

**RAJKAMAL**  
**SYNTHETICS LIMITED**

**ISIN NO. INE 376L01013**

**32nd Annual Report**  
**2012-2013**

# RAJKAMAL SYNTHETICS LIMITED

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## BOARD OF DIRECTORS

SHEODUTT SANGHAI	Chairman
SUSHIL SANGHAI	Director
RAJENDRA NANGALIA	Director
ASHOK JAKHOTIA	Director
JAGDISH LADHA	Director

## BANKERS

AXIS Bank Ltd.

## AUDITOR

N. K. Jalan & Co.  
2A, Mayur Apartment,  
Dadabhai Cross Road No. 3,  
Vile Parle (W), Mumbai - 400 056.

## REGISTERED OFFICE

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

## REGISTRAR AND SHARE TRANSFER AGENT

**Satellite Corporate Services Pvt. Ltd.**  
B - 302, Sony Apartment,  
Opp. St. Jude's High School,  
Off Andheri Kurla Road, Jarimari, Sakinaka,  
Mumbai-400072. Tel. : 28520461 / 62

32nd Annual General Meeting  
on 30th September, 2013  
Monday, 10.30 A. M. at  
**DIAMOND PLAZA**  
5th Floor, 391, Dr. D. B. Marg,  
Mumbai - 400 004.

Members are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting.

## RAJKAMAL SYNTHETICS LIMITED NOTICE

NOTICE is hereby given that THE 32<sup>nd</sup> ANNUAL GENERAL MEETING of the Members of RAJKAMAL SYNTHETICS LIMITED will be held at Diamond Plaza, 5<sup>TH</sup> Floor, 391, Dr. D. B. Marg, Mumbai – 400 004 on Monday the 30<sup>th</sup> September, 2013 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, 2013 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 a Director in place of Shri Sushil S. Sanghai who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Diamond Plaza,  
391, Dr.D.B.Marg,  
Mumbai – 400 004.  
Dated : 29th May, 2013.

BY ORDER OF THE BOARD OF DIRECTORS  
Sd/-  
(SHEODUTT B. SANGHAI)  
CHAIRMAN

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### NOTES :

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 before the Annual Genral Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 24th September, 2013 to Monday, the 30th September, 2013 (Both days inclusive)
4. Members / Proxies should bring the Attendance Slip sent herewith duly filled for attending the Meeting.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
6. Members who wish to obtain information on the Company may send their queries at least 10 days before the Annual General Meeting to the Company at its Registered Office of the Company.
7. Members are requested to notify change in Address, if any immediately to the Company or its Registrars: M/s **Satellite Corporate Services Pvt. Ltd.** B - 302, Sony Apartment, Opp. St. Jude's High School, Off Andheri Kurla Road, Jari Mari, Saki Naka, Mumbai - 400072.
8. Pursuant to the requirements of the Listing Agreement of Stock Exchange on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed is given in the Annexure to the Notice.
9. As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for the appointment of the Directors / re-appointment of the Retiring Directors, a statement containing details of the Concerned Director is given below.
10. The Company has Rs. 288,538/- payable to 141 Debenture holders, Final Reminder Notice to collect their dues has been sent to them on 14th August, 2012. The Company would be transferring the said Amount of Rs. 288,538/- to Investor Protection and Education Fund, We are awaiting instructions from the Debenture Trustee and release of lien by them on the said Unpaid Debenture Bank Account for Transfer of Proceeds.

**ANNEXURE TO THE NOTICE**

Details of the Directors seeking Appointment / Re-appointment in Forthcoming Annual General Meeting.

Name of the Director.	Mr. Sheodutt B. Sanghai
Age	77 years
Date of Appointment	10/04/1982
Expertise in Specific functional Areas	Sales and Marketing
Qualifications	Graduate
List of Companies in which Outside Directorship held as On 29th May, 2013 (Excluding Private Companies.)	Nil
Chairman/Member of the Committees of the Board of	Nil
The Other Companies in which he is a Director as on 29th May, 2013	

Name of the Director.	Mr. Sushil S. Sanghai
Age	49 years
Date of Appointment	07/09/1993
Expertise in Specific functional Areas	Finance
Qualifications	B. Com.
List of Companies in which Outside Directorship held as On 29th May, 2013 (excluding Private Companies.)	Nil
Chairman/Member of the Committees of the Board of	Nil
The Other Companies in which he is a Director as on 29th May, 2013	

Diamond Plaza,  
391, Dr. D.B. Marg,  
Mumbai - 400 004.  
Dated : 29th May, 2013

BY ORDER OF THE BOARD OF DIRECTORS  
Sd/-  
**(SHEODUTT B. SANGHAI)**  
CHAIRMAN

# 32nd ANNUAL REPORT 2012-2013

## DIRECTORS' REPORT

To  
The Members,

Your Directors hereby present the 32nd ANNUAL REPORT of the Company together with Audited Statement of Accounts for the year ended on 31st March, 2013.

### FINANCIAL RESULTS :

	(Amount in Rs.)	
	Current Year 31-3-2013 Rs.	Previous Year 31-3-2012 Rs.
Profit/ (Loss) for the Year	5,20,957/-	2,40,651/-
<b>Less</b> : Provision for Taxation	99,082/-	73,440/-
<b>Less</b> : Prior period adjustment	---	2,980/-
<b>Less</b> : Capital Receipts Remission on Debentures	(2,99,325)	(11,48,915)
<b>Add</b> : Surplus / (Deficit) on appropriation brought forward from previous year	(55,105,678)	(54,120,994)
Profit / (Losses) carried to Balance Sheet	<u>(54,983,128)</u>	<u>(55,105,678)</u>

### 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:

Receipts during the year were of Rs.10.57 Lacs as against Rs. 8.96 Lacs 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 improvement in working of your Company which can be seen by the Members of the Company which is reflected in the profits earned by the Company during the Current Year.

### DIRECTORS :

Shri Sheodutt B. Sanghai and Shri Sushil S. Sanghai, Directors retire by rotation and being eligible offer themselves for Re-appointment.

### FIXED DEPOSIT :

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

### AUDIT COMMITTEE :

The Audit Committee consist of 4 directors of whom 3 are Independent Directors, namely Shri Ashok Kumar H. Jakhotia - Chairman, Shri Sheodutt B. Sanghai - Director, Shri Rajendra R. Nangalia - Director and Shri Jagdish B. Ladha - Director. The constitution of Audit Committee meets the requirements of Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

### INVESTORS GRIEVANCE COMMITTEE :

The Investors Grievance Committee consists of 4 directors of whom 3 are Independent Directors, namely Shri Sheodutt B. Sanghai - Chairman, Shri Ashok Kumar H. Jakhotia - Director, Shri Rajendra R. Nangalia - Director and Shri Jagdish B. Ladha - Director. The constitution of Investors Grievance Committee meets the requirements of Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

### REMUNERATION COMMITTEE :

The Remuneration Committee consists of 4 directors of whom 3 Independent Directors, namely, Shri Jagdish B. Ladha - Chairman, Shri Ashok Kumar H. Jakhotia - Director, Shri Rajendra R. Nangalia - Director and Shri Sheodutt B. Sanghi - Director. The constitution of Remuneration Committee meets the requirements of Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

### CORPORATE GOVERNANCE :

Your Company's Philosophy is to enhance Stakeholders Value by adopting and implementing the best of Corporate Governance practices. A detailed Report on Corporate Governance Compliance duly certified by the Practising Company Secretary forms part of this Report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

As required by Clause 49 of the Listing Agreement with Stock Exchange, a Management Discussion and Analysis Report is appended to the Annual Report, it also forms part of this Report of your Directors.

