIRECTORS**COMPOSITIONS OF BOARD**

The Board of Directors along with its committee provides leadership and guidance to the Company's management and directs, supervise and control the performance of the Company. The Board currently comprises 6 Directors out of which 3 directors are Non Executive Directors. All Independent Directors have confirmed that they meet the Independence Criteria as mentioned under Clause 49 of Listing Agreement.

COMPOSITION OF BOARD OF DIRECTORS:-

NAME OF THE DIRECTORS	PERCENTAGE OF TO THE TOTAL NUMBER OF DIRECTORS
1) NON EXECUTIVE DIRECTOR Mr. Yash Sunil Agarwal Mr. Hardik Sunil Agarwal	33.33 %
2) INDEPENDENT – NON EXECUTIVE DIRECTOR Mr. Kamalbhai Bansilal Patel Mr. Mangesh H Agarwal Mr. Samirbhai Sheth	50.00 %
3) EXECUTIVE DIRECTOR Mr. Sunil Raghuvirprasad Agarwal	16.67 %

Board appointments are made by the issue of formal letters of appointment.

A. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETING, LAST ANNUAL GENERAL MEETING AND DETAILS OF MEMBERSHIP OF DIRECTORS IN OTHER BOARDS AND BOARD COMMITTEES :

The Board of Directors met 9 times during the year ended 2011-2012. The Composition of Directors and the attendance at the Board meeting during the year 2011-2012 and Last Annual General Meeting :-

Name of Director	No of Board Meeting Attend	Whether attended last AGM on 30 th September 2011	No of Directorship in other Public Companies registered under the Companies Act, 1956		No of Committee position in other Public Companies registered under Companies Act, 1956	
			AS MEMBER	AS CHAIRMAN	AS MEMBER	AS CHAIRMAN
Mr. Sunil R Agarwal	10	Yes	1	NIL	1	1
Mr. Mangesh H Patel	10	Yes	NIL	NIL	NIL	NIL
Mr. Samir Sheth	10	Yes	NIL	NIL	NIL	NIL
Mr. Kamal Patel	10	Yes	NIL	NIL	NIL	NIL
Mr. Kamlesh Agarwal	03	Yes	1	NIL	NIL	NIL
Mr. Girish Agarwal	03	Yes	NIL	NIL	NIL	NIL
Mr. Hardik S Agarwal	07	No	1	NIL	1	NIL
Mr. Yash S Agarwal	07	No	1	NIL	1	NIL

(#) Exclude Alternate Directorships

(**) Represents membership in Audit Committee and Shareholders / Investor Grievance Committee of Public Companies governed by the Companies Act, 1956

"Public Companies" excludes Foreign Companies

Video conferencing facilities are also used to facilitate Directors not present at location where the meeting is held, to participate in the meetings

During the year under review, none of the Directors of the Company was a member of more than 10 specified Committees or Chairman of more than 5 such committees in Companies in which he was a Director.

Details of Directors seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the meeting of the Shareholders.

THE DETAILS OF SHARES HELD BY THE DIRECTORS OF THE COMPANY ARE FURNISHED BELOW:-

NAME OF DIRECTOR	NO OF EQUITY SHARES HELD
Mr. Sunil Raghuvirprasad Agarwal	887400
Mr. Yash Sunil Agarwal	439203
Mr. Hardik Sunil Agarwal	374827

A Number of Board meetings held during the financial year and dates of Board meetings:

DATE OF BOARD MEETING	TOTAL NO OF DIRECTORS	NO OF DIRECTORS ARE PRESENT
11 th April, 2011	06	06
15 th May, 2011	06	06
01 st July, 2011	06	04
08 th July, 2011	06	04
16 th August, 2011	06	06
01 st September, 2011	06	06
21 st October, 2011	06	06
07 th November, 2011	06	06
15 th January, 2012	06	06
14 TH February, 2012	06	06

The time gap between any two meetings did not exceed four months.

The Last Annual General Meeting was held on September 30, 2011

AUDIT COMMITTEE :-

The audit committee is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitors the scope and quality of internal and statutory audits.

The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

Before submission to the Board for approval, the Committee reviews the quarterly/half yearly/ annual financial statements with reference to changes, if any, in accounting entries involving estimates based on exercise of judgment by management, adjustments if any arising out of audit findings, disclosure of related party transactions, Compliance with listing and legal requirements relating to financial statements qualifications, if any, in the draft audit report and above all adequacy of internal control systems.

The Committee holds discussion with external auditors before the audit commences regarding the nature comprising three Directors all being non executive directors and most of them have financial and accounting knowledge. The constitution of Audit committee also meets with the requirements under section 292A of the Companies Act, 1956. Members are regularly present at the meetings.

The Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of Clause 49 of the Listing agreements and provisions of Section 292A of the Companies Act, 1956

COMPOSITION, NAMES OF MEMBERS, CHAIRMAN AND MEETING ATTENDED

Name of the Member	Position	Category	No of Meeting held	No of Meeting Attended
Mr. Mangesh Agarwal	Chairman	Independent & Non executive	4	4
Mr. Samir Seth	Member	Independent & Non executive	4	3
Mr. Kamal Patel	Member	Independent & Non executive	4	3
Mr. Sunil Agarwal	Member	Executive & Non Independent	4	4

Five meetings were held during the financial year 2011-2012 on following dates :

Board Meeting	Date	Board Meeting	Date
1	26/04/2011	3	28/10/2011
2	25/08/2011	4	09/02/2012

- * The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 30th September, 2011.
- * The Term reference of the Audit Committee are in conformity with the requirements of Clause 49 (II)(D) of the Listing Agreements and Section 292A of the Companies Act, 1956. Further the Audit Committee has been granted powers as prescribed under Clause 49 (II) (C) of the Listing Agreements.
- * The Internal Audit attended all the meetings of the Committee as Invitee
- * The Statutory Auditors and Internal Auditors were invited to attend the meetings of the Audit Committee

REMUNERATION COMMITTEE

The Board terms of reference of the Remuneration Committee are as follow :

- a) Review the performance of the Managing Director after considering the Company's performance
- b) Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director
- c) Finalize the perquisites package of the Managing Director within the overall ceiling fixed by the Board.
- d) Recommend to the Board, retirement benefits to be paid to the Managing Director and whole time director

The Remuneration is governed by the external competitive, environment, track record, potential, individual performance, Company's performance and industry standards. Remuneration of Managing Director is recommended by remuneration committee and is subject to the approval of the Board of Directors and shareholders consists of fixed and variable components and are in line with Company's policy and rules as applicable to senior management includes commission linked to individual performance.

No sitting fee is payable to the Executive, non executive and Managing Director

The Composition of the Remuneration Committee and the details of the meetings attend by the Directors are given below:

Name of Director	Designation	Non executive/ Independent	No of Meetings Held	No of meeting Attended
Mr. Mangesh Agarwal	Chairman	Independent & Non executive	01	01
Mr. Samir Seth	Member	Independent & Non executive	01	01
Mr. Kamal Patel	Member	Independent & Non executive	01	01

THE DETAILS OF REMUNERATION PAID/PAYABLE TO THE DIRECTORS FOR THE YEAR 2011-2012 AS

Name of Director	Salary / Perquisite Amount	Commission	Total Amount
Mr. Sunil R Agarwal	11,48,000	NIL	11,48,000

- * Two Meeting of Remuneration Committee First On 10th May, 2011 and Second is 1st February, 2012
- * Mr. Mangesh Agarwal, Chairman of the committee was present at the Annual General Meeting held on 30th September, 2011
- * The Company has complies with non mandatory requirement of the clause 49 regarding the Remuneration committee.
- * The Company has no Employee Stock Options Scheme in force at present.

SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:

The Board of the Company has constituted a shareholder/ Investor's Grievance Committee, comprising of following members

Name	Designation	Non Executive / Independent	Committee Meeting attended
Mr. Mangesh Agarwal	Chairman	Independent & Non Executive	4
Mr. Samir Seth	Member	Independent & Non Executive	4
Mr. Kamal Patel	Member	Independent & Non Executive	4

- * The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers.
- * The Committee also looks into redressing of shareholder's complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividends, etc. the committee note down that during the year all the complaints have disposed timely and up to the satisfaction of the shareholders.
- * The Company also reviews the performance of the Company's Registrar & Transfer Agents and their system of dealing with and responding to correspondence from all categories of shareholders. The manner and timeliness of dealing with Compliant letters received from stock exchange / SEBI/ Ministry of Corporate Affairs etc., and the responses thereto are reviewed by this Committee.
- * Meetings and Attendance during the year 2011-2012

Date of Meeting	No of members present
20 th May, 2011	04
18 th July, 2011	04
15 th November, 2011	04
14 th February, 2012	04

CFO CERTIFICATION:-

Mr. Sunil R Agarwal, Managing Director of the Company hereby certify that :

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
- c) He accepts responsibility for establishing and maintaining internal controls and that he has evaluated the effectiveness of the internal control systems of the Company and he has disclosed

this to the auditors and the Audit Committee.

- d) He has indicated to the auditors and the Audit committee :
- i) Significant changes in internal control during the year
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System

NOTES ON DIRECTORS APPOINTMENT / RE-APPOINTMENT

Mr. Mangesh Hanumanprasad Agarwal and Mr. Kamal Bansilal Patel, the directors of the Company is retiring by rotation at the ensuing AGM and are eligible for reappointment

DISCLOSURE:-

- a) No transaction of material nature has been entered into by the Company with the directors or the management and their relatives etc. that may have potential conflict with the interests of the company except transactions entered into with the group companies and or associate companies/ concerns are stated in notes of accounts. The Register of contracts containing transactions in which directors are interested is placed before the Board of Directors regularly.
- b) Details of non compliance by the Company, penalties imposed on the Company by Stock Exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years :
- c) The Company had no Subsidiary Company as on March 31, 2012

MEANS OF COMMUNICATION:

The Company has regularly published its quarterly, half yearly and annual results in newspapers & submitted to stock exchange in accordance with the Listing agreement requirements. Company ordinarily published its quarterly reports in newspaper. Our website address is www.raghuvir.com

GENERAL SHAREHOLDER INFORMATION:

The Company is registered with the Registrar of Companies, Gujarat. The Company Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17119GJ1982PLC005424

ANNUAL GENERAL MEETING

Date and Time	28 th September, 2012
Venue	Ahmedabad
Date of Book Closure	22 nd September, 2012 to 28 th September, 2012

FINANCIAL CALENDER

Annual General Meeting	28 th September, 2012
Unaudited Financial Results for the Quarter	
Ending June 30, 2012	

Unaudited results for the quarter ending

December 31, 2012

Audited Results for the year ending

March 31, 2013

Before OR at the end of May, 2013

BOOK CLOSURE DATE

Book Closure Date

22nd September, 2012 to 28th September, 2012

LISTING OF EQUITY

Listing of Equity Shares

1. Bombay Stock Exchange
2. Ahmedabad Stock Exchange

Listing fees have been paid up to date, to all the Stock Exchange

Sr STOCK EXCHANGE

1	BSE	514316
2	ASE	47800

MARKET PRICE DATA:-

The Stock Market Price Data of Trading of Equity Shares of the Company at Bombay Stock Exchange for the period of 1st April, 2011 to 31st March, 2012

Month	Bombay Stock Exchange	
	High	Low
April, 2011	32.90	24.00
May, 2011	27.95	22.50
June, 2011	26.90	21.30
July, 2011	26.50	20.40
August, 2011	23.85	19.55
September, 2011	25.00	20.70
October, 2011	23.40	18.70
November, 2011	28.95	20.15
December, 2011	29.75	26.10
January, 2012	25.15	14.10
February, 2012	18.85	12.75
March, 2012	22.50	19.15
April, 2012	24.40	21.40

REGISTRAR FOR EXLECTRONIC AND PHYSICAL MODE:

Sharepro Services (India) Private Limited
 13, A-B, Samhita Warehousing Complex,
 2nd Floor, Nr. Sakinaka Telephone Exchange,
 Andheri – Kurla Road,
 Sakinaka, Mumbai- 400099.

NAME OF COMPLIANCE OFFICER: - MR. KIRIT PATADIA
DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2012

NO OF SHARES	NO OF HOLDERS	NO OF SHARES	TOTAL NO OF HOLDERS	TOTAL NO OF SHARES IN %
1 to 500	4570	667454	93.151	17.22
501 to 1000	210	188522	4.280	4.86
1001 to 2000	71	110828	1.447	2.86
2001 to 3000	21	49519	0.428	1.27
3001 to 4000	13	48466	0.264	1.26
4001 to 5000	2	9200	0.040	0.24
5001 to 10000	9	60415	0.183	1.56
10001 to 20000	3	46074	0.061	1.19
200001 to above	7	2694522	0.142	69.54

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2012

SR. NO	CATEGORY	NO OF SHARES HELD	% OF SHARE HOLDING
1	Promoters	2573976	66.43
2	Mutual Funds and UTI	0	0.00
3	Banks, Financial Institutions, Companies (Central/ State Govt. Institutions / Non – Government Institution)	0	0.00
4	Foreign Institutional Investors	0	0.00
5	Private Corporate Bodies	96090	2.48
6	Indian Public	1204674	31.08
7	NRIs/ OCBs	260	0.01
8	GDR	0	0.00
9	Clearing Member	0	0.00
	GRAND TOTAL	3875000	100.00

LISTING AND DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's shares are listed at Ahmedabad Stock Exchange and Bombay Stock Exchange.

The Company Shares are available for dematerialization on both the Depositories Viz. National Securities Depository Limited (NSDL) and Central Depository (INDIA) Limited (CDSL)

For expediting physical transfer, the Board has delegated share transfer formalities to the share transfer committee Mr. Kirit Patadia is designated as Compliance Officer.

CODE OF CONDUCT

Members of the Board and the Senior Management, shall

- (A) Always act in the best interests of the Company and its stakeholders.
- (B) Adopt the highest standards of personal ethics, integrity, confidentiality and discipline in dealing with all matters relating to the Company.
- (C) Apply themselves diligently and objectively in discharging their responsibilities and contribute to the conduct of the business and the progress of the Company, and not be associated simultaneously with competing organizations either as a Director or in any managerial or advisory capacity, without the prior approval of the Board.
- (D) Always adhere and conform to the various statutory and mandatory regulations/ guidelines applicable to the operations of the Company, avoiding violations or non conformities
- (E) Non derive personal benefit or undue advantages by virtue of their position or relationship with the Company, and for this purpose
 - i) Shall adopt total transparency in their dealings with the Company
 - ii) Shall disclose full details of any direct or indirect personal interests in dealings/ transactions with the Company
 - iii) Shall not be party to transactions or decisions involving conflict between their personal interest and the Company's interest.
- (F) Conduct themselves and their activities outside the Company in such a manner as not to adversely affect the image or reputation of the Company.
- (G) Inform the Company immediately if there is any personal development (relating to his/her business/ professional activities) which could be incompatible with the level and stature of his position and responsibility with the Company.
- (H) Bring to the attention of the Board, Chairman or the Managing Director or appropriate, any information or development either within the Company (relating to its employees or other stakeholders) or external, which could impact the Company's operations, and which in the normal course may not have come to the knowledge of the Board/ Chairman or Managing Director
- (I) Always abide by the above Code of Conduct, and be accountable to the Board for their actions/ violations/ defaults.

CODE OF CONDUCT FOR THE SENIOR MANAGEMENT/MANAGING DIRECTOR

This is to Confirm that for the financial year ended March 31, 2012 all members of the Senior Management have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

MR. SUNIL RAGHUVIRPRASAD AGARWAL
CHAIRMAN AND MANAGING DIRECTOR

DECLARATION BY THE MANAGING DIRECTOR
UNDER CLAUSE 49 OF THE LISTING AGREEMENT

TO,
THE MEMBERS,
RAGHUVIR SYNTHETICS LIMITED
AHMADABAD

I, SUNIL RAGHUVIRPRASAD AGARWAL, MANAGING DIRECTOR, OF RAGHUVIR SYNTHETICS LIMITED HEREBY DECLARE THAT ALL THE BOARD MEMBERS AND SENIOR EXECUTIVES ONE LEVEL BELOW THE EXECUTIVE DIRECTORS INCLUDING ALL FUNCTIONAL HEADS HAVE AFFIRMED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2012, COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY LAID DOWN FOR THEM.

