

# RAJKAMAL SYNTHETICS LIMITED

## NOTICE

NOTICE is hereby given that THE 30<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 Monday the 30th May, 2011 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, 2011 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 Sushil S Sanghai who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.
4. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"Resolved that pursuant to the Provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any amendment thereto or re-enactment thereof), and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into with the Stock Exchanges where the Ordinary Shares of the Company are listed. Foreign Exchange Management Act, 2000 (FEMA) Foreign Exchange Management (Transfer of Security by a person resident outside India) Regulations, 2000 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and the regulations/ guidelines, if any prescribed by the Securities and Exchange Board of India, Reserve Bank of India, The Stock Exchanges, the Government of India or any other relevant authority from time to time, to the extent applicable and subject to the approvals, consents, permissions, and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company is hereby authorised to accept, the Board of Directors be and is hereby authorised on behalf of the Company to create, issue offer and allot, in the course of one or more public or private offerings in domestic and /or one or more international markets, with or without a green shoe option, Ordinary Shares and/or ordinary shares through Depository receipts at the option of the Company and/or the holder(s) of such securities and/or securities linked to Ordinary Shares to eligible Investors under applicable laws, regulations and guidelines (whether residents and/or non residents and/or institutions/banks and/or incorporated bodies, mutual funds and/or individuals and/or trustees and or stabilizing agents or otherwise and whether or not such investors are members of the Company) through prospectus, and/or letter of offer or circular and/or on public and/ or private/ preferential basis, such issue and allotment to be made at such time/times in one or more tranches, for cash at such price or prices in such manner and where necessary, in consultation with the Book Running Lead Managers and/or other advisors or otherwise on such terms and conditions as the Board may, in its absolute discretion, decide at the time of Issue of Securities provided that the Total amount raised through the Issuance of such securities does not exceed **Rs 4.75 Crores (Rupees Four Crores Seventy five Lakhs)**, as may be decided by the Board, to investors as mentioned above.

"RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of Ordinary Shares as may be required to be issued and allotted, in accordance with the terms and offer, subject to the provisions of the Memorandum and Articles of Association of the Company all such shares shall rank pari passu inter se and with the then existing Ordinary Shares of the Company in all respects, including Dividend.

"RESOLVED FURTHER that the Company and/or agency or body or person authorised by the Board may issue Ordinary Shares in the Capital of the Company or such other securities in negotiable, registered or bearer form with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations.

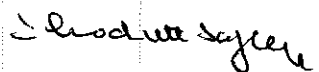
'RESOLVED FURTHER that for the purpose of giving effect to any offer or allotment of Ordinary Shares , the Board be and is hereby authorised on behalf of the Company, to do all such acts, deeds matters and things as it may in its absolute discretion deem necessary or desirable for such purpose including without limitation, entering into arrangements for appointment of agencies for managing, underwriting, marketing, listing, trading of Securities issued the depository, custodian, registrar stabilizing agent , paying and conversion agent ,trustee and to issue any offer documents including but not limited to the preliminary and final offering documents and sign all deeds, documents and writing s and to pay any fees ,commissions and remuneration , expenses relating thereto and with such power on behalf of the Company to settle all questions , difficulties or doubts that may arise in this regard to such issues or allotments as it may in its absolute discretion deem fit.

"RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers herein conferred , to any committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company , including filing of Offer Document with authorities as required affixing the Common Seal of the Company on Agreements /documents , arranging delivery and execution of contracts, deeds agreements and instruments and opening bank Accounts and demat accounts."

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

Dated: 30<sup>th</sup> April, 2011

BY ORDER OF THE BOARD OF DIRECTORS

  
(SHEODUTT SANGHAI)  
CHAIRMAN

**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 Friday 27<sup>th</sup> May, 2011 to Monday 30<sup>th</sup> May, 2011(Both days inclusive)
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled for attending the Meeting.
5. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act is annexed herewith.
6. The Shareholders are requested to Note that that the Company's Shares can now be held in Dematerialised and the Company's Equity Shares have been allotted ISIN-INE 376L01013 with CDSL , the Latest List of DP's can be obtained from their Website at [www.cdslindia.com](http://www.cdslindia.com).