# RAJKAMAL SYNTHETICS LIMITED

## 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 31st March, 2013, 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 31st March, 2013 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.

## RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION :

As there is no Manufacturing activity hence information pertaining to Research & Development etc is not given.

## 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 Auditor's Reports are self explanatory and as such they do not 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.

Your Directors would like to acknowledge the co-operation and Support received by the Company during the year from its employees, financial institutions and Business Partners.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

(SHEODUTT B. SANGHAI)

CHAIRMAN

Place : Mumbai

Dated : 29th May, 2013

## CORPORATE GOVERNANCE REPORT – CLAUSE 49 OF THE LISTING AGREEMENT

### A. Company's Philosophy :

Rajkamal Synthetics Limited believes that for a Company to grow and maintain a Sustained level of Growth the Company must maintain Global Standards of Corporate conduct towards its Employees, Shareholders, Consumers, Investors and Society.

The Primary objective of the Company is to create and imbibe a Corporate culture of conscience and consciousness, transparency and openness towards them.

### B. Board of Directors:

i) Composition:

Details of Composition of the Existing Board of Directors as on 31<sup>st</sup> March, 2013 is given below:

Sr. No.	Name of Directors	Category	No. of Shares held	Attendance Particulars.		Member ship in other Public Ltd. Company	Chairman ship/Member ship in other Public Ltd. Company
				Annual General Meeting	Board Meeting		
1.	Mr. Sheodutt B. Sanghai	P, NE, S	1,79,310	Yes	7	No.	No.
2.	Mr. Sushil S. Sanghai	P, NE, S	2,68,966	Yes	7	No.	No.
3.	Mr. Rajendra R. Nangalia	I	Nil	Yes	7	No.	No.
4.	Mr. Ashok H. Jakhotia	I	Nil	Yes	7	No.	No.
5.	Mr. Jagdish B. Ladha	I	Nil	Yes	7	No.	No.

Abbreviations:

P= Promoter, E= Executive Director, NE = Non Executive Director, I= Independent Non Executive Director.

S= Shareholder, C= Chairman, M= Member, SI= Strategic Investor.

### ii) Details of the Date of Board Meetings.

During the year 2012 -13, the Board of Directors met 7 times on the following dates:

09/05/2012; 31/07/2012; 07/08/2012; 07/09/2012; 03/10/2012; 31/10/2012 and 31/01/2013

## C. COMMITTEES OF THE BOARD.

The Committee constituted by the Board as on date are mentioned below:

### 1. AUDIT COMMITTEE.

The Audit Committee consists of the following 4 Directors of whom 3 are independent Directors as on 31-03-2013.

Mr. Ashok H. Jakhotia	- Chairman	(Independent)
Mr. Sheodutt B Sanghai	- Director.	
Mr. Rajendra R Nangalia	- Director.	(Independent)
Mr. Jagdish B Ladha	- Director.	(Independent)

The Compliance Officer of the Company Mr. M. S. Yadav also acts as a Secretary to the Committee.

Terms of reference

The terms of reference stipulated by the Board of Directors to the Audit Committee are as laid down under Clause 49 of the Listing Agreement.

Meetings of the Audit Committee of Board of Directors were held on 09/05/2012; 31/07/2012; 31/10/2012 and 31/01/2013.

The details of Attendance of Members of the audit Committee are as follows.

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (1/4/2012 to 31/3/2013)
1.	Mr. Ashok H. Jakhotia	Chairman	4
2.	Mr. Sheodutt B. Sanghai	Director	4
3.	Mr. Rajendra R. Nangalia	Director	4
4.	Mr. Jagdish B. Ladha	Director	4

### 2. REMUNERATION COMMITTEE.

The Remuneration Committee consists of 4 Directors of whom 3 are Independent Directors as on 31-03-2013.

Mr. Jagdish B. Ladha	- Chairman	(Independent)
Mr. Sheodutt B. Sanghai	- Director.	
Mr. Rajendra R. Nangalia	- Director.	(Independent)
Mr. Ashok H. Jakhotia	- Director.	(Independent)

The Compliance Officer of the Company Mr M S Yadav also acts as a Secretary to the Committee.

Terms of reference

To recommend payment of Remuneration to the Managing Director /Executive Director from time to time.

No Meetings of the Remuneration Committee of Board of Directors were held, during the year under review.

**No sitting Fees have been paid to Non Executive Directors and Independent Directors during the financial year 2012-13.**

### 3. SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE.

a) The Share Transfer and Investors Grievance Committee focused on Shareholder's Grievances and strengthening of Investor relations. The functions of the Committee include specifically looking into redressal of Investors' grievances pertaining to Transfer of shares, Dematerialization of Shares, replacement of lost/ stolen/mutilated share certificates and other related issues.

b) Composition and details of attendance of members of the Committee are as follows :

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (1/4/2012 to 31/3/2013)
1.	Mr. Sheodutt B. Sanghai	Chairman	25
2.	Mr. Rajendra R. Nangalia	Director (Independent)	25
3.	Mr. Jagdish B. Ladha	Director (Independent)	25
4.	Mr. Ashok H. Jakhotia	Director (Independent)	25

c) Meeting of Share Transfer and Investors Grievance Committees were held on 16/04/2012; 30/04/2012; 31/05/2012; 29/06/2012; 16/07/2012; 31/07/2012; 14/09/2012; 15/10/2012; 09/11/2012; 19/11/2012; 30/11/2012; 10/12/2012; 17/12/2012; 24/12/2012; 31/12/2012; 14/01/2013 21/01/2013; 28/01/2013; 01/02/2013; 11/02/2013; 18/02/2013; 28/02/2013; 11/03/2013; 18/03/2013 and 28/03/2013.

d) Number of Shareholders Complaints / requests received during the year.:

During the year under review, Nil Investor's complaints / requests were received.

All the requests received during the year under report were resolved within the time limit to the satisfaction of the Investors / Shareholders and no requests were pending as on 31st March 2013 for more than 15 days.

## D. GENERAL BODY MEETINGS:

(i) The details of General Meetings held in the last Three years are given hereunder:

# RAJKAMAL SYNTHETICS LIMITED

Date	Type of Meeting	Location	Time	No. of Special Resolutions
30/09/2010	Annual General Meeting	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	10.30 AM	Nil
30/05/2011	Annual General Meeting	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	10.30 AM	1
30/08/2011	Extra Ordinary General Meeting	Diamond Plaza 5th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	11.00 AM	1
29/09/2012	Annual General Meeting	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	10.30 AM	2

(ii) Details of Special Resolutions passed in the last three years are given hereunder.

Date	Location	No. of Special Resolutions	Special Resolutions Passed
30/09/2010	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	Nil	Nil
30/05/2011	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	One	Modified Resolution for raising of funds under Section 81 (1A) and other applicable provisions of the Companies Act, 1956 up to Rs. 4.75 Crores.
30/08/2011	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	One	Modified Resolution for raising of funds under Section 81 (1A) and other applicable provisions of the Companies Act, 1956 up to Rs. 4.75 Crores.
29/09/2012	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	Two ( Special Business )	1) Re-appointment of Additional Director as Director 2) Re-appointment of Additional Director as Director

(iii) During the year under report, no Resolution was passed through postal ballot.

## E. MANAGEMENT DISCUSSION AND ANALYSIS.

Management Discussion and Analysis of the Company is separately given in the Annual Report.

