

TWENTIETH FIFTH ANNUAL REPORT
2009-2010

RAJLAXMI INDUSTRIES LIMITED

RAJLAXMI INDUSTRIES LIMITED

ANNUAL REPORT 2009-2010

CORPORATE INFORMATION

BOARD OF DIRECTORS

VINOD KUMAR HARLALKA
(Chairman and Managing Director)

GAUTAM V HARLALKA
(Director)

MANISH V HARLALKA
(Director)

NAVRATAN GAGGAR
(Director)

RAMAKANT GAGGAR
(Director)

PRAKASHCHAND BIHANI
(Director)

REGISTERED OFFICE

G-30, MIDC Industrial Area,
Tarapur-Boisar (W.R.)
Dist. Thane (M.S.)

AUDITORS

M/S. K.G.SHAH & CO.
Chartered Accountants
Mumbai

BANKERS:

Oriental Bank of Commerce

NOTICE

NOTICE IS HEREBY GIVEN THAT the 25th Annual General Meeting of Rajlaxmi Industries Limited will be held on Thursday, 30th day of September 2010 at 10.00 A.M at G-30, MIDC Industrial Area, Tarapur, Boisar (W.R.) Dist: Thane to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Accounts for the year ended 31st March 2010 and Balance Sheet as on that date along with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Gautam V Harlalka who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. K.G. Shah & Company, Chartered Accountants, the retiring Auditors as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Navratan Gaggar, who was appointed as an Additional Director of the Company with effect from 01.04.2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company and whose terms expires at the 25th Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Mr. Navratan Gaggar for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to retirement by rotation.”
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Ramakant Gaggar, who was appointed as an Additional Director of the Company with effect from 01.04.2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company and whose terms expires at the 25th Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Mr. Ramakant Gaggar for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to retirement by rotation.”
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Prakashchand Bihani, who was appointed as an Additional Director of the Company with effect from 07.07.2010 pursuant to the provisions of Section 260 of the Companies Act, 1956 and in accordance with the Articles of Association of the Company and whose terms expires at the 25th Annual General Meeting of the Company and for the appointment of whom the Company has received a notice under Section 257 of the said act from a shareholder proposing the candidature of Mr. Prakashchand Bihani for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to retirement by rotation.”

By order of the Board

Sd/-

Place: Mumbai

Dated: 2nd August 2010

Vinodkumar Harlalka
Chairman & Managing Director

NOTES:

1. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.***
2. Proxies, if any, in order to be effective must be received at the Company's Registered Office not later than 48 hours (forty eight hours) before the time fixed for holding the meeting.
- 3 The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 28th September 2010 to Wednesday, 30th September 2010 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Mr. Navratan Gaggar was appointed as an Additional Director of the Company with effect from 01.04.2010. Pursuant to the provisions of the Section 260 of the Companies Act, 1956, the term of office as Additional Director of the aforesaid person shall expire at the 25th Annual General Meeting of the Company. In the meantime, the Company has received notice under section 257 of the said act from a shareholder proposing the candidature of Mr. Navratan Gaggar for the office of Director of the Company. The Board recommends the appointment of Mr. Navratan Gaggar as a Director of the Company.

The resolution vide Item No. 4 is therefore proposed for the approval of the Members.

Mr. Navratan Gaggar shall be deemed to be concerned or interested in the resolution for his respective appointment. Apart from the said Director, no other director shall be deemed to be concerned or interested in the said resolution.

Item No. 5

Mr. Ramakant Gaggar was appointed as an Additional Director of the Company with effect from 01.04.2010. Pursuant to the provisions of the Section 260 of the Companies Act, 1956, the term of office as Additional Director of the aforesaid person shall expire at the 25th Annual General Meeting of the Company. In the meantime, the Company has received notice under section 257 of the said act from a shareholder proposing the candidature of Mr. Ramakant Gaggar for the office of Director of the Company. The Board recommends the appointment of Mr. Ramakant Gaggar as a Director of the Company.

The resolution vide Item No. 4 is therefore proposed for the approval of the Members.

Mr. Ramakant Gaggar shall be deemed to be concerned or interested in the resolution for his respective appointment. Apart from the said Director, no other director shall be deemed to be concerned or interested in the said resolution.

