



## **RAGHUVIR SYNTHETICS LIMITED**

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

**PHONE : 22910963, 22911015, 22911902**

**FAX : 22911912**

**E-mail : raghuvirad1@sancharnet.in**



**31<sup>st</sup>**

**Annual Report  
2012-2013**

**Board of Directors**

Shri Sunil R. Agarwal  
 Shri Yash S. Agarwal  
 Shri Hardik S. 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)

**REGISTRAR & 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 31st Annual General Meeting of the Members of RAGHUVIR SYNTHETICS LIMITED will be held on Monday, the 30<sup>TH</sup> September, 2013 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 31<sup>st</sup> March, 2013, Profit and Loss Account for the year ended 31<sup>st</sup> March, 2013 together with the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of **Mr. SUNIL RAGHUVIRPRASAD AGARWAL**, who retires by rotation, and being eligible, offers himself for re-appointment as Director.
- 3) To appoint a Director in place of **Mr. SAMIRBHAI RAMESHBHAI SHETH**, 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. Choksi & 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."

**Registered Office:**  
Rakhial Road, Rakhial  
Ahmedabad - 3800027

**Place : Ahmedabad**  
**Date : 23<sup>rd</sup> July, 2013**

**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-EGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) The Register of Members and Share Transfer Books of the Company will remain Closed from Tuesday, 24th day of September, 2013 to Monday, 30<sup>th</sup> September, 2013 (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

Place : Ahmedabad  
Date : 23<sup>rd</sup> July, 2013

SUNIL RAGHUVIRPRASAD AGARWAL  
CHAIRMAN AND MANAGING DIRECTOR



## DIRECTORS' REPORT

DEAR SHAREHOLDERS,

The Directors are pleased to present their 31<sup>st</sup> Annual Report and the Audited Financial accounts for the year ended 31<sup>st</sup> March, 2013.

### 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 <sup>st</sup> March, 2013	For the year ended on 31 <sup>st</sup> March 2012
<b>Total Income</b>		
<b>Profit/(Loss) before Tax</b>	<b>332.48</b>	<b>37.34</b>
Provision for Taxes (Including Deferred Tax)	30.31	20.15
<b>Profit After Tax</b>	<b>302.17</b>	<b>17.19</b>
Balance available for appropriation	302.17	17.19
Which the Directors propose to appropriate as under :		
(i) Proposed Dividend	NIL	NIL
(ii) Corporate Dividend Tax	NIL	NIL
Surplus carried to Balance Sheet	302.17	17.19
<b>Earning Per Share Basic and Diluted</b>	<b>7.8</b>	<b>0.44</b>

### OPERATIONAL PERFORMANCE

The total revenue of the Company has increased from Rs. 44.37 Crores to Rs. 54.60 crores. The profit before tax of the Company has also increased from Rs. 37.34 Lacs to Rs. 332.48 lacs. The net profit after tax has increased to Rs. 302.16 Lacs as compared to previous year's net profit of Rs. 17.19 Lacs.

### DIVIDEND

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

### DIRECTORS

Shri SUNIL RAGHUVIRPRASAD AGRAWAL and Shri SAMIRBHAI RAMESHBHAI SHETH, Directors of the Company will retire by rotation at the ensuing Annual General Meeting of the Company

and being eligible, offer themselves 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

As regards qualification in (i) (a) to Annexure to the Auditors' Report, the Directors state that the updation in respect of locations of fixed assets and additions/deletions of fixed assets for the year ended on ended on 31/3/2013 is in process and will be completed and made available to the Auditors.

As regards qualification in (i) (b) of Annexure to the Auditors' Report, Directors state that upon compilation of proper records, Auditors will be invited for verification of fixed assets.

### COST AUDITORS

M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad were reappointed as Cost Auditors of the Company for the year ended on 31<sup>st</sup> March, 2013 as per the provisions of Section 233B 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 along with the proper explanation relating to material departures;
- (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 31<sup>st</sup> March, 2013 and of the profit of the Company for the year ended on that date.
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts on a going concern basis.

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

Additional information on Conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of 217(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 is annexed as Annexure-'A' hereto and forms part of this Report.

**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:**

Indian economy witnessed a growth rate of 5% in the fiscal year 2012-2013. The government has forecasted a growth of 6.1%-6.7% for the year 2013-14, however, leading financial organizations and economic think-tanks expect Indian economy to grow slower than official projections and the overall results to be below the world average. India's institutional shortcomings continue to undermine the foundations for long-term economic development. However reform measures aiming at reducing government subsidies and encouraging foreign direct investment were announced in the year 2012-2013.

**INDUSTRY REVIEW:**

Demand remained sluggish across the textile industry during the year 2012-2013. The year was marked by stability and restoration of operating margins for the textile players across the country led by consecutive positive impact on the liquidity. Investment activity slowed down across the industry during the year due to uncertain demand and volatile raw material prices which led to tying up of funds in inventories. However a slight setback in exports was noticed in 2012-2013 due mainly to the slowdown in the traditional markets of the US and the EU, which together account for almost 60 per cent of India's textile exports.

**OPPORTUNITIES AND THREATS:**

Ailment of textile industry in the current union budget with a series of progressive measures for its speedy revival has opened various opportunities in the textile industries for the years to come.

While the major threats to the textile industry included the growing competition from Asian countries like Pakistan, China and Bangladesh.

**RISKS AND CONCERNS:**

Textile industry is a highly labour-intensive industry. Volatility in cotton prices and rising labour costs and power costs are prominent risks that the industry is witnessing.

The company is making all efforts to cope up with the challenges through continuous cost reduction, human resource development, process



improvements and improved customer services to mitigate the growing cost pressure.

**FUTURE OUTLOOK :**

India's key assets include a large and low-cost labor force, sizeable supply of fabrics, sufficiently in raw material and spinning capacities. On the basis of these strengths, India will become a major outsourcing hub for foreign manufacturers and retailers, with composite mills and large integrated firms being their preferred partners. In view of this, the company proposes to enhance its exports and, marketing strategies, introduce integrated human resource development and technological upgradation.

**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 for Industrial relations has resulted in a peaceful and harmonious situation in the Company.

The Company firmly believes that intellectual capital and human resources is the backbone of the Company's success.