ON BEHALF OF THE BOARD

Place : Ahmedabad.

Date : 30th May 2012

SUNIL RAGHUVIRPRASAD AGARWAL
CHAIRMAN AND MANAGING DIRECTOR

C E R T I F I C A T E

To the Members of Raghuvir Synthetics Limited

We have examined the compliance of the conditions of Corporate Governance by Raghuvir Synthetics Limited (the Company) for the year ended March 31st 2012 as stipulated in clause in 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedure and implementation there of, adopted by the Company for ensuring the compliance of the conditions of Corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

FOR G. K. CHOKSI & CO.

[Firm Registration No.101895W]

Chartered Accountants

ROHIT K. CHOKSI

Partner

Membership No. 31103

Place: Ahmedabad

Date : 30th May 2012

Certificate by Chief Executive Officer / Chief Financial Officer of the Company.

- a) We have reviewed financial statement and cash flow statement for the year and that to the best of our knowledge and belief:
 - i) The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
 - ii) The statements together present a true and fair view of the Company's affairs and are in compliance with exiting accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violating of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
 - i) Significant changes in internal control during the year.
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For, Raghuvir Synthetics Limited

Mr. SUNIL RAGHUVIRPRASAD AGARWAL
Chairman & Managing Director

Place : Ahmedabad.
Date : 30th. May 2012

COMPLIANCE CERTIFICATE

Registration No. of the Company : 04-5424
 Nominal Capital : Rs. 10,00,00,000/-

To,
 The Members
RAGHUVIR SYNTHETICS LIMITED
 Rakhial Road,
 Rakhial,
 Ahmedabad-380023

I have examined the registers, records, books and papers of **M/S. RAGHUVIR SYNTHETICS LIMITED** as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, on the date as mentioned in the said Annexure 'B'.
3. The Company being Public Limited Company the provisions of Section 3 (1) (iii) of the Companies Act, 1956, are not applicable.
4. The Board of Directors duly met 10 (Ten) times on 11/04/2011, 15/05/2011, 01/07/2011, 08/07/2011, 16/08/2011, 01/09/2011, 21/10/2011, 07/11/2011, 15/01/2012 and 14/02/2012 during the financial year under review in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Register of members was closed from 24/09/2011 to 30/09/2011 during the Financial Year under review.
6. The Annual General Meeting for the financial year ended on 31/03/2011 was held on 30/09/2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra- Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its directors or persons or firms or companies referred to under Section 295 of the Act.

- 9. The Company has not entered into any transaction attracting the provisions of Section 297 of the Companies Act, 1956 during the year under review.
- 10. The Company has made necessary entries in the Register maintained under Section 301 of the Act during the financial year.
- 11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government during the financial year under review.
- 12. The Company has not issued duplicate share certificates during the financial year under review.
- 13.
 - (i) Sharepro Services (India) Pvt. Ltd., Registrar and Transfer Agent of company has delivered all the certificates on lodgement thereof for transfer and transmission of securities. There was no allotment of securities during the financial year.
 - (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) The Company was not required to comply with the provisions of Section 205C of the Companies Act, 1956 as there was no amount outstanding since its incorporation to the Investors of the Company.
 - (v) The Company has duly complied with the requirements of Section 217 of the Act.
- 14. The Board of Directors of the Company is duly constituted. There were appointment of additional Directors during the financial year and resignation of directors . There was no appointment of alternate Director/s and Director/s to fill casual vacancy during the financial year.
- 15. There was revision of remuneration paid to the Managing Director during the financial year under review. There was re-appointment of Managing Director pursuant to Section 269 read with Schedule XIII of the Companies Act, 1956 during the financial year under review. There was no appointment of Whole-time Director/Manager during the financial year under review.
- 16. The Company has not appointed any sole selling agent during the financial year.
- 17. The Company was not required to obtain the approval of Company Law Board, Registrar of Companies, Regional Director or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
- 18. The Directors have disclosed their interest in Form No.24AA in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19. The Company has not issued any shares / debentures/ other securities during the financial year.

20. The Company has not bought back any securities during the financial year.
21. The Company has not redeemed any preference shares /debentures during the year under review.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted or renewed deposits including unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company was not required to obtain consent of the shareholders pursuant to section 293(1) (d) of the Companies Act, 1956 in respect of the borrowings made by the Company during the financial year under review.
25. During the year, Company has not made any investment or given any loans or provided any guarantee or/and security to other bodies corporate attracting the provisions of Section 372A of the Companies Act, 1956.
26. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Company's registered office from one State to another during the financial year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the financial year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security deposit from its employees during the financial year.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities within prescribed time limit except for the months of September, 2011 and March, 2012, for which the Company has deposited after the statutory period required to be deposited with the prescribed authorities.

FOR RAJESH PAREKH & CO.
Company Secretary

DATE: 30/05/2012
PLACE: AHMEDABAD

RAJESH PAREKH
Proprietor

CP.NO.: 2939

M.NO.: 8073

8. Register of Investments**Annexure - 'B'**

Forms and Return as filed by the Company with the Registrar of Companies, Gujarat during the financial year ended on 31/03/2012.

Sr. No.	Form No. / Return	Filed Under Section	For	Date of Filing	Whether Filed Within Prescribed Time	If Delay in Filing Whether Requisite Additional Fees Paid
1	Form 32	303	Resignation of Director	09/08/2011	NO	YES
2	Form 32	303	Appointment of Additional Directors	10/08/2011	NO	YES
3	Form 32	303	Regularisation of additional Directors	25/10/2011	YES	N.A
4	Form 17	138	Satisfaction of Charge	03/11/2011	YES	N.A.
5	Form 20B	159	Annual Return 2009-10	22/10/2011	NO	YES
6	Form 20B	159	Annual Return 2010-11	25/10/2011	YES	N.A
7	Form 66	383A	Compliance Certificate 2010-11	24/10/2011	YES	N.A
8	Form 23AC & ACA(XBRL)	220	Balance Sheet 2010-11	24/12/2011	YES	N.A

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, 2012, Statement of Profit and Loss and Cash Flow Statement of the company for the year ended on that date annexed thereto. 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 the 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 Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Particular attention is drawn:
 - (i) *Adhering to significant accounting policy, as referred to para (j) of note no. 1 relating to significant accounting policies, leave encashment payable on retirement has been provided in the books based on computation made by the company and not in accordance with actuarial valuation. Thus, the provision made is not in compliance with Accounting Standard 15 (Revised) "Employee Benefits" issued by Institute of Chartered Accountants of India the differential impact is not presently ascertained.*
 - (ii) The company has not yet compiled the requisite information, related to suppliers who have registered themselves under the Micro, Small And Medium Enterprises Development Act, 2006. In the absence of relevant information the requisite disclosures are not made in the financial statements.
5. Further to our comments in the Annexure refer at Para 3 above, we report that:
 - a. 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.
 - b. In our opinion, subject to matters stated at para 4 above and i(a),i(b) and ii(c) of annexure to the auditors' report below, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except Para 4(i) above regarding leave encashment payable at the time of retirement in accordance with Accounting Standard - 15.

