

RAJLAXMI INDUSTRIES LIMITED

ANNUAL REPORT 2013

Registered Office:
G 30, MIDC INDUSTRIAL AREA,
TARAPUR, BOISAR (W),
Thane, Maharashtra - 401506

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RAJLAXMI INDUSTRIES LIMITED

G 30, MIDC INDUSTRIAL AREA, TARAPUR, BOISAR (W), Thane, Maharashtra - 401506

NOTICE

NOTICE IS HEREBY GIVEN THAT ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF RAJLAXMI INDUSTRIES LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 30TH, 2013 AT 11 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT G 30, MIDC INDUSTRIAL AREA, TARAPUR, BOISAR (W), THANE, MAHARASHTRA – 401506 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2013 and the Statement of Profit and Loss of the Company for the Year then ended together with Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Ramakant Gaggar, Director, who retires by rotation at the AGM and being eligible, offers himself for re-appointment.
3. To appoint M/s. Jayesha S Shah & Co., Chartered Accountants, Auditors of the Company to hold office from the conclusion of the Annual General Meeting till the conclusion of the next AGM and to authorize the Board to fix its remuneration.

SPECIAL BUSINESS:

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

“Resolved that Mr. Rahul Jagnani who was appointed as an additional Director w.e.f. 02.01.2013 as an additional Director of the Company and hold office up to the date of this Annual General Meeting under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company.”

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

“Resolved that Mr. Amit Kumar Daga who was appointed as an additional Director w.e.f. 02.01.2013 as an additional Director of the Company and hold office up to the date of this Annual General Meeting under section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company.”

**On behalf of the Board of
Directors**

Date: 6th September, 2013

Place: Boisar (W), Thane

Rahul Jagnani
(Director)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ATTENDANCE SLIP.**
2. The Annual Reports will also be available on the website of the Company www.rajlaxmiindustriesltd.com in the investor relations sections.
3. Corporate members are requested to send a duly certified copy of Board Resolution/ power of attorney authorizing their representative to attend and vote at the Annual General Meeting.
4. The Register of Members and Share Transfer books of the Company will remain closed from Friday, 27th September, 2013 to Monday, 30th September, 2013 (both days inclusive), in terms of the Companies Act, 1956 and the listing agreement of the Stock Exchange where the shares of the Company are listed for the purpose of Annual General Meeting and determining the names of the shareholders eligible for dividend on equity shares, if declared at the meeting.
5. Members are requested to intimate changes, if any, immediately to the Company's Registrar's and transfer Agents, in case of Shares held in physical form and to the respective Depository participants in case of shares held in electronic mode.
6. All documents referred to in the notice are open for inspection at the registered office of the Company during office hours.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries at least seven days before the date of Meeting of the Company, so that the information required may be made available at the Meeting.
8. Shareholders are requested to update preferred E-mail Ids with the Company/ depository Participants which will be used for the purpose of sending of official documents through E- mail.
9. Members are requested to bring their attendance slip annexed herewith duly filled along with their identity proof for attending the meeting.
10. Pursuant to Clause 49 of the Listing Agreement, the particulars of Director seeking re-appointment (as on this date) at the meeting are as under:

Name of the Director: Mr. Ramakant Gaggar

Date of Birth: 1-7-1971

Qualification: B. Com.

Experience: Accounts & Finance and Company Law matters Shareholding in the Company:
18,200 Equity shares

Directorship held in other Public Limited Companies: One, namely, M/s. Garnet International Ltd.

Membership / Chairmanship of Committees in Public Limited Companies: Nil

**On behalf of the Board of
Directors**

Date: 6th September, 2013

Place: Boisar (W), Thane

Rahul Jagnani
(Director)

DIRECTOR'S REPORT

Dear Members,

We hereby present the Twenty Eighth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS:

(Rs. in Lacs)

	For the financial year ended 31 st March, 2013	For the financial year ended, 31 st March, 2012
Revenue from Operations	---	---
Total Expenses	35.63	3.74
Net Profit / (Loss) Before Tax	(35.63)	(3.74)
Provision for Taxation	(0.42)	(3.23)
Profit / (Loss) after Tax	(36.05)	(6.97)
Profit /(Loss) brought forward from P.Y.	(474.69)	(467.72)
Balance Carried Forward	(510.74)	(474.69)

REVIEW OF OPERATIONS:

The year under reference was a year of consolidation. Due to change in management & other significant events no major business decisions could be taken by the management and as a result no income arose from operations. Expenses during the year were higher vis-à-vis the previous year due to the fact that extra expenses were incurred in re-structuring. Your Directors are looking for new avenues for the future growth of the Company and to mitigate the accumulated losses of the Company as early as possible.

DIVIDEND:

Your Directors are unable to recommend any dividend for the year.

SHARE CAPITAL:

During the year under review, the Company has increased its Authorised Share Capital from Rs.1,00,00,000 Cr. (Rs. One Crore only) divided into 10,00,000 (Ten Lakhs) Equity Shares of Rs.10 each to Rs. 31,00,00,000 cr.(Rs. Thirty One Cr only) divided into 3,10,00,000 (Three Crores Ten Lakhs) Equity Shares of Rs. 10 each at the Shareholders meeting held on 16th February, 2013. There has been further issue of shares by way of preferential issue to persons other than promoters. The Paid-up Share capital of the Company now stands at Rs. 31 Crores.