**CAUTIONARY STATEMENT :**

This Management Discussion and Analysis statements of the Annual Report has been included in adherence to the spirit enunciated in

the code of corporate governance approved by the Securities and Exchange Board of India. Statement in the Management Discussion and Analysis describing 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 otherwise. 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**

**Place : Ahmedabad**

**Date : 23<sup>rd</sup> July, 2013**

**ANNEXURE – A TO DIRECTORS REPORT**

**STATEMENT PURSUANT TO SECTION 217 (1) (E) OF THE COMPANIES ACT,, 1956 AND THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FORMING POART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

<b>A CONVERSATION OF ENERGY</b>	<b>2012-2013</b>	<b>2011-2012</b>
1. The Company endeavours to conserve energy wherever possible		
Power and Fuel Consumption :		
Purchased Units (KHW '000)	5032	4735
Total Cost	319.03	258.76
Rate per Unit (Rupees)	6.34	5.46
Consumption in Units (Per unit of production)	0.255	0.245
2. Coal and Wooden Dust		
Quantity Consumed (M.T)	13195	13472
Total Cost (Rs. In Lacs)	485.93	462.06
Rate per M.T (Rupees)	3682.75	3429.75
Consumption in Kgs. (Per unit of production)	0.669	0.697
<b>B. TECHNOLOGY ABSORPTION</b>		
The Company does not use any imported technology in its manufacturing operations	NIL	NIL
<b>C. FOREIGN EXCHANGE EARNINGS AND OUT GO :</b>	NIL	NIL
I) Total Foreign Exchange Used	1,47,31,125	81,39,810
II) Total Foreign Exchange Earned (on F.O.B basis)	NIL	NIL

**FOR AND ON BEHALF OF THE BOARD**

**Place : Ahmedabad**  
**Date : 23<sup>rd</sup> July, 2013**

**(SUNIL R. AGARWAL)**  
**CHAIRMAN AND MANAGING DIRECTOR**



## REPORT ON CORPORATE GOVERNANCE

**[Pursuant to clause 49 of the listing agreement]**

### 1. Corporate Governance

The principal characteristics of corporate governance are Transparency, Independence, Accountability, Responsibility, Fairness, and Social Responsibility. Corporate Governance pertains to system of blending law, regulations and voluntary practices, which enable the company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while respecting interests of other stakeholders and the society as a whole.

It aims to assure the shareholders that it is "Your Company" and it belongs to you. The Chairman and Board of Directors are your fiduciaries and trustees pushing the business forward in maximizing long term value for its shareholders. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in Clause 49 for the financial year 2012-13.

### 2. Company's Philosophy on Corporate Governance

The fundamental approach to corporate governance is to ensure the condition that Board of Directors and managers act in the interest of the Company. The implementation of good corporate governance leads to increase in the long term value of the shareholders and also in the enhancement of the interest of the other stakeholders. The Company is led by the chairman and the managing director who are responsible for implementing the broad policies and guidelines.

Your Company has followed all the mandatory requirement of clause 49 of Listing Agreement with spirit of corporate governance and looking forward positively to follow non mandatory provisions. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over sustained period of time.

#### Board of Directors

As on 31.03.2013 the Board of Directors consists was comprising of Six Directors.

#### A. Composition of Board of Directors :

Name of the Director	Category of Directorships	No. of Directorships in other Companies	No. of Board committee of which Member/ Chairman
Mr. Sunil R. Agarwal	Executive & Non-independent	1	NIL
Mr. Yash S. Agarwal	Executive & Non-Independent	1	NIL
Mr. Hardik S. Agarwal	Executive & Non-independent	1	NIL
Mr. Samir Sheth	Non-executive & Independent	NIL	NIL
Mr. Kamal Patel	Non-executive & Independent	NIL	NIL
Mr. Mangesh H. Agarwal	Non-executive & Independent	NIL	NIL

**B. Attendance of each director at the Board Meeting, Last Annual General Meeting:**

Seven Board meetings were held during the financial year 2012-2013. The Composition of Directors and the attendance at the Board meeting during the year 2012-2013 and Last Annual General meeting:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at Last AGM
Mr. Sunil R. Agarwal	Chairman and Managing Director	7	Y
Mr. Yash S. Agarwal	Director	7	Y
Mr. Hardik S. Agarwal	Director	7	Y
Mr. Samir Sheth	Director	7	Y
Mr. Kamal Patel	Director	7	Y
Mr. Mangesh H. Agarwal	Director	7	Y

**C. Number of Board meetings held during the financial year and dates of Board meetings**

Board Meeting	Date
1	30 <sup>th</sup> May, 2012
2	21 <sup>st</sup> June, 2012
3	13 <sup>th</sup> August, 2012
4	9 <sup>th</sup> November, 2012

Board Meeting	Date
5	18 <sup>th</sup> January, 2013
6	30 <sup>th</sup> January, 2013
7	29 <sup>th</sup> March, 2013

**AUDIT COMMITTEE**

The Current Audit Committee, comprising three Directors, all being Non-Executive Directors and all 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 Board of the Company has constituted an Audit Committee, comprising following directors.

Name	Designation	Non Executive / Independent	Committee Meetings Attended	No. of meeting held
Mr. Mangesh Agarwal	Chairman	Independent & Non-Executive	4	4
Mr. Kamal Patel	Member	Independent & Non-Executive	4	4
Mr. Samir Sheth	Member	Independent & Non-Executive	4	4



- B. The term of reference stipulated by the board to the Audit Committee are, as contained in clause 49 of the Listing agreement and Section 292A of the Companies Act, 1956, as follows:**
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  - Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
  - Reviewing with management the annual financial statements before submission to the board, focusing primarily on; (a) Any changes in accounting policies and practices, (b) Major accounting entries based on exercise of judgment by management, (c) Qualifications in draft audit report (d) Significant adjustments arising out of audit (e) The going concern assumption, (f) Compliance with accounting standards, (g) Compliance with stock exchange and legal requirements concerning financial statements, (h) Any related party transactions.
  - Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with internal auditors any significant findings and follow up there on.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - Reviewing the company's financial and risk management policies.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- C. Number of Audit Committee meetings held during the financial year 2012-13 and dates of the meetings:**

Board Meeting	Date	Board Meeting	Date
1	30/05/2012	4	30/01/2013
2	13/08/2012		
3	09/11/2012		

**REMUNERATION COMMITTEE**

- A. The composition of the Remuneration Committee and the details of the meetings attended by the Directors are given below:**

Name	Designation	Non-executive / Independent
Mr. Mangesh Agarwal	Chairman	Independent & Non-Executive
Mr. Samir Sheth	Member	Independent & Non-Executive
Mr. Kamal Patel	Member	Independent & Non-Executive

- B. The Broad terms of reference of the Remuneration Committee are as follows:**

- Review the performance of the Managing Director after considering the Company's performance.
- Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director.
- Finalize the perquisites package of the Managing Director within the overall ceiling fixed by the Board.
- Recommend to the Board, retirement benefits to be paid to the Managing Director and Whole-time Directors.

No sitting fee is payable to the executive, non executive and managing director.

- C. The details of remuneration paid/payable to the directors for the year 2012-2013**

Name of the Director	Salary & Perquisites Amount (Rs.)	Commission Amount (Rs.)	Total Amount (Rs.)
Mr. Sunil Agarwal	24,00,000	—	24,00,000

\* One Meeting of Remuneration Committee was held on 30/05/2012.

\* The company has no employee stock option scheme in force at present.

**SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**

- A. The Board of the Company has constituted a shareholder'/Investors' Grievance Committee, comprising of following Members:**

Name	Designation	Non Executive/ Independent	No. of Committee Meetings Attended
Mr. Mangesh Agarwal	Chairman	Independent & Non-Executive	4
Mr. Samir Sheth	Member	Independent & Non-Executive	4
Mr. Kamal Patel	Member	Independent & Non-Executive	4

- B. The terms of reference of the Shareholders'/ Investors' grievance committee are as follows:**

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



shareholders' complaints like transfers 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 Board of Directors has delegated the power of approving transfer of securities to Registrar & Share Transfer Agent. The committee reviews the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services.