Item No. 6

Mr. Prakashchand Bihani was appointed as an Additional Director of the Company with effect from 07.07.2010. Pursuant to the provisions of the Section 260 of the Companies Act, 1956, the term of office as Additional Director of the aforesaid person shall expire at the 25th Annual General Meeting of the Company. In the meantime, the Company has received notice under section 257 of the said act from a shareholder proposing the candidature of Mr. Prakashchand Bihani for the office of Director of the Company. The Board recommends the appointment of Mr. Prakashchand Bihani as a Director of the Company.

The resolution vide Item No. 4 is therefore proposed for the approval of the Members.

Mr. Prakashchand Bihani shall be deemed to be concerned or interested in the resolution for his respective appointment. Apart from the said Director, no other director shall be deemed to be concerned or interested in the said resolution.

By order of the Board
Sd/-

Place: Mumbai
Dated: 2nd August 2010

Vinodkumar Harlalka
Chairman & Managing Director

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the TWENTY FIFTH Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

	(Rs.)	
	<u>FINANCIAL</u> <u>YEAR</u> <u>2009-2010</u>	<u>FINANCIAL</u> <u>YEAR</u> <u>2008-2009</u>
Sales and Other Receipts	1072538	32173803
Profit /(Loss) Before Tax	240631	25144559
Less: Provision for Taxes	36000	2500000
Profit/(Loss) after Tax	204631	22644559
Less:- Short Provision for Income Tax	(325674)	
Less:- Balance brought forward		
From previous year	(46263956)	(68908515)
	(46384999)	(46263956)

DIVIDEND

Your Directors regret for not having recommended any dividend in view of the above negative results for the year under review.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the Public during the year pursuant to Section 58A and other applicable Provisions if any of the Companies Act 1956.

PARTICULARS OF EMPLOYEES

The information required U/s 217 (2A) of the Companies Act 1956 read with Companies, (particulars of employees) Rules 1975 is not given, since the Company does not have any employee during the year.

DIRECTORS

In accordance with the Article of Association for the Company Shri Gautam Harlalka, Director of the Company will retire by rotation and being eligible, offers himself for re-appointment.

Mr. Navratan Gaggar & Mr. Ramakant Gaggar for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to retirement by rotation.”

Mr. Prakashchand Bihani for the office of a Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be subject to retirement by rotation.”

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 :

- i) In the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments 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 financial year covered under this Report and of the Profit of the Company for the year.
- iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in respect to the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.

AUDITORS & AUDITORS' REPORT

M/s. K.G.Shah & Co., Chartered Accountants, hold their office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment, The Members are requested to re-appoint them as Auditors of the Company till the conclusion of the next Annual General Meeting.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and therefore do not call for any further comments.

STATUTORY INFORMATION

Information pursuant to Sub-Section 1(e) of Section 217 of the Companies, Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) rules 1988.

FORM A (see Rule 2)

POWER & FUEL CONSUMPTION:

Note:- During the year under review since there was no manufacturing activity this clause is not applicable

ENERGY CONSERVATION. TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:- Not Applicable

LISTING OF SHARES

The Company's shares are listed on THE STOCK EXCHANGE MUMBAI (B.S.E.). However trading in the scrip of our Company has been suspended w.e.f February 17, 2003 by the Stock Exchange Mumbai for non compliance with the Provision of Clause 41 of the Listing Agreement. The Management has put on record its due and factual representation to the Stock Exchange in this regard.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the co-operation and assistance received from the financial institutions and Banks, Government of Maharashtra and consultants during the year under review

Place :- Mumbai
Date :- 2nd August 2010

For and on behalf of the Board
sd/-

Vinod Kumar Harlalka
(Chairman & Managing Director)

AUDITOR'S REPORT TO THE MEMBERS

To
The Shareholders of
RAJLAXMI INDUSTRIES LIMITED,

We have audited the attached Balance Sheet of "RAJLAXMI INDUSTRIES LIMITED" as at 31st March 2010, the Profit & Loss Account for the year ended on that date, and 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 amounts and disclosures in the financial statements. An audit also 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.

We report as follows:

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - a) 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;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the Directors as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2010 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion, and to the best of our information and according to explanations given to us, the said accounts read together with the Company's Accounting Policies and the Notes thereto 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 principles generally accepted in India:

- i) in case of Balance Sheet, of the state of affairs of the Company as on March 31, 2010;
- ii) in the case of Profit & Loss account, of the Profit of the Company for the year ended on that date.

