

RAJANI EXTRACTIONS LIMITED

ANNUAL REPORT OF

RAJANI EXTRACTIONS LIMITED



FOR THE YEAR

2008-2009

RAJANI EXTRACTIONS LIMITED

BOARD OF DIRECTORS

Mr. Jawahar Kanhaiyalal Rajani
Mr. Jagdish K Rajani
Mr. Munna Lal Shivnarayan

Managing Director, Executive director
Non-executive Non Independent Director
Non-executive Independent Director

AUDITORS

M/S S.N. Kabra & Company
Chartered Accountants
207, 'C' Block Silver Mall,
R.N.T. Marg,
Indore-452 001

REGISTERED OFFICE

18-C Tejpur Bridge,
A.B.Road,
Indore,
Madhya Pradesh- 452001
Email: rajaniexltd@gmail.com

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NOTICE

Notice is hereby given that the Annual General Meeting of the members of RAJANI EXTRACTIONS LIMITED will be held on 30th September, 2009 at 10.30 A.M. at the Registered Office of the Company i.e. 18-C Tejpur Bridge, A.B.Road, Indore, Madhya Pradesh- 452001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2009, balance sheet as on that date, Director's Report and the Auditor's report thereon.
2. To appoint Director in place of Mr. Jagdish K Rajani who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Auditors of the Company from the Conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Place : Indore

Date : 24/08/2009

Sd/-
(Jawahar Rajani)
Managing Director

Sd/-
(Jagdish Rajani)
Director

NOTES:

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend vote instead of himself and the Proxy need not to be a member. The instrument appointing a proxy must be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.
- b) The Register of the members and the share transfer book of the Company will remain closed from 18th September, 2009 to 30th September, 2009 (both days inclusive)
- c) The shareholders are requested to bring their copy of Annual Report at the time of Meeting.
- d) As a matter of convenience the shareholders are requested to inform their queries if any, the company in advance so as to enable the company to properly reply the same at the time of meeting.

By Order of the Board of Directors

Place : Indore

Date : 24/08/2009

Sd/-
(Jawahar Rajani)
Managing Director

Sd/-
(Jagdish Rajani)
Director

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DIRECTORS' REPORT

To
The Members
RAJANI EXTRACTIONS LIMITED

The Board of Directors of your Company has the pleasure of presenting Annual Report of **RAJANI EXTRACTIONS LIMITED** together with the Audited Statements of Accounts for the year ended the March 31, 2009.

FINANCIAL PERFORMANCE OF THE COMPANY:

The Company has not received any income during the financial year 2008-09. However, the Company incurred loss of Rs.(12,63,70,674) the current financial year and hope for better in coming years, even in the downward stream scenario of global financial and capital market. Directors have started to explore various other opportunities to further improve the working results during the current year.

The revival scheme is pending with BIFR.

The company continued to make payments to creditors, employees, customers for return of advances and other legal/other expenses out of the sale proceeds received during the financial year 2008-09.

DIVIDEND:

In view of losses, your Directors do not recommend any dividend during the year.

DIRECTORS:

Mr. Jagdish K Rajani, Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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 the preparation of annual accounts, 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 judgments and estimates that are 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;

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iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That the Directors have prepared the annual accounts for the year ended on March 31, 2009 on a 'going concern basis'.

AUDITORS:

M/S S.N. Kabra & Company, Chartered Accountants, Indore, the retiring auditors being eligible offer themselves for re-appointment. Members are requested to appoint them as auditors of the company for the next year till the conclusion of next Annual General Meeting of the Company.

AUDITORS' REPORT:

Report of the auditors and their observations and notes to the accounts of the company for the year under review are attached herewith which are self-explanatory and do not require further explanation.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing agreement, forms part of this Report and the same is annexed hereto.

CORPORATE GOVERNANCE:

A comprehensive report on corporate governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the same is annexed at the end of Corporate Governance Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

As the Company's operations do not involve any manufacturing or processing activities, the particulars as per the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1998, regarding conservation of energy and technology absorption, are not applicable. The particulars regarding expenditure and earnings in foreign exchange are Nil.