**C. Number of Audit Committee meetings held during the financial year 2012-13 and dates of the meetings:**

Board Meeting	Date	Board Meeting	Date
1	30/05/2012	4	30/01/2013
2	13/08/2012		
3	09/11/2012		

**CFO Certification**

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

- (a) he has 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.

**General Body Meetings**

Details of three Annual General Meeting

Year	Date	Time	Venue
2009-10	30/09/2010	4.00 P.M.	Agrawal Kashiram Bhavan, Ambawadi, Ahmedabad-15.
2010-11	30/09/2011	4.00 P.M.	Agrawal Kashiram Bhavan, Ambawadi, Ahmedabad-15.
2011-12	28/09/2012	11.00 A.M.	Rakhial Road, Rakhial, Ahmedabad-23

- No postal ballot was conducted during the year.

**NOTE ON DIRECTORS APPOINTMENT/RE-APPOINTMENT**

Shri Sunil R. Agrawal and Shri Samir R. Sheth Directors of the Company is retiring by rotation at the ensuing AGM and are eligible, offer themselves for reappointment.

**DISCLOSURES**

- (a) No transaction of material nature has been entered into by the Company with the directors or the management and their relatives 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 at Note No. 2.32 of Notes forming Part of Financial Statements. 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 Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:

No such imposition of penalty.

**MEANS OF COMMUNICATIONS**

The Company has regularly published its quarterly, half yearly & 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](http://www.raghuvir.com)

The Management Discussion and Analysis Report is form part of the Report.

**GENERAL SHAREHOLDERS INFORMATION**

- a) Annual General Meeting- Date, Time & Venue : 30th September, 2013 at 11.00 a.m. at Rakhial Road, Rakhial, Ahmedabad - 380023.



**b) Financial Calendar**

Annual General Meeting	30th September, 2013
Unaudited Financial Results for the Quarter Ending June 30, 2013	By 14 <sup>th</sup> August, 2013
Unaudited results for the quarter ending September 30, 2013	By 15 <sup>th</sup> November, 2013
Unaudited results for the quarter ending December 31, 2013	By 15 <sup>th</sup> February, 2014
Audited Result for the Quarter & year ending on March 31, 2014,	By 30 <sup>th</sup> May, 2014

c) Date of Book Closure: 24th September, 2013 to 30th September, 2013  
(Both days inclusive)

d) Dividend: Nil

e) Listing at following Stock Exchanges:

- \* Ahmedabad Stock Exchange
- \* Bombay Stock Exchange
- \* Kolkata Stock Exchange

f) Listing Fees:

The Company has been regular in paying the listing fees to the Ahmedabad and Bombay stock exchanges, but not for the Kolkata Stock Exchange.

g) Scrip Code: ASE-47800, BSE-514316

h) ISIN: INE969C01014

i) Market Price Data:

The Stock Market Price Data of Trading of Equity Shares of the company at Bombay Stock Exchange for the period from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013:

Month	Bombay Stock Exchange	
	High	Low
April, 2012	27.70	21.40
May, 2012	30.40	19.75
June, 2012	27.80	20.65
July, 2012	29.80	16.60
August, 2012	16.35	13.50
September, 2012	13.77	12.75
October, 2012	13.62	12.60
November, 2012	14.81	12.00
December, 2012	15.23	13.80
January, 2013	16.45	12.45
February, 2013	16.00	12.75
March, 2013	14.17	12.50

- j) Registrar for Electronic & Physical Mode:  
**M/s. Sharepro Services (INDIA) Pvt. Ltd.**  
 416-420, 4th Floor, Devnandan Mall,  
 Opp. Sanyas Ashram,  
 Ellisbridge, Ahmedabad - 380 006

- k) Name of Compliance Officer : Mr. Kirit Patadia

**SHARE HOLDING PATTERN AS ON 31ST MARCH, 2013**

Sr. No.	Category	No. of Shares Held	% of Share holding
1.	Promoters	2591579	66.88
2.	Mutual Fund and UTI	0	0.00
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Government Institution)	0	0.00
4.	Foreign Institutional Investors	0	0.00
5.	Private Corporate Bodies	91816	2.37
6.	Indian Public	1191345	30.74
7.	NRIs/OCBs	260	0.01
8.	GDR	0	0.00
9.	Clearing Member	0	0.00
	<b>Grand Total :</b>	<b>3875000</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013**

No. of Shares	No. of Holders	No. of Shares	Total No. of Holder %	Total No. of Shares %
1 to 500	4474	651280	93.189	16.81
501 to 1000	202	181637	4.207	4.69
1001 to 2000	66	103596	1.375	2.67
2001 to 3000	23	56519	0.479	1.46
3001 to 4000	14	51166	0.292	1.33
4001 to 5000	3	13438	0.062	0.35
5001 to 10000	9	59620	0.187	1.54
10001 to 20000	3	45619	0.062	1.18
20001 and above	7	2712125	0.142	69.97
<b>TOTAL</b>	<b>4801</b>	<b>3875000</b>	<b>100.00</b>	<b>100.00</b>

**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 Depositories Services (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.

**Registered Office Address for Correspondence**

Raghuvir Synthetics Limited  
 Nr.Gujarat Bottling, Rakhial Road,  
 Rakhial, Ahmedabad-380 023.  
 Phone : 079-22191015      Fax : 079-22911912

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

TO  
THE MEMBERS,  
RAGHUVIR SYNTHETICS LIMITED  
AHMEDABAD

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 31<sup>ST</sup> MARCH, 2013, COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY LAID DOWN FOR THEM.

ON BEHALF OF THE BOARD

Place : Ahmedabad  
Date : 23<sup>rd</sup> July, 2013

SUNIL RAGHUVIRPRASAD AGARWAL  
CHAIRMAN AND MANAGING DIRECTOR



# **CERTIFICATE**

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 31<sup>st</sup> 2013 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 : 23<sup>rd</sup> July, 2013**

**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 : 23<sup>rd</sup> July, 2013**

# **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, 2013 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 7 (seven) times on 30/05/2012, 21/06/2012, 13/08/2012, 09/11/2012, 18/01/2013, 30/01/2013, 29/03/2013 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 22<sup>nd</sup> September, 2012 to 28<sup>th</sup> September, 2012 during the Financial Year under review.
6. The Annual General Meeting for the financial year ended on 31/03/2012 was held on 28/09/2012 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 under review.



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 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 within the stipulated period. There was no allotment of securities during the financial year under review.  
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the previous financial year.  
(iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the previous 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 was no appointment of additional Directors, alternate Directors and Directors to fill casual vacancy during the financial year under review.
15. The Company had re-appointed Mr. Sunil R. Agarwal, as Managing Director on 15.05.2011 and the same was ratified by shareholders of the Company by way of Special resolution passed at the Annual General Meeting held on 28/09/2012.
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 during the financial year under review.

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**FOR RAJESH PAREKH & CO.**  
**Company Secretary**

PLACE : AHMEDABAD  
DATE : 23.07.2013

**RAJESH PAREKH**  
PROPRIETOR  
CP. NO. : 2939  
M. NO. : 8073

**Annexure - 'A'**

**Statutory and Other Registers maintained by the Company :**

1. Register of Directions u/s. 303
2. Register of Members u/s. 154
3. Register of Share Transfer.
4. Minutes Book of the Board of Directors Meeting and General Meeting of the Company.
5. Register of Director's Shareholding u/s. 307
6. Register of Contracts u/s. 301
7. Register of Charges u/s. 125
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 31/03/2013.