## F. DISCLOSURES.

- There are no transactions with related parties during the year under review.
- There was no non-compliance of any law or regulations (during the last three years) and hence no penalties / strictures.
- Certification by CEO/CFO – Certificate obtained from Chairman on the financial statements of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board Meeting, who took the same on record.
- Brief resume of Directors being appointed/ reappointed :-

### Mr. Sheodutt B. Sanghai

Age 77 Years  
Expertise in Specific Functional areas Sales & Marketing  
Qualifications Graduate  
Date of Appointment 10/04/1982.

### Mr. Sushil S. Sanghai

Age 49 Years  
Expertise in Specific Functional areas Finance  
Qualifications B. Com.  
Date of Appointment 07/09/1993.

## G. MEANS OF COMMUNICATION.

The Board of Directors of the Company approved and took on record the unaudited results for the quarter ended on 30-6-2012; 30-9-2012; 31-12-2012 and 31-03-2013 and forwarded the results to the Stock Exchange and published the same in The Free Press Journal ( English ) and Navshakti Mumbai edition (Hindi).

## H. GENERAL SHAREHOLDER INFORMATION.

The Next Annual General Meeting of the Company shall be held at:-

- Venue: Diamond Plaza 5th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.
- Date of Book Closure :- From : Tuesday, the 24th September, 2013. To : Monday, the 30th September, 2013
- Dividend Payment date : No dividend has been declared by the Company for the financial year 2012-13.
- Listing on Stock Exchanges and Codes  
The securities of the Company are listed on The Bombay Stock Exchange (Scrip Code - 514028.) Demat code - ISIN INE 376L01013.
- Market Price Data- High - Low Quotations on Bombay Stock Exchange Limited Mumbai, during each month from April 1, 2012 to March 31, 2013 is as follows:



## 32nd ANNUAL REPORT 2012-2013

Month	Market Price		Sensex	
	High Price	Low Price	High	Low
April - 2012	Nil	Nil	17664.10	17010.16
May - 2012	7.99	7.99	17432.33	15809.71
June - 2012	Nil	Nil	17448.48	15748.48
July - 2012	7.60	6.85	17631.19	16598.48
Aug - 2012	7.54	7.17	17972.07	17026.97
Sept - 2012	8.24	7.86	18869.94	17250.80
Oct - 2012	14.00	8.58	19137.29	18393.42
Nov - 2012	21.30	13.69	19372.70	18255.69
Dec - 2012	33.90	22.35	19612.18	19149.03
Jan - 2013	34.60	28.85	20203.66	19508.93
Feb - 2013	34.00	28.60	19966.69	18793.97
Mar - 2013	29.00	22.80	19754.66	18568.43

vi) The Transfers of the Company's shares are being done by **Satellite Corporate Services Pvt. Ltd.**, the R and T Agents, having their address at : B - 302, Sony Apartment, Opp. St. Jude's High School, Jari - Mari, Saki Naka, Mumbai - 400 072.

Tel. : 022-2852 0461/2.

Contact Person : Mr. Michael Monteiro – Director,

vii) Distribution of Shareholding of Equity Shares as on 31<sup>st</sup> March, 2013 is as follows:

Shareholding of Nominal Value Rs	Total Holders		Amount In Rs.	Amount % of Total
	(In Nos)	% of Total		
1 - 5000	6237	98.44	14053370	21.62
5001 - 10000	33	0.52	2580810	3.97
10001 - 20000	26	0.41	3741820	5.76
20001 - 30000	13	0.21	3233630	4.97
30001 - 40000	6	0.09	2151010	3.31
40001 - 50000	3	0.05	1254090	1.93
50001 - 100000	6	0.09	4775780	7.35
100001 and above.	12	0.19	33207490	51.09
	6336	100.00	65000000	100.00

viii) 5415268 Equity Shares constituting 83.31 % of the Share Capital are in demat form as on 31/03/2013.

ix) **Address for Correspondence** : Diamond Plaza, 391, Dr. D. B. Marg, Mumbai - 400 004.

x) E-mail : ashok@seantometal.com • website : www.rajkamalsynthetics.com

**DECLARATION** : As provided under Clause 49 of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board Members of the Company have affirmed their compliance with the Conduct for the year ended 31st March, 2013.

Place : Mumbai

Dated : 29th May, 2013

Sd/-  
**(SHEODUTT B. SANGHAI)**  
CHAIRMAN

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 (IV) (F) of the Listing Agreement, your Directors report as follows :

#### MACRO ECONOMIC OVERVIEW :

The Financial Year 2012-13 was a challenging Year for the Indian Economy. GDP growth during the year slipped to 5% as compared to 6.25% in 2011-2012, which is the slowest pace of growth in the last decade. According to Central Statistical Organization in 2002-2003 the GDP had grown at 4% since then the Indian Economy had been growing at over 6% the highest rate of 9.6% had been attained in 2006-2007. Economic growth was impacted by slow pace of reforms, political and policy uncertainty, foreign exchange volatility and high interest rates. Global economic headwinds created further uncertainty for businesses and lowered business confidence.

The Indian economy is expected to rebound in 2013-2014, boosted by lower inflation and Interest rate cuts from the Reserve Bank of India. Some temporary factors like easing of commodity prices are helping to keep inflation in check.

The Indian Economy is approaching an inflexion point with GDP growth having bottomed out and Corporate Earnings having stabilized, it is expected that Economic momentum and Earnings will improve from Current Levels.

#### Industry Scenario and the Company's performance.

# RAJKAMAL SYNTHETICS LIMITED

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The year was characterized by global slowdown, weak Retail Demand at home, rising input cost coupled with lower growth in industrial production continuing high rate of inflation and alarming depreciation of rupee.

The Company became a debt free Company last year. Rajkamal Synthetics continued Trading in Textiles, Synthetics and allied Businesses. The Company has also been engaged during the Current Year in Marketing of Textiles, Synthetics and allied products.

The Company has during the current Year earned Net Profit of Rs. 5.21 Lakhs during the Current year. Thus as it would be observed that the Company has been consistent in earning Profit during the last three years and the Company is confident over a period of time it will be able to turn corner in very near future, with increase in Volumes and Profits.

## **Opportunities, Threats and Challenges.**

Large fluctuations in Crude Oil prices, Depreciation in rupee and consequent impact on raw material and polyester prices hurt growth. Large volatility in the International Markets especially on the downside will have adverse temporary effects on the textile Industry.

Capacity additions by new and existing players may have a temporary effect on your Company's margins.

The substantial expansion in Production Capacity of Textiles and Synthetic Materials by the major Producers and rationalization of import duty structure, the prices of Textile and Synthetic materials are expected to remain under pressure.

## **Risk Management**

The Company mitigates the impact of price risk on finished goods with the Company's reputation for quality, product differentiation and service to the customers with better marketing network. Capacity addition by New Existing players may have a temporary effect on your Company's margins.

The Company is exposed to risk from Market fluctuation of Foreign Exchange, Interest rates, Commodity prices, Business risks, Compliance risks and People risks.

## **Internal Control Systems and its adequacy**

The Company has adequate internal Control procedures commensurate with the size of operations and the nature of business. These controls ensure efficient use and protection of Company's financial and non-financial resources. Regular Internal Audit and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggest improvement for strengthening them, from time to time.

## **Development of Human Resources**

The Company endeavors to keep work place and working environment cheerful by having good HR practices.

## **Corporate Social Responsibility**

The Company is flagship organization of Rajkamal Group of Companies. The Group is alive to and collectively undertake its Corporate Responsibility towards society. The Group has continued to carry out socially beneficial activities.

### Cautionary Statements

Certain statements in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations estimates etc may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamities and other force majeure conditions etc. over which the company has no control.