And

- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

FOR K.G.SHAH & CO.
CHARTERED ACCOUNTANTS
(Registration No. 109630W)

Sd/-

(K.G.SHAH)
PROPRIETOR
MEMBERSHIP NO 5327

PLACE: MUMBAI

DATE : 2nd August 2010

ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE :

- 1 Since the Company does not have any Fixed Assets, this clause is not applicable to the Company.

- 2 (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

- (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- (c) In our opinion, and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.

- 3 (a) According to the information and explanations given to us, the Company has taken interest free unsecured loans from four parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year under review, was Rs. 3,47,23,296/-ar-end balance of loan taken from such parties was Rs. 3,06,88,452/- The Company has not granted any loans to parties covered under Section 301 of the Companies Act, 1956.

- (b) According to the information and explanations given to us; there is no overdue amount of loans taken from parties listed in the register maintained under section 301 of the Companies Act, 1956.

- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

5. In our opinion and according to the information and explanations given to us, the Company has no contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.

7. The Company has a system of internal audit, which in our opinion is commensurate with its size of the Company and nature of its business.

8. Since the Company has not carried on any manufacturing activity during the year, this clause is not applicable.
9. (a) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Excise Duty, cess and other statutory dues with the appropriate authority during the year.

- (b) According to the records of the Company and information and explanations given to us, the details of excise duty which have not been deposited on account of dispute are given hereunder;

Sl. No.	Name of Statute	Nature of Dues	Amount Rs.	Period	Forum which Dispute is pending
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1.	The Central Excise Act, 1944	Excise duty (Custom Excise & Service Tax Appellate Tribunal)	1818606/-	1998-99	CESTAT
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10. The accumulated losses of the Company exceeds fifty percent of its net worth at the end of the financial period. The Company has not incurred cash loss either during the current year or the preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and any other securities.
13. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund /Societies are not applicable to the Company.
14. In our opinion, the Company is not dealing in shares, securities, debentures and other investments.
15. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prima facie prejudicial to the interest of the Company..
16. According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company..
17. According to the information and explanations given to us, during the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under the Section 301 of the Companies Act, 1956.
18. According to the information and explanations given to us, during the period covered by our audit, the Company has not issued any debentures.

- 19 During the year, the Company has not raised any money by public issue.
- 20 According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

FOR K.G.SHAH & CO.
CHARTERED ACCOUNTANTS.
(Registration No. 109630W)

Sd/-

(K.G.SHAH)
PROPRIETOR
(Membership No 5327)

Place: Mumbai

Dated : 2nd August 2010

RAJLAXMI INDUSTRIES LIMITED
PROXY FORM

Registered Office: G-30, MIDC Industrial Area, Tarapur, Boisar (W.R.) Dist: Thane – 401 506

I / We _____
of _____
being a Shareholder/Shareholders of **RAJLAXMI INDUSTRIES LIMITED** hereby appoint _____ of
_____ of failing him/her _____
of _____
as my/our Proxy to attend and vote for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Thursday the 30th day of September, 2010 at 4.00 p.m. and at any adjournment thereof.

Signed on this _____ day of _____ 2010
Signature of Shareholder _____

Note:

The Proxy form duly completed and signed must be deposited at the Registered Office of the Company at _____ not less than 48 hours before the time for holding the Meeting.

Name _____ Address _____
_____ Regd. Folio. No. _____ No. of Shares held _____
Client I.D. No. _____ DP. ID. No. _____

RAJLAXMI INDUSTRIES LIMITED
ATTENDANCE SLIP

Registered Office: G-30, MIDC Industrial Area, Tarapur, Boisar (W.R.) Dist: Thane – 401 506

I/We hereby record my/our presence at the Twenty Fifth Annual General Meeting of the Company at G-30 M.I.D.C. Area, Tarapur, Boisar (W.R.) Dist. Thane.on Thursday, the 30th day of September, 2010 at 4.00 p.m.