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

**ITEM NO 4 .**

The Company intends to raise additional Long term finance by issue of Securities in the Domestic Markets and utilize the proceeds for repayment of indebtedness, working capital in the Company and general corporate purposes. The Proposed Resolution seeks the enabling authorization of the Members to the Board of Directors to raised additional Funds through the Issue of Securities in the Domestic Markets for an amount not exceeding Rs 4.75 Crores (Four Crores Seventy Five Lakhs) or its equivalent, in one or more tranches, in such form, on such terms, in such manner at such price and at such time as may be considered appropriate by the Board to various categories of Investors.

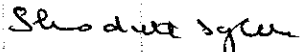
The Board of Directors accordingly recommends the Resolution set out at Item No 4 of the accompanying Notice for the Approval of the Members.

The Directors of the Company may be deemed concerned or interested in the Resolution at Item No 4 of the Notice to the extent of Securities that may be subscribed to by the Companies /Institutions of they are directors or Members.

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

BY ORDER OF THE BOARD OF DIRECTORS

Dated : 30<sup>th</sup> April, 2011

  
(SHEODUTT SANGHAI)  
CHAIRMAN

# RAJKAMAL SYNTHETICS LIMITED

## DIRECTORS' REPORT

To  
The Members,

Your Directors hereby present the 30th ANNUAL REPORT of the Company together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS:

	(AMOUNT IN RS.)	
	CURRENT YEAR 31-03-2011.	PREVIOUS YEAR 31-03-2010
	Rs	Rs
Profit / (Loss) for the year	2,42,686	12,14,052
Less: Provision for Taxation.	46,770	1,87,570
Less: Prior period adjustment	23,570	19,671
Add Transfer from Investment Reserve	3,69,390	-
Add: Surplus / (Deficit) on Appropriation account brought forward from previous year.	(54,798,438)	(55,805,249)
Profit /Losses Carried to Balance Sheet	( 54,256,702)	(54,798,438)
	=====	=====

### 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 138.97 Lacs as against Rs. 358.67 during the previous year.

### FUTURE PLANS.

Your Directors are happy to inform you that due to consistent efforts put in by all involved in running of the Company. There has been turnaround in Working of your Company which can be seen by the Members from the results of the Company. The Directors have been successful in getting Your Company's Equity Shares Listed on Bombay Stock Exchange and Trading of your Company's Shares is now done in Dematerialised Mode.

In spite of Best efforts of the Company settlement with the Other Institutional Debenture Holders, our request is pending in respect of the settlement of their Balance OTS amount as requested by the Company to Canara Bank, New India Assurance Co Ltd and National Insurance Co Ltd. We are informed that Settlement of Balance Outstanding Debenture in OTS is under their favorable consideration.

For the Issue of Shares to Creditors and their nominees, Promoters, Co partners, Company has applied to Bombay Stock Exchange for obtaining the permission to issue the shares to the existing creditors and their nominee Promoters and Co- partners but the company has received the letter from Bombay Stock Exchange which reads as under:

**“ Allotment pursuant to the special resolution shall be completed within a period of fifteen days from the date of passing of such resolution:**

After getting the approval in Annual General Meeting from the share holders, which is mandatory we shall apply to Bombay Stock Exchange and after getting the necessary approval we will issue the shares and paid up capital of the company will increase from 225 lacs to 650 lacs. With the increase of paid up capital company shall be a zero debt company and its financial net worth should improve from Negative Net worth to Positive Net worth. This would result in improvement in the activity of the company.

Your Company intends to issue the shares as under:

Conversion of Loan to Creditors at Rs 10/- at par	28.00 lakhs shares
Allotment to Promoters/ Co-partners at Rs 10/- at par	14.50 lakhs shares.
Total	<u>42.50 lakhs</u> =====

**DIRECTORS:**

Shri Sushil S 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 2011, 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 2011 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:**

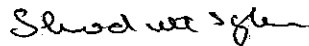
The Observations made in the Auditors' Reports are self explanatory and as such they do require any explanation under Section 217(3) of the Companies Act, 1956.