### CEO/CFO CERTIFICATE :

I, Sheodutt B. Sanghai, CEO of Rajkamal Synthetics Limited hereby certify that :

- a) We have received Financial Statements, and the Cash Flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that may be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining Internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial statement and we have disclosed to the Auditors and the Audit committee deficiencies in the design or operation or such internal controls, if any of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee.
  - (i) Significant changes in the internal control over financial reporting during the year.
  - (ii) Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to financial statements; and
  - (iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai  
Dated : 29th May, 2013

Sd/-  
**(SHEODUTT B. SANGHAI)**  
(CEO)

### **Certificate on Compliance of Conditions of Corporate Governance under Clause 49 of the Listing Agreement.**

TO THE MEMBERS OF RAJKAMAL SYNTHETICS LIMITED.

We have examined the compliance of conditions of Corporate Governance by Rajkamal Synthetics Limited, for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation there of, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations as given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor's grievance received during the year ended ended on 31st March, 2013, the Registrar and Share Transfer Agents of the Company have certified that as at 31st March, 2013, there were no investor's grievances remaining unattended / pending for more than 15 days.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai  
Dated : 29th May, 2013

Sd/-  
**A. L. Makhija**  
Practising Company Secretary,  
Membership No. 5087  
C.P. No. 3410,

# RAJKAMAL SYNTHETICS LIMITED

## AUDITORS' REPORT

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

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of M/S. RAJKAMAL SYNTHETICS LIMITED, ( the \*Company\* ), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013. The Statement of Profit and Loss and also the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

#### Management Responsibility for the Financial Statement's

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 of India (the \*Act\*). These responsibilities includes the design, implementation of internal control relevant to the preparation and presentation of financial statements that gives a true and fair view and are free from material misstatements, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedure selected depends on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors' internal control relevant to the Company's preparation and fair representation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimate made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that, audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India.
  - (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013.
  - (b) In the case of the statement of Profit and Loss, of the profit for the year ended on that date.
  - (c) In the case of the Cash Flow Statement, of the cash flow for the year ended on the date.

#### Report on other Legal and Regulatory Requirement

7. As required by 'the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amended) Order , 2004, issued by the Central Government of India in terms of sub-section ( 4A ) section 227 of the Companies Act, 1956 ( hereinafter referred as to the "order" ), and on the basis of such checks of the books and record of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the order.
8. As required by the Section 227 (3) of the Act, we report that :
  - (a) We have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper Books of Accounts as required by the law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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 Act,
  - (e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2013 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 2013, from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956:

PLACE : MUMBAI.  
Dated : 29th May, 2013

**FOR N. K. JALAN & CO.,**  
CHARTERED ACCOUNTANTS.  
FIRM NO. 104019W  
Sd/-  
(N.K. JALAN) PROPRIETOR  
Membership No. 11878

## **ANNEXURE TO THE AUDITORS'S REPORT**

### **(REFERRED TO IN PARAGRAPH-7 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 advances in the nature of loan.  
(b) The company had taken loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 24,50,000 / - and the year-end balance of loan taken from such parties was Rs. 70,000/-.  
(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, no 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.
- (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, 2013 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 not defaulted in repayment of dues to bank.
- (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 there are no funds raised on short-term basis that 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) According 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 : 29th May, 2013

**FOR N. K. JALAN & CO.,**  
CHARTERED ACCOUNTANTS.  
FIRM NO. 104019W  
Sd/-  
(N.K. JALAN) PROPRIETOR  
Membership No. 11878

# RAJKAMAL SYNTHETICS LIMITED

## M/s. RAJKAMAL SYNTHETICS LIMITED Balance Sheet as at 31st March, 2013

Particulars	NOTE NO.	As at 31st March, 2013	As at 31st March, 2012
		₹	₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	2.1	65,000,000	65,000,000
(b) Reserves and Surplus	2.2	- 54,983,128	- 55,105,678
<b>2 Non-current liabilities</b>			
(a) Long - Term Borrowings	2.3	358,538	337,680
<b>3 Current Liabilities</b>			
(a) Trade payables	2.4	67,944	115,248
(b) Short - Term Provisions	2.5	99,082	—
<b>TOTAL</b>		<b>10,542,436</b>	<b>10,347,250</b>
<b>B ASSETS</b>			
<b>Non current assets</b>			
(a) Non-current investment	2.6	10,103,500	----
<b>Current Assets</b>			
(a) Cash and Cash Equivalents	2.7	317,018	24,307
(b) Short Term Loans & Advances	2.8	121,918	10,322,943
<b>Notes To Accounts &amp; Significant Accounting Policies</b>	<b>1 &amp; 2</b>		
<b>TOTAL</b>		<b>10,542,436</b>	<b>10,347,250</b>

As per our report of Even Date

**For N. K. JALAN & CO.**

Firm Reg. No. : 104019 W

Chartered Accountants

Sd/-

**CA N K JALAN**

PROPRIETOR

Mem. No. 11878

Place : Mumbai

Date : 29th May, 2013

**For RAJKAMAL SYNTHETICS LIMITED**

sd/-

**Sheodutt Sanghai**

Director

sd/-

**Sushil Sanghai**

Director

sd/-

**Rajendra Nangalia**

Director



# RAJKAMAL SYNTHETICS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	520,957	240,651
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation and Amortisation Expense	---	---
Interest Received	1,057,184	896,383
Operating Profit before Working Capital Changes	(536,227)	(655,732)
Changes in Assets and Liabilities		
Trade Payables	(47,304)	(37,836)
Income taxes paid	---	139,389
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>(583,531)</b>	<b>(757,285)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment towards Capital Expenditure	---	---
Purchase of Investment	---	---
Interest and dividend received	1,057,184	896,383
<b>CASH FLOWS FROM INVESTING ACTIVITIES BEFORE EXCEPTIONAL ITEM</b>	<b>1,057,184</b>	<b>896,383</b>
Dividend Income, net of taxes	---	---
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>	<b>1,057,184</b>	<b>896,383</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Unsecured Loan Repaid	---	(31,271,808)
Payment received against loan	97,525	---
Increase in Capital	---	42,500,000
Loan received from director	70,000	---
Debenture repaid	(51,030)	---
Loan Given to Parties	---	(10,306,744)
Capital Receipts Remission on Debentures	(297,437)	(1,148,915)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(180,942)</b>	<b>(227,467)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>292,711</b>	<b>(88,369)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>24,307</b>	<b>112,676</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>317,018</b>	<b>24,307</b>

As per our report of Even Date

**For N. K. JALAN & CO.**  
Firm Reg. No. : 104019 W  
Chartered Accountants  
Sd/-

**CA N K JALAN**  
PROPRIETOR  
Mem. No. 11878

Place : Mumbai  
Date : 29th May, 2013

**For RAJKAMAL SYNTHETICS LIMITED**

sd/-  
**Sheodutt Sanghai**  
Director

sd/-  
**Sushil Sanghai**  
Director

sd/-  
**Rajendra Nangalia**  
Director



**M/S. RAJKAMAL SYNTHETICS LIMITED**

**Accompanying notes to the financial statement for the year ended on March 31st, 2013**

Note 1 : Significant Accounting Policies :

**A. Basis of Accounting :**

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules 2006 to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956.

**B. Use of Estimates :**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumption to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period.

**C. Revenue Recognition :**

- i) Sales is recognized as and when the significant risk & rewards in respect of goods is transferred to the buyer.
- ii) Interest income is recognized on time proportion basis.