Name _____ Address _____
_____ Regd.Folio. No. _____ No. of Shares held _____
Client ID. No. _____ DP. ID. No. _____

Name of Proxy/Representative, if any _____
Signature of the Shareholder(s)/Proxy/Representative _____

RAJLAXMI INDUSTRIES LIMITED

MUMBAI

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	Current Year 31/03/2010 (Rs.)	Last Year 31/03/2009 (Rs.)
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I) **SOURCES OF FUND:**

SHAREHOLDER'S FUND:

a) Share Capital	1	10,000,000	10,000,000
b) Reserves and Surplus	2	1,700,000	1,700,000
		<u>11,700,000</u>	<u>11,700,000</u>

LOAN FUND

b) Unsecured Loans	3	<u>34,688,452</u>	<u>34,822,622</u>
		<u>34,688,452</u>	<u>34,822,622</u>
		<u>46,388,452</u>	<u>46,522,622</u>

II) **APPLICATION OF FUNDS:**

A) CURRENT ASSETS, LOANS AND ADVANCES

a) Cash and Bank Balances	4	43,241	63,446
c) Loans & Advances	5	10,000	3,410,000
		<u>53,241</u>	<u>3,473,446</u>

Less:- CURRENT LIABILITIES & PROVISIONS

	6	<u>49,788</u>	<u>3,214,780</u>
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B) PROFIT & LOSS ACCOUNT

	7	3,453	258,666
		<u>46,384,999</u>	<u>46,263,956</u>
		<u>46,388,452</u>	<u>46,522,622</u>

"NOTES FORMING PART OF THE ACCOUNT"

10

As per our report of even date
For K.G.Shah & Co.,
Chartered Accountants

For and on behalf of the
Board

sd/-

sd/-
Vinod Kumar Harlalka
Chairman & Managing
Director

K.G.Shah
Proprietor
Membership No. 5327

sd/-
Gautam V Harlalka
Director

sd/-
Manish V Harlalka
Director

Place Mumbai

Date 2nd August 2010

RAJLAXMI INDUSTRIES LIMITED
MUMBAI
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2010

	Schedule	Current Year 31/03/2010 (Rs.)	Last Year 31/03/2009 (Rs.)
A. INCOME:			
Cloth Sales		821,539	9,282,013
Other Income	8	250,999	22,891,790
TOTAL INCOME		1,072,538	32,173,803
B EXPENDITURE:			
Cloth Purchases		749,133	6,534,952
Administrative, Selling, Distribution & Other Expenses	9	82,774	494,292
TOTAL EXPENSES		831,907	7,029,244
Profit before Taxation		240,631	25,144,559
Less:- Provision for Taxation		36,000	2,500,000
Profit after taxation		204,631	22,644,559
Add:- Short Provision for Taxation in respect of earlier years		(325,674)	
Add: Losses brought forwards from previous year		(46,263,956)	(68,908,515)
		(46,384,999)	(46,263,956)

EARNING PER SHARE(basic & diluted) (0.09) 25.14

"NOTES FORMING PART OF THE ACCOUNT" 10

As per our report of even date
For K.G.Shah & Co.,
Chartered Accountants

sd/-

K.G.Shah
Proprietor
Membership No. 5327

Place Mumbai
Date 2nd August 2010

For and on behalf of the Board

sd/-
Vinod Kumar Harlalka
Chairman & Managing Director

sd/-
Gautam V Harlalka
Director

sd/-
Manish V Harlalka
Director

RAJLAXMI INDUSTRIES LIMITED

MUMBAI

SCHEDULE ANNEXED TO FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	AS AT 31/03/2010 (Rs.)	AS AT 31/03/2009 (Rs.)
<u>SCHEDULE 1 :</u>		
<u>SHARE CAPITAL</u>		
Authorised Share Capital : 10,00,000 Equity Shares of Rs. 10/- each.	10,000,000	10,000,000
TOTAL RUPEES	10,000,000	10,000,000
 <u>Issued ,Subscribed and Paid-up capital :</u>		
10,00,000 Equity Shares at Rs. 10/- each fully paid-up	10,000,000	10,000,000
TOTAL RUPEES	10,000,000	10,000,000
 <u>SCHEDULE 2 :</u>		
<u>RESERVE & SURPLUS</u>		
Capital Reserve	1,700,000	1,700,000
TOTAL RUPEES	1,700,000	1,700,000
 <u>SCHEDULE 3 :</u>		
<u>UNSECURED LOANS</u>		
Loans from the Directors	30,688,452	34,622,622
Inter Corporate Deposit (ICD)	4,000,000	-
Other Loans	-	200,000
TOTAL RUPEES	34,688,452	34,822,622