- e. On the basis of written representation received from the directors of the company as at March 31st, 2012 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of company under 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, the said accounts, *subject to Para 4 above*, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date;
and
 - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place: Ahmedabad.
Date : 30th May, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets but such records require to be updated as regard to locations and additions/deletions for the year ended 31st March 2012.
- (b) We were informed that all major items of fixed assets were physically verified by the Management at the end of the year and that no discrepancy was noticed on such verification which, on account of proper records being under compilation, could not be verified.
- (c) The Company has not disposed of any substantial part of its fixed assets during the year as would affect its going concern status.
- ii. (a) In our opinion, physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion, 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
- (c) On the basis of our examination of inventories records, in our opinion, the company is maintaining proper records of inventories, except colour and chemicals. The discrepancies noticed on physical verification of inventory as compared to book records which have been properly dealt with in the book records were not material.
- iii. (a) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956;
- (b) As per the information and explanations given to us, the Company has not taken unsecured loan from a company covered in the register maintained u/s.301 of the Companies Act, 1956.
- (c) The rate of interest and other terms and conditions of the above loan are prima facie not prejudicial to the interest of the Company.
- (d) As per the information and explanations given to us, repayment of principal amounts as well as interest have been regular during the year, whenever it has fallen due for repayment.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures / system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of Goods and services. However, the controls regarding maintenance of inventory records of colour and chemicals needs to be strengthened.
- Further, on the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control *except with respect to maintenance of colour and chemicals records.*
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the Register maintained under that Section;

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- vi. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the act and the rules framed there under.
- vii. 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.
- viii. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the companies Act, 1956 and are of the opinion that the prima facie the prescribed cost records have been maintained. We have however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. and the Company had no arrears of such outstanding statutory dues as at 31st March, 2012 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the details of the dues which have not been deposited up to 31st March, 2012 on account of any dispute are as under:

Name of the Statute	Nature of dues	Financial year to which the matter pertains	Forum where the matter is pending	Amount (' in lacs)
Central Excise Act, 1944	Excise Duty	1999-2000	Commissioner of Central Excise (Appeals)	4.73
Employees State Insurance Act, 1948	ESI	2000 to 2005	Employees State Insurance Court	33.33
Labour Laws	Claims related to employees	2010-2011	Hon'ble High Court of Gujarat	3.00

- x. The Company does not have any accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi. According to the records of the company examined by us and on the basis of information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The company has not granted any loans and advances on the basis of securities by way pledge of shares, debentures and other securities.

- xiii. The provisions of any special statute applicable to Chit fund, Nidhi or Mutual Benefit Funds/ Societies are not applicable to the company.
- xiv. According to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- xv. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- xvi. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii. On the basis of the overall examination of the Balance Sheet of the company, in our opinion, the short term funds has not been applied for the long term investments in fixed assets.
- xviii. The Company has not made any preferential allotment to parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. During the period covered by audit report, the company has not issued any debentures.
- xx. The company has not raised any money by public issues during the year under review.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

FOR G. K. CHOKSI & CO.

[Firm Registration No.101895W]

Chartered Accountants

ROHIT K. CHOKSI

Partner

Mem. No. 31103

Place : Ahmedabad.

Date : 30th May, 2012



BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Notes	As at	As at
		31st March, 2012	31st March, 2011
Equity and Liabilities			
Shareholders' Fund			
Share Capital	2.1	3 85 41 000	3 85 41 000
Reserves and Surplus	2.2	8 22 48 581	8 05 28 787
		12 07 89 581	11 90 69 787
Non-Current liabilities			
Long term borrowings	2.3	85 16 672	2 14 07 395
Deferred tax liabilities (Net)	2.4	1 60 76 058	2 08 48 477
Long term provisions	2.5	10 07 438	8 56 421
		2 56 00 168	4 31 12 293
Current liabilities			
Short term borrowings	2.6	17 50 801	17 47 792
Trade payables	2.7	10 52 13 380	7 40 38 157
Other current liabilities	2.8	1 36 51 101	2 79 73 166
Short term provisions	2.9	69 533	32 699
		12 06 84 815	10 37 91 814
Total		26 70 74 564	26 59 73 894
Assets			
Non-Current assets			
Fixed assets	2.10		
Tangible assets		17 35 81 551	19 91 18 295
Capital work-in-progress		9 57 150	9 57 150
		17 45 38 701	20 00 75 445
Non-current investments	2.11	55 04 000	55 04 000
Long term loans and advances	2.12	76 73 064	63 02 551
Current Assets			
Inventories	2.13	1 03 84 908	94 33 629
Trade receivables	2.14	4 50 04 811	2 48 16 779
Cash & cash equivalents	2.15	33 54 438	4 94 657
Short term - Loans & advances	2.16	50 09 081	39 59 760
Other current assets	2.17	1 56 05 561	1 53 87 073
		7 93 58 799	5 40 91 898
Total :		26 70 74 564	26 59 73 894

Significant Accounting Policies	1
Notes to the Financial Statements	2

As per our attached Report of even date.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
CHARTERED ACCOUNTANTS

ROHIT K. CHOKSI
PARTNER

PLACE : AHMEDABAD
DATE : 30th May, 2012

FOR AND ON BEHALF OF THE BOARD

SUNIL AGARWAL CHAIRMAN &
 MANAGING DIRECTOR
YASH AGARWAL DIRECTOR
HARDIK AGARWAL DIRECTOR

PLACE : AHMEDABAD
DATE : 30th May, 2012

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Notes	2011-2012	2010-2011
Income			
Revenue from operations	2.18	44 08 28 967	36 34 11 029
Other Income	2.19	28 83 882	11 24 985
Total Revenue		44 37 12 849	36 45 36 014
Expenses			
Cost of materials consumed	2.20	24 21 69 522	18 81 10 182
Purchase of Stock-in-Trade	2.21	6 73 609	41 04 481
Changes in Inventories	2.22	8 77 042	(8 22 635)
Operating Expenses	2.23	13 25 78 159	11 02 22 045
Employee benefits expenses	2.24	1 35 79 505	88 10 517
Finance costs	2.25	13 66 426	16 26 974
Depreciation		3 61 02 390	3 83 22 758
Other expenses	2.26	1 26 31 744	1 25 25 260
		43 99 78 397	36 28 99 582
Profit before Tax		37 34 452	16 36 432
Tax Expenses			
Current Tax	2.27	67 87 077	41 69 738
Deferred Tax		(47 72 419)	(28 23 540)
		20 14 658	13 46 198
Profit carried to Balance sheet		17 19 794	2 90 234
Earnings per equity share:			
Basic and diluted		0.44	0.07
Significant Accounting Policies	1		
Notes forming part of Financial Statements	2		

The accompanying notes are an integral part of the financial statements.

As per our attached Report of even date.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
CHARTERED ACCOUNTANTS

ROHIT K. CHOKSI
PARTNER

PLACE : AHMEDABAD
DATE : 30th May, 2012

FOR AND ON BEHALF OF THE BOARD

SUNIL AGARWAL CHAIRMAN &
MANAGING DIRECTOR
YASH AGARWAL DIRECTOR
HARDIK AGARWAL DIRECTOR

PLACE : AHMEDABAD
DATE : 30th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	2011-2012	2010-2011
A. Cash flow from operating activities:		
Profit/(Loss) for the year before taxation and exceptional items	24 47 375	14 66 694
Adjustments for		
Excess provision for Income Tax written back	(3 47 358)	(2 22 940)
Depreciation and Amortization	3 61 02 390	3 83 22 758
Loss on asset discarded / sale of fixed asset	2 60 837	4 03 645
Profit on sale of Fixed Assets	(5 28 078)	0
Interest Income	(6 55 435)	(5 81 795)
Interest Expenses	13 66 426	16 26 974
Dividend Income	12 50 000	75 000
Operating profit before working capital changes	3 98 96 157	4 10 90 336
Adjustments for :		
Inventories	(9 51 279)	(20 63 796)
Trade Receivable	(2 01 88 032)	(47 10 261)
Long Term Loans & Advances and Deposits	(12 67 809)	(65 72 287)
Long Term Provision	1 87 851	1 08 527
Trade payables	1 58 90 726	(58 36 202)
Cash generated from operations	3 35 67 614	2 20 16 318
Direct taxes Refund/(paid)	62 78 345	50 04 900
Net cash from operating activities [A]	2 72 89 269	1 70 11 418
B. Cash flow from investing activities		
Purchase of fixed assets	(1 16 98 406)	(1 44 67 533)
Sale of Fixed Assets	14 00 000	13 30 290
Interest received	4 10 626	3 14 505
Net cash used in investing activities [B]	(98 87 780)	(1 28 22 738)
C. Cash flow from financing activities		
Procurement/(Repayment) of long/ short term borrowings	(1 19 25 282)	(48 73 844)
Interest paid	(13 66 426)	(16 26 974)
Dividend Income	(12 50 000)	(75 000)
Net cash flow from financial activities [C]	(1 45 41 708)	(65 75 818)
Net Increase/(Decrease) in cash and cash equivalents	Total : [A+B+C] 28 59 781	(23 87 139)
Cash and cash equivalents opening	4 94 657	28 81 796
Cash and cash equivalents closing	33 54 438	4 94 657

Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared in accordance with the format prescribed by Securities and Exchange Board of India & as Accounting Standard 3 as Prescribed by the Institute of Chartered Accountants of India.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
CHARTERED ACCOUNTANTS

ROHIT K. CHOKSI
PARTNER

FOR AND ON BEHALF OF THE BOARD

SUNIL AGARWAL

CHAIRMAN &
MANAGING DIRECTOR

YASH AGARWAL
HARDIK AGARWAL

DIRECTOR
DIRECTOR

PLACE : AHMEDABAD
DATE : 30th May, 2012

PLACE : AHMEDABAD
DATE : 30th May, 2012

2 Notes forming part of Financial Statements
2.1 Share Capital

[Amount in Rs.]

