

RAJKAMAL
SYNTHETICS LIMITED

ISIN NO. INE 376L01013

30th Annual Report
2010-2011

RAJKAMAL SYNTHETICS LIMITED

BOARD OF DIRECTORS

| | | BANKERS |
|-------------------|----------|----------------|
| SHEODUTT SANGHAI | Chairman | Citi Bank N.A. |
| SUSHIL SANGHAI | Director | |
| RAJENDRA NANGALIA | Director | |

AUDITOR

N. K. Jalan & Co.
2A, Mayur Apt.,
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 Apt., Opp. St. Jude's High School,
Off Andheri Kurla Road, Jarimari, Sakinaka,
Mumbai-400072. Tel. : 28520461/62

30th Annual General Meeting
on 30th May, 2011
Monday, 10.30 A. M. at
DIAMOND PLAZA
7th 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 30th ANNUAL GENERAL MEETING of the Members of **RAJKAMAL SYNTHETICS LIMITED** will be held at Diamond Plaza, 7th 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 31st March, 2011 and Profit and Loss Account for the year ended on that date and the 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.

SPECIAL BUSINESS :

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 Provision of the 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 provision of 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 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 / 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, decided 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 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 provided 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 deal documents and writings 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."

RAJKAMAL SYNTHETICS LIMITED

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 effected must be received by the Company at the Registered Office not less than 48 hours before the Meeting.
3. The Register of members and Share Transfer Books of the Company will remain closed from Friday 27th May 2011 to Monday the 30th 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 the Company's share can now be held in Dematerialised form and the Company's Equity Shares have been allotted ISIN -INE 376L01013 With CDSL, and NSDL the Latest List Of DP's can be obtained from their Website at 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 more tranches, in such terms, in such manner at such price and at same 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 which they are directors or Members.

Diamond Plaza,
391, Dr. D.B. Marg,
Mumbai - 400 004.
Dated : 30th April, 2011

BY ORDER OF THE BOARD OF DIRECTORS

(SHEODUTT SANGHAI)
CHAIRMAN

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 on 31st March, 2011.

FINANCIAL RESULTS :

| | (Amount in Rs.) | |
|--|-------------------------------------|--------------------------------------|
| | Current Year 31-3-2011 Rs. | Previous Year 31-3-2010 Rs. |
| Profit/ (Loss) for the Year | 2,42,686 | 1,214,052 |
| Less : Provision for Taxation | 46,770 | 187,570 |
| Less : Prior period adjustment | 23,570 | 19,671 |
| Add : Trasfer from Investment Reserve | 369,390 | - |
| 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 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 PLAN :

Your Directors are happy to inform you that due to consisten efforts put in by all involved in running of the Company. There has been turnaround in Working of you Company which can be seen by the members from the results of the Company. The Director 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 Indian Assurance Co Ltd and National Insurance Co Ltd. We are informed that Settlement of Balance Outsanding Debenture in OTS is under their favourable consideration.

30th ANNUAL REPORT 2010-2011

For the Issue of Shares to Creditors and their nominees, Promoters, Co Associates partners , Company has applied to Bombay Stock Exchange for obtaining the permission to issue the shares to the existing creditors and their nominee Promoters Associates 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/Associates | 14.50 lakhs shares |
| Co-partners at Rs 10/- at par | |

| | |
|-------|--------------------|
| Total | <u>42.50 lakhs</u> |
|-------|--------------------|

DIRECTORS :

Shri Sushil S. Sanghai , Director retires by rotation and being eligible offers himself for reappointment .

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 :

- That in preparation of the accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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.
- 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.
- That the Directors have prepared the accounts for the financial year 31st 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 Auditor's Reports are self explanatory and as such they do not require any explanation under Section 217 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

PLACE : MUMBAI
DATED : 30TH APRIL, 2011

(SHEODUTT SANGHAI)
CHAIRMAN

RAJKAMAL SYNTHETICS LIMITED

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 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper Books of Account as required by the law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the Books of Accounts;
- (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 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010, from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956:
- (vi) ***The Company incurred a net profit of Rs.1,95,916/- 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 in its revival.***
- (vii) Subject to the above, and notes appearing in schedule H, 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 31st 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 : 30th April, 2011

For N. K. JALAN & CO.,
CHARTERED ACCOUNTANTS
(N.K. JALAN)
(N.K. JALAN) PROPRIETOR

**ANNEXURE TO THE AUDITORS' 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 Rs. 42,29,500/- 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 there is no manufacturing activity of the company since last 15 years. However during the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations 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 is not required to have internal audit.
- (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 31st March, 2010 for a period of more than six months from the date they became payable.
(c) According to the information and explanations given to us, there are no dues of sales tax, custom duty, income tax wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash profits in the current 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), who was the major secured creditor. And the settlement with the other secured creditor namely UTI and 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 and 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) In our opinion, the company has not given any guarantees for loans taken by others from banks or financial institutions. Hence, the clause (xv) of the others is not applicable.
- (xvi) In our opinion, there is no Term Loan taken by the Company.
- (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.