**D. Accounting for Taxes of Income :**

**Current Taxes**

Provision for current income-tax is recognized in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

**E. Deferred Taxes :**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred tax Assets are reviewed as at each Balance Sheet date.

**F. Provisions and Contingent Liabilities :**

- i) Provisions are recognized in terms of Accounting Standard 29 - "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India ( ICA ), when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- (ii) Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.
- (ii) There are no contingent liabilities for the financial year under audit.

**G. Impairment of Assets :**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is changed to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period reversed if there has been a change in the estimate of recoverable amount.

# RAJKAMAL SYNTHETICS LIMITED

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

### NOTE 2.1 - SHARE CAPITAL

Particulars	As at 31st March 2013		As at 31st March 2012	
	Number of Shares	₹	Number of Shares	₹
(a) Authorised Equity Shares of ₹ 10 each	7,000,000	70,000,000	7,000,000	70,000,000
(b) Issued # Equity shares of ₹ 10 each	6,500,000	65,000,000	6,500,000	65,000,000
(c) Subscribed and fully paid up Equity Shares of ₹ 10 each	6,500,000	65,000,000	6,500,000	65,000,000
<b>Total</b>	<b>6,500,000</b>	<b>65,000,000</b>	<b>6,500,000</b>	<b>65,000,000</b>

Details of shares held by each shareholder holding more than 5% shares.

Class of Shares / Name of Shareholder	As at 31st March 2013		As at 31st March 2012	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Sushil Sanghai	---	---	377,625	5.81
Sheoduttrai Sanghai	---	---	368,775	5.67
Acolyte Infrastructure & Mining Ltd.	537,931	8.28	600,000	9.23
Plaza Diamond Properties P. Ltd.	340,000	5.23	350,000	5.38
Brejeshwari Trading & Investment Ltd.	---	---	365,079	5.62
Aajiwan Industries Ltd.	---	---	560,000	8.62
Paramount Minerals & Chemicals Ltd.	---	---	420,000	6.46
Gyaneshwar Infrastructure P. Ltd.	480,000	7.38	480,000	7.38
Decent Housing Pvt. Ltd.	520,000	8.00	520,000	8.00
Acolyte Properties Pvt. Ltd.	---	---	330,000	5.08

The company has only one class of shares referred to as Equity shares having a par value of ₹ 10/- each and holder of equity share is entitled to one vote per share.

### Note 2.2 Reserve and Surplus

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
(a) Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	(55,105,678)	(54,120,994)
Add: Profit / (Loss) for the year	421,875	164,231
Amounts transferred from Investment Reserve	---	---
Less : Capital Receipts Remission on Debentures	(299,325)	(1,148,915)
Closing Balance	<b>(54,983,128)</b>	<b>(55,105,678)</b>
<b>Total</b>	<b>(54,983,128)</b>	<b>(55,105,678)</b>

### Note 2.3 Long Term Borrowings

Particulars	As at 31 March 2013	As at 31 March 2012
	₹	₹
(a) Debentures		
Unsecured	288,538	337,680
(b) Loans and Advances from related parties		
Unsecured	---	---
Loan from Directors	70,000	---
from Others	--	---
<b>Total</b>	<b>358,538</b>	<b>337,680</b>

## 32nd ANNUAL REPORT 2012-2013

### Note 2.4 Trade payables

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Trade payables: Acceptances Other than Acceptances	67,944 --	115,248 --
<b>Total</b>	<b>67,944</b>	<b>115,248</b>
Balance of Creditors are subject to confirmation and/or Reconciliation/consequential adjustments if any.		

### Note 2.5 Short Term Provisions

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Provision for Tax	99,082	---
<b>Total</b>	<b>99,082</b>	<b>---</b>

As certified by the Management Contingent Liabilities are not provided for ₹ 39827 (P.Y. Rs.39827) in respect of ESIC matter in dispute and pending in appeal.

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.

### Note 2.6 Non current Investment

Particulars	As at 31st March 2013			As at 31st March 2012		
	Quoted ₹	Unquoted ₹	Total ₹	Quoted ₹	Unquoted ₹	Total ₹
Investment in equity instrument (Share application money paid for 83500 shares of Agrawal Industrial Corporation Limited) (83500 shares of Rs. 10 each) (MV =131.65) as on 31st March 2013	10,103,500	---	10,103,500	---	---	---
<b>Total</b>	<b>10,103,500</b>	<b>---</b>	<b>10,103,500</b>	<b>---</b>	<b>---</b>	<b>---</b>

### Note 2.7 Cash and Cash Equivalents

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
(a) Cash on hand	912	4,062
(b) Balances with banks (i) In current accounts	316,106	20,245
<b>Total</b>	<b>317,018</b>	<b>24,307</b>

### Note 2.8 Short Term Loans & Advances

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Advance Tax	121,918	16,199
Other Advances	---	10,306,744
<b>Total</b>	<b>121,918</b>	<b>10,322,943</b>

### Note 2.9 Revenue from Operations

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Sales	--	---
<b>Total</b>	<b>--</b>	<b>---</b>

# RAJKAMAL SYNTHETICS LIMITED

## Note 2.10 Other Income

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Sundry Balance W / Off Interest	---	---
<b>Total</b>	<b>1,057,184</b>	<b>896,383</b>

## Note 2.11 Employee benefit expenses

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Employee Remuneration	163,095	138,641
<b>Total</b>	<b>163,095</b>	<b>138,641</b>

## Note 2.11 Other expenses

Particulars	For the year ended on 31st March 2013	For the year ended on 31st March 2012
	₹	₹
Audit Fees	22,472	22,472
Advertisement & Publicity	54,436	34,990
Printing and Stationery	33,264	55,461
Postage & Telegram	70,441	65,744
Travelling & Conveyance	2,849	4,082
General Expenses	4,115	52,594
Legal & Professional Fees	45,238	48,515
Listing Fees	28,090	137,875
Depository Charges	26,967	30,884
AGM expenses	4,260	--
Bank charges	2,327	--
Rates & Taxes	1,620	--
Filing fees	10,000	--
TDS filing fees	124	--
Web Designing & Maintenance charges	11,236	--
Share transfer maintenance Charges	55,693	64,474
<b>Total</b>	<b>373,132</b>	<b>517,091</b>

## Notes : (i)

Particulars	For the year ended on 31 March 2013	For the year ended on 31 March 2012
	Rs.	Rs.
(i) Payment to the auditors comprises (Net of service tax input credit, where applicable): As auditors - Statutory Audit	22,472	22,472
<b>Total</b>	<b>22,472</b>	<b>22,472</b>

**RAJKAMAL SYNTHETICS LIMITED**

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

**ATTENDANCE SLIP**

To be handed over at the Entrance of the Meeting Hall.

Name of the attending Member (In Block Letters)	Member's Registered Folio Number
--	-------------------------------------

---

Name of Proxy (in Block Letters)  
(To be filled in by the Proxy in attendance instead of the Member)

No. of Share held \_\_\_\_\_

I hereby record my presence at the 32nd Annual General Meeting at the Mumbai - 400 004 on Monday 30th September, 2013 at 10.30 a. m.

\_\_\_\_\_  
( Member's / Proxy's Signature )

(To be signed at the time of handing over his / her slip)

**RAJKAMAL SYNTHETICS LIMITED**

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

FORM OF PROXY

FOLIO NO.

