

RAGHUVIR SYNTHETICS LIMITED

NR. GUJARAT BOTTLING, RAKHIL ROAD, RAKHIAL,
AHMEDABAD – 380 023. (INDIA)
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**28TH
ANNUAL REPORT**

2009-2010

RAGHUVIR SYNTHETICS LIMITED

NOTICE

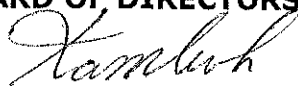
NOTICE is hereby given that the 28th Annual General Meeting of the members of Raghuvir Synthetics Limited will be held on Thursday, 30th Day of September, 2010, at 4.00 p.m., at Kashiram Agarwal Bhavan, University Road, Ahmedabad for transacting the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2010, Balance Sheet as on that date and Auditors' and Directors' report thereon.
2. To appoint Director in place of Shri Kamlesh Agarwal who retire by rotation and being eligible for re-appointment offers himself for re-appointment
3. To appoint Director in place of Shri Mangesh Agarwal who retire by rotation and being eligible for re-appointment offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

ORDER OF THE BOARD OF DIRECTORS

DATE : 21st August, 2010
PLACE: AHMEDABAD


KAMLESH R. AGARWAL
CHAIRMAN

NOTES :

- 1) The Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member. Proxy to be effective should reach the registered office of the Company not less than 48 hours before the time fixed for the meeting.
- 2) The register of members and share transfer books of the company will remain closed from saturday, the 25th day of september 2010 to thursday, the 30th day of september, 2010 (both days inclusive).
- 3) The Members are requested to intimate their change of address, if any, immediately to the Companies Share Transfer Agent, M/s. Sharepro Services (I) Pvt. Ltd., 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006. quoting their Folio No. or Client ID No.
- 4) Members desiring any information on Accounts are requested to write to the Company at least One week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
- 5) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies of Annual Report and the attendance slip at the meeting.
- 6) Nomination facility is available to the Share holders in respect of share held by them.
- 7) Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.

RAGHUVIR SYNTHETICS LIMITED

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

TO,
THE MEMBERS,

Your Directors are pleased to present the 28th Annual Report of your Company together with the Audited Statement of accounts for the year ended on 31st March, 2010.

FINANCIAL RESULTS :

(RS. IN LACS.)

	2008-09	2009-10
Operating Income	2785.84	3212.16
Other income	6.91	25.86
Profit before Interest,		
Depreciation and Tax	427.79	426.59
Interest	16.76	66.44
Depreciation	400.64	328.30
Profit/ (Loss) before Tax	10.39	31.84
Provision for Tax		
Current	37.50	37.00
Wealth Tax	0.15	0.15
Deferred	(16.52)	27.50
Fringe Benefit Tax	0.00	1.55
Profit/ (Loss) after tax	(10.74)	(34.36)
Add :Prior period Adjustment(Net)	---	22.73
Balance brought forward from last year	447.63	459.27
Balance Carried Forward	436.89	447.63

DIVIDEND

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

DIRECTORS

Shri Kamlesh Agrawal and Shri Mangesh Agrawal, 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 u/s.217(2A) of the Companies Act, 1956, (Particulars of Employees) Rules, 1975. Hence, the information required in terms of Section 217(2A) of the Companies Act, 1956 (Particulars of Employees) Rules, 1975 is not applicable to us.

AUDITORS

The M/s. G. K. Choksi & Co., Chartered Accountant, retiring Auditors, Ahmedabad are eligible and offer themselves for re-appointment. The Auditors have furnished a certificate to the effect that their reappointed, if made shall be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

COMPLIANCE CERTIFICATE

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

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO

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

PUBLIC DEPOSIT

During the year under review your Company has not accepted any deposits from the public.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the presentation of Annual Accounts, the applicable accounting standard had been followed along with proper explanation relating to material departure.
- The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and the profit or loss of the Company for the period.

- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

As required under the Listing Agreement with Stock Exchanges, Report on "Corporate Governance" is attached and forms a part of Directors Report. A Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under the Listing Agreement is annexed to the Report of the Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS:

(a) Industry Overview :

The textile and clothing industry contribute to over 15% of export, 14% of industrial output and accounts for more than 5% GDP. It provides direct employment to over 40 million people. For the Indian economy, It is the second most important sector after agriculture. The sector of the textile industry includes cotton fibre/ synthetic fibre textile mill industry, synthetic fiber/ filament yarn industry, the decentralized power loom sector, woolen textile industry, silk industry, jute industry and handicraft industry. The Indian Textile Industry is 80% occupied with Apparel segment, the ratio will change towards more growth in Technical Textiles, automotives, Carpets and Home Textiles. Technical Textiles is one of the faster-growing sectors of the global Textile Industry. Technical Textiles is an emerging area for investment in India.

(b) Review of Operations :

During the year 2009-10 the Company achieved sales of Rs. 2785.84 lacs and incurred net loss of Rs. 10.74 Lacs compared to sales of Rs. 3212.16 lacs and net loss of Rs.11.63 Lacs during the previous year.

