

RAJKAMAL SYNTHETICS LIMITED

NOTICE

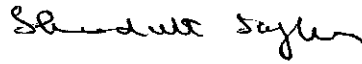
NOTICE is hereby given that THE 29TH ANNUAL GENERAL MEETING of the members of RAJKAMAL SYNTHETICS LIMITED will be held at Diamond Plaza, 7TH Floor ,391, Dr. D. B. Marg, Mumbai –400 004 on Thursday the 30th September,2010 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 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 Auditors and fix their remuneration.

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

BY ORDER OF THE BOARD OF DIRECTORS


(SHEODUTT SANGHAI)
CHAIRMAN

Dated: 16th August, 2010.

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective must be received by the Company at the Registered Office not less than 48 hours.
3. The Register of members and Share Transfer Books of the Company will remain closed from Monday , the 27th September, 2010 to Thursday the 30th September, 2010 (Both days inclusive)
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled for attending the Meeting.
- 5.The Shareholders are requested to Note that that the Company's Shares are now admitted in demat segment and ISIN no. allotted is INE 376L01013.

RAJKAMAL SYNTHETICS LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors hereby present the 29th ANNUAL REPORT of the Company together with Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS :

	(AMOUNT IN RS.)	
	CURRENT YEAR 31-03-2010.	PREVIOUS YEAR 31-03-2009
	Rs	Rs
Profit / (Loss) for the year	12,14,052	17,83,672
Less: Provision for Taxation.	1,87,570	183720/-
Prior period adjustment	19,671	-
Add: Surplus / (Deficit) on Appropriation account brought forward from previous year.	(63,034,463)	(64,634,415)
Profit /Losses Carried to Balance Sheet	(62,027,652)	(63 ,034,463)

DIVIDEND:

In view of the Carried forward losses of Earlier Years , Your Directors regret their inability to recommend any dividend for the Year under Review.

OPERATIONS:

Sales during the year were of Rs 35,866,921 as against Rs 88,12,163 during the previous year.

Revival Plan

Your Directors are making all possible efforts to revive the Company. To revive the Company, need base relief/ concession and assistance are required from the exiting debenture holders, unsecured loan holders, from sundry creditors and from Bombay Stock Exchange.

At present your Company has no asset. The Company has negative net worth of Rs. 319.29 lacs. The Company has identified a Co-partner who has agreed in principal to provide your company need base assistance and finance for the revival of the Company subject to company obtaining necessary approvals from requisite authorities such as:

1. Revocation of suspension of trading at BSE.
2. Dematerialization of shares

3. Conversion of Unsecured loan/ sundry creditor's loan into fresh equity shares of the Company etc.
4. Settlement with the UTI (Term Lending Institution and major Debenture Holder).
5. Settlement with the other Institutional Debenture Holders.

Your Directors are pleased to inform you that:-

1. The Company has approached to UTI and submitted the reason of the deterioration of financial health of the Company. The Company had started the erection a modern process house at Sachin in Surat in the year 1986-87 and had purchased the latest modern plant, partly imported and partly indigenous and the plant and machinery including the electrical installation had been completed upto March,1990 with a cost of :-

Plant and Machinery	796.26 lacs
Electrical installation	62.99 lacs

Total	859.25 lacs

To finance the project of modern process house at Sachin in Surat Company had issued debentures of Rs. 405 lacs and had obtained term loan facilities from ICICI Bank and UTI.

The above plant and machinery including electrical installation was damaged in the cyclone in the year 1992 in Surat and the damage was to such an extent that it could not be repaired. The Company could not restore the production and since then the industries was forced to close its operation. ICICI Bank as a lead institution had to sale the damage plant and machinery including electricals in a scrape value at Rs. 175 lacs. The Company had suffered a capital loss due to the natural calamities (Act of God).

Cost of plant and machinery including electricals	859.25 lacs
Sale value of plant and machinery including electrials	<u>175.00</u> lacs
Capital loss on sale	684.25 lacs

Due to above capital loss the entire capital of the company had been eroded over and above, the positive net worth of the company wiped out and due to the capital loss, company has a negative net worth of Rs. 353 lacs.

UTI has considered that revival of the Company is in the interest of all. They have considered our proposal of the settlement of the balance outstanding under OTS favourably. Company has paid 20.50 lacs towards full and final settlement of its balance outstanding under OTS (in respect of term loan and debenture amount).

2. The BSE has revoked the suspension of trading of shares and trading has started at Bombay Stock Exchange from 19.02.2010.
3. For the dematerialization of shares Company has received the approval from CDSL & NSDL. The ISIN no. is INE376L01013. Shareholders are requested to dematerialise their shares either with the CDSL or NSDL.

4. The Company has already approached with the other debenture holders with a request to settle their balance OTS amount on the line of the settlement, which Company has made with the UTI. Favorable reply from debenture holders are awaited.
5. The Company has approached to the unsecured loan holders and sundry creditors and they have agreed in principle to convert their outstanding into the proposed equity shares of the Company either in their names, or in the name of their associates, or in the name of their nominees, subject to the Company shall be in a position to implement the revival scheme with the help of the Co-partner.
6. After getting the acceptance letter from the exiting debenture holders in respect of the settlement of their balance OTS amount as requested by the Company, Co-partner shall provide the amount for the payment and Co-partner shall start the process for the revival of the Company.

With the negative net worth of the Company revival is little difficult but not impossible. We hope for the better and pray to god for its revival.

We assure that your Directors shall make all possible efforts for the revival of the Company.

DIRECTORS:

Shri Sheodutt Sanghai, Director retires by rotation and being eligible offers himself for re-appointment.

FIXED DEPOSIT:

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

DIRECTORS' RESPONSIBILITY STAEMENT:

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 2010, 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 2010 on a going concern basis.

ENVIRONMENT:

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are not given since there was no manufacturing activity during the year under review. Foreign exchange earning / outgo during the year and also during the previous year was Nil.

PARTICULARS OF EMPLOYEES:

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

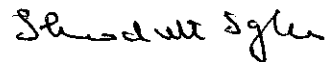
AUDITORS:

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

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mumbai:



Date: 16th August, 2010

SHEODUTT SANGHAI

CHAIRMAN