I/We \_\_\_\_\_ of \_\_\_\_\_

being a Member / Members of the above named Company hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ or failing him

\_\_\_\_\_ of \_\_\_\_\_ or failing him

\_\_\_\_\_ of \_\_\_\_\_ as my/our

proxy to vote for me/our behalf at the 32nd Annual General Meeting of the Company to be held on Monday the 30th September, 2013.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Affix One Rupee Revenue Stamp
--

**Note :** This instrument of Proxy shall be deposited at the Registered Office of the Company not less than 48 (FORTY EIGHT) hours before the time of holding the Meeting.

**BOOK POST**  
**PRINTED MATTER**

*If undelivered please return to :*

**SATELLITE CORPORATE SERVICES PVT. LTD.**  
**(Unit - RAJKAMAL SYNTHETICS LTD.)**  
B-302, Sony Apartment, Opp. St. Jude's High School,  
Off Andheri Kurla Road, Jarimari, Sakinaka,  
Mumbai-400072. Tel. : 28520461/62

# RAJKAMAL SYNTHETICS LIMITED

## NOTICE

NOTICE is hereby given that THE 32<sup>nd</sup> ANNUAL GENERAL MEETING of the Members of RAJKAMAL SYNTHETICS LIMITED will be held at Diamond Plaza, 5<sup>TH</sup> Floor , 391, Dr. D. B. Marg, Mumbai – 400 004 on Monday the 30<sup>th</sup> September, 2013 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, 2013 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 a Director in place of Shri Sushil S. Sanghai who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTOR

Diamond Plaza,  
391, Dr.D.B.Marg,  
Mumbai – 400 004.  
Dated : 29th May, 2013.

(SHEODUTT B. SANGHAI)  
CHAIRMAN

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### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AN 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 before the Annual Genral Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 24th September, 2013 to Monday, the 30th September, 2013 (Both days inclusive)
4. Members / Proxies should bring the Attendance Slip sent herewith duly filled for attending the Meeting.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
6. Members who wish to obtain information on the Company may send their queries at least 10 days before the Annual General Meeting to the Company at its Registered Office of the Company.
7. Members are requested to notify change in Address, if any immediately to the Company or its Registrars: M/s **Satellite Corporate Services Pvt. Ltd.** B - 302, Sony Apartment, Opp. St. Jude's High School, Off Andheri Kurla Road, Jari Mari, Saki Naka, Mumbai - 400072.
8. Pursuant to the requirements of the Listing Agreement of Stock Exchange on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed is given in the Annexure to the Notice.
9. As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance for the appointment of the Directors / re-appointment of the Retiring Directors, a statement containing details of the Concerned Director is given below.
10. The Company has Rs. 288,538/- payable to 141 Debenture holders, Final Reminder Notice to collect their dues has been sent to them on 14th August, 2012. The Company would be transferring the said Amount of Rs. 288,538/- to Investor Protection and Education Fund, We are awaiting instructions from the Debenture Trustee and release of lien by them on the said Unpaid Debenture Bank Account for Transfer of Proceeds.

## ANNEXURE TO THE NOTICE

Details of the Directors seeking Appointment / Re-appointment in Forthcoming Annual General Meeting.

Name of the Director.	Mr. Sheodutt B. Sanghai
Age	77 years
Date of Appointment	10/04/1982
Expertise in Specific functional Areas	Sales and Marketing
Qualifications	Graduate
List of Companies in which Outside Directorship held as On 29th May, 2013 (Excluding Private Companies.)	Nil
Chairman/Member of the Committees of the Board of	Nil
The Other Companies in which he is a Director as on 29th May, 2013	

Name of the Director.	Mr. Sushil S. Sanghai
Age	49 years
Date of Appointment	07/09/1993
Expertise in Specific functional Areas	Finance
Qualifications	B. Com.
List of Companies in which Outside Directorship held as On 29th May, 2013 (excluding Private Companies.)	Nil
Chairman/Member of the Committees of the Board of	Nil
The Other Companies in which he is a Director as on 29th May, 2013	

BY ORDER OF THE BOARD OF DIRECTORS

Diamond Plaza,  
391, Dr. D.B. Marg,  
Mumbai - 400 004.  
Dated : 29th May, 2013

**(SHEODUTT B. SANGHAI)**  
CHAIRMAN



## DIRECTORS' REPORT

To  
The Members,

Your Directors hereby present the 32nd ANNUAL REPORT of the Company together with Audited Statement of Accounts for the year ended on 31st March, 2013.

### FINANCIAL RESULTS :

	(Amount in Rs.)	
	Current Year 31-3-2013 Rs.	Previous Year 31-3-2012 Rs.
Profit/ (Loss) for the Year	5,20,957/-	2,40,651/-
<b>Less</b> : Provision for Taxation	99,082/-	73,440/-
<b>Less</b> : Prior period adjustment	---	2,980/-
<b>Less</b> : Capital Receipts Remission on Debentures	(2,99,325)	(11,48,915)
<b>Add</b> : Surplus / (Deficit) on appropriation brought forward from previous year	(55,105,678)	(54,120,994)
Profit / (Losses) carried to Balance Sheet	<u>(54,983,128)</u>	<u>(55,105,678)</u>

### 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:

Receipts during the year were of Rs.10.57 Lacs as against Rs. 8.96 Lacs 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 improvement in working of your Company which can be seen by the Members of the Company which is reflected in the profits earned by the Company during the Current Year.

### DIRECTORS :

Shri Sheodutt B. Sanghai and Shri Sushil S. Sanghai, Directors retire by rotation and being eligible offer themselves for Re-appointment.

### FIXED DEPOSIT :

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

### AUDIT COMMITTEE :

The Audit Committee consist of 4 directors of whom 3 are Independent Directors, namely Shri Ashok Kumar H. Jakhotia - Chairman, Shri Sheodutt B. Sanghai - Director, Shri Rajendra R. Nangalia - Director and Shri Jagdish B. Ladha - Director. The constitution of Audit Committee meets the requirements of Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

### INVESTORS GRIEVANCE COMMITTEE :

The Investors Grievance Committee consists of 4 directors of whom 3 are Independent Directors, namely Shri Sheodutt B. Sanghai - Chairman, Shri Ashok Kumar H. Jakhotia - Director, Shri Rajendra R. Nangalia - Director and Shri Jagdish B. Ladha - Director. The constitution of Investors Grievance Committee meets the requirements of Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

### REMUNERATION COMMITTEE :

The Remuneration Committee consists of 4 directors of whom 3 Independent Directors, namely, Shri Jagdish B. Ladha - Chairman, Shri Ashok Kumar H. Jakhotia - Director, Shri Rajendra R. Nangalia - Director and Shri Sheodutt B. Sanghi - Director. The constitution of Remuneration Committee meets the requirements of Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchange.

### CORPORATE GOVERNANCE :

Your Company's Philosophy is to enhance Stakeholders Value by adopting and implementing the best of Corporate Governance practices. A detailed Report on Corporate Governance Compliance duly certified by the Practising Company Secretary forms part of this Report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

As required by Clause 49 of the Listing Agreement with Stock Exchange, a Management Discussion and Analysis Report is appended to the Annual Report, it also forms part of this Report of your Directors.

**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 31st March, 2013, 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 31st March, 2013 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.

**RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION :**

As there is no Manufacturing activity hence information pertaining to Research & Development etc is not given.

**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 Auditor's Reports are self explanatory and as such they do not 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.

Your Directors would like to acknowledge the co-operation and Support received by the Company during the year from its employees, financial institutions and Business Partners.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai  
Dated : 29th May, 2013

**(SHEODUTT B. SANGHAI)**  
CHAIRMAN

## **CORPORATE GOVERNANCE REPORT – CLAUSE 49 OF THE LISTING AGREEMENT**

### **A. Company's Philosophy :**

Rajkamal Synthetics Limited believes that for a Company to grow and maintain a Sustained level of Growth the Company must maintain Global Standards of Corporate conduct towards its Employees, Shareholders, Consumers, Investors and Society.

