



RAGHUVIR SYNTHETICS LIMITED

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

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FOR, RAGHUVIR SYNTHETICS LIMITED


DIRECTOR/AUTHORISED SIGNATORY

21st
ANNUAL REPORT
2002-2003

Board of Directors

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

Chairman
 Managing Director
 Director
 Director
 Director
 Director

AUDITORS

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

Ahmedabad.

INTERNAL AUDITORS

M/s. Ashok K. Bhatt & Co.

Ahmedabad.

BANKERS

Bank of Baroda

REGISTERED OFFICE & MILLS

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

WIND FARM PROJECT

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

ANNUAL REPORT 2002-2003**NOTICE**

Notice is hereby given that the Twentyfirst Annual General Meeting of the Company will be held on Saturday, the 27th September, 2003 at 4.00 P.M. at Kashiram Agarwal Bhavan, University Road, Ahmedabad to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and the Profit and Loss Account for the year ended on that date alongwith the Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Shri Raghuvirprasad Agarwal who retire by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Shri Girish R. Agarwal who retire by rotation and being eligible, offer himself for re-appointment.
4. To appoint auditors and fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Register shall remain closed from Tuesday, 20th September 2003 to 27th September, 2003 (both days inclusive).
3. Members are requested to notify immediately any changes in address to the Company quoting their folio number.

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

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

Place : Ahmedabad
Date : 30.06.2003



DIRECTORS' REPORT

To,
The Members
RAGHUVIR SYNTHETICS LIMITED
Ahmedabad.

Your Directors take pleasure in presenting the Twenty-first Annual Report and Statement of Account of the Company for the year ended 31st March, 2003.

FINANCIAL RESULTS

	(Rs. In Lacs)	
	2002-2003	2001-2002
Profit before Interest,		
Depreciation and Tax	214.41	216.63
Interest	65.20	67.54
Depreciation	113.62	99.79
Income-tax :		
- Current	2.50	3.80
- Deferred	(11.84)	21.73
Profit/(Loss) after tax	44.93	23.77
Prior period adjustment (Net)	7.37	—
Balance brought forward from last year	84.55	60.78
Balance Carried forward	122.11	84.55

DIVIDEND

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

OPERATIONS

During the year under review, your company has earned profit of Rs 44.93 Lacs as compared to profit of Rs. 23.77 Lacs during the previous year. We hope to perform better in the current year.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of Annual Accounts, the applicable accounting standard had been followed along with proper explanation relating to material departure.
- the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are responsible and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and the profit of the company for the year.
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting

records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- the Directors has prepared the annual accounts on a going concern basis.

ISO 9001

The company successfully underwent ISO 9001 : 2000 Certification confirming company's commitment for quality of its products and strengthening its internal control system.

SUBSIDIARY

The audited statements of accounts along with the report of the Board of Directors of Raghuvir Exim Limited, and the Auditors' Report thereon for the year ended 31st March, 2003 is annexed to this report as required under section 212 of the Companies Act, 1956. Further, as required under clause 32 of the Listing Agreement, the consolidated financial statements have been prepared in accordance with the Accounting Standard 21 and are presented in the Annual Report.

FIXED DEPOSITS

The company has not accepted any deposits from public.

INSURANCE

The company's properties, including buildings, plant and machinery, stocks, stores, etc. are adequately insured against all risks.

BOARD

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Raghuvirprasad Agarwal and Shri Girish R. Agrawal due to retire by rotation at the Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their appointment.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the stock Exchange, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Reports.

MANAGEMENT DISCUSSION AND ANALYSIS :

(a) Industry structure and Development :

The manufacturing sector as a whole registered an improvement with 6% growth in 2002-2003. The textile industry forms an important part of



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Indian economy. The Indian textile industry is undergoing change. Modernisation and eco-friendly initiatives by many textile units will gain further momentum. Major restructuring in the textile industry is also expected wherein the units have to upgrade their technology to be in the business.

(b) Review of Operation :

During the year 2002-03, the company registered sales of Rs. 3316.78 lacs compared to Rs. 2440.46 Lacs during the previous year.

(c) Opportunities and Threats :

With the quota system ending by 2005, the Indian textile industry will have opportunity to increase its market share of the world's total demand of textiles. Therefore, countries with better technology, quality consciousness, infrastructure and scale of production would have an edge. The Indian textile industry however could face serious challenge from cheaper products from the neighbouring countries.

(d) Risk and Concerns :

As the textile industry undergoes restructuring, many inefficient units may close down. With the opening up of the Indian economy, competition from other countries in the local textile market is expected to increase.

(e) Outlook :

The overall growth of the textile industry is expected to be around 5% based on the expected improvement in the economies of the U.S., European Union countries and Asia. Export of fabrics apparel and made-ups are expected to increase due to this development. The main thrust of the company is to increase the volume of selective, high potential, growth oriented, value added and customized speciality products wherein better margins are prevailing and likely to continue in the near future. In addition the company will endeavour to improve efficiencies, reduce fixed cost and thereby increase profitability.