Particulars	As at	As at
	31st March, 2012	31st March, 2011
(a) Authorised		
10000000 (P.Y.10000000) Equity Shares of		
Rs. 10/- each	10 00 00 000	10 00 00 000
(b) Issued		
3875000 (P.Y. 38750000) Equity Shares of		
Rs. 10/- each Fully Paid up	3 87 50 000	3 87 50 000
(c) Subscribed and fully paid-up		
3875000 (P.Y. 38750000) Equity Shares of		
Rs. 10/- each Fully Paid up	3 87 50 000	3 87 50 000
Less: Calls in Arrears	2 09 000	2 09 000
	3 85 41 000	3 85 41 000

Note :

During the period of five financial years immediately preceeding the Balance Sheet date, the company has not:

- allotted any fully paid-up equity shares by way of bonus shares;
- allotted any equity shares pursuant to any contract without payment being received in cash;
- brought back any equity shares

(d) Reconciliation of number of shares

Particulars	Number of Equity Shares	
	2011-2012	2010-2011
At the beginning of the year	38 75 000	38 75 000
Add : Issued during the year	0	0
As the end of the year	38 75 000	38 75 000

(e) Rights, Preferences and Restrictions

The authorised share capital of the Company has only one class of shares referred to as 'equity shares' having a par value of Rs. 10/- each. The rights and privileges to equity shareholders are general in nature and defined under the Articles of Association.

The equity shareholders shall have :

- One Vote and a poll when present in person (including a body corporate by a duly authorised representative) or by an agent duly authorised under a power of attorney or by aproxy his voting right shall be in proportion to his share of the paid equity share capital of the company. However, no member shall exercise any voting rights in respect of any share registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has exercised any right of lien,
- subject to the rights of person if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amount paid or credited as paid to the shares in respect where of the dividend is paid but if and so long as nothing is paid upon any shares in the company, dividends may be declared and paid according to the amounts of the shares.
- A special resolution sanctioning a sale to any other company duly passed pursuant to section 494 of the act may, subject to the provision of the act, in like manner as aforesaid determined that any shares or other consideration receivable by the liquidator be distributed against the members otherwise then in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential right conferred by the said section.

(f) Details of Shareholdings

Shareholders holding more than 5% shares

Particulars	Number of Equity Shares		Percentage (%) of holding	
	As at		As at	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Sunil Agarwal	8 87 400	5 16 900	22.90%	13.33%
Pamita Agarwal	8 72 546	4 04 336	22.52%	10.43%
Yash Agarwal	4 39 203	—	11.33%	
Hardik Agarwal	3 74 827	—	9.67%	
Kamlesh R Agarwal	—	5 30 910		13.70%
Girish R Agarwal	—	4 59 380		11.85%
Savitdevi Agarwal	—	2 82 310		7.29%

2.2 Reserves and surplus

[Amount in Rs.]

Particulars	As at	
	31st March, 2012	31st March, 2011
Security Premium Reserve	1 72 50 200	1 72 50 200
Less : Calls in Arrears	2 09 000	2 09 000
	1 70 41 200	1 70 41 200
General Reserve	1 95 07 587	1 95 07 587
Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per previous financial statements	4 39 80 000	4 36 89 766
Add : Profit for the year	17 19 794	2 90 234
Balance available for appropriation	4 56 99 794	4 39 80 000
Less : Appropriations	0	0
Net Surplus / (Deficit)	4 56 99 794	4 39 80 000
	8 22 48 581	8 05 28 787

2.3 Long term borrowings

[Amount in Rs.]

Particulars	Non-current portion		Current maturities	
	2011-2012	2010-2011	2011-2012	2010-2011
Secured				
Term Loan				
HDFC BANK Term Loan	77 38 211	1 91 54 938	1 14 16 728	1 04 89 535
	77 38 211	1 91 54 938	1 14 16 728	1 04 89 535
Vehicle Loan				
HDFC BANK	0	0	0	97 200
HDFC BANK	92 066	2 75 999	1 70 796	1 41 302
HDFC BANK	6 86 395	19 76 458	12 90 062	11 87 117
	7 78 461	22 52 457	14 60 858	14 25 619
	85 16 672	2 14 07 395	1 28 77 586	1 19 15 154

Nature of Security

- The Term Loans amounting to Rs. 19,154,938/- (P.Y. Rs. 29,644,473/-) are secured by way of hypothecation of plant and machinery acquired out of Term Loan and further secured by lien on Fixed deposit of Raghuvir Exim Ltd. (Associate Concern) and personal guarantee of directors.
- The Vehicle loans amounting to Rs. 22,39,320/- (P.Y. Rs. 36,78,075/-) are secured by Vehicles

Terms of Repayment of Loans

Secured Loan

Term Loan

HDFC BANK Term Loan

Repayable installments commencing from September, 2009. Last installments due on September, 2014. Rate of Interest 8.50% as at year end. (P.Y. 8.50%)

Vehicle Loan

HDFC BANK

Loan amounting to Rs. 262,862/- (P.Y. Rs. 417,300/-) is repayable in monthly installments of Rs. 15,800/- .Repayable installments commencing from October, 2010. Last installments due on September, 2013. Rate of Interest 10.10% as at year end. (P.Y. 10.10%)

HDFC BANK

Loan amounting to Rs. 19,76,458/- (P.Y. Rs. 31,63,575/-) is repayable in monthly installments of Rs. 1,17,200/- .Repayable installments commencing from October, 2010 . Last installments due on September, 2013. Rate of Interest 8.50% as at year end. (P.Y. 8.50%)

[Amount in Rs.]

Particulars	As at	As at
	31st March, 2012	31st March, 2011
2.4 Deferred tax liabilities (Net)		
Deferred Tax Liabilities		
Difference of book depreciation and tax depreciation	1 62 57 042	2 10 05 505
Deferred Tax Assets		
Disallowance u/s. 43(b) under income tax act, 1961	1 80 984	1 57 028
Net Deferred Tax Liability / (Asset)	<u>1 60 76 058</u>	<u>2 08 48 477</u>
2.5 Long term provisions		
For Employee Benefits		
Gratuity	10 45 603	8 56 421
Less : Short term provisions		
Gratuity	38 165	0
	<u>10 07 438</u>	<u>8 56 421</u>
2.6 Short term borrowings		
Loans repayable on demand		
Secured		
From Banks		
IDBI F.D / O.D A/c	17 50 801	16 58 483
HDFC BANK A/c no.00698630000172	0	89 309
	<u>17 50 801</u>	<u>17 47 792</u>

Nature of Security
Secured

- The Working Capital Loans from IDBI bank amounting to Rs. 17,50,801/- (P.Y. Rs. 16,58,483/-) are against lien of fixed deposits.
- The Working Capital Loans from HDFC bank amounting to Rs. NIL/- (P.Y. Rs. 89,309 /-) are against lien of fixed deposits.

[Amount in Rs.]