The Primary objective of the Company is to create and imbibe a Corporate culture of conscience and consciousness, transparency and openness towards them.

### **B. Board of Directors:**

i) Composition:

Details of Composition of the Existing Board of Directors as on 31<sup>st</sup> March, 2013 is given below:

Sr. No.	Name of Directors	Category	No. of Shares held	Attendance Particulars.		Member ship in other Public Ltd. Company	Chairman ship/Member ship in other Public Ltd. Company
				Annual General Meeting	Board Meeting		
1.	Mr. Sheodutt B. Sanghai	P, NE, S	1,79,310	Yes	7	No.	No.
2.	Mr. Sushil S. Sanghai	P, NE, S	2,68,966	Yes	7	No.	No.
3.	Mr. Rajendra R. Nangalia	I	Nil	Yes	7	No.	No.
4.	Mr. Ashok H. Jakhotia	I	Nil	Yes	7	No.	No.
5.	Mr. Jagdish B. Ladha	I	Nil	Yes	7	No.	No.

Abbreviations:

P= Promoter, E= Executive Director, NE = Non Executive Director, I= Independent Non Executive Director.

S= Shareholder ,C= Chairman, M= Member, SI= Strategic Investor.

### **ii) Details of the Date of Board Meetings.**

During the year 2012 -13, the Board of Directors met 7 times on the following dates:

09/05/2012; 31/07/2012; 07/08/2012; 07/09/2012; 03/10/2012; 31/10/2012 and 31/01/2013

### **C. COMMITTEES OF THE BOARD.**

The Committee constituted by the Board as on date are mentioned below:

#### **1. AUDIT COMMITTEE.**

The Audit Committee consists of the following 4 Directors of whom 3 are independent Directors as on 31-03-2013.

Mr. Ashok H. Jakhotia	- Chairman	(Independent)
Mr. Sheodutt B Sanghai	- Director.	
Mr. Rajendra R Nangalia	- Director.	(Independent)
Mr. Jagdish B Ladha	- Director.	(Independent)

The Compliance Officer of the Company Mr. M. S. Yadav also acts as a Secretary to the Committee.

Terms of reference

The terms of reference stipulated by the Board of Directors to the Audit Committee are as laid down under Clause 49 of the Listing Agreement.

Meetings of the Audit Committee of Board of Directors were held on 09/05/2012; 31/07/2012; 31/10/2012 and 31/01/2013.

The details of Attendance of Members of the audit Committee are as follows.

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (1/4/2012 to 31/3/2013)
1.	Mr. Ashok H. Jakhotia	Chairman	4
2.	Mr. Sheodutt B. Sanghai	Director	4
3.	Mr. Rajendra R. Nangalia	Director	4
4.	Mr. Jagdish B. Ladha	Director	4

#### **2. REMUNERATION COMMITTEE.**

The Remuneration Committee consists of 4 Directors of whom 3 are Independent Directors as on 31-03-2013.

Mr. Jagdish B. Ladha	- Chairman	(Independent)
Mr. Sheodutt B. Sanghai	- Director.	
Mr. Rajendra R. Nangalia	- Director.	(Independent)
Mr. Ashok H. Jakhotia	- Director.	(Independent)

The Compliance Officer of the Company Mr M S Yadav also acts as a Secretary to the Committee.

Terms of reference

To recommend payment of Remuneration to the Managing Director /Executive Director from time to time.

No Meetings of the Remuneration Committee of Board of Directors were held, during the year under review.

**No sitting Fees have been paid to Non Executive Directors and Independent Directors during the financial year 2012-13.**

### 3. SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE.

a) The Share Transfer and Investors Grievance Committee focused on Shareholder's Grievances and strengthening of Investor relations. The functions of the Committee include specifically looking into redressal of Investors' grievances pertaining to Transfer of shares, Dematerialization of Shares, replacement of lost/ stolen/mutilated share certificates and other related issues.

b) Composition and details of attendance of members of the Committee are as follows :

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (1/4/2012 to 31/3/2013)
1.	Mr. Sheodutt B. Sanghai	Chairman	25
2.	Mr. Rajendra R. Nangalia	Director (Independent)	25
3.	Mr. Jagdish B. Ladha	Director (Independent)	25
4.	Mr. Ashok H. Jakhotia	Director (Independent)	25

c) Meeting of Share Transfer and Investors Grievance Committees were held on 16/04/2012; 30/04/2012; 31/05/2012; 29/06/2012; 16/07/2012; 31/07/2012; 14/09/2012; 15/10/2012; 09/11/2012; 19/11/2012; 30/11/2012; 10/12/2012; 17/12/2012; 24/12/2012; 31/12/2012; 14/01/2013; 21/01/2013; 28/01/2013; 01/02/2013; 11/02/2013; 18/02/2013; 28/02/2013; 11/03/2013; 18/03/2013 and 28/03/2013.

d) Number of Shareholders Complaints / requests received during the year.:

During the year under review, Nil Investor's complaints / requests were received.

All the requests received during the year under report were resolved within the time limit to the satisfaction of the Investors / Shareholders and no requests were pending as on 31st March 2013 for more than 15 days.

### D. GENERAL BODY MEETINGS:

(i) The details of General Meetings held in the last Three years are given hereunder:

Date	Type of Meeting	Location	Time	No. of Special Resolutions
30/09/2010	Annual General Meeting	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	10.30 AM	Nil
30/05/2011	Annual General Meeting	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	10.30 AM	1
30/08/2011	Extra Ordinary General Meeting	Diamond Plaza 5th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	11.00 AM	1
29/09/2012	Annual General Meeting	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	10.30 AM	2

(ii) Details of Special Resolutions passed in the last three years are given hereunder.

Date	Location	No. of Special Resolutions	Special Resolutions Passed
30/09/2010	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	Nil	Nil
30/05/2011	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	One	Modified Resolution for raising of funds under Section 81 (1A) and other applicable provisions of the Companies Act, 1956 up to Rs. 4.75 Crores.
30/08/2011	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	One	Modified Resolution for raising of funds under Section 81 (1A) and other applicable provisions of the Companies Act, 1956 up to Rs. 4.75 Crores.
29/09/2012	Diamond Plaza 7th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.	Two ( Special Business )	1) Re-appointment of Additional Director as Director 2) Re-appointment of Additional Director as Director

(iii) During the year under report, no Resolution was passed through postal ballot.

### E. MANAGEMENT DISCUSSION AND ANALYSIS.

Management Discussion and Analysis of the Company is separately given in the Annual Report.

### F. DISCLOSURES.

- There are no transactions with related parties during the year under review.
- There was no non-compliance of any law or regulations (during the last three years) and hence no penalties / strictures.
- Certification by CEO/CFO – Certificate obtained from Chairman on the financial statements of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board Meeting, who took the same on record.
- Brief resume of Directors being appointed/ reappointed :-

**Mr. Sheodutt B. Sanghai**

Age 77 Years  
 Expertise in Specific  
 Functional areas Sales & Marketing  
 Qualifications Graduate  
 Date of Appointment 10/04/1982.

**Mr. Sushil S. Sanghai**

Age 49 Years  
 Expertise in Specific  
 Functional areas Finance  
 Qualifications B. Com.  
 Date of Appointment 07/09/1993.