DIRECTORS:

During the year, Mr. Amit Kumar Daga and Mr. Rahul Jagnani was inducted as an Additional director of the Company w.e.f. 02.01.2013 under section 260 of the Companies Act, 1956 and subject to the Articles of Association of the Company to hold office upto the ensuing Annual General Meeting of the Company.

Mr. Vinod Kumar Sewaram Harlalka, Navratan Gaggar and Prakashchand Tulsiram Bihani resigned from the Directorship of the Company w.e.f. 02.01.2013. The Board places on record its gratitude for the services rendered by Mr. Vinod Kumar Sewaram Harlalka, Navratan Gaggar and Prakashchand Tulsiram Bihani during their tenure as member of the Board.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures, if any;
- (ii) they 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 ending 31st March, 2013 and of the Loss of the Company for that year;
- (iii) they 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 to the best of their ability;
- (iv) they have prepared the Annual Accounts on a Going Concern basis.

AUDITORS

M/s Jayesha S Shah & Co., Chartered Accountants, Auditors of the Company has offered themselves for reappointment. The Company has received a Certificate from the aforesaid firm of Auditors under Section 224(1B) of the Companies Act 1956, certifying their eligibility for the position, if appointed and willingness to work as such.

AUDITOR'S REPORT

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

DISCLOSURE OF PARTICULARS

The Company has no employee in the category as specified in the provisions of Section 217(2A) of the Companies Act, 1956.

DISCLOSURES UNDER SECTION 217(1)(D) OF THE COMPANIES ACT, 1956

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

COMPLIANCE CERTIFICATE

The Compliance Certificate in accordance with Section 383A of the Companies Act, 1956, from practicing Company Secretary, is attached herewith.

LISTING

The equity shares of the Company are listed at the Bombay Stock Exchange Limited (BSE). The Company has paid the annual listing fees of the Stock Exchange.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement executed with the Stock Exchanges, A Management Discussion & Analysis Report and a report on the Corporate Governance together with the Auditor's Certificate thereon forms part of the Annual Report & is annexed herewith.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING

The Company's operations do not require any disclosure of particulars of conservation of energy and technology absorption prescribed by the rules are not applicable. The Company has no foreign exchange inflow or outflow during the year under review.

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation of the co-operation and assistance received from the shareholders, bankers and other business constituents during the year under review.

For and on behalf of the Board of Directors

Place: Boisar (W), Thane
Date: 30.05.2013

R. Jagnani
(DIRECTOR)

R. Gaggar
(DIRECTOR)

COMPLIANCE CERTIFICATE

Registration No. : L51900MH1985PLC035703

Authorised Capital : 310,000,000/-

Paid -Up Capital : 310,000,000/-

To

The Members

M/s. Rajlaxmi Industries Limited

G 30 MIDC INDUSTRIAL AREA

TARAPUR, BOISAR (W), THANE

MAHARASHTRA- 401506

I have examined the registers, records, books and papers of M/s. Rajlaxmi Industries Limited, hereinafter referred to as "Company" as required to be maintained under the Companies Act, 1956 (hereinafter referred to as the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended 31st March 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its Directors and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of the Companies/ Regional Director/Central Government/Company Law Board or other Authorities within the time prescribed under the Act, and in case of delay if any, with the payment of additional filing fees thereon as prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company, comments under this point are not required.
4. The Board of Directors duly met Thirteen (13) times on 06.04.2012, 15.06.2012, 10.09.2012, 18.09.2012, 23.10.2012, 12.11.2012, 02.01.2013, 09.01.2013, 21.01.2013, 24.01.2013, 08.02.2013, 02.03.2013 and 30.03.2013 in respect of which meetings, proper notice were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members during the financial year from 28.09.2012 to 29.09.2012 under section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 29th September, 2012 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. Two (2) Extra Ordinary General Meetings were held during the financial year under review after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in Section 295 of the Act.

9. The Company has not entered into any contract within the meaning of Section 297 of the Companies Act, 1956.
10. The Company has maintained the Register as required to be maintained u/s. 301 of the Act, and the entries have been duly made therein.
11. There were no instances falling within the preview of Section 314 of the Act, the Company was not required to obtain any approval of the Board of Directors, Members or Central Government in this regard.
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of Duplicate Share Certificate.
13. The Company:
 - (i) Has delivered the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) Was not required to deposit any amount in a separate bank account since no dividend was declared during the Financial Year.
 - (iii) Was not required to deliver dividend warrants to any member of the Company as no dividend was declared during the financial Year.
 - (iv) Was not required to transfer any amount remaining unclaimed or unpaid for a period of seven years in relation to unpaid dividend, matured deposits, application money due for refund, matured debentures or accrued interest thereon, to Investors Education and Protection fund.
 - (v) Has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of (2) two additional Directors during the year under review have been duly made.
15. The Company has not appointed any Managing Directors / Whole Time Director during the year.
16. The Company has not appointed any Sole selling Agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other Authorities prescribed under various provisions of the Act during the financial year under review.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
19. The Company has issued 3,00,00,000 equity shares during the financial year and complied with the provisions of the Act in this respect.
20. The Company has not bought back any shares during the financial year.

21. The company has not issued any Preference Shares and hence