For N. K. JALAN & CO.
CHARTERED ACCOUNTANTS
(N.K. JALAN)
PROPRIETOR

PLACE : MUMBAI

DATED : 30th April, 2011

RAJKAMAL SYNTHETICS LIMITED

M/S. RAJKAMAL SYNTHETICS LIMITED BALANCE SHEET AS ON 31ST MARCH, 2011

| | SCHEDULE | CURRENT YEAR | | PREVIOUS YEAR | |
|---|----------|--------------|------------|---------------|-------------|
| | | Rs. | Rs. | Rs. | Rs. |
| <u>SOURCE OF FUNDS :</u> | | | | | |
| <u>SHAREHOLDERS FUNDS :</u> | | | | | |
| Share Capital | A | | 22,500,000 | | 22,500,000 |
| <u>LOAN FUNDS :</u> | | | | | |
| Unsecured Loans | B | | 31,609,488 | | 25,721,417 |
| TOTAL | | | 54,109,488 | | 48,221,417 |
| <u>APPLICATION OF FUNDS :</u> | | | | | |
| <u>CURRENT ASSETS, LOANS AND ADVANCES :</u> | | | | | |
| Inventories | | | - | | - |
| Sundry Debtors | C | | - | | - |
| Cash and Bank Balance | D | 112,676 | | 57,606 | |
| Loans and Advance | E | | - | | - |
| | | 112,676 | | 57,606 | |
| <u>LESS : CURRENT LIABILITIES</u> | | | | | |
| <u>AND PROVISIONS :</u> | | | | | |
| Liabilities | F | 77,412 | | 6,077,667 | |
| Provisions | | 46,770 | | 1,87,570 | |
| | | 124,182 | | 6,265,237 | |
| NET CURRENT ASSETS | | | (11,506) | | (6,207,631) |
| PROFIT & LOSS APPROPRIATION A/C | | 54,256,702 | | 54,429,048 | |
| Less: Capital Receipts Remission on Debenture | | 135,708 | 54,120,994 | | 54,429,048 |
| TOTAL | | | 54,109,488 | | 48,221,417 |
| NOTES FORMING PART OF THE ACCOUNTS | | | | | |

THE SCHEDULES AND NOTES REFFERD TO THE 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

DATED : 30th April, 2011

SHEODUTT SANGHAI DIRECTOR
SUSHIL SANGHAI DIRECTOR
RAJENDRA NANGALIA DIRECTOR

30th ANNUAL REPORT 2010-2011

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

| | SCHEDULE | CURRENT YEAR | | PREVIOUS YEAR | |
|--|----------|---------------|---------------------|---------------|---------------------|
| | | Rs. | Rs. | Rs. | Rs. |
| INCOME : | | | | | |
| Sales | | 13,897,317 | | | 35,866,921 |
| Other income | G | <u>84,468</u> | | | <u>71,761</u> |
| | | | <u>13,981,785</u> | | <u>35,938,682</u> |
| EXPENDITURE : | | | | | |
| Purchase | | 13,288,164 | | 33,857,960 | |
| Administrative and other expenses | H | 450,935 | | 866,670 | |
| | | <u></u> | <u>13,739,099</u> | <u></u> | <u>34,724,630</u> |
| | | | 13,739,099 | | 34,724,630 |
| 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 : Transfor from Investment Reserve | | | 369,390 | | — |
| 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 | I | | | | |
| ACCOUNTS | | | | | |

THE SCHEDULES AND NOTES REFFERD TO THE 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

