

# RAJKAMAL SYNTHETICS LIMITED

## NOTICE

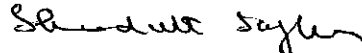
NOTICE is hereby given that THE 29<sup>TH</sup> ANNUAL GENERAL MEETING of the members of RAJKAMAL SYNTHETICS LIMITED will be held at Diamond Plaza, 7<sup>TH</sup> Floor, 391, Dr. D. B. Marg, Mumbai -400 004 on Thursday the 30th September, 2010 at 10.30 a.m. to transact the following business :

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sheodutt B Sanghai who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

Diamond Plaza,  
391, Dr.D.B.Marg,  
Mumbai - 400 004.

BY ORDER OF THE BOARD OF DIRECTORS

  
(SHEODUTT SANGHAI)  
CHAIRMAN

Dated: 16th August, 2010.

### **NOTE:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective must be received by the Company at the Registered Office not less than 48 hours.
3. The Register of members and Share Transfer Books of the Company will remain closed from Monday, the 27<sup>th</sup> September, 2010 to Thursday the 30th September, 2010 (Both days inclusive)
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled for attending the Meeting.
5. The Shareholders are requested to Note that that the Company's Shares are now admitted in demat segment and ISIN no. allotted is INE 376L01013.

# RAJKAMAL SYNTHETICS LIMITED

## DIRECTORS' REPORT

To  
The Members,

Your Directors hereby present the 29th ANNUAL REPORT of the Company together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS :

	(AMOUNT IN RS.)	
	CURRENT YEAR 31-03-2010.	PREVIOUS YEAR 31-03-2009
	Rs	Rs
<b>Profit / (Loss) for the year</b>	<b>12,14,052</b>	<b>17,83,672</b>
Less: Provision for Taxation.	1,87,570	183720/-
Prior period adjustment	19,671	-
Add: Surplus / (Deficit) on Appropriation account brought forward from previous year.	(63,034,463)	(64,634,415)
Profit /Losses Carried to Balance Sheet	(62,027,652)	( 63 ,034,463)

### DIVIDEND:

In view of the Carried forward losses of Earlier Years , Your Directors regret their inability to recommend any dividend for the Year under Review.

### OPERATIONS:

Sales during the year were of Rs 35,866,921 as against Rs 88,12,163 during the previous year.

### Revival Plan

Your Directors are making all possible efforts to revive the Company. To revive the Company, need base relief/ concession and assistance are required from the exiting debenture holders, unsecured loan holders, from sundry creditors and from Bombay Stock Exchange.

At present your Company has no asset. The Company has negative net worth of Rs. 319.29 lacs. The Company has identified a Co-partner who has agreed in principal to provide your company need base assistance and finance for the revival of the Company subject to company obtaining necessary approvals from requisite authorities such as:

1. Revocation of suspension of trading at BSE.
2. Dematerialization of shares

3. Conversion of Unsecured loan/ sundry creditor's loan into fresh equity shares of the Company etc.
4. Settlement with the UTI (Term Lending Institution and major Debenture Holder).
5. Settlement with the other Institutional Debenture Holders.

Your Directors are pleased to inform you that:-

1. The Company has approached to UTI and submitted the reason of the deterioration of financial health of the Company. The Company had started the erection a modern process house at Sachin in Surat in the year 1986-87 and had purchased the latest modern plant, partly imported and partly indigenous and the plant and machinery including the electrical installation had been completed upto March,1990 with a cost of :-

Plant and Machinery	796.26 lacs
Electrical installation	62.99 lacs
	-----
Total	859.25 lacs

To finance the project of modern process house at Sachin in Surat Company had issued debentures of Rs. 405 lacs and had obtained term loan facilities from ICICI Bank and UTI.

The above plant and machinery including electrical installation was damaged in the cyclone in the year 1992 in Surat and the damage was to such an extent that it could not be repaired. The Company could not restore the production and since then the industries was forced to close its operation. ICICI Bank as a lead institution had to sale the damage plant and machinery including electricals in a scrape value at Rs. 175 lacs. The Company had suffered a capital loss due to the natural climatic (Act of God).