(f) Industrial Control System :

The company has adequate internal control system commensurate with its size and nature of business and suitable internal control procedures, optimum resource utilization and compliance with the various statutes is ensured.

(g) Human Resources :

The company's strength lies in the human

resources. The company recognises the fact that the human resources represent the most valuable capital of the company. The company constantly reviews its organisation structure and carries out changes to make it lean and flexible. Industrial relations climate continue to be cordial and the company believes in resolving any outstanding issues through discussions.

AUDITORS

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

PARTICULARS PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956.

A Statement giving information as required by Section 217 (1) (e) read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules 1988, is annexed to this Report.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration of Rs. 24,00,000 or more, employed through out the year or Rs. 2,00,000 or more per month employed for a part of the year and hence particulars pursuant to Section 217(2A) of the Companies Act, 1956 is not given.

ACKNOWLEDGEMENT

The Directors sincerely express their deep appreciation to Employees at all levels, Bankers, Customers and Shareholders for their sustained support and co-operation and hope that the same will continue in future.

For and on behalf of the Board

KAMLESH R. AGARWAL
CHAIRMAN

Place : Ahmedabad

Date : 30.06.2003

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2003.

A. CONSERVATION OF ENERGY

The Company endeavors to conserve energy wherever possible.

Power and Fuel Consumption :

	2002-2003	2001-2002
1. Electricity :		
Purchased Units (KHW '000)	2995	2485
Total Cost (Rs. In Lacs)	122.77	107.31
Rate per Unit (Rupees)	4.10	4.31
Consumption [in Units (per unit of production)]	0.142	0.159
2. Coal and Wooden Dust :		
Quantity Consumed (M.T.)	11997	8920
Total Cost (Rs. In Lacs)	152.78	97.32
Rate per M.T. (Rupees)	1273.51	1091.03
Consumption [in Kgs. (per unit of production)]	0.569	0.573

B. TECHNOLOGY ABSORPTION :

The Company does not use any imported technology in its manufacturing operations.

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C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(i) Total Foreign Exchange Used (Rupees)	1856966	3738290
(ii) Total Foreign Exchange Earned (on F.O.B. Basis) (Rupees)	—	—

COMPLIANCE REPORT ON CORPORATE GOVERNANCE (Annexure to Directors' Report)

Pursuant to clause 49 of the Listing Agreement, your Directors present below a detailed Report on corporate Governance:

1. Company's Philosophy

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the company in the efficient conduct of its business and in meeting obligation to stake holders and is guided by a strong emphasis on transparency, accountability and integrity. The Company has adopted a codified Corporate Governance Charter, in which the best practice, as well as meets all the relevant legal and regulatory requirements.

2. Board of Directors:

Composition of the Board of Directors :

The Present strength of board of Directors is 6 of which 4 Directors are Non executive Directors Including chairman. The Non executive Directors bring statutory and wider perspective in the Board's Deliberation and decisions. Two Directors are Independent Directors.

Name of the Director	Category of Directorships	No. of directorships in other Companies	No. of board committee of which Member/ Chairman
Raghuvirprasad R. Agarwal	Executive Non-independent	3	Nil
Kamlesh R. Agarwal	Non-Executive Non-independent	3	Nil
Sunil R. Agarwal	Executive Non-independent	3	Nil
Girish R. Agarwal	Non-Executive Non-independent	3	Nil
Mangesh H. Agarwal	Non-Executive Independent	Nil	Nil
Sushil H. Agarwal	Non-Executive Independent	Nil	Nil

Attendance of each Director at Board Meeting and the last annual general meeting :

Nine Board Meetings were held during the financial year 2002-2003. The composition of Directors and the attendance at the Board Meeting during the year 2002-2003 and last Annual General Meeting :

Name of Director	Category of Directorship	No. of Board Meeting Held	No. of Board Meetings attended	Attendance at Last AGM
Kamlesh R. Agarwal	Chairman	9	9	Y
Raghuvirprasad R. Agarwal	Director	9	9	Y
Sunil R. Agarwal	Managing Director	9	9	Y
Girish R. Agarwal	Director	9	8	Y
Sushil H. Agarwal	Director	9	9	Y
Mangesh H. Agarwal	Director	9	9	Y



Number of Board Meetings held during the financial year and the dates of the Board Meetings:

Board Meeting	Date	Board Meeting	Date
1	30/04/2002	6	29/10/2002
2	15/06/2002	7	23/11/2002
3	30/07/2002	8	30/01/2003
4	31/07/2002	9	25/03/2003
5	01/10/2002		

3. Audit Committee :

The Audit Committee was formed by the Board of Directors on 30th April 2002. Brief descriptions of terms of reference are:

1. To look into the adequacy and compliance of internal control systems.
2. To review the quarterly, half-yearly and annual financial statements before submission to the Board.
3. To recommend the appointment and removal of external auditors, fixation of audit fee and also approval for payment to the external auditors for any other services.
4. To undertake periodical review of Internal Control System and appraise and update the range and scope of Internal Audit Programme from time to time.
5. To interact actively with the External Auditors from time to time and discuss about finalization of annual financial statements.
6. To look any other matter which may be, referred to it by the Board.