DATED : 30th April, 2011

SHEODUTT SANGHAI DIRECTOR
SUSHIL SANGHAI DIRECTOR
RAJENDRA NANGALIA DIRECTOR

RAJKAMAL SYNTHETICS LIMITED

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

| | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|------------|---------------|------------|
| | Rs. | Rs. | Rs. | Rs. |
| <u>SCHEDULE 'A'</u> | | | | |
| <u>SHARE CAPITAL</u> | | | | |
| <u>AUTHORISED :</u> | | | | |
| 7,000,000 Equity shares of Rs. 10/-each | | 70,000,000 | | 70,000,000 |
| <u>ISSUED, SUBSCRIBED AND PAID-UP:</u> | | | | |
| 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 |
| <u>SCHEDULE 'B'</u> | | | | |
| <u>UNSECURED LOANS :</u> | | | | |
| Debenture | 2,116,288 | | 2,501,917 | |
| <u>LOANS :</u> | | | | |
| 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 |
| <u>SCHEDULE : C</u> | | | | |
| <u>Sundry Debtors</u> | | - | | - |
| <u>SCHEDULE : D</u> | | | | |
| <u>CASH AND BANK BALANCE :</u> | | | | |
| Cash-in-Hand | 703 | | 6,558 | |
| <u>Balance with Scheduled Banks</u> | | | | |
| In current Account | 111,973 | | 51,048 | |
| | | 112,676 | | 57,606 |
| | | 112,676 | | 57,606 |
| <u>SCHEDULE : E</u> | | | | |
| <u>LOANS AND ADVANCES :</u> | | | | |
| <u>SCHEDULE : 'F'</u> | | | | |
| <u>CURRENT LIABILITIES AND PROVISIONS</u> | | | | |
| <u>A. CURRENT LIABILITIES :</u> | | | | |
| <u>SUNDRY CREDITORS :</u> | | | | |
| For Goods | | | 6,032,667 | |
| For Expenses | 77,412 | | 45,000 | |
| | | 77,412 | | 6,077,667 |
| <u>B. Provisions</u> | | | | |
| Provision for Taxation | | 46,770 | | 1,87,570 |
| | | 124,182 | | 6,265,237 |

30th ANNUAL REPORT 2010-2011

| | CURRENT YEAR | | PREVIOUS YEAR | |
|--|--------------|---------|---------------|---------|
| | Rs. | Rs. | Rs. | Rs. |
| <u>SCHEDULE 'G'</u> | | | | |
| <u>OTHER INCOME :</u> | | | | |
| Sundry Balance W/off | | 84,468 | | 71,761 |
| <u>SCHEDULE 'H'</u> | | | | |
| <u>ADMINISTRATIVE AND OTHER EXPENSES :</u> | | | | |
| 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 | 0 | | 2,80,000 | |
| Share Transfer Maintenance Charges | 88,649 | | 38,172 | |
| <u>Auditor's Remuneration</u> | | | | |
| For Audit Fees | 27,575 | 450,935 | 18,000 | 866,670 |
| | | 450,935 | | 866,670 |

RAJKAMAL SYNTHETICS LIMITED

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 31ST 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 guide-lines 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 judgement 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 :

| | 2011 | 2010 |
|---|-----------|-----------|
| (a) Net Profit / (Loss) after tax | 195,916 | 1,026,482 |
| (b) Weighted average number of equity shares Basic and 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 'I' WHICH 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

DATE : 30TH APRIL, 2011.

FOR AND ON BEHALF OF BOARD
SHEODUTT SANGHAI DIRECTOR
SUSHIL SANGHAI DIRECTOR
RAJENDRA NANGALIA DIRECTOR

30th ANNUAL REPORT 2010-2011

SCHEDULE VI PART IV TO THE COMPANIES ACT, 1956

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

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

Balance Sheet Abstract and Company's General Business Profiles

I. Registration Details

Registration No.
Balance Sheet Date

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|--|--|
| 2 | 4 | 3 | 4 | 4 | | | | | |
| 3 | 1 | - | 0 | 3 | - | 1 | 1 | | |

Date Month Year

State Code

| | |
|---|---|
| 1 | 1 |
|---|---|

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

Public Issue
Bonus Issue

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

Right Issue

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

Private Placement

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

Total Liabilities

| | | | | | | | | | |
|--|--|--|---|---|---|---|---|--|--|
| | | | 5 | 4 | 1 | 0 | 9 | | |
|--|--|--|---|---|---|---|---|--|--|

Total Assets

| | | | | | | | | | |
|--|--|--|---|---|---|---|---|--|--|
| | | | 5 | 4 | 1 | 0 | 9 | | |
|--|--|--|---|---|---|---|---|--|--|

Sources of Funds

Paid-Up Capital
Secured Loans

| | | | | | | | | | |
|--|--|--|---|---|---|---|---|---|--|
| | | | 2 | 2 | 5 | 0 | 0 | | |
| | | | | | | N | I | L | |

Reserves & Surplus
Unsecured Loans

| | | | | | | | | | |
|--|--|--|---|---|---|---|---|---|--|
| | | | | | | N | I | L | |
| | | | 3 | 1 | 6 | 0 | 9 | | |

Application of Funds

Net Fixed Assets
Net Current Assets
Accumulated Losses

| | | | | | | | | | |
|--|--|--|---|---|---|---|---|--|--|
| | | | | | | | | | |
| | | | | | | 1 | 2 | | |
| | | | 5 | 4 | 1 | 2 | 0 | | |