RAJLAXMI INDUSTRIES LIMITED

MUMBAI

SCHEDULE ANNEXED TO FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

AS AT 31/03/2010 (Rs.)	AS AT 31/03/2009 (Rs.)
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SCHEDULE 4 :

CASH & BANK BALANCE

i) Balance with Schedule Bank in Current accounts	36,247	56,135
ii) Cash on Hand	6,994	7,311
TOTAL RUPEES	43,241	63,446

SCHEDULE 5 :

LOANS & ADVANCES

i) Other deposits & advances	10,000	10,000
ii) Advances Income tax(A.Y. 2007-08)	-	850,000
iii) Advance Income tax (A.Y. 2009-2010)	-	2,550,000
TOTAL RUPEES	10,000	3,410,000

SCHEDULE 6 :

CURRENT LIABILITIES & PROVISIONS

Current Liabilities

a) Sundry Creditors for expenses	13,788	89,780
b) Provision for Income Tax	36,000	3,125,000
TOTAL RUPEES	49,788	3,214,780

SCHEDULE 7 :

PROFIT & LOSS ACCOUNT

Balance as per last year	(46,263,956)	(68,908,515)
Add/Less: Transfer from Profit & Loss Account	(121,043)	22,644,559
TOTAL RUPEES	(46,384,999)	(46,263,956)

RAJLAXMI INDUSTRIES LIMITED

MUMBAI

SCHEDULE ANNEXED TO FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	AS AT 31/03/2010 (Rs.)	AS AT 31/03/2009 (Rs.)
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SCHEDULE 8 :

OTHER INCOME

Other Receipts	250,999	22,891,790
TOTAL RUPEES	250,999	22,891,790

SCHEDULE 9 :

ADMINISTRATIVE, SELLING DISTRIBUTION & OTHER EXPENSES

Claim	-	370,851
Legal & Profession	8,824	30,608
Bank Charges	-	3,548
Potage & Telegram	12	-
Sundry Balance W/off	-	40,160
Printing & Stationary	72	1,019
<u>Auditors Remuneration</u>		
Tax Audit Fees	-	8,273
Statutory Audit Fees	13,788	11,030
Income Tax Matter	45,515	5,618
Filing Fees	2,500	12,000
Annual Listing Fees	11,830	11,084
Mis. & Gen. Expenses	10	101
Staff Welfare	223	-
TOTAL RUPEES	82,774	494,292

M/S RAJLAXMI INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010
(PURSUANT TO THE LISTING AGREEMENT WITH THE MUMBAI STOCK EXCHANGE)

Particulars/Detail	<u>2009-10</u>		<u>2008-2009</u>	
				(Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) Before Taxes and Extra-Ordinary Items		240,631.00		25,144,558.63
Adjustment for :				
Operating Profit before working Capital Change				25,144,558.63
Adjustment for :				
Trade & Other receivables	0		294,670.00	
Trades Payable	75,992.00	(75992.00)	268,041.00	26,629.00
Net Cash Flow From Operating Activities (A)		<u>164,639.00</u>		<u>25,171,187.63</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Assets		-		-
Net Cash in Flow from Investing Activities (B)		<u>-</u>		<u>-</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES				
Proceeds from Long Term Borrowings	134,170.00		22,638,790.00	
Proceeds from Short Term Borrowings	0		(2,509,840.00)	25,148,630.00
SELF ASSESSMENT TAX PAID	50,674.00	184,844.00		
Net Cash used in Financial Activities (C)		<u>184,844.00</u>		<u>25,148,630.00</u>
NET INCREASE IN CASH AND CASH EQUIVALENT (A+B-C)		(20,205.00)		22,557.63
CASH AND CASH EQUIVALENT AT THE BEGINNING		<u>63,445.63</u>		<u>40,888.00</u>
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		<u>43,240.63</u>		<u>63,445.63</u>