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 66	383A	Compliance Certificate 2011-12	21/11/2012	YES	N.A
2.	Form 8	125/127	Modification of Charge	21/11/2012	YES	N.A
3.	Form 20B	159	Annual Return 2011-12	30/11/2012	NO	YES
4.	Form 66	383A	Compliance Certificate 2011-12 (Revised)	30/11/2012	NO	YES
5.	Form 23AC & ACA(XBRL)	220	Balance Sheet 2011-12	07/01/2013	YES	N.A
6.	Form 8	125/127	Modification of Charge	04/02/2013	YES	N.A
7.	Form 23	192	Resolution for increase in Remuneration	27/10/2012	NO	YES
8.	Form 23B	224(1A)	Auditor Appointment 2012-13	02/11/2012	Yes	N.A.
9.	Form 1-XBRL	233B	Cost Auditor compliance report-11-12	31/01/2013	N.A.	N.A.

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
**RAGHUVIR SYNTHETICS LIMITED**  
Ahmedabad.

**Report on the Financial Statements**

We have audited the accompanying financial statements of **RAGHUVIR SYNTHETICS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (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 the Cash Flow Statement, of the cash flows for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company 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.
  - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**ROHIT K. CHOKSI**  
*Partner*  
 Mem. No. 31103

Place : Ahmedabad  
 Date : 30<sup>th</sup> May, 2013



**ANNEXURE TO THE AUDITORS' REPORT****(Referred to in our Report of even date to the members of Raghuvir Synthetics Limited)**

- 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 31<sup>st</sup> March 2013.*  
 (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. 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) According to 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 u/s.301 of the Companies Act, 1956. Accordingly clauses 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.  
 (b) According to information and explanations given to us, the company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company in respect of these areas.
- 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.  
 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.
- 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, value added 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 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March, 2013 on account of any dispute are as under:

Name the Statute	Nature of dues	Financial year to which the matter pertains	Forum where the matter is pending	Amount (Rs. in lacs)
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  
Membership No. 31103

Place : Ahmedabad.  
Date : 30<sup>th</sup> May, 2013

## BALANCE SHEET AS AT 31ST MARCH, 2013

[Amount in Rs.]

Particulars	Notes	As at 31st March, 2013	As at 31st March, 2012
<b>Equity and Liabilities</b>			
<b>Shareholders' Fund</b>			
Share Capital	2.1	3 85 41 000	3 85 41 000
Reserves and Surplus	2.2	11 24 65 398	8 22 48 581
		<u>15 10 06 398</u>	<u>12 07 89 581</u>
<b>Non-Current liabilities</b>			
Long term borrowings	2.3	1 49 02 464	85 16 672
Deferred tax liabilities (Net)	2.4	1 04 96 788	1 60 76 058
Long term provisions	2.5	9 18 992	10 07 438
		<u>2 63 18 244</u>	<u>2 56 00 168</u>
<b>Current liabilities</b>			
Short term borrowings	2.6	17 03 099	17 50 801
Trade payables	2.7	4 32 19 530	10 52 13 380
Other current liabilities	2.8	2 79 59 751	1 36 51 101
Short term provisions	2.9	1 81 148	69 533
		<u>7 30 63 528</u>	<u>12 06 84 815</u>
<b>Total</b>		<u>25 03 88 170</u>	<u>26 70 74 564</u>
<b>Assets</b>			
<b>Non-Current assets</b>			
Fixed assets	2.10		
Tangible assets		15 11 38 955	17 35 81 551
Capital work-in-progress		2 19 78 360	9 57 150
		<u>17 31 17 315</u>	<u>17 45 38 701</u>
Non-current investments	2.11	4 000	55 04 000
Long term loans and advances	2.12	97 90 025	76 73 064
<b>Current Assets</b>			
Inventories	2.13	1 57 94 227	1 03 84 908
Trade receivables	2.14	36 90 830	4 50 04 811
Cash & cash equivalents	2.15	17 97 685	33 54 438
Short term - Loans & advances	2.16	58 62 896	50 09 081
Other current assets	2.17	4 03 31 192	1 56 05 561
		<u>6 74 76 830</u>	<u>7 93 58 799</u>
<b>Total :</b>		<u>25 03 88 170</u>	<u>26 70 74 564</u>
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.**  
**CHARTERED ACCOUNTANTS**  
 [Firm Registration No. 101895W]

**ROHIT K. CHOKSI**  
 PARTNER

**PLACE : AHMEDABAD**  
**Date : 30th May, 2013**

**FOR AND ON BEHALF OF THE BOARD**

**SUNIL R. AGARWAL** CHAIRMAN &  
 MANAGING DIRECTOR  
**YASH S. AGARWAL** DIRECTOR  
**HARDIK S. AGARWAL** DIRECTOR

**PLACE : AHMEDABAD**  
**Date : 30th May, 2013**



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

[Amount in Rs.]

Particulars	Notes	2012-2013	2011-2012
<b>Income</b>			
Revenue from operations	2.18	50 08 63 947	44 08 28 967
Other Income	2.19	4 52 23 741	28 83 882
<b>Total Revenue</b>		<u>54 60 87 688</u>	<u>44 37 12 849</u>
<b>Expenses</b>			
Cost of materials consumed	2.20	29 79 97 370	24 21 69 522
Purchase of Stock-in-Trade	2.21	12 64 291	6 73 609
Changes in Inventories	2.22	3 51 187	8 77 042
Operating Expenses	2.23	14 36 77 825	13 29 33 752
Employee benefits expenses	2.24	1 56 20 341	1 35 79 505
Finance costs	2.25	13 38 777	13 66 426
Depreciation		3 49 83 643	3 61 02 390
Other expenses	2.26	1 76 06 210	1 22 76 151
		<u>51 28 39 644</u>	<u>43 99 78 397</u>
<b>Profit before Tax</b>		3 32 48 044	37 34 452
Tax Expenses			67 87 077
Current Tax	2.27	86 10 497	
Deferred Tax		( 55 79 270)	( 47 72 419)
		<u>30 31 227</u>	<u>20 14 658</u>
<b>Profit carried to Balance sheet</b>		<u>3 02 16 817</u>	<u>17 19 794</u>
Earnings per equity share:			
Basic and diluted		7.80	0.44
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of Financial Statements</b>	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.  
CHARTERED ACCOUNTANTS  
[Firm Registration No. 101895W]

ROHIT K. CHOKSI  
PARTNER

FOR AND ON BEHALF OF THE BOARD

SUNIL R. AGARWAL

CHAIRMAN &  
MANAGING DIRECTOR

YASH S. AGARWAL  
HARDIK S. AGARWAL

DIRECTOR  
DIRECTOR

PLACE : AHMEDABAD

Date : 30th May, 2013

PLACE : AHMEDABAD  
Date : 30th May, 2013

## Cash Flow Statement for the year ended 31st March, 2013

[Amount in Rs.]