Particulars	As at 31st March, 2012	As at 31st March, 2011
2.7 Trade payables		
For Goods and Services	10 52 13 380	7 40 38 157
	<u>10 52 13 380</u>	<u>7 40 38 157</u>

Amount payable to related parties, directors and officers Rs. 64,548/- (P.Y. 2,24,640).

2.8 Other current liabilities		
Current Maturities of Long Term Debt	1 28 77 586	1 19 15 154
Advances from customers	0	1 53 26 797
Other Payables	7 73 515	7 31 215
	<u>1 36 51 101</u>	<u>2 79 73 166</u>

Amount payable to related parties, directors and officers Rs. NIL (P.Y. NIL).

2.9 Short term provisions		
Provision for Employee Benefits		
Gratuity	38 165	0
Bonus	31 368	32 699
	<u>69 533</u>	<u>32 699</u>

2.10 : Tangible Assets

Assets	GROSS BLOCK (At Cost)				DEPRECIATION / AMORTISATION				NET BOOK VALUE	
	Description April 1, 2011	As at during the year	Additions Adjustment during the year	Deletions/ March 31, 2012	As at April 1, 2011	Upto during the year	Deletions/ Adjustment during the year	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
Land	1 12 476	0	0	1 12 476	0	0	0	0	1 12 476	1 12 476
Building										
Factory Building	1 58 70 544	0	0	1 58 70 544	55 63 284	5 08 894	0	60 72 178	97 98 366	1 03 07 260
Plant & Machinery	38 33 59 237	1 15 82 772	17 19 467	39 32 22 542	22 32 54 878	3 45 45 753	13 97 544	26 64 03 087	13 68 19 455	16 01 04 359
Furniture & Fixture	6 31 285	60 429	0	6 91 714	2 94 203	41 962	0	3 36 165	3 55 649	3 37 082
Office Equipments	59 20 882	0	0	59 20 882	24 22 873	2 67 500	0	26 90 373	32 30 609	34 98 009
Computer	22 28 454	0	0	22 28 454	19 04 656	80 616	0	19 85 272	2 43 182	3 23 798
Vehicle	78 05 023	55 205	9 89 651	68 70 577	12 26 712	6 57 665	5 28 814	13 66 563	65 16 014	65 78 311
Total :	41 59 27 901	1 16 98 406	27 09 118	42 49 17 189	23 46 66 606	3 61 02 390	19 26 358	26 88 42 638	15 60 74 661	18 12 61 295
Asset retired from active use	1 78 57 000	0	3 50 000	1 76 07 000	0	0	0	0	1 76 07 000	1 78 57 000
Total :	43 37 84 901	1 16 98 406	30 59 118	44 24 24 189	23 46 66 606	3 61 02 390	19 26 358	26 88 42 638	17 35 81 661	19 91 18 295
Capital Work in progress	9 57 150	0	0	9 57 150	0	0	0	0	9 57 150	9 57 150
Total :	43 47 42 051	1 16 98 406	30 59 118	44 33 81 339	23 46 66 606	3 61 02 390	19 26 358	26 88 42 638	17 45 38 701	20 00 75 445
Previous Year	43 08 29 896	3 58 06 178	3 28 51 173	43 37 84 901	21 09 90 376	3 83 22 758	1 46 46 528	23 46 66 606	20 00 75 445	

[Amount in Rs.]

Particulars	As at 31st March, 2012	As at 31st March, 2011
2.11 Non current investments		
Trade, Unquoted		
Investments In Equity Instruments		
In Associate Company		
5 00 000 (P.Y. 5 00 000) Equity Shares of RS.10 each fully	50 00 000	50 00 000
Paid-up of Raghuvir Exim Limited		
Others		
400 (P.Y. 400) Equity Shares of '10 each fully	4 000	4 000
Paid-up of The South Eastern Riadways Ltd.		
Others Investment (Unquoted) :		
In mutual Funds		
SBI Blue Chip Fund	5 00 000	5 00 000
50 000 (P.Y. 50 000) Units of ' 10/- each		
NAV ' 16 (P.Y. ' 11.37) per unit	55 04 000	55 04 000
2.12 Long term loans and advances		
(Unsecured, considered good unless otherwise stated)		
Advance Tax (Net of Provisions)	44 36 564	30 66 051
Deposits	32 36 500	32 36 500
	76 73 064	63 02 551
2.13 Inventories		
(As taken, valued and certified by the Management)		
Raw Materials	90 58 482	73 34 457
Stock in Process	1 56 268	3 99 526
Finished Goods	3 23 361	9 22 145
Packing Materials	2 21 470	1 52 095
Stores, Spares & Consumables	5 50 327	5 15 406
Scrap/Waste Materials	75 000	1 10 000
	1 03 84 908	94 33 629
2.14 Trade Receivable		
Debts outstanding for the period exceeding six months		
Unsecured, Considered good	11 68 746	24 34 603
Others		
Unsecured, Considered good	4 38 36 065	2 23 82 176
	4 50 04 811	2 48 16 779
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	2 97 38 218	1 53 26 797

Particulars	[Amount in Rs.]	
	As at 31st March, 2012	As at 31st March, 2011
2.15 Cash and Cash Equivalents		
Balances with scheduled banks		
Current / Cash Credit accounts	31 84 989	3 20 165
Cash in hand	1 69 449	1 74 492
	<u>33 54 438</u>	<u>4 94 657</u>
2.16 Short-term loans and advances		
Advances to Employees	1 84 000	1 58 157
Others		
Balances with revenue authorities	3 50 000	3 50 000
Prepaid Expenses	1 69 411	1 10 694
Other Recoverable	43 05 670	33 40 909
	<u>50 09 081</u>	<u>39 59 760</u>
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	NIL	NIL
2.17 Other Current Assets		
Cost of Work In Progress (Job)	1 01 73 122	1 01 99 443
Interest accrued :		
On Fixed Deposits	6 04 808	3 59 999
Other Bank balances		
With maturity for more than 12 month	48 27 631	48 27 631
	<u>1 56 05 561</u>	<u>1 53 87 073</u>
2.18 Revenue from operations		
Sale of Product		
Manufactured goods	11 15 079	32 47 978
Traded goods		
Grey Cloth	2 37 782	11 34 950
Processed Fabrics	8 94 600	17 37 563
	<u>22 47 461</u>	<u>61 20 491</u>
Sale Of Services		
Processing Charges Received	43 85 81 506	35 72 90 538
(Net of Claims & Rate difference)	<u>44 08 28 967</u>	<u>36 34 11 029</u>
2.19 Other Income		
Interest Income		
From Bank	6 55 435	5 81 795
Dividend received	12 50 000	75 000
Other Non-Operating Income		
Sundry Credit Balance Written Back	3 47 358	2 500
Excess Provision of Taxation written back	0	2 27 495
Profit on Sale of Fixed Assets	5 28 078	0
Sales of Waste	1 03 011	2 38 195
	<u>9 78 447</u>	<u>4 68 190</u>
	<u>28 83 882</u>	<u>11 24 985</u>

Particulars	[Amount in Rs.]	
	As at 31st March, 2012	As at 31st March, 2011
2.20 Cost of Material Consumed		
Raw Materials	0	16 03 654
Colours & Chemicals	24 21 69 522	18 65 06 528
	<u>24 21 69 522</u>	<u>18 81 10 182</u>
2.21 Purchase of Stock-in-Trade		
Grey- Cloth	6 73 609	41 04 481
	<u>6 73 609</u>	<u>41 04 481</u>
2.22 Changes in Inventories		
Closing Stock		
Finished Goods	69 185	54 252
Traded goods	2 54 176	8 67 893
W.I.P.	1 56 268	3 99 526
Stock of Scrap/ Waste materials	75 000	1 10 000
	<u>5 54 629</u>	<u>14 31 671</u>
Opening Stock		
Finished Goods	9 22 145	4 85 444
W.I.P.	3 99 526	18 592
Stock of Scrap/ Waste materials	1 10 000	1 05 000
	<u>14 31 671</u>	<u>6 09 036</u>
Decrease / (Increase) in Inventories	<u>8 77 042</u>	<u>(8 22 635)</u>
2.23 Operating Expenses		
Power and Fuel		
Electric Power	2 60 21 322	2 43 25 626
Fuel	3 624	13 682
Coal and Wooden Dust	4 62 40 680	3 92 89 678
	<u>7 22 65 626</u>	<u>6 36 28 986</u>
Freight and Octroi		
Stores	1 34 150	62 130
Grey Cloth	12 51 497	7 61 597
	<u>13 85 647</u>	<u>8 23 727</u>
Packing Material	<u>2 33 36 489</u>	<u>2 07 19 342</u>
Repairs and Maintenance		
Plant and Machinery	52 47 487	34 43 821
Electrical	16 60 417	19 66 639
Stores, Spares & Other consumables	2 86 56 172	2 23 43 117
Cost of Work In Progress (Job)		
Closing	1 01 73 122	1 01 99 443
Less: Opening	1 01 99 443	74 95 856
	<u>26 321</u>	<u>(27 03 587)</u>
	<u>13 25 78 159</u>	<u>11 02 22 045</u>