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PARTICULARS OF EMPLOYEES:

No employee of the Company was in receipt of remuneration above the limit specified under Section 217(2A) of the Companies Act, 1956.

DEPOSITS:

The company has not accepted any deposit from the public attracting the provision of Sec 58A and 58AA of the Companies Act, 1956.

SEGMENT:

Your Company is engaged in a single segment only.

ACKNOWLEDGEMENT:

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

By Order of the Board of Directors

Place : Indore

Date : 24/08/2009

Sd/-
(Jawahar Rajani)
Managing Director

Sd/-
(Jagdish Rajani)
Director

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REPORT ON CORPORATE GOVERNANCE (Pursuant to Clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY:

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence and customer satisfaction, maximizing long-term value for stakeholders, socially valued enterprise and caring for people and environment.

RAJANI EXTRACTIONS LIMITED is committed to good Corporate Governance in order to all stakeholders – Customers, suppliers, lenders, employees, the shareholders. The detailed report on implementation by the company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges is set out below :

2. BOARD OF DIRECTORS:

2.1 COMPOSITION OF THE BOARD:

The Board of Directors as at 31st March, 2009 comprises of three directors comprises of a, two are non-executive and one executive director. Mr. Jawahar Rajani Director of the Company and he conducts the day to day management of the Company, subject to the supervision and control of the Board of Directors. The independent directors on the Board are senior, competent and highly respected persons from their receptive fields.

2.2 RESPONSIBILITIES OF THE BOARD

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

2.3 MEETING AND ATTENDANCE RECORD OF DIRECTORS

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

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During the year 2008-09, the Board met 6 (Six) times on the following dates: 15/04/2008, 28/07/2008, 05/08/2008, 12/08/2008, 10/10/2008, 22/01/2009.

The composition, attendance and other memberships of the Board of Directors of the company is as follows:

Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of the Director	Designation	Category	No. of Board meetings attended	Attendance at last AGM	Total No. of Directors in public Companies	Total No. of Committee membership	Total no. of Board Chairmanship
Jawahar Kanhaiyalal Rajani	Managing Director	Executive	6	Yes	0	0	0
Jagdish K Rajani	Director	Executive	6	Yes	0	0	0
Munna Lal Shivnarayan	Director	Non Executive	6	Yes	0	0	0

2.4 DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Jagdish K Rajani, retire by rotation at the ensuing Annual General Meeting and offer him for re-appointment.

Profile of Mr. Jagdish K Rajani, Director being appointed u/s 256 of the Companies Act, 1956

Name	Mr. Jagdish K Rajani
Date of Birth	25/03/1965
Date of Appointment	30/03/1996
No. of shares held in the company	2,62,300 Shares
Directorship in other company	Nil

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2.5 DETAILS OF DIRECTORS WHO ARE AS CHAIRMAN AND DIRECTORS IN OTHER PUBLIC COMPANIES

None of the Directors on the Board is a member or Chairman of any Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31st March, 2009 and the same is reproduced herein below:

Sr. No.	Name of Director	No of Directorship in other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Jawahar Kanhaiyalal Rajani	--	--	--
2.	Jagdish K Rajani	--	--	--
3.	Munna Lal Shivnarayan	--	--	--

3. COMMITTEE OF BOARD:

The Company had four Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

3.1 AUDIT COMMITTEE:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956, comprises of three members viz. Mr. Jawahar Kanhaiyalal Rajani, Member Director (Executive), Mr. Jagdish K Rajani, Member (Non- Executive) and Mr. Munna Lal Shivnarayan (Non- Executive) who are aware with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting.

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

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BRIEF DESCRIPTION OF TERMS OF REFERENCE:

A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.

C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

- Review the financial reporting process and disclosure of its financial information
- Review with the management, Annual financial statements before submission to the Board
- Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
- Review the company's accounting and risk management policies
- Review the company's accounting and management reporting systems and updates the same from time to time recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
- Review quarterly financial statement.
- Review internal investigations made statutory/ Internal Auditors.
- Scope of Statutory/ Internal Audit
- Review fixed deposits/repayment systems etc.
- Any other applicable functions as described in Corporate Governance.
- Review related party transactions.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.