Particulars	2012-2013	2011-2012
<b>A. Cash flow from operating activities:</b>		
Profit/(Loss) for the year before taxation and exceptional items	3 32 48 044	37 34 452
<b>Adjustments for</b>		
Excess provision for Income Tax written back	( 26 64 081)	( 3 47 358)
Depreciation and Amortization	3 49 83 643	3 61 02 391
Loss on asset discarded / sale of fixed asset	10 04 623	2 60 837
Profit on sale of Investments	4 00 00 000	0
Profit on sale of Fixed Assets	0	( 5 28 078)
Interest Income	( 17 14 658)	( 6 55 435)
Interest Expenses	13 38 777	13 66 426
Dividend Income	52 116	12 50 000
Operating profit before working capital changes	10 62 48 464	4 11 83 235
<b>Adjustments for :</b>		
Inventories	( 54 09 319)	( 9 51 279)
Trade Receivable	4 13 13 981	(2 01 88 032)
Long Term Loans & Advances and Deposits	( 21 16 961)	( 12 67 809)
Long Term Provision	88 446	1 87 851
Trade payables	(6 19 93 850)	1 58 90 726
Cash generated from operations	7 81 30 761	3 48 54 692
Direct taxes Refund/(paid)	9 39 33 680	75 65 423
Net cash from operating activities <b>[A]</b>	<b>(1 58 02 919)</b>	<b>2 72 89 269</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(3 80 06 393)	(1 16 98 406)
Sale of Fixed Assets	7 50 000	14 00 000
Interest received	18 69 167	4 10 626
Net cash used in investing activities <b>[B]</b>	<b>(3 53 87 226)</b>	<b>( 98 87 780)</b>
<b>C. Cash flow from financing activities</b>		
Procurement/(Repayment) of long/ short term borrowings	55 24 285	(1 19 25 282)
Sale of Investment	4 55 00 000	0
Interest paid	( 13 38 777)	( 13 66 426)
Dividend Income	( 52 116)	( 12 50 000)
Net cash flow from financial activities <b>[C]</b>	<b>4 96 33 392</b>	<b>(1 45 41 708)</b>
Net Increase/(Decrease) in cash and cash equivalents		
<b>Total : [A+B+C]</b>	<b>(15 56 753)</b>	<b>28 59 781</b>
<b>Cash and cash equivalents opening</b>	<b>33 54 438</b>	<b>4 94 657</b>
<b>Cash and cash equivalents closing</b>	<b>17 97 685</b>	<b>33 54 438</b>

## 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.

As per our attached Report of even date

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

**ROHIT K. CHOKSI**  
**PARTNER**

**PLACE : AHMEDABAD**  
**Date : 30th May, 2013**

FOR AND ON BEHALF OF THE BOARD

**SUNIL R. AGARWAL** CHAIRMAN &  
**MANAGING DIRECTOR**  
**YASH S. AGARWAL** DIRECTOR  
**HARDIK S. AGARWAL** DIRECTOR

**PLACE : AHMEDABAD**  
**Date : 30th May, 2013**





**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 in accordance with AS-15 (Revised). The cost of non accumulating short term compensated absences with vesting rights are provided for as computed by the company.

**(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 per 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 Financial Statements

2.1 Share Capital

Particulars	[Amount in Rs.]	
	As at 31st March, 2013	As at 31st March, 2012
(a) <b>Authorised</b> 10000000 (P.Y.10000000) Equity Shares of Rs. 10/- each	10 00 00 000	10 00 00 000
(b) <b>Issued</b> 3875000 (P.Y. 3875000) Equity Shares of Rs. 10/- each fully paid up	3 87 50 000	3 87 50 000
(c) <b>Subscribed and fully paid-up</b> 3875000 (P.Y. 3875000) Equity Shares of Rs. 10/- each fully paid up	3 87 50 000 2 09 000	3 87 50 000 2 09 000
<b>Less: Calls in Arrears</b>	<u>3 85 41 000</u>	<u>3 85 41 000</u>

**Note :**

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

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

(d) **Reconciliation of number of shares**

Particulars	Number of Equity Shares	
	2012-2013	2011-2012
<b>At the beginning of the year</b>	38 75 000	38 75 000
<b>Add : Issued during the year</b>	0	0
<b>As the end of the year</b>	<u>38 75 000</u>	<u>38 75 000</u>

(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:

- (i) 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 a proxy 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,
- (ii) 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.
- (iii) 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 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Sunil Agarwal	9 05 003	8 87 400	23.35	22.90
Pamita Agarwal	8 72 546	8 72 546	22.52	22.52
Yash Agarwal	4 39 203	4 39 203	11.33	11.33
Hardik Agarwal	3 74 827	3 74 827	9.67	9.67

## 2.2 Reserves and surplus

[Amount in Rs.]

Particulars	As at 31st March, 2013	As at 31st March, 2012
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
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance as per previous financial statements	4 56 99 794	4 39 80 000
Add : Profit for the year	3 02 16 817	17 19 794
Balance available for appropriation	7 59 16 611	4 56 99 794
Less : Appropriations	0	0
<b>Net Surplus / (Deficit)</b>	7 59 16 611	4 56 99 794
	11 24 65 398	8 22 48 581

## 2.3 Long term borrowings

Particulars	Non-current portion		Current maturities	
	2012-2013	2011-2012	2012-2013	2011-2012
Secured				
Term Loan				
HDFC BANK Term Loan -I	65 399	77 38 211	76 72 812	1 14 16 728
HDFC BANK Term Loan -II	1 42 09 829	0	29 89 020	0
HDFC BANK Term Loan -III	6 27 236	0	6 23 488	0
	1 49 02 464	77 38 211	1 12 85 320	1 14 16 728
Vehicle Loan				
HDFC BANK	0	0	0	0
HDFC BANK	0	92 066	92 066	1 70 796
HDFC BANK	0	6 86 395	6 86 395	12 90 062
	0	7 78 461	7 78 461	14 60 858
	1 49 02 464	85 16 672	1 20 63 781	1 28 77 586

## Nature of Security

- 1 The term loan amounting to Rs. 1,84,49,573/- (P.Y. Rs. NIL) 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 Synthetics Ltd. and personal guarantee of directors.
- 2 The term loans amounting to Rs. 77,38,211/- (P.Y. Rs. 1,91,54,938/-) 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.
- 3 The Vehicle loans amounting to Rs. 7,78,461/- (P.Y. Rs. 22,39,320/-) 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. 92,066/- (P.Y. Rs. 2,82,862/-) 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. 6,86,395/- (P.Y. Rs. 19,76,458/-) 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%)

**2.4 Deferred tax liabilities (Net)**

[Amount in Rs.]

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Deferred Tax Liabilities</b>		
Difference of book depreciation and tax depreciation	1 06 61 502	1 62 57 042
<b>Deferred Tax Assets</b>		
Disallowance u/s. 43(b) under income tax act, 1961	1 64 714	1 80 984
<b>Net Deferred Tax Liability / (Asset)</b>	<u>1 04 96 788</u>	<u>1 60 76 058</u>

**2.5 Long term provisions**

[Amount in Rs.]

