

RAJKAMAL SYNTHETICS LIMITED

**26th Annual Report
2006 - 2007**

RAJKAMAL SYNTHETICS LIMITED

BOARD OF DIRECTORS

| | |
|-------------------|----------|
| SHEODUTT SANGHAI | Chairman |
| SUSHIL SANGHAI | Director |
| RAJENDRA NANGALIA | Director |

BANKERS

Citi Bank N.A.

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.

26th Annual General Meeting
 on 28th September, 2007
 Friday, 10 A. M. at
DIAMOND PLAZA
 4th 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.

26th ANNUAL REPORT 2006-2007

RAJKAMAL SYNTHETICS LIMITED

NOTICE

NOTICE is hereby given that the 26th ANNUAL GENERAL MEETING of the members of **RAJKAMAL SYNTHETICS LIMITED** will be held at Diamond Plaza, 4th Floor, 391, Dr. D.B. Marg, Mumbai - 400 004 on Friday, the 28th September, 2007 at 10.00 A.M. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 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 Sanghai who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

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. HOWEVER, PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. MEMBERS ARE REQUESTED TO NOTIFY THE CHANGE OF ADDRESS, IF ANY.
3. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM WEDNESDAY 26TH SEPTEMBER 2007 TO FRIDAY 28TH SEPTEMBER, 2007. [BOTH DAYS INCLUSIVE].
4. MEMBERS / PROXIES SHOULD BRING THE ATTENDANCE SLIP SENT HERewith DULY FILLED FOR ATTENDING THE MEETING.

Registered Office :

Diamond Plaza,
391, Dr. D.B. Marg,
Mumbai - 400 004.
Date : 30th June, 2007

BY ORDER OF THE BOARD OF DIRECTORS

SHEODUTT SANGHAI
CHAIRMAN

DIRECTORS' REPORT

To
The Members

Your Directors hereby present the 26th ANNUAL REPORT of the Company together with Audited Statement of Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS :

| | (Amount in Rs.) | |
|---|----------------------|----------------------|
| | Current Year | Previous Year |
| Profit/ (Loss) for the Year | (66,857) | 1,809 |
| Less : Provision for Taxation | | 609 |
| Profit after Tax | (66,857) | 1,200 |
| Add : Priors period Adjustments | 37,936 | 12,352 |
| Add : Surplus/ (Deficit) on appropriation account brought forward from previous year | (6,43,88,301) | (6,44,01,853) |
| Profit / (Losses) carried to balance sheet | <u>(6,44,17,222)</u> | <u>(6,43,88,301)</u> |

DIVIDEND :

In view of losses your Directors regret their inability to recommend any dividend.

OPERATIONS :

Sales during the year were of Rs. **84,55,694** as against Rs. **85,59,720** during the previous year.

DIRECTORS :

Shri Sushil Singhai, the Director retires by rotation and is eligible for re-appointment.

FIXED DEPOSIT :

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- (i) That in preparation of the accounts for the financial year ended 31st March, 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures.

PLACE : MUMBAI
DATED : 30th June, 2007

- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgement 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 2007 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 view. Foreign exchange earning/outgo during the year and also during the previous year was NIL.

PARTICULARS OF EMPLOYEES :

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

AUDITORS :

We refer to Para vi of the Auditor's Report relating to their doubt about the future of the Company. We state that the liabilities of the Company is more than its assets and the Company is in process of negotiation with secured creditors for settlement of liabilities and if it is settled, we shall be in a position to plan for future course of action.

The remaining observations made in the Auditors' Reports are self explanatory and as such they do not fall for any further explanation as required under Section 217(3) of the Companies Act, 1956.

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
SHEODUTT SANGHAI
CHAIRMAN