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: 30<sup>th</sup> April, 2011



**SHEODUTT SANGHAI  
CHAIRMAN**

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, 2011, 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.

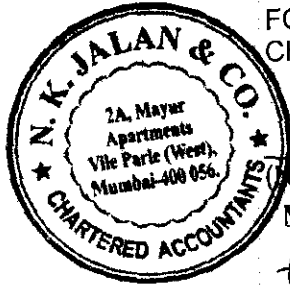
As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

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, 2011 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 2011, 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. 1,95,916/- during the year ended March 31, 2011 and total liabilities exceeded from its total assets by Rs.54,120,994 /-. 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, 2011
- (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: 30.04.2011.



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

  
N.K. JALAN) PROPRIETOR

Membership No: 11878;

FIRM NO. 104019W

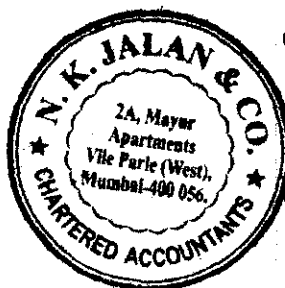


ANNEXURE TO AUDITORS'S REPORT(REFERRED TO IN PARAGRAPH-2 OF OUR REPORT OF EVEN DATE)

- (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 from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs42,29,500 / - and the year-end balance of loan taken from such parties was Rs. 5,00,000/-.  
(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, 2011 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 : 30.04.2011.



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

*N. K. Jalan*

(N. K. JALAN) PROPRIETOR  
Membership No. 11878,

Firm No. 104019 W

## M/S. RAJKAMAL SYNTHETICS LIMITED

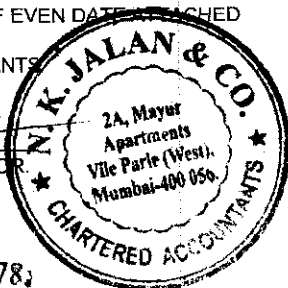
## BALANCE SHEET AS ON 31ST MARCH, 2011

	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	22,500,000	22,500,000
<b>LOAN FUNDS :</b>					
Unsecured Loans	B	31,609,488	25,721,417	25,721,417	25,721,417
<b>TOTAL</b>		<b>54,109,488</b>	<b>48,221,417</b>	<b>48,221,417</b>	<b>48,221,417</b>
<b>APPLICATION OF FUNDS :</b>					
<b>CURRENT ASSETS, LOANS AND ADVANCES :</b>					
Inventories		-	-	-	-
Sundry Debtors	C	-	-	-	-
Cash and Bank Balance	D	112,676	57,606	57,606	57,606
Loans and Advances	E	0	-	-	-
		112,676	57,606	57,606	57,606
<b>LESS : CURRENT LIABILITIES AND PROVISIONS :</b>					
Liabilities	F	77,412	6,077,667	6,077,667	6,077,667
Provisions		46,770	187,570	187,570	187,570
		124,182	6,265,237	6,265,237	6,265,237
<b>NET CURRENT ASSETS</b>			<b>(11,506)</b>		<b>(6,207,631)</b>
<b>PROFIT &amp; LOSS APPROPRIATION A/C.</b>		<b>54,256,702</b>	<b>54,429,048</b>	<b>54,429,048</b>	<b>54,429,048</b>
<b>LESS : Capital Receipts Remission on Debenture</b>		<b>135,708</b>	<b>0</b>	<b>0</b>	<b>54,429,048</b>
<b>TOTAL</b>		<b>54,109,488</b>	<b>48,221,417</b>	<b>48,221,417</b>	<b>48,221,417</b>
<b>NOTES FORMING PART OF THE ACCOUNTS</b>	I				

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*  
(N. K. JALAN) PROPRIETOR  
MUMBAI.  
DATED : 30.04.2011



*S. Sanghai*  
(SHEODUTT SANGHAI) (SUSHIL SANGHAI)  
DIRECTOR DIRECTOR

*R. Nangalia*  
(RAJENDRA NANGALIA)  
DIRECTOR

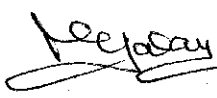
Membership No: 11878;  
Firm No. 104019W