Particulars	As at 31st March, 2013	As at 31st March, 2012
For Employee Benefits	10 52 359	10 45 603
Gratuity		
Less : Short term provisions	1 33 367	38 165
Gratuity	<u>9 18 992</u>	<u>10 07 438</u>

**2.6 Short term borrowings**

[Amount in Rs.]

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Loans repayable on demand</b>		
<b>Secured</b>		
From Banks	17 03 099	17 50 801
IDBI F.D / O.D A/c	<u>17 03 099</u>	<u>17 50 801</u>

**Nature of Security**
**Secured**

The Working Capital Loans from IDBI bank amounting to Rs. 17,03,099/- (P.Y. Rs. 17,50,801/-) are against lien of fixed deposits.

**2.7 Trade payables**

[Amount in Rs.]

Particulars	As at	As at
	31st March, 2013	31st March, 2012
For Goods and Services	4 32 19 530	10 52 13 380
	<u>4 32 19 530</u>	<u>10 52 13 380</u>

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as of the year end together with interest paid / payable under this Act has not been given

Amount payable to related parties, directors and officers Rs. 2,12,133 /- (P.Y. Rs. 64,548/-).

**2.8 Other current liabilities**

[Amount in Rs.]

Particulars	As at	As at
	31st March, 2013	31st March, 2012
Current Maturities of Long Term Debt	1 20 63 781	1 28 77 586
Advances from customers	1 48 80 222	0
Other Payables	10 15 748	7 73 515
	<u>2 79 59 751</u>	<u>1 36 51 101</u>

**2.9 Short term provisions**

[Amount in Rs.]

Particulars	As at	As at
	31st March, 2013	31st March, 2012
Provision for Employee Benefits		
Gratuity	1 33 367	38 165
Bonus	35 781	31 368
Provision for Wealth Tax	12 000	0
	<u>1 81 148</u>	<u>69 533</u>

**2.10 Tangible Assets**

[Amount in Rs.]

Description of Assets	GROSS BLOCK AT COST				DEPRECIATION / AMORTISATION				NET BOOK VALUE	
	As at April 01, 2012	Additions during the year	Deletions/ Adjustment during the year	As at March 31, 2013	Up to March 31, 2012	For the year	Deletions/ Adjustment during the year	Up to March 31, 2013	As at March 31, 2013	As at March 31, 2012
Land	1 12 476	2 96 635	0	4 09 111	0	0	0	0	4 09 111	1 12 476
Building										
Factory Building	1 58 70 544	46 000	0	1 59 16 544	60 72 179	4 71 140	0	65 43 319	93 73 225	97 98 366
Plant & Machinery	39 34 33 571	1 63 01 897	1 28 58 256	39 68 77 212	25 41 72 818	3 37 69 460	97 73 742	27 81 68 636	11 87 08 676	13 94 65 797
Furniture & Fixture	6 91 714	0	0	6 91 714	3 36 165	43 786	0	3 79 961	3 11 763	3 55 549
Office Equipments	15 76 280	2 45 699	0	16 21 979	7 87 065	69 337	0	8 56 402	9 65 577	5 84 168
Computer	22 28 454	94 952	0	23 23 406	19 85 272	52 958	0	20 38 230	2 86 176	2 43 181
Vehicle	68 70 577	0	17 61 077	51 09 500	13 55 564	5 76 962	7 26 453	12 06 073	39 03 427	55 15 014
<b>Total :</b>	<b>42 07 83 616</b>	<b>1 69 85 183</b>	<b>1 46 19 333</b>	<b>42 31 49 466</b>	<b>26 47 09 063</b>	<b>3 49 83 643</b>	<b>1 05 00 195</b>	<b>28 91 92 511</b>	<b>13 39 66 956</b>	<b>15 60 74 551</b>
Asset retired from active use	1 75 07 000	3 95 000	7 20 000	1 71 82 000	0	0	0	0	1 71 82 000	1 75 07 000
<b>Total :</b>	<b>43 82 90 616</b>	<b>1 73 80 183</b>	<b>1 53 39 333</b>	<b>44 03 31 466</b>	<b>26 47 09 063</b>	<b>3 49 83 643</b>	<b>1 05 00 195</b>	<b>28 91 92 511</b>	<b>15 11 38 956</b>	<b>17 35 81 551</b>
Capital Work in progress	9 57 150	2 10 21 210	0	2 19 76 360	0	0	0	0	2 19 76 360	9 57 150
<b>Total :</b>	<b>43 92 47 766</b>	<b>3 84 01 393</b>	<b>1 53 39 333</b>	<b>46 23 09 826</b>	<b>26 47 09 063</b>	<b>3 49 83 643</b>	<b>1 05 00 195</b>	<b>28 91 92 511</b>	<b>17 31 17 316</b>	<b>17 45 38 701</b>
<b>Previous Year</b>	<b>43 47 42 051</b>	<b>1 16 98 405</b>	<b>71 92 694</b>	<b>43 92 47 762</b>	<b>23 46 66 605</b>	<b>3 61 02 390</b>	<b>60 59 935</b>	<b>26 47 09 061</b>	<b>17 45 38 701</b>	





**2.11 Non current investments**

	[Amount in Rs.]	
	As at 31st March, 2013	As at 31st March, 2012
<b>Particulars</b>		
<b>Trade, Unquoted</b>		
<b>Investments In Equity Instruments</b>		
<b>In Associate Company</b>		
5 00 000 (P.Y. 5 00 000) Equity Shares of Rs. 10/- each fully paid-up of Raghuvir Exim Ltd.	0	50 00 000
<b>Others</b>		
400 (P.Y. 400) Equity Shares of Rs. 10/- each fully paid-up of The South Eastern Roadways Ltd.	4 000	4 000
<b>Others Investment (Unquoted) :</b>		
<b>In mutual Funds</b>	0	5 00 000
SBI Blue Chip Fund		
50 000 (P.Y. 50 000) Units of Rs. 10/- each		
NAV Rs. NIL (P.Y. Rs. 16) per unit		
	<u>4 000</u>	<u>55 04 000</u>

**2.12 Long term loans and advances**  
(Unsecured, considered good unless otherwise stated)

	[Amount in Rs.]	
	As at 31st March, 2013	As at 31st March, 2012
<b>Particulars</b>		
Advance Tax ( Net of Provisions)	65 60 525	44 36 564
Deposits	32 29 500	32 36 500
	<u>97 90 025</u>	<u>76 73 064</u>

**2.13 Inventories**

	[Amount in Rs.]	
	As at 31st March, 2013	As at 31st March, 2012
<b>Particulars</b>		
(As taken, valued and certified by the Management)	0	20 144
Raw Materials	12 600	1 56 268
Stock in Process	1 40 842	3 23 361
Finished Goods	1 65 112	2 21 470
Packing Materials	1 54 25 673	95 88 665
Stores, Spares & Consumables	50 000	75 000
Scrap/Waste Materials	<u>1 57 94 227</u>	<u>1 03 84 908</u>

**2.14 Trade Receivable**

	[Amount in Rs.]	
	As at 31st March, 2013	As at 31st March, 2012
<b>Particulars</b>		
Debts outstanding for the period exceeding six months	3 18 135	11 68 746
Unsecured, Considered good		
Others	33 72 695	4 38 36 065
Unsecured, Considered good	<u>36 90 830</u>	<u>4 50 04 811</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	2 97 38 218