As per our report of even date
For K.G.Shah & Co.,
Chartered Accountants

sd/-
K.G.Shah
Proprietor
Membership No. 5327

Place Mumbai
Date 2nd August 2010

Gautam V
Harlalka
Director

Manish V
Harlalka
Director

RAJLAXMI INDUSTRIES LIMITED
MUMBAI

SCHEDULE 10

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNT
AS AT 31ST MARCH 2010

- 1) Statement of Significant Accounting Policies and Practices followed by the Company.
 - a) System of Accounting :-
The Company follows mercantile system of accounting based on the fundamental accounting assumption viz. going concern, consistency and accurate concepts, except where specifically stated to be otherwise.
 - b) Preparation of Financial Statement :
The Financial statements have been prepared on the basis of historical cost conventions not considering the impact of the changes in the purchasing power of money.
 - c) Valuation of Inventories :
Stock is valued at cost
 - d) Revenue Recognition:
 - a) Revenues/incomes and costs/expenditures are accounted for as and when they are earned and incurred. However, insurance claims are accounted for on cash basis. Further interest received/paid from/to debtors and creditors are accounted on cash basis.
 - e) In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value at which they are stated if realised in the ordinary course of business. Provision has been made in the accounts for all known liabilities and the same are not in excess of the amount considered necessary.
 - f) Taxation:
 - A) Provision for Taxation, if any, is made on the basis of the taxable income computed as per provisions of Income Tax Act, 1961.
 - B) Deferred Tax resulting from timing difference are expected to crystallise in case of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with virtual certainty that there would be adequate future taxable income against such deferred tax assets can be realised.
- 2) Contingent Liabilities :
 - a) Liability in respect of disputed C. Excise duty amounting to Rs.1818606/-- (previous Year Rs 1818606/-)
- 3) The balances on all personal accounts viz. debtors, creditors, loans, advances and deposits are subject to confirmations and reconciliation, if any
- 4) Provisions for Taxation –Rs. 36,000/- (Previous Year Rs. 25,00,000/-)
- 5) Provision for deferred Taxation as per Accounting Standard 22 Rs. Nil. (Previous year Nil)
- 6) The Company has not received intimations from vendors regarding their status under the Micro, Small and Medium enterprises development Act, 2006. and hence disclosure relating to amount unpaid at the year end together with interest paid /payable under this act could not be given.

- 7) Quantitative information in respect of Opening Stock, Closing Stock, Purchases, Sales and Consumption of Raw Material, (As certified by the Management.)

A) TRADING OF CLOTH:

	2009-2010		2008-2009	
	Quantity	Value	Quantity	Value
	Mtrs.	Mtrs.	Mtrs.	Rs.
a) Opening Stock	NIL	NIL	NIL	NIL
b) Closing Stock	NIL	NIL	NIL	NIL
c) Purchase	42038.500	749133	375459.250	6534952
d) Sales	42038.500	821539	375459.250	9282013

8) SEGMENT REPORTING (AS 17)

During the year the Company is engaged only in one activity viz. trading of cloth, hence in our opinion the financial statements are disclosing the information as required by Accounting Standards 17.

- 9) The information required as per Accounting standard 18 “RELATED PARTY DISCLOSURE” is as under:

S.No.	Name of the related Party	Relationship	Description of Transaction	Value of Transaction
1	Shri Gautam V Harlalka	Director	Acceptance of Unsecured Loans	50000
2	Shri Manish V Harlalka	Key Managerial Personal	Acceptance of Unsecured Loans	66504
4	Shri Manish V Harlalka	Key Managerial Personal	Payment of Unsecured Loans	4050674
6	Gini Silk Mills Ltd	Associated Concern	Sales	821539

10) EARNING PER SHARE (AS 20)

Particulars	31/03/2010	31/03/2009
Net Profit Before Appropriation	240631	25144559
Add/(Excess Provision)/(Short Provision) of	(325674)	0
Less) Tax Earlier Years.	0	0
Net Profit after Appropriation	(85043)	25144559
Number of Shares	1000000	1000000
face Value of Shares	10	10
Earning per share (Basic & diluted)	-0.09	25.14

11) Previous year's figures have been re-grouped, re-arranged, wherever necessary to make it comparable with those of the previous year.

Signatures to Schedule "1" to "10"

As per our report of even date
For K.G. Shah & Co.,
Chartered Accountants

For and on behalf of the Board

Vinod Kumar Harlalka
Chairman & Managing Director

K.G.Shah
Proprietor

Gautam V. Harlalka
Director

Manish V Harlalka
Director

Place : Mumbai

Date : 2nd August 2010