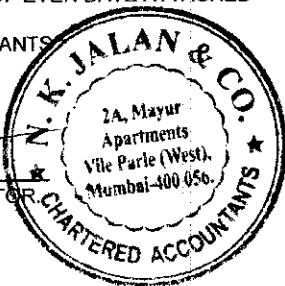
M/S. RAJKAMAL SYNTHETICS LIMITEDPROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

	SCHEDULES	CURRENT YEAR		PREVIOUS YEAR	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME :</b>					
Sales		13,897,317		35,866,921	
Other Income	G	84,468		71,761	
			<u>13,981,785</u>		<u>35,938,682</u>
<b>EXPENDITURE :</b>					
Purchases		13,288,164		33,857,960	
Administrative and Other Expenses	H	450,935		866,670	
			<u>13,739,099</u>		<u>34,724,630</u>
			<u>13,739,099</u>		<u>34,724,630</u>
PROFIT/(LOSS) BEFORE TAX			242,686		1,214,052
Provision for Taxation			<u>46,770</u>		<u>187,570</u>
PROFIT/(LOSS) AFTER TAX			195,916		1,026,482
Add : Prior period Adjustments			<u>(23,570)</u>		<u>(19,671)</u>
			172,346		1,006,811
Add: Tr. From Investment reserve			369,390		0
Add : Balance brought forward			<u>(54,798,438)</u>		<u>(55,805,249)</u>
BALANCE CARRIED TO BALANCE SHEET			<u>(54,256,702)</u>		<u>(54,798,438)</u>
Earning per Share			0.09		0.46
Basic and diluted(Refer to note 5 in Schedule 'N')					
NOTES FORMING PART OF THE ACCOUNTS	I				

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

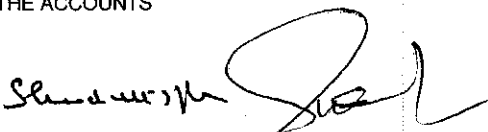
  
(N. K. JALAN) PROPRIETOR

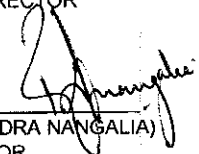


MUMBAI.  
DATED : 30.04.2011

Membership No: 11878

Firm No. 104019 W

  
(SHEODUTT SANGHAI) (SUSHIL SANGHAI)  
DIRECTOR DIRECTOR

  
(RAJENDRA NANGALIA)  
DIRECTOR

**SCHEDULES 'A' TO 'I' ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 'A'</b>				
<b>SHARE CAPITAL :</b>				
7,000,000 Equity Shares of Rs. 10/- each)		70,000,000		70,000,000
<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>UNSECURED LOANS :</b>				
A. Debenture	2,116,288		2,501,917	
<b>LOANS :</b>				
From Directors	500,000		4,019,500	
From others	28,993,200		19,200,000	
		31,609,488		25,721,417
		31,609,488		25,721,417
<b>SCHEDULE 'C'</b>				
<b>SUNDRY DEBTORS :</b>				
Debts outstanding for a period exceeding six months	-		-	
Other Debts	-		-	
		-		-
<b>SCHEDULE 'D'</b>				
<b>CASH AND BANK BALANCES :</b>				
Cash-in-Hand	703		6,558	
<b>Balance with Scheduled Banks</b>				
In Current Account	111,973		51,048	
		112,676		57,606
		112,676		57,606
<b>SCHEDULE 'E'</b>				
<b>LOANS AND ADVANCES :</b>				
		-		-
<b>SCHEDULE 'F'</b>				
<b>CURRENT LIABILITIES AND PROVISIONS :</b>				
<b>A. CURRENT LIABILITIES :</b>				
<b>SUNDRY CREDITOR :</b>				
For Goods			6,032,667	
For Expenses	77,412		45,000	
		77,412		6,077,667
<b>B. PROVISIONS :</b>				
Provision for taxation		46,770		187,570
		124,182		6,265,237