**G. MEANS OF COMMUNICATION.**

The Board of Directors of the Company approved and took on record the unaudited results for the quarter ended on 30-6-2012; 30-9-2012; 31-12-2012 and 31-03-2013 and forwarded the results to the Stock Exchange and published the same in The Free Press Journal ( English ) and Navshakti Mumbai edition (Hindi).

**H. GENERAL SHAREHOLDER INFORMATION.**

The Next Annual General Meeting of the Company shall be held at:-

- Venue: Diamond Plaza 5th Floor, 391, Dr. D. B. Marg, Mumbai - 400 004.
- Date of Book Closure :- From : Tuesday, the 24th September, 2013. To : Monday, the 30th September, 2013
- Dividend Payment date : No dividend has been declared by the Company for the financial year 2012-13.
- Listing on Stock Exchanges and Codes  
 The securities of the Company are listed on The Bombay Stock Exchange ( Scrip Code - 514028. ) Demat code - ISIN INE 376L01013.
- Market Price Data- High - Low Quotations on Bombay Stock Exchange Limited Mumbai, during each month from April 1, 2012 to March 31, 2013 is as follows:

Month	Market Price		Sensex	
	High Price	Low Price	High	Low
April - 2012	Nil	Nil	17664.10	17010.16
May - 2012	7.99	7.99	17432.33	15809.71
June - 2012	Nil	Nil	17448.48	15748.48
July - 2012	7.60	6.85	17631.19	16598.48
Aug - 2012	7.54	7.17	17972.07	17026.97
Sept - 2012	8.24	7.86	18869.94	17250.80
Oct - 2012	14.00	8.58	19137.29	18393.42
Nov - 2012	21.30	13.69	19372.70	18255.69
Dec - 2012	33.90	22.35	19612.18	19149.03
Jan - 2013	34.60	28.85	20203.66	19508.93
Feb - 2013	34.00	28.60	19966.69	18793.97
Mar - 2013	29.00	22.80	19754.66	18568.43

- The Transfers of the Company's shares are being done by **Satellite Corporate Services Pvt. Ltd.**, the R and T Agents , having their address at : B - 302, Sony Apartment, Opp. St. Jude's High School, Jari - Mari, Saki Naka, Mumbai - 400 072.  
 Tel. : 022-2852 0461/2.  
 Contact Person : Mr. Michael Monteiro – Director,

- Distribution of Shareholding of Equity Shares as on 31<sup>st</sup> March,2013 is as follows:

Shareholding of Nominal Value Rs	Total Holders		Amount	
	(In Nos)	% of Total	In Rs.	% of Total
1 - 5000	6237	98.44	14053370	21.62
5001 - 10000	33	0.52	2580810	3.97
10001 - 20000	26	0.41	3741820	5.76
20001 - 30000	13	0.21	3233630	4.97
30001 - 40000	6	0.09	2151010	3.31
40001 - 50000	3	0.05	1254090	1.93
50001 -100000	6	0.09	4775780	7.35
100001 and above.	12	0.19	33207490	51.09
	6336	100.00	65000000	100.00

- 5415268 Equity Shares constituting 83.31 % of the Share Capital are in demat form as on 31/03/2013.

- Address for Correspondence** : Diamond Plaza, 391, Dr. D. B. Marg, Mumbai - 400 004.
- E-mail : ashok@seantometal.com • website : www.rajkamalsynthetics.com

**DECLARATION** : As provided under Clause 49 of the Listing Agreement with the Stock Exchange, it is hereby declared that all the Board Members of the Company have affirmed their compliance with the Conduct for the year ended 31st March, 2013.

Place : Mumbai  
 Dated : 29th May, 2013

**(SHEODUTT B. SANGHAI)**  
 CHAIRMAN

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**Pursuant to Clause 49 (IV) (F) of the Listing Agreement, your Directors report as follows :**

### **MACRO ECONOMIC OVERVIEW :**

The Financial Year 2012-13 was a challenging Year for the Indian Economy. GDP growth during the year slipped to 5% as compared to 6.25% in 2011-2012, which is the slowest pace of growth in the last decade. According to Central Statistical Organization in 2002-2003 the GDP had grown at 4% since then the Indian Economy had been growing at over 6% the highest rate of 9.6% had been attained in 2006-2007. Economic growth was impacted by slow pace of reforms, political and policy uncertainty, foreign exchange volatility and high interest rates. Global economic headwinds created further uncertainty for businesses and lowered business confidence.

The Indian economy is expected to rebound in 2013-2014, boosted by lower inflation and Interest rate cuts from the Reserve Bank of India. Some temporary factors like easing of commodity prices are helping to keep inflation in check.

The Indian Economy is approaching an inflexion point with GDP growth having bottomed out and Corporate Earnings having stabilized, it is expected that Economic momentum and Earnings will improve from Current Levels.

### **Industry Scenario and the Company's performance.**

The year was characterized by global slowdown, weak Retail Demand at home, rising input cost coupled with lower growth in industrial production continuing high rate of inflation and alarming depreciation of rupee.

The Company became a debt free Company last year. Rajkamal Synthetics continued Trading in Textiles, Synthetics and allied Businesses. The Company has also been engaged during the Current Year in Marketing of Textiles, Synthetics and allied products.

The Company has during the current Year earned Net Profit of Rs. 5.21 Lakhs during the Current year. Thus as it would be observed that the Company has been consistent in earning Profit during the last three years and the Company is confident over a period of time it will be able to turn corner in very near future, with increase in Volumes and Profits.

### **Opportunities, Threats and Challenges.**

Large fluctuations in Crude Oil prices, Depreciation in rupee and consequent impact on raw material and polyester prices hurt growth. Large volatility in the International Markets especially on the downside will have adverse temporary effects on the textile Industry.

Capacity additions by new and existing players may have a temporary effect on your Company's margins.

The substantial expansion in Production Capacity of Textiles and Synthetic Materials by the major Producers and rationalization of import duty structure, the prices of Textile and Synthetic materials are expected to remain under pressure.

### **Risk Management**

The Company mitigates the impact of price risk on finished goods with the Company's reputation for quality, product differentiation and service to the customers with better marketing network. Capacity addition by New Existing players may have a temporary effect on your Company's margins.

The Company is exposed to risk from Market fluctuation of Foreign Exchange, Interest rates, Commodity prices, Business risks, Compliance risks and People risks.

### **Internal Control Systems and its adequacy**

The Company has adequate internal Control procedures commensurate with the size of operations and the nature of business. These controls ensure efficient use and protection of Company's financial and non-financial resources. Regular Internal Audit and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggest improvement for strengthening them, from time to time.

### **Development of Human Resources**

The Company endeavors to keep work place and working environment cheerful by having good HR practices.

### **Corporate Social Responsibility**

The Company is flagship organization of Rajkamal Group of Companies. The Group is alive to and collectively undertake its Corporate Responsibility towards society. The Group has continued to carry out socially beneficial activities.

### **Cautionary Statements**

Certain statements in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations estimates etc may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions, economic conditions affecting demand and supply, government regulations and taxation, natural calamities and other force majeure conditions etc. over which the company has no control.

**CEO/CFO CERTIFICATE :**

I, Sheodutt B. Sanghai, CEO of Rajkamal Synthetics Limited hereby certify that :

- a) We have received Financial Statements, and the Cash Flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that may be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining Internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial statement and we have disclosed to the Auditors and the Audit committee deficiencies in the design or operation or such internal controls, if any of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee.
  - (i) Significant changes in the internal control over financial reporting during the year.
  - (ii) Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to financial statements; and
  - (iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai  
Dated : 29th May, 2013

**(SHEODUTT B. SANGHAI)**  
(CEO)