The Constitution of the committee and the attendance of each member of the committee is given below :

Name	Designation	Non Executive / Independent	Committee Meetings Attended
Mangesh H. Agarwal	Chairman	Independent	4
Sushil H. Agawal	Member	Independent	4
Kamlesh R. Agarwal	Member	Non Executive	4

Four Meeting were held during the financial year 2002-2003 on following days:

Meeting	Date	Meeting	Date
1	29/07/2002	3	28/10/2002
2	30/08/2002	4	29/01/2003

4. Remuneration Committee

Being a Non Mandatory requirement the remuneration committee has not been constituted for the time being. All decisions on remuneration to executive directors are taken by the Board of Directors and approved by the shareholders at the general meeting.

The details of remuneration paid / payable to the directors for the year 2002-03 are as under:

Name of the Director	Salary & Perquisites Amount (Rs.)	Commission Amount (Rs.)	Total Amount (Rs.)
Raghuvirprasad R. Agarwal	252720	Nil	252720
Sunil R. Agarwal	252720	Nil	252720

5. Shareholder Cum-investor Grievance Committee:

The Share holder's cum Investor Grievance was formed by the Board of Directors on 30th April 2002. to ensures the effective redressal of the complaints of the shareholders such as dematerialization, transfer, non -receipt of Annual Report / Share transfer Certificate etc. The committee also recommends steps to be taken for further improvement in the quality of services to the investors.

The Composition of shareholders cum investor's grievance committee was as follows :

Name	Designation	Non Executive/ Independent	Committee Meetings Attended
Sushil H. Agarwal	Chairman	Independent	2
Mangesh H. Agarwal	Member	Independent	2
Kamlesh R. Agarwal	Member	Non Executive	2

- The Company did not receive any complaints during the year under review.
- As at 31st March 2003 No equity Shares were pending for transfer.
- The committee met twice during the year ended on 31st March 2003 on 29th July 2002 and 28th October 2002.

6. General Body Meeting

Details of the location and time of the last three Annual General Meetings of the Company:

Financial Year	Date	Time	Venue	No. of Special Resolutions passed
31.03.2000	29/09/2000	4.00 P.M.	Agarwal Kashiram Bhavan Ambawadi, Ahmedabad-380015	Nil
31.03.2001	29/09/2001	4.00 P.M.	As above	1
31.03.2002	28/09/2002	4.00 P.M.	As above	Nil

- The Special Resolution was passed by show of hands
- No Special Resolution was required to be put through postal Ballot

7. Note on Director Appointment / Re-appointment

Mr. Girish Agarwal and Mr. Raghuvir Prasad Agarwal, Directors, of the company are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

**8. Disclosures:**

- (a) Transactions with related parties are disclosed in detail in Note number of 7 of Schedule N - "Notes forming part of the Accounts annexed to the financial statements for the year. None of the transactions with any of the related parties were in conflict with the interest of the company.
- (b) There have been no instances of non-compliance by the company, penalties strictures 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.

9. Means of Communication:

- (a) Quarterly as well as half yearly results are normally published in English & Gujarati Newspaper.
- (b) Management Discussion and Analysis Report forms part of Director's Report.
- (c) Our website address is : - www.raghuvir.com

10. General Shareholder Information:

1. Annual General Meeting Date, Time & Venue : 27th September 2003 at 4.00 P.M.
Agarwal Kashiram Bhavan
Ambawadi, Ahmedabad- 380 015.
2. Financial Calendar : 1st April to 31st March.
First Quarter results : End of July, 2003
Half yearly results : End of October, 2003
Third Quarter results : End of January, 2004
Fourth Quarter results : End of April, 2004
AGM for the year ended March 31, 2004 : End of September, 2004
3. Date of Book Closure : 20th September, 2003 to 27th
September, 2003
(Both days inclusive)
4. Listing on Stock Exchanges : • The Ahmedabad Stock
Exchange Ltd.
• Bombay Stock Exchange
5. Listing Fees : Paid to both the Stock
Exchanges up to Financial
Year 2003-2004.
6. Scrip Code : ASE - 47800 , BSE - 14316
7. ISIN : INE969C01014
8. Registrars for Electronic & Physical Mode : Pinnacle Share Registry Private Ltd.
Nr. Ashoka Mills, Naroda Road,
Ahmedabad - 380 025
Phone : 2204226, 2200582
Fax: 91-079-2202963
Email: gautam.shah@psrpl.com
9. Name of the Compliance officer : Mr. Manoj Trivedi.
10. Market Price Data : Information as to Market Price has
not been given as there was no
Transaction during 2002-03.