Investments
Misc. Expenditure

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

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

Turnover
Profit Before Tax
(+ for profit - for loss)
Earning Per Share

| | | | | | | | | | |
|--|--|--|---|---|---|---|---|---|--|
| | | | 1 | 3 | 9 | 8 | 2 | | |
| | | | | | | 2 | 4 | 2 | |
| | | | | | | N | I | L | |

Total Expenditure
Profit After Tax

| | | | | | | | | | |
|--|--|--|---|---|---|---|---|---|--|
| | | | 1 | 3 | 7 | 4 | 0 | | |
| | | | | | | 1 | 9 | 5 | |

Dividend Rate %

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

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

Item Code No. (ITC Code)

| | | | | | | | | | |
|---|---|---|---|--|--|--|--|--|--|
| N | . | A | . | | | | | | |
|---|---|---|---|--|--|--|--|--|--|

Product Description

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Item Code No. (ITC Code)

| | | | | | | | | | |
|---|---|---|---|--|--|--|--|--|--|
| N | . | A | . | | | | | | |
|---|---|---|---|--|--|--|--|--|--|

Product Description

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

Item Code No. (ITC Code)

| | | | | | | | | | |
|---|---|---|---|--|--|--|--|--|--|
| N | . | A | . | | | | | | |
|---|---|---|---|--|--|--|--|--|--|

Product Description

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

RAJKAMAL SYNTHETICS LIMITED

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

| | 31-03-2011 | | 31-03-2010 |
|--|-------------|-------------|-------------|
| | Rs. | | Rs. |
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | | |
| NET PROFIT/(LOSS) BEFORE TAX & EXTRAORDINARY ITEMS | 242,686 | | 1,214,052 |
| Adjustment for : | | | |
| Sundry Balance w/off | | 71,761 | |
| Interest Income | | | |
| Loss on Sale of Assets | | | |
| Interest on Borrowings | | | 71,761 |
| | 242,686 | | 1,142,291 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | | |
| Adjustment for : | | | |
| Dcrease in Trade and other receivable (Note 2) | - | | - |
| Inventories (Note 3) | - | | - |
| Trade Payables (Note 4) | (6,000,255) | (6,000,255) | (2,074,124) |
| CASH GENERATED FROM OPERATIONS | (5,757,569) | (2,074,124) | (931,833) |
| Direct Taxes Paid (Note 1) | 211,140 | 204,000 | - |
| Interest paid | - | | 204,000 |
| | (5,968,709) | | (1,135,833) |
| CASH FLOW FROM EXTRA ORDINARY ITEM (Opening Balance) | - | | - |
| NET CASH FROM OPERATING ACTIVITIES | (5,968,709) | | (1,135,833) |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | | |
| Interest Received | - | | - |
| Sale of Assets | - | | - |
| | (5,968,709) | | (1,135,833) |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | | |
| 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 | - | - | - |
| | - | - | - |
| NET CASH FROM/USED IN FINANCING ACTIVITIES | 6,023,779 | | 1,190,039 |
| NET INCREASE IN CASH & CASH EQUIVALENTS | 55,070 | | 54,206 |
| CASH AND CASH EQUIVALENTS AS AT 01.04.2010 (Opening Balance) | 57,606 | | 3,400 |
| CASH AND EQUIVALENTS AS AT 31.03.2011 (Closing Balance) | 112,676 | | 57,606 |

Trade Payables, Trade Recivable have been w/off during the year.

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

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

N.K. JALAN

PROPRIETOR

Dated : 30th April, 2011

FOR AND ON BEHALF OF THE BOARD

SHEODUTT SANGHAI DIRECTOR

SUSHIL SANGHAI DIRECTOR

RAJENDRA NANGALIA DIRECTOR

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 the Proxy attends instead of the Member)

No. of Share held _____

I hereby record my presence at the 30th Annual General Meeting at the Mumbai - 400 004.
Monday 30th May, 2011 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 of me/our behalf at the 30th Annual General Meeting of the Company to be held Monday the
30th May, 2011

Signed this _____ day of _____ 2011.

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 Apt., Opp. St. Jude's High School,
Off Andheri Kuria Road, Jarimari, Sakinaka,
Mumbai-400072. Tel. : 28520461/62