**2.15 Cash and Cash Equivalents**

Particulars	[Amount in Rs.]	
	As at 31st March, 2013	As at 31st March, 2012
Balances with scheduled banks		
Current / Cash Credit accounts	15 70 861	31 84 989
Cash in hand	2 26 824	1 69 449
	<u>17 97 685</u>	<u>33 54 438</u>

**2.16 Short-term loans and advances**

Particulars	[Amount in Rs.]	
	As at 31st March, 2013	As at 31st March, 2012
Advances to Employees	62 943	1 84 000
Others		
Balances with revenue authorities	3 50 000	3 50 000
Prepaid Expenses	2 18 969	1 69 411
Other Recoverable	52 30 984	43 05 670
	<u>58 62 896</u>	<u>50 09 081</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**

Particulars	[Amount in Rs.]	
	As at 31st March, 2013	As at 31st March, 2012
Cost of Work in Progress (Job)	1 28 73 752	1 01 73 122
Interest accrued :		
On Fixed Deposits	4 50 299	6,04 808
Other Bank balances		
With maturity for more than 12 month	2 70 07 141	48 27 631
	<u>4 03 31 192</u>	<u>1 56 05 561</u>

**2.18 Revenue from operations**

Particulars	[Amount in Rs.]	
	2012-2013	2011-2012
<b>Sale of Product</b>		
<b>Manufactured goods</b>	18 52 374	11 15 079
<b>Traded goods</b>		
Grey Cloth	25 493	2 37 782
Processed Fabrics	11 01 654	8 94 600
	<u>29 79 521</u>	<u>22 47 461</u>
<b>Sale of Services</b>		
Processing Charges Received	49 78 84 426	43 85 81 506
(Net of Claims & Rate difference)	<u>50 08 63 947</u>	<u>44 08 28 967</u>

2.19 Other Income

[Amount in Rs.]

Particulars	2012-2013	2011-2012
Interest Income	17 14 658	6 55 435
From Bank	52 116	12 50 000
Dividend received	4 00 00 000	0
Profit on Sale of Investment		
Other Non-Operating Income	1 539	0
Foreign Exchange Fluctuation	75 765	3 47 358
Sundry Credit Balance Written Back	26 86 813	0
Excess Provision of Taxation written back	0	5 28 078
Profit on Sale of Fixed Assets	6 92 850	1 03 011
Sales of Waste	4 52 23 741	28 83 882

2.20 Cost of Material Consumed

[Amount in Rs.]

Particulars	2012-2013	2011-2012
	2 62 719	0
Raw Materials	29 77 34 651	24 21 69 522
Colours & Chemicals	29 79 97 370	24 21 69 522

2.21 Purchase of Stock-in-Trade

[Amount in Rs.]

Particulars	2012-2013	2011-2012
	12 64 291	6 73 609
Grey- Cloth	12 64 291	6 73 609

2.22 Changes in Inventories

[Amount in Rs.]

Particulars	2012-2013	2011-2012
Closing Stock	0	69 185
Finished Goods	1 40 842	2 54 176
Traded goods	12 600	1 56 268
W.I.P.	50 000	75 000
Stock of Scrap/ Waste materials	2 03 442	5 54 629
Opening Stock	69 185	9 22 145
Finished Goods	2 54 176	0
Traded goods	1 56 268	3 99 526
W.I.P.	75 000	1 10 000
Stock of Scrap/ Waste materials	5 54 629	14 31 671
Decrease / (Increase) in Inventories	3 51 187	8 77 042



## 2.23 Operating Expenses

[Amount in Rs.]

Particulars	2012-2013	2011-2012
<b>Power and Fuel</b>		
Electric Power	3 19 02 801	2 60 21 322
Fuel	27 870	3 624
Coal and Wooden Dust	4 85 93 835	4 62 40 680
	<u>8 05 24 506</u>	<u>7 22 65 626</u>
<b>Freight and Octroi</b>		
Stores	1 84 761	1 34 150
Grey Cloth	16 61 279	12 51 497
	<u>18 46 040</u>	<u>13 85 647</u>
Packing Material	2 75 18 638	2 33 36 489
<b>Repairs and Maintenance</b>		
Plant and Machinery	58 74 869	52 47 487
Electrical	17 10 909	16 60 417
Insurance charges	4 24 755	3 55 593
Stores, Spares & Other consumables	2 84 78 738	2 86 56 172
<b>Cost of Work In Progress (Job)</b>		
Closing	1 28 73 752	1 01 73 122
Less: Opening	1 01 73 122	1 01 99 443
	<u>( 27 00 630)</u>	<u>26 321</u>
	<u>14 36 77 825</u>	<u>13 29 33 752</u>

## 2.24 Employees Benefits Expenses

[Amount in Rs.]

Particulars	2012-2013	2011-2012
Salary, Wages and Bonus	1 43 56 288	1 27 33 243
Contribution to Provident and other funds	6 26 076	3 59 640
Staff Welfare and Training Expense	6 37 977	4 86 622
	<u>1 56 20 341</u>	<u>1 35 79 505</u>

## 2.25 Finance Cost

[Amount in Rs.]

Particulars	2012-2013	2011-2012
<b>Interest on:</b>		
Interest to HDFC (Term Loan)	7 14 521	8 71 871
Interest on (Car Loan)	1 35 141	2 55 578
Interest on Bank	1 44 801	1 86 808
	<u>9 94 463</u>	<u>13 14 257</u>
<b>Other Finance Cost</b>		
Bank charges	2 16 077	18 995
Bank Guarantee Commission	1 25 500	32 859
Interest to Other	2 737	315
	<u>3 44 314</u>	<u>52 169</u>
	<u>13 38 777</u>	<u>13 66 426</u>

2.26 Other expenses

[Amount in Rs.]

Particulars	2012-2013	2011-2012
General Repairs and Maintenance	6 80 662	5 53 906
Travelling Expenses	9 132	1 49 334
Donation	15 11 000	5 91 000
Fees and Legal Expenses	6 61 277	4 88 782
Selling and Distribution Expenses	50 56 587	50 64 133
Rent, Rates & Taxes	10 06 437	7 26 494
Auditors Remuneration	2 75 000	2 75 000
Keyman Insurance	25 00 000	0
Loss on discard of assets	22 31 164	0
Miscellaneous Expenses	36 74 951	44 27 502
	<u>1 76 06 210</u>	<u>1 22 76 151</u>
<b>Auditor's Remuneration is made of</b>		
Statutory Audit Fees	2 00 000	2 00 000
Tax Audit Fees	75 000	75 000
	<u>2 75 000</u>	<u>2 75 000</u>

2.27 Current Tax

[Amount in Rs.]

Particulars	2012-2013	2011-2012
Provision for current tax	85 00 000	55 00 000
Short Provision for Tax	1 10 497	12 87 077
	<u>86 10 497</u>	<u>67 87 077</u>



**2.28 Notes forming part of accounts**

[Amount in Rs.]

Particulars	2012-2013	2011-2012
1. Claims not acknowledged as debts-Excise Duty (See note no. 2.30)	—	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 Hon'ble High Court of Gujarat	3,00,000	3,00,000

- 2.29** (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. 6.25 lacs (March 31 2012: Rs. 3.60 Lacs) as expense towards contributions to these plans.