In light of overall prospect of Textile Industry and the SWOT analysis of the Company, we feel that the Company can achieve better results and improve and re-establish its position as a leading textile manufacturer in the times to come.

(c) Opportunities and Threats :

The Textile industry is really at cross roads today- there is a tremendous opportunity for an efficient and effective player as there is ever growing demand from domestic markets, garment exporters and the export markets.

However, the major threat is fierce competition from low cost producers and impact on raw material prices and cost of manufacturing resulting from government proposals. However, the Company has been able to maintain its market share across various segments through value added and high quality products, combined with excellent services to its customers.

The Company's major strength are wide customer base with excellent goodwill, full range of products backed by excellent quality and service.

(d) Risk and Concerns :

The company has to manage Risk arising from product liability is protected through insurance policies or limited through contractual agreements wherever possible. Risk associated with protection of environment, safety of operations and health of people at work is monitored regularly with reference to statutory regulations prescribed by the government authorities.

Financial risks: Financial risk management is carried out by the treasury department under policies approved by the Board of Directors. Written policies for overall foreign exchange risk and investing excess liquidity are in place.

FOREX Risk: The company is exposed to forex risks arising from various currency exposures, primarily with respect to USD, GBP, Euro and Swiss Franc. The company has an appropriate policy in place and covers the risk partly through hedging by means of forward transactions.

Interest risk: Interest risk mainly arises from financial debt. The policy is to borrow in fixed rate instruments provided the risk of rising interest rates is seen to be material. Downside interest views allow for a lower fixed rate portion of interest bearing financial debt.

Liquidity risk: Sufficient and not excessive cash and marketable securities are kept and investment is made mainly in debt oriented mutual funds. Credit risk: Credit risk policy is in place to ensure that sale of products is made to customers after an appropriate credit limit allocation process.

Outlook :

With growing aspiration of Indian consumers fuelled by rising income, higher affordability, country wide retail proliferation, spurt in rural demand and exponential growth in Tier II & Tier III towns we expect that cloth industry may show exciting growth in coming years. Indian & International players operating in India will target brand portfolio expansion & product expansion to take advantage of fast growing market.

With the positive changes in overall economy and consumer behaviour, outlook for your company is encouraging.

Internal Control system:

The company has proper and adequate system of internal controls. Regular Internal Audits and Checks carried out and also management reviews the internal control systems and procedures to ensure orderly and efficient conduct of business and to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. Internal Audit in the organization is an independent appraisal activity and it measures the efficiency, adequacy and effectiveness of other controls in the organization. All significant issues are brought to the attention of the Audit Committee of the Board.

Human Resources :

The Company continues to lay emphasis on building and sustaining the excellent organisation climate based on human performance. Performance management is the key word for the Company. Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation in the company.

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

ACKNOWLEDGMENT :

The Directors wish to place on record their appreciation to the devoted services of the workers, staff and the officers who largely contributed to the efficient management of the Company in the difficult times. The Directors place on record their appreciation for the continued support of the shareholders of the Company. The Directors also take this opportunity to express their grateful appreciation for assistance and co-operation received from the bankers, vendors and stakeholders including financial institutions, Central and State Government authorities, other business associates, who have extended their valuable sustained support and encouragement during the year under review.

FOR AND ON BEHALF OF THE BOARD

PLACE : AHMEDABAD
DATE : August 21, 2010



KAMLESH R. AGARWAL

CHAIRMAN

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, 2010.

A. CONSERVATION OF ENERGY

The Company endeavors to conserve energy wherever possible.

Power and Fuel Consumption:

	2009- 2010	2008-2009
1. Electricity :		
Purchased Units (KWH `000)	4164	5011
Total Cost (Rs. In Lacs)		250.32
	218.62	
Rate per Unit (Rupees)	5.25	5.00
Consumption [in Units (per unit of production)]	0.243	0.239
2. Coal and Wooden Dust :		
Quantity Consumed (M.T.)	11171	15203
Total Cost (Rs. In Lacs)	322.58	468.85
Rate per M.T. (Rupees)	2887.65	3083.75
Consumption [in Kgs. (per unit of production)]	0.653	0.725

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)	33343796	20602691
(ii) Total Foreign Exchange Earned (on F.O.B. Basis) (Rupees)	--	--

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 trustee 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 2009-10.

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 lead 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

At present the Board of Directors consists of Five Directors.

A. Composition of Board of Directors:

Name of the Directors	Category of Directorship	No. of Directorship in other Public Companies	No. of Board Committees of which member/ chairman
Mr. Kamlesh R. Agarwal	Non-executive Non-independent	3	NIL
Mr. Sunil R. Agarwal	Executive Non-independent	3	NIL
Mr. Girish R. Agarwal	Non-executive Non-independent	3	NIL
Mr. Mangesh H. Agarwal	Non-executive Independent	NIL	3
Mr. Sushil H. Agarwal	Non-executive Independent	NIL	3
Mr. Samir Sheth	Non-executive Independent	NIL	3
Mr. Kamal Patel	Non-executive Independent	NIL	3