Particulars	[Amount in Rs.]	
	As at 31st March, 2012	As at 31st March, 2011
2.24 Employees Benefits Expenses		
Salary, Wages and Bonus	1 27 33 243	81 11 901
Contribution to Provident and other funds	3 59 640	2 81 160
Staff Welfare and Training Expense	4 86 622	4 17 456
	<u>1 35 79 505</u>	<u>88 10 517</u>
2.25 Finance Cost		
Interest on:		
Interest to HDFC (Term Loan)	8 71 871	12 13 294
Interest on (Car Loan)	2 55 578	1 76 208
Interest on OD	1 86 808	1 98 167
	<u>13 14 257</u>	<u>15 87 669</u>
Other Finance Cost		
Bank charges	18 995	29 794
Bank Guarantee Commission	32 859	9 200
Interest to Other	315	311
	<u>52 169</u>	<u>39 305</u>
	<u>13 66 426</u>	<u>16 26 974</u>
2.26 Other expenses		
General Repairs and Maintenance	5 53 906	11 97 370
Travelling Expenses	1 49 334	1 04 438
Donation Expenses	5 91 000	15 08 200
Fees and Legal Expenses	4 88 782	4 26 751
Selling and Distribution Expenses	50 64 133	53 35 594
Rent, Rates & Taxes	7 26 494	5 50 449
Auditors Remuneration		
Audit Fees	2 00 000	2 00 000
Tax Audit Fees	75 000	75 000
Miscellaneous Expenses	47 83 095	31 27 458
	<u>1 26 31 744</u>	<u>1 25 25 260</u>
2.27 Current Tax		
Provision for current tax	55 00 000	40 00 000
Short Provision for Income Tax for earlier years	12 87 077	1 69 738
	<u>67 87 077</u>	<u>41 69 738</u>

1. Significant Accounting Policies
(a) General

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, and in accordance with the Companies Act, 1956 and the applicable accounting standards issued by The Institute of Chartered Accountants of India.

(b) Use of Estimates

These financial statements have been prepared on the basis of estimates, wherever necessary, which have an effect on the reported amounts of assets and liabilities as on the date of the statements and the reported amounts of income and expenditure for the reporting period. The difference between actual and estimates is recognized in the subsequent period when the actual are known.

(c) Revenue Recognition

- (i) Sales are recognized upon delivery of goods and are recorded net of trade discount.
- (ii) Revenue from job work processes are recognized as and when the related jobs are performed, the cost incurred up to reporting date for the in-completed jobs are carried to balance sheet under the head cost on job work in process.

(d) Fixed Assets and Depreciation

- (i) Fixed Assets are stated at cost less accumulated depreciation. Cost includes interest on borrowings attributable to the acquisition of the Fixed Assets, up to the date of their commissioning, and other incidental expenses incurred up to that date.
- (ii) Depreciation is provided under the Straight Line method at the rates specified in Schedule XIV to the Companies Act, 1956.
- (iii) Fixed Assets retired from active use has been stated at Net Realizable Value or Written down Value whichever is lower.

(e) Impairment of Assets

An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(f) Borrowing Costs

Borrowing Costs that are directly attributable to acquisition of qualifying assets are capitalized for the period until the asset is ready for intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(g) Investments

Long Term Investments are carried at cost less provision for permanent diminution in the value of such investments, if any. Current Investments are carried at the lower of cost and market

value.

(h) Inventories

Raw Materials, Stock-in-process, Finished Goods are valued at lower of cost or net realizable value. Stores, Colours & Chemicals and Coal are valued at cost. Processed Goods Returned is valued at net realizable value. Cost of stock-in-process and finished goods include materials, labour, manufacturing overhead and other cost incurred in bringing the inventories to their present location.

Items of Colour and Chemicals, Stores and Spares are charged to revenue at the stage of purchase and stock of such items as at the end of the year is accounted at cost.

The stock of scrap / waste materials are valued at estimated net realizable value.

(i) Taxes on Income

(i) Current tax provision is based on the taxable income computed in accordance with the provision of the Income Tax Act, 1961.

(ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The deferred tax in respect of timing differences which had originated during the tax holiday period and reversed during the tax holiday period had not been recognized to the extent the enterprise's gross total income is subject to the deduction during the tax holiday period. However deferred tax in respect of timing differences which had originated during the tax holiday period but reversed after the tax holiday period had been recognized in the year in which the timing differences originated.

(j) Retirement Benefits

(i) Contributions to Provident/Pension Funds are charged to Profit and Loss Account as incurred.

(ii) The company provides retirement benefit in form of Gratuity on the basis of valuation, as at the Balance Sheet date, carried out by independent actuaries.

(k) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(l) Earning for Share

Earning per share is calculated by dividing the profit attributable to the equity shareholder by weighted averages number by equity shares outstanding during the year.

2 NOTES FORMING PART OF ACCOUNTS

2.28 Contingent Liabilities and Capital Commitments

Particulars	2011-2012 Amount (Rs.)	2010-2011 Amount (Rs.)
1. Claims not acknowledged as debts – Excise Duty (See note no. 2.30)	4,73,162	4,73,162
2. Claims not acknowledged as debts – ESI (See note no. 2.30)	33,32,912	33,32,912
3. Claims related to employees pending with honeble highcourt of Gujarat	3,00,000	--

- 2.29** (i) The company had received a show cause notice dated 25/06/1999 from excise authorities for Rs. 4,73,162/- (including Rs. 10,892/- interest) on 30/06/1999. The company has disputed the same by filing a reply with the Central Excise Department. Against this reply, the Excise Department sent another notice vide their letter no. 54/15-96/Demand/99, dtd.22/6/2000. This new notice was also disputed by the company and an appeal against the same is filed by the company with the commissioner of Central Excise (Appeals) Ahmedabad on 25/07/2000. The matter is still pending with Excise Authority.
- (ii) (a) The Company has received order u/s 45-A of the ESI Act, 1948, for the year 2000 to 2002 raising demand of Rs. 7,97,990/-. The company has disputed the demand raised by the corporation by filing a case in the court of Kamdar Rajya Bima Adalat, Ahmedabad and Rs 3,00,000/- has been deposited under the direction of E.S.I Court, Ahmedabad in the Registrar, Industrial Court Ahmedabad.
- (b) The Company has received order u/s 45-A of the ESI Act, 1948, for the year 2002 to 2005 raising demand of Rs. 25,34,922/-. The company has disputed the demand raised by the corporation by filing a case in the court of Kamdar Rajya Bima Adalat, Ahmedabad and Bank Guarantee of Rs. 13,00,000/- has been given under the direction of E.S.I Court, Ahmedabad.

2.30. Employee Benefits

- (a) Defined contribution to provident fund, employee state insurance fund and Employees Death Linked Insurance

The Company makes contribution towards Employees' Provident Fund, Employee State Insurance fund and Employees Death Linked Insurance. In accordance with the provisions of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company has, during the year, recognized the sum of Rs. 3.60 lacs (March 31, 2011: Rs.2.81 Lacs) as expense towards contributions to these plans.

- (b) Defined contribution benefit plan (Gratuity)

The following table sets out the status of the gratuity plans as at 31st March, 2012.