(b) Defined Contribution Benefit Plans (Gratuity)

The following table sets out the status of the gratuity plans as at 31<sup>st</sup> March, 2013.

Amount in Rs.]

Particulars	2012-2013	2011-2012
<b>Changes in the present value of obligation</b>		
Present value of obligation (Opening)	10,45,603	8,56,421
Interest cost	82,415	68,514
Past service cost	NIL	NIL
Current service cost	43,953	48,738
Curtailment Cost / (Gain)	NIL	NIL
Settlement Cost / (Gain)	NIL	NIL
Benefits paid	1,52,019	29,508
<b>Changes in the fair value of plan assets</b>		
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>		
<b>Reconciliation of the present value of defined benefit obligation and the fair value of assets</b>		
Present value of funded obligation as at the year end	NIL	NIL
Fair value of plan assets as at year end	NIL	NIL
Present value of unfunded obligation as at the year end	10,52,359	10,45,603
Unrecognized past service cost	NIL	NIL
Unrecognized Actuarial (Gain) / Loss	NIL	NIL
Unfunded net liability/(asset) recognized in the balance sheet	10,52,359	10,45,603
<b>Amount recognized in the balance sheet</b>		
Present value of obligation as at the year end	10,52,359	10,45,603
Fair value of plan assets as at the year end	NIL	NIL
(Asset)/Liability recognized in the balance sheet	10,52,359	10,45,603
<b>Expenses recognized in the Statement of profit &amp; loss</b>		
Current service cost	43,953	48,738
Past service cost	NIL	NIL
Interest cost	82,415	68,514
Expected return on plan assets	NIL	NIL
Curtailment Cost / (Credit)	NIL	NIL
Settlement Cost / (Credit)	NIL	NIL



Net Actuarial (Gain) / Loss	32,407	101,438
Employee's Contribution	NIL	NIL
Total expenses recognized in the profit & loss account	1,58,775	2,18,690
<b>Principal actuarial assumption</b>		
Rate of discounting	8.00%	8.50%
Expected return on plan assets	NIL	NIL
Rate of increase in salaries	5.00%	5.00%
Attrition Rate (Employees opting for early retirement)	—	—

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	Sunil R. Agarwal	} Key Management Personnels
2	Yash S. Agarwal	
3	Hardik S. Agarwal	
4	Raghuvir Exim Limited	Associate Enterprise
5	The Sagar Textiles Mills Pvt. Ltd.	

(b) Transactions with related parties

[Amount in Rs.]

Sr.No.	Nature of transaction	2012-13	2011-12
(i)	Managerial Remuneration	24,00,000	11,12,000
(ii)	Expenditure on Other Service - Enterprise under significant influence of Key Management Personnel or their relatives.	7,00,000	3,88,000
(iii)	Sales, Processing Charges and Other Income - Associates Enterprise	34,22,44,324	30,46,59,113
(iv)	Advances Taken - Associates Enterprise	1,48,80,222	NIL
(v)	Advances Returned back - Associates Enterprise	NIL	NIL

**(c) Outstanding Balances**

Sr.No.	Nature of transaction	2012-13	2011-12
	<b>Due by Company</b>		
	- Enterprise under significant influence of Key Management Personnel or their relatives. (Net)	2,12,133	64,548
	- Key Management Personnel	36,830	37,490
	<b>Due to Company</b>		
	- Associates Enterprise	NIL	NIL

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

**2.33 Particulars of Earning per Share**

Particulars	2012-2013	2011-2012
Net Profit/(Loss) for the year Rs.	3,02,16,817	17,19,794
Number of equity shares	3875000	3875000
Nominal value of the share Rs.	10	10
Basic as well as diluted Earnings per Share Rs.	7.80	0.44

**2.34** Assets retired from active use amounting to Rs. 1,71,82,000/- (P.Y. Rs. 1,79,07,000/-) being assets retired from active use on which depreciation has not been charged.

**2.35** Balances of 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 Other Informations**

Sr. No.	Particulars	2012-2013		2011-2012	
a.	C.I.F. value of Imports of: Raw Materials	NIL		NIL	
	Spare Parts	12 55 095		NIL	
	Capital Goods	70 03 000		NIL	
b.	Expenditure in Foreign Currency	1 47 31 125		81 39 810	
		Value (Rs.)	%	Value (Rs.)	%
c.	Consumption of:				
	i. Raw materials:				
	Indigenous	NIL	NIL	NIL	NIL
	Imported	—	—	—	—
	ii Stores and Spare parts:				
	Indigenous	94 25 456	88.25	1 34 44 848	97.38
	Imported	12 55 095	11.75	3 62 152	2.62
d.	Remittances in Foreign Currency on account of Dividend	NIL		NIL	



**2.37** Previous year figures have been regrouped, reclassified and reworked wherever necessary for comparative purpose.

As per our attached Report of even date.

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

**ROHIT K. CHOKSI**  
**PARTNER**  
Membership No. 31103

**PLACE : AHMEDABAD**  
**Date : 30th May, 2013**

**FOR AND ON BEHALF OF THE BOARD**

<b>SUNIL R. AGARWAL</b>	<b>CHAIRMAN &amp; MANAGING DIRECTOR</b>
<b>YASH S. AGARWAL</b>	<b>DIRECTOR</b>
<b>HARDIK S. AGARWAL</b>	<b>DIRECTOR</b>

**PLACE : AHMEDABAD**  
**Date : 30th May, 2013**

# 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 31<sup>st</sup> Annual General Meeting of the company held on 30th  
September, 2013 at 11-00 a.m. at Rakhial Road, Rakhial, Ahmedabad-380023.

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 31<sup>st</sup> Annual General Meeting of the Company to be held on

Monday 30th September, 2013 and/or any adjournment thereof.

Signed on \_\_\_\_\_ : day of \_\_\_\_\_ 2013

signature \_\_\_\_\_

Affix a  
Revenue  
Stamp

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 meeting.



# Form B

## Format of covering letter of the Annual report

1.	Name of the Company	RAGHUVIR SYNTHETICS LIMITED
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit qualification	Qualified Report subject to/except for  <i>Clause 1(i) of Annexure to Audit Report</i>  (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets <i>but such records require to be updated as regard to locations and additions/deletions for the year ended 31<sup>st</sup> March 2013.</i>  (b) <i>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.</i>
4.	Frequency of qualification	The qualifications are being repeated since long above which appears in Financial year 2006-2007.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report :	Reference is invited to Reply to auditors qualification Para in Director's Report which is self explanatory.
6.	Additional Comments from the Board/Audit committee Chair:	Fixed Asset Register are under compilation and will be updated.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

*Roohi Choksi*  
ROHIT K. CHOKSI

Partner

Mem. No. 31103



FOR RAGHUVIR SYNTHETICS LIMITED

*Sunil R. Agarwal*  
SUNIL R. AGARWAL  
CEO / Managing Director



*Sunil R. Agarwal*  
SUNIL R. AGARWAL  
CFO

*Mangesh Agarwal*  
MR. MANGESH AGARWAL  
Audit Committee Chairman