Cost of plant and machinery including electricals	859.25 lacs
Sale value of plant and machinery including electricals	<u>175.00</u> lacs
Capital loss on sale	684.25 lacs

Due to above capital loss the entire capital of the company had been eroded over and above, the positive net worth of the company wiped out and due to the capital loss, company has a negative net worth of Rs. 353 lacs.

UTI has considered that revival of the Company is in the interest of all. They have considered our proposal of the settlement of the balance outstanding under OTS favourably. Company has paid 20.50 lacs towards full and final settlement of its balance outstanding under OTS (in respect of term loan and debenture amount).

2. The BSE has revoked the suspension of trading of shares and trading has started at Bombay Stock Exchange from 19.02.2010.
3. For the dematerialization of shares Company has received the approval from CDSL & NSDL. The ISIN no. is INE376L01013. Shareholders are requested to dematerialise their shares either with the CDSL or NSDL.

4. The Company has already approached with the other debenture holders with a request to settle their balance OTS amount on the line of the settlement, which Company has made with the UTI. Favorable reply from debenture holders are awaited.
5. The Company has approached to the unsecured loan holders and sundry creditors and they have agreed in principle to convert their outstanding into the proposed equity shares of the Company either in their names, or in the name of their associates, or in the name of their nominees, subject to the Company shall be in a position to implement the revival scheme with the help of the Co-partner.
6. After getting the acceptance letter from the exiting debenture holders in respect of the settlement of their balance OTS amount as requested by the Company, Co-partner shall provide the amount for the payment and Co-partner shall start the process for the revival of the Company.

With the negative net worth of the Company revival is little difficult but not impossible. We hope for the better and pray to god for its revival.

We assure that your Directors shall make all possible efforts for the revival of the Company.

**DIRECTORS:**

Shri Sheodutt Sanghai, Director retires by rotation and being eligible offers himself for re-appointment.

**FIXED DEPOSIT:**

The Company has not accepted any fixed deposit from the Public during the year under review.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

- i. That in preparation of the accounts for the financial year ended 31<sup>st</sup> March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the year under review.
- iii. That the Directors have taken prior and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the accounts for the financial year 31<sup>st</sup> March 2010 on a going concern basis.

**ENVIRONMENT:**

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are not given since there was no manufacturing activity during the year under review. Foreign exchange earning / outgo during the year and also during the previous year was Nil.

## PARTICULARS OF EMPLOYEES:

No employee has drawn a remuneration of Rs. 24,00,000/- per annum nor Rs. 2,00,000/- per month during part of the year.

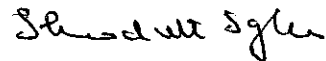
## AUDITORS:

The Observations made in the Auditors' Reports are self explanatory and as such they do require any explanation under Section 217(3) of the Companies Act, 1956.

The Auditors M/s. N.K. Jalan & Co., Chartered Accountants will retire at the conclusion of the ensuing Annual General Meeting. They have given their consent to act as Auditors of the Company if re-appointed, members are requested to re-appoint them and fix their remuneration.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai:



Date: 16th August, 2010

SHEODUTT SANGHAI

CHAIRMAN



**N. K. JALAN & CO.**  
Chartered Accountants.

2-A, Mayur Apartments,  
Dadabhai Cross Road No.3,  
Vile Parle (West),  
Mumbai - 400 056.  
Tele : 26714104/26234104.  
Mobile : 9324114104  
E-mail : nkjalan@vsnl.com

## AUDITORS' REPORT

### TO THE MEMBERS OF M/S. RAJKAMAL SYNTHETICS LIMITED

We have audited the attached Balance Sheet of M/S. RAJKAMAL SYNTHETICS LIMITED for the year ended 31<sup>st</sup> March, 2010, the Profit and Loss Account and also the Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that: -

- (i) 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 ;
- (ii) In our opinion, proper Books of Account as required by the law have been kept by the Company so far as appears from our examination of those books
- (iii) The Balance Sheet the Profit & Loss Account and the Cash flow Statement dealt with by this report are in agreement with the Books of Account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and the Cash flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2010, from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956;

- (vi) **The Company incurred a net profit of Rs. 1,214,052/- during the year ended March 31, 2010 and as of that date the company's current liabilities exceeded its current assets by Rs. 62,67,631/ and total liabilities exceeded from its total assets by Rs. 54,79,84,381/- The Company has repaid part of its secured loan. For the revival of the company, Company has started its business activities and management is confident of its revival.**
- (vii) Subject to the above, and notes appearing in schedule N, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India.
- (i) In the case of Balance Sheet of the State of affairs of the Company as at 31<sup>st</sup> March, 2010
- (ii) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date; and
- (iii) in case of Cash Flow Statement, of the cash flow for the year ended on that date.

PLACE: MUMBAI.  
DATED: 16.08.2010.



FOR N. K. JALAN & CO.,  
CHARTERED ACCOUNTANTS.

(N.K. JALAN) PROPRIETOR

ANNEXURE TO AUDITORS'S REPORT(REFERRED TO IN PARAGRAPH-2 OF OUR REPORT OF EVEN DATE)

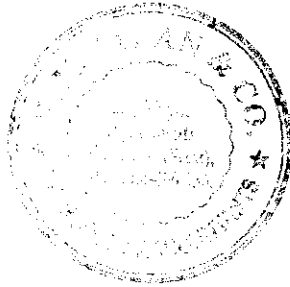
- (i) There are no fixed Assets with the company.
- (ii) There is no stock with the company.
- (iii) (a) The company has not given any advances in the nature of loan.  
(b) The company had taken loan form two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 50,19,500 / - and the year-end balance of loan taken from such parties was Rs. 40,19,500/-.  
(c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from/granted to companies, firms or other parties listed in register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.  
(d) There is no overdue amount of loans taken from directors or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) According to information given to us we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanation given to us, we are of the opinion that the transactions that needed to be entered have been entered in the register maintained under section 301 of the Companies Act,1956.  
(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 exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. The Company has not accepted deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Company is not required to maintain cost records u/s. 209(1) (d) of the Companies Act, 1956. Accordingly the provision of clause 4(viii) of the order 2003 is not applicable to this Company.



- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty were in arrears, as at 31<sup>st</sup> March, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, custom duty, income tax wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has earned profits in the current year and in the immediate preceding year..
- (xi) In our opinion and according to the information and explanations given to us, the company has settled with Kotak Mahindra Bank Ltd (ICICI Bank) and UTI, who was the major secured creditor. And the settlement with the other secured creditor namely the Debenture Holders are in process.
- (xii) The company has not granted any advances in the nature of loans on the basis of security by way of pledge of shares or other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Orders, 2003 is not applicable to this company.
- (xiv) In our opinion, the company is not dealing in or trading in share, securities, debentures and other investments, hence; the clause (xiv) of the order is not applicable.
- (xv) According to the information and explanation given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions. Hence, the clause (xv) of the order is not applicable.
- (xvi) In our opinion, there is no Term Loan taken by the Company during the year.
- (xvii) According to the informations and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) During the period covered by our audit, the company has not issued any debentures. Hence, the clause (xix) of the Order is not applicable.
- (xx) The Company has not raised any money by public issue during the period covered by our audit. Accordingly, the provision of clause 4(xx) of the order, 2003 is not applicable to this company.

(xxi) Accordingly to the information and explanations given to us, no fraud on or by the company has been noticed during the course of our audit.

PLACE : MUMBAI.  
DATED : 16.08.2010.



FOR N. K. JALAN & CO.,  
CHARTERED ACCOUNTANTS.

A handwritten signature in black ink, appearing to read "N.K. Jalan", written over a horizontal line.

(N.K. JALAN) PROPRIETOR

## M/S. RAJKAMAL SYNTHETICS LIMITED

## BALANCE SHEET AS ON 31ST MARCH, 2010

	SCHEDULE	CURRENT YEAR		PREVIOUS YEAR	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCE OF FUNDS :</b>					
<b>SHAREHOLDERS FUNDS :</b>					
Share Capital	A	22,500,000		22,500,000	
Reserves and Surplus	B	369,390	22,869,390	369,390	22,869,390
<b>LOAN FUNDS :</b>					
Secured Loans		-		-	
Unsecured Loans	C	25,721,417	25,721,417	26,879,592	26,879,592
<b>TOTAL</b>			<b>48,590,807</b>		<b>49,748,982</b>
<b>APPLICATION OF FUNDS :</b>					
<b>FIXED ASSETS :</b>					
Gross Block		-		-	
Less : Depreciation		-		-	
Net Block					
<b>CURRENT ASSETS, LOANS AND ADVANCES :</b>					
<b>ADVANCES :</b>					
Inventories	D	-		-	
Sundry Debtors	E	-		-	
Cash and Bank Balance	F	57,606		3,400	
Loans and Advances	G	-		-	
		57,606		3,400	
<b>LESS : CURRENT LIABILITIES AND PROVISIONS :</b>					
Liabilities	H	6,077,667		8,223,552	
Provisions		187,570		184,329	
		6,265,237		8,407,881	
<b>NET CURRENT ASSETS</b>			<b>(6,207,631)</b>		<b>(8,404,481)</b>
<b>PROFIT &amp; LOSS APPROPRIATION A/C.</b>		<b>62,027,652</b>		<b>63,034,463</b>	
<b>LESS : Capital Receipts Remission on Debenture</b>		<b>7,229,214</b>	<b>54,798,438</b>	<b>4,881,000</b>	<b>58,153,463</b>
<b>TOTAL</b>			<b>48,590,807</b>		<b>49,748,982</b>
<b>NOTES FORMING PART OF THE ACCOUNTS</b>	L				

THE SCHEDULES AND NOTES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE ACCOUNTS

AS PER OUR REPORT OF EVEN DATE ATTACHED FOR N. K. JALAN & CO. CHARTERED ACCOUNTANTS

(N. K. JALAN) PROPRIETOR.  
MUMBAI.  
DATED : 16.08.2010

(SHEODUTT SANGHAI) (SUSHIL SANGHAI)  
DIRECTOR DIRECTOR

(RAJENDRA NANGALIA)  
DIRECTOR

M/S. RAJKAMAL SYNTHETICS LIMITEDPROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE	CURRENT YEAR		PREVIOUS YEAR	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME :</b>					
Sales		35,866,921		8,812,163	
Other Income	I	71,761		1,933,566	
Increase/(Decrease) in stock of finished goods	J	-		-	
			<u>35,938,682</u>		<u>10,745,729</u>
<b>EXPENDITURE :</b>					
Purchases		33,857,960		8,396,870	
Administrative and Other Expenses	K	866,670		565,187	
			<u>34,724,630</u>	0	8,962,057
			<u>34,724,630</u>		<u>8,962,057</u>
PROFIT/(LOSS) BEFORE TAX			1,214,052		1,783,672
Provision for Taxation			<u>187,570</u>		<u>183,720</u>
PROFIT/(LOSS) AFTER TAX			1,026,482		1,599,952
Add : Prior period Adjustments			(19,671)		-
			1,006,811		1,599,952
Add : Balance brought forward			(63,034,463)		(64,634,415)
BALANCE CARRIED TO BALANCE SHEET			<u>(62,027,652)</u>		<u>(63,034,463)</u>
Earning per Share			(0.46)		(0.71)
Basic and diluted(Refer to note 5 in Schedule 'N')					
NOTES FORMING PART OF THE ACCOUNTS	L				

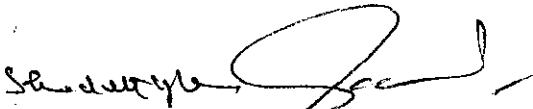
THE SCHEDULES AND NOTES REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE ACCOUNTS

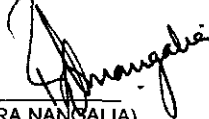
AS PER OUR REPORT OF EVEN DATE ATTACHED FOR N. K. JALAN & CO. CHARTERED ACCOUNTANTS



(N. K. JALAN) PROPRIETOR

MUMBAI.  
DATED : 16.08.2010

  
(SHEODUTT SANGHAI) (SUSHIL SANGHAI)  
DIRECTOR DIRECTOR

  
(RAJENDRA NANGALIA)  
DIRECTOR

**SCHEDULES 'A' TO 'N' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 'A'</b>				
<b>SHARE CAPITAL :</b>				
<b>AUTHORISED :</b>				
7,000,000 (3000000) Equity Shares of Rs. 10/- each)		70,000,000		30,000,000
<b>ISSUED, SUBSCRIBED AND PAID-UP :</b>				
2,250,000 Equity Shares of Rs. 10/- each fully paid-up in cash		22,500,000		22,500,000
		22,500,000		22,500,000
<b>SCHEDULE 'B'</b>				
<b>RESERVES AND SURPLUS :</b>				
<b>INVESTMENT ALLOWANCE RESERVE UTILISED</b>				
Balance as per last Balance Sheet		369,390		369,390
		369,390		369,390
<b>SCHEDULE 'C'</b>				
<b>UNSECURED LOANS :</b>				
<b>A. From Bank &amp; Institution</b>				
i) Kotak Mahindra Bank (ICICI)	-		17,500,000	
ii) UTI	-		520,214	
iii) Debenture	2,501,917		6,534,878	
		2,501,917		24,555,092
<b>LOANS :</b>				
From Directors	4,019,500		2,324,500	
From others	19,200,000		-	
		23,219,500		2,324,500
		25,721,417		26,879,592
<b>SCHEDULE 'D'</b>				
<b>INVENTORIES :</b>				
		-		-
<b>SCHEDULE 'E'</b>				
<b>SUNDRY DEBTORS :</b>				
Debts outstanding for a period exceeding six months				
	-		-	
Other Debts				
	-		-	
		-		-
<b>SCHEDULE 'F'</b>				
<b>CASH AND BANK BALANCES :</b>				
Cash-in-Hand	6,558		2,184	
Balance with Scheduled Banks In Current Account	51,048		1,216	
		57,606		3,400
		57,606		3,400

	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 'G'</b>				
<b>LOANS AND ADVANCES :</b>				
<b>SCHEDULE 'H'</b>				
<b>CURRENT LIABILITIES AND PROVISIONS :</b>				
<b>A. CURRENT LIABILITIES :</b>				
<b>SUNDRY CREDITOR :</b>				
For Goods	6,032,667		8,187,552	
For Expenses	45,000		36,000	
		6,077,667		8,223,552
<b>B. PROVISIONS :</b>				
Provision for taxation		187,570		184,329
		6,265,237		8,407,881
<b>SCHEDULE 'I'</b>				
<b>OTHER INCOME :</b>				
Sundry Balance W/off	71,761		18,732,693	
Less:	-	71,761	-16,799,127	1,933,566
		71,761		1,933,566
<b>SCHEDULE 'J'</b>				
<b>INCREASE/(DECREASE) IN STOCK</b>				
<b>GOODS\</b>				
<b>CLOSING STOCK :</b>				
<b>OPENING STOCK :</b>				
<b>SCHEDULE 'K'</b>				
<b>ADMINISTRATIVE AND OTHER EXPENSES :</b>				
Employee'e Remuneration	62,161		-	
Advertising Expenses	43,645		14,576	
Printing & Stationery	36,059		23,458	
Postage & Telegram	33,068		24,139	
Travelling and Conveyance Expenses	5,668		474	
General Expenses	29,205		341,678	
Legal and Professional Fees	246,904		99,850	
Listing Fees	73,788		14,230	
Increase in authorised Capital	280,000		-	
Share Transfer Maint. Charges	38,172		28,782	
<b>Auditor's Remuneration</b>				
For Audit Fees	18,000	866,670	18,000	565,187
		866,670		565,187

M/S. RAJKAMAL SYNTHETICS LIMITED.SCHEDULE 'L'ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010.(A) SIGNIFICANT ACCOUNTING POLICIES :(1) Basis of Accounting :

Financial Statements are prepared on cash basis, except for audit fees, no other provisions are made.

(2) Debenture Redemption Reserve :

As per the guidelines issued by the Ministry of Finance on 14th January, 1987, a Debenture Redemption Reserve is to be created by Companies raising resources through Debentures. The Company is of the view that these guidelines are not applicable to the issue of debentures opened prior to 14th January, 1987 and has therefore not created a Debenture Redemption Reserve.

(3) Taxes on Income.

- a. Provision for current tax, if any is computed in accordance with the relevant tax regulations.
- b. Deferred tax is recognized for all timing difference between accounting income and taxable income and is quantified using enacted/substantially enacted tax as at the balance sheet date. Deferred tax asset are recognized subject to the management judgment that the realization is virtually certain.

(B) NOTES TO ACCOUNTS :

- (1) As certified by the Management Contingent Liabilities are not provided for Rs. 39827 (P.Y. 39827) in respect of ESIC matter in dispute and pending in appeal.
- (2) No provision has been made for interest on unsecured loan from Directors as the management has decided to account for the same on payment basis.

(3) Earnings per Share is Calculated as follows :

	<u>2010</u>	<u>2009</u>
a) Net Profit/(Loss) after tax	1214052	1783672
b) Weighted average number of equity shares Basic & diluted	2,250,000	2,250,000
Nominal Value of equity shares	10	10

- (4) Balances of Sundry Debtors, Creditors, Loans and Advances are subject to their confirmation and reconciliation, if any.

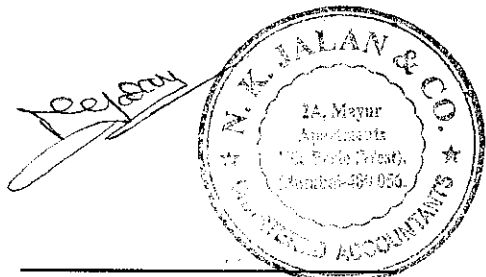
- (5) Additional information required under Schedule VI of Part II of the Companies Act, 1956 (as certified by the Management) is not applicable.
- (6) Additional information pursuant to Part IV of Schedule VI of the Companies Act, 1956 is attached.
- 7) Figures in brackets are of previous year.
- (8) Previous year figures have been rearranged/regrouped wherever necessary to confirm to this year's classification.

SIGNATURES TO THE SCHEDULES 'A' TO 'L' WHICH FORM AN INTEGRAL PART OF THE ACCOUNTS.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR N. K. JALAN & CO.  
CHARTERED ACCOUNTANTS

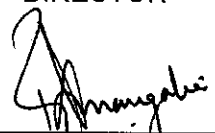
FOR AND ON BEHALF OF BOARD



(N. K. JALAN) PROPRIETOR

  
(SHEODUTT SANGHAI)  
DIRECTOR

  
(SUSHIL SANGHAI)  
DIRECTOR

  
(RAJENDRA NANGALIA)  
DIRECTOR

MUMBAI.  
DATED : 16.08.2010



**SCHEDULE VI PART IV TO THE  
COMPANIES ACT, 1956.**

Information referred to in Note No. 8 in Accounting Policies & Notes :

Part IV Schedule VI of Companies Act, 1956 (as amended)

Balance Sheet Abstract and Company's General Business Profiles

I. Registration Details

Registration No.	2	4	3	4	4				
Balance Sheet Date	3	1	-	0	3	-	1	0	
	Date	Month	Year						

State Code 

1	1
---	---

II. Capital Raised During the year (Amount in Rs. Thousand)

Public Issue	N	I	L						
Bonus Issue	N	I	L						

Right Issue	N	I	L						
Private Placement	N	I	L						

III. position of Mobilisation and Deployment of Funds (Amount in Rs.Thousand)

Total Liabilities 

			4	8	5	9	1
--	--	--	---	---	---	---	---

Total Assets 

			4	8	5	9	1
--	--	--	---	---	---	---	---

Sources of Funds									
Paid-Up Capital			2	2	5	0	0		
Secured Loans									

Reserves & Surplus						3	6	9	
Unsecured Loans			2	5	7	2	1		

Application of Funds									
Net Fixed Assets									
Net Current Assets	-			6	0	0	0		
Accumulated Losses									

Investments							N	I	L	
Misc. Expenditure								N	I	L

IV. Performance of Company (Amount in Rs. Thousand)

Turnover				3	5	8	6	6	
Profit Before Tax				1	2	1	4		
(+ for profit,- for loss)									

Total Expenditure	-			3	4	7	2	4	
Profit After Tax	-			1	2	1	4		

Earning Per Share 

				N	I	L
--	--	--	--	---	---	---

Dividend Rate % 

				N	I	L
--	--	--	--	---	---	---

V. Generic Name of Three Principal Products/Services of Company ( as per Monetary Terms)

Item Code No.(ITC Code)	N	A																	
Product Description																			

Item Code No.(ITC Code)	N	A							
Product Description									

Item Code No.(ITC Code)	N	A							
Product Description									

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010.

	31.03.2010 (Rs.)	31.03.2009 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<u>NET PROFIT/(LOSS) BEFORE TAX &amp; EXTRAORDINARY ITEMS</u>	1214052	1783672
<u>Adjustment for :</u>		
Sundry Balances w/off	71761	1933566
<u>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</u>	1142291	(149894)
<u>Adjustment for :</u>		
Decrease in Trade and other receivables	0	146138
Inventories	0	0
Decrease in Trade Payables	(2074124)	(10011196)
<u>CASH GENERATED FROM OPERATIONS</u>	(931833)	(10014952)
Direct Taxes Paid	204000	0
Interest Paid	0	0
	(1135833)	(10014952)
<u>CASH FLOW FROM EXTRA ORDINARY ITEM (Opening Balance)</u>	0	0
<u>NET CASH FROM OPERATING ACTIVITIES</u>	(1135833)	(10014952)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	0	0
	(1135833)	(10014952)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Sundry Loans W/off	0	10000560
<u>NET CASH FROM/USED IN FINANCING ACTIVITIES</u>	1190039	10000560
<u>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</u>	54206	(14392)
<u>CASH AND CASH EQUIVALENTS AS AT 01.04.2009/08</u>	3400	17792
<u>CASH AND CASH EQUIVALENTS AS AT 31.03.2010/09 (Closing Balance)</u>	<u>57606</u>	<u>3400</u>

Trade Payables, Trade Receivables have been w/off during the year.  
A part of Secured Loans has been w/off during the year and remaining have become unsecured.

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR N. K. JALAN & CO.  
CHARTERED ACCOUNTANTS

*Rajendra*

(N. K. JALAN) PROPRIETOR  
MUMBAI.  
DATED : 16.08.2010.

FOR AND ON BEHALF OF THE BOARD

*Sheodutt Sanghai*  
(SHEODUTT SANGHAI)  
DIRECTOR

*Sushil Kumar Sanghai*  
(SUSHIL KUMAR SANGHAI)  
DIRECTOR

*Rajendra Nangalia*  
(RAJENDRA NANGALIA)  
DIRECTOR