Particulars	Amount in Rs.]	
	2011-2012 Gratuity	2010-2011 Gratuity
Changes in the present value of obligation		
Present value of obligation (Opening)	8,56,421	7,50,057
Interest cost	68,514	60,005
Past service cost	—	—
Current service cost	48,738	67,768
Curtailment Cost / (Gain)	—	—
Settlement Cost / (Gain)	—	—
Benefits paid	29,508	—
Actuarial (Gain) / Loss	1,01,438	21,408
Present value of obligation (Closing)	10,45,603	8,56,421
Changes in the fair value of plan assets		
Percentage of each category of plan assets to total fair value of plan assets at the year end		
Reconciliation of the present value of defined benefit obligation and the fair value of assets		
Present value of funded obligation as at the year end	NIL	NIL
Fair value of plan assets as at year end	NIL	NIL
Funded (Asset)/Liability recognized in the balance sheet	NIL	NIL
Present value of unfunded obligation as at the year end	10,45,603	8,56,421
Unrecognized past service cost	NIL	NIL
Unrecognized Actuarial (Gain) / Loss	NIL	NIL
Unfunded net liability/(asset) recognized in the balance sheet	10,45,603	8,56,421
Amount recognized in the balance sheet		
Present value of obligation as at the year end	10,45,603	8,56,421
Fair value of plan assets as at the year end	NIL	NIL
(Asset) / Liability recognized in the balance sheet	10,45,603	8,56,421
Expenses recognized in the profit & loss account		
Current service cost	48,738	67,768
Past service cost	NIL	NIL
Interest cost	68,514	60,005

Expected return on plan assets	NIL	NIL
Curtailment Cost / (Credit)	NIL	NIL
Settlement Cost / (Credit)	NIL	NIL
Net Actuarial (Gain) / Loss	101,438	(21,408)
Employee's Contribution	NIL	NIL
Total expenses recognized in the profit & loss account	2,18,690	1,06,364
Principal actuarial assumption		
Rate of discounting	8.50%	8.00%
Expected return on plan assets	NIL	NIL
Rate of increase in salaries	5.00%	5.00%
Attrition Rate (Employees opting for early retirement)	NIL	NIL

2.31 The company operates in a solitary business segment i.e. textile business. Accordingly, no further financial information for business segment is required to be given.

2.32 Related Party Disclosures

As required by accounting standard - AS 18 "Related Parties Disclosure" issued by The Institute of Chartered Accountants of India are as follows:

(a) List of related parties with whom transactions have taken place during the year and relationship:

Sr.No.	Name of related party	Relationship
1	Kamlesh R Agarwal up to 01/07/2011	} Key Management Personnels
2	Sunil R. Agarwal	
3	Girish R. Agarwal up to 01/07/2011	
4	Yash S. Agarwal from 08/07/2011	
5	Hardik S. Agarwal from 08/07/2011	
6	RSL Dyecot Limited up to 30/11/2011	Enterprise under significant
7	Kashiram Textile Mills (Prop. R. R. Family Trust)	influence of Key Management Personnel or their relatives.
8	Raghuvir Exim Limited	Associate Enterprise
9	The Sagar Textiles Mills Pvt. Ltd.	

(b) Transactions with related parties

[Amount in Rs.]

Sr.No.	Nature of transaction	2011-12	2010-11
(i)	Managerial Remuneration	11,12,000	9,72,000
(ii)	Expenditure on Other Service - Enterprise under significant influence of Key Management Personnel or their relatives.	3,88,000	2,34,000
(iii)	Sales, Processing Charges and Other Income - Associates Enterprise	30,46,59,113	17,76,91,555
(iv)	Advances Given - Associates Enterprise	—	54,09,459
(v)	Advances Returned back - Associates Enterprise	—	4,61,771

(c) Outstanding Balances

Amount in (Rs.)

Nature of transaction	2011-2012	2010-2011
Due by Company		
- Enterprise under significant influence of Key Management Personnel or their relatives. (Net)	64,548	318000
- Key Management Personnel	37,490	56,640
Due to Company		
- Associates Enterprise	Nil	1,53,26,797

The particulars given above have been identified on the basis of information available with the company.

2.33 Particulars of Earning per Share

Particulars	2011-2012	2010-2011
Net Profit/(Loss) for the year Rs.	17,19,794	2,90,234
Number of equity shares	38,75,000	38,75,000
Nominal value of the share Rs.	10	10
Basic, as well as, diluted Earning per Share Rs.	0.44	0.07

2.34 Assets retired from active use amounting to Rs. 1,75,07,000 (P.Y. Rs. 1,78,57,000) being assets retired from active use on which depreciation has not been charged.

2.35 Balances of unsecured loans, sundry creditors, sundry debtors, loans and advances and amounts due to sundry debtors are subject to confirmations and reconciliation if any, by the respective parties.

2.36 In the absence of necessary information relating to the suppliers registered as Micro, Small and Medium enterprises under the Micro, Small and Medium Enterprises (Development) Act, 2006,

the company has not been able to identify such suppliers and the information required under the said Act could not be complied and disclosed.

2.37 Other information

Sr.No.	Particulars	2011-2012		2010-2011	
a.	C.I.F. value of Imports of :Raw Materials	NIL		NIL	
	Spare Parts	NIL		64,97,573	
	Capital Goods	NIL		16,60,680	
b.	Expenditure in Foreign Currency	8139810		6348484	
		Value (Rs.)	%	Value (Rs.)	%
c.	Consumption of:				
	i. <i>Raw materials:</i>				
	Indigenous	0	0	16,03,654	100
	Imported			NIL	NIL
	ii <i>Stores and Spare parts:</i>				
	Indigenous	1,34,44,848	97.38	87,53,464	98.33
	Imported	3,62,152	3.62	1,49,089	1.67
d.	Remittances in Foreign Currency on account of Dividend	NIL	NIL	NIL	NIL

2.38 The financial statements for the year ended 31st March,2011 had been prepared as per the then applicable pre-revised Schedule VI to the companies Act,1956. Consequent to the notification to the Revised Schedule VI under the companies Act,1956, the financial statement for the year ended 31st March, 2012 are prepared as per the Revised Schedule VI. According to previous year figures have also been reclassified to conform this year's classification.

As per our attached Report of even date.

FOR G. K. CHOKSI & CO.

[Firm Registration No.101895W]

CHARTERED ACCOUNTANTS

ROHIT K. CHOKSI

PARTNER

FOR AND ON BEHALF OF THE BOARD

SUNIL AGARWAL

CHAIRMAN &

MANAGING DIRECTOR

YASH AGARWAL

DIRECTOR

HARDIK AGARWAL

DIRECTOR

PLACE : AHMEDABAD

PLACE : AHMEDABAD

DATE : 30th May,2012

DATE : 30th May,2012

RAGHUVIR SYNTHETICS LIMITED

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

ATTENDANCE SLIP

PLEASE COMPLETE AND HANDOVER THIS ENGLISH MSIP AT THE ENTRANCE OF THE HALL
I/We hereby record my presence at the 30th Annual General Meeting of the company held on 28th
September, 2012 at 11-00 a.m. at Rakhial Road, Rakhial, Ahmedabad-380 023.

Name/s of Member/s or proxy / proxies _____

Regd. Folio No. _____

Jointly with _____

Note : Kindly bring the copy of this Annual Report at the meeting.

Signature

----- CUT HERE -----

RAGHUVIR SYNTHETICS LIMITED

REGD. OFFICE :
RAKHIAL ROAD, RAKHIAL, AHMEDABAD-380 023.

PROXY FORM

I/We _____

of _____

_____ being

a member/members of Raghuvir Synthetics Limited hereby appoint _____

_____ of _____ in the district

of _____

_____ as my/our proxy to attend and
vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held on
Friday 28th September, 2012 and/or any adjournment thereof.

Signed on _____ : day of _____ 2012

signature _____



Regd. Folio No. _____ No. of Shares _____

Note : The Proxy must be returned so the reach the Registered Office of the Company at Rakhial
Road, Rakhial, Ahmedabad-380 023. not less than FOURTY EIGHT HOURS before the time of
holding the aforesaid me.