	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 'G'</b>				
<b>OTHER INCOME :</b>				
Sundry Balance W/off	84,468	84,468	71,761	71,761
		<u>84,468</u>		<u>71,761</u>
<b>SCHEDULE 'H'</b>				
<b>ADMINISTRATIVE AND OTHER EXPENSES :</b>				
Employee's Remuneration	139,420		62,161	
Advertising Expenses	32,326		43,645	
Printing & Stationery	33,947		36,059	
Postage & Telegram	32,266		33,068	
Travelling and Conveyance Expenses	3,408		5,668	
General Expenses	50,556		29,205	
Legal and Professional Fees	29,000		246,904	
Listing Fees	13,788		73,788	
Increase in authorised Capital	-		280,000	
Share Transfer Maint. Charges	88,649		38,172	
<b>Auditor's Remuneration</b>				
For Audit Fees	27,575	450,935	18,000	866,670
		<u>450,935</u>		<u>866,670</u>

M/S. RAJKAMAL SYNTHETICS LIMITED.SCHEDULE 'I'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, 2011.(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>2011</u>	<u>2010</u>
a) Net Profit/(Loss) after tax	195916	1026482
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 'N' 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



*Sushil Sanghai*  
\_\_\_\_\_  
(SHEODUTT SANGHAI)  
DIRECTOR

*Sushil Sanghai*  
\_\_\_\_\_  
(SUSHIL SANGHAI)  
DIRECTOR

\_\_\_\_\_  
(N. K. JALAN) PROPRIETOR

*Rajendra Nangalwa*  
\_\_\_\_\_  
(RAJENDRA NANGALWA)  
DIRECTOR

MUMBAI.  
DATED : 30.04.2011

**Membership No: 11878,**  
Firm No. 104019 W



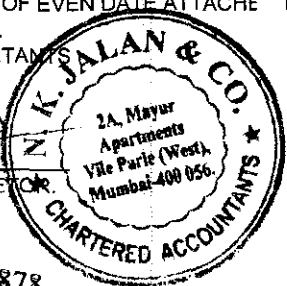


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011	31.03.2010
		(Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<u>NET PROFIT/(LOSS) BEFORE TAX &amp; EXTRAORDINARY ITEMS</u>	242,686	1,214,052
<u>Adjustment for :</u>		
Sundry Balances w/off		71,761
Interest Income		-
Loss on sale of Assets	-	0
Interest on borrowings	-	71,761
<u>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</u>	242,686	1,142,291
<u>Adjustment for :</u>		
Trade and other receivables (Note 2)	0	0
Inventories (Note 3)	0	-
Trade Payables (Note 4)	(6,000,255)	(2,074,124)
<u>CASH GENERATED FROM OPERATIONS</u>	(5,757,569)	(931,833)
Direct Taxes Paid (Note 1)	0	204,000
Interest Paid	-	204,000
	(5,968,709)	(1,135,833)
<u>CASH FLOW FROM EXTRA ORDINARY ITEM (Opening Balance)</u>	-	0
<u>NET CASH FROM OPERATING ACTIVITIES</u>	(5,968,709)	(1,135,833)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Interest Received	-	-
Sale of Assets	-	0
	(5,968,709)	(1,135,833)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Total Proceeds from Borrowings	-	-
Sundry Loans w/off	-	-
Unsecured loans from Directors	5,888,071	1,190,039
Repayments of secured loan	135,708	-
Interest on Debentures	-	0
<u>NET CASH FROM/USED IN FINANCING ACTIVITIES</u>	6,023,779	1,190,039
<u>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</u>	55,070	54,206
<u>CASH AND CASH EQUIVALENTS AS AT 01.04.2010</u>	57,606	3,400
<u>CASH AND CASH EQUIVALENTS AS AT 31.03.2011 (Closing Balance)</u>	112,676	57,606

AS PER OUR REPORT OF EVEN DATE ATTACHE FOR AND ON BEHALF OF THE BOARD  
FOR N. K. JALAN & CO.  
CHARTERED ACCOUNTANTS

(N. K. JALAN) PROPRIETOR  
MUMBAI.  
DATED : 30.04.2011



(SUSHIL KUMAR SANGHAI) (SHEODUTT SANGHAI)  
DIRECTOR DIRECTOR

(RAJENDRA MANGALIA)  
DIRECTOR

membership No. 11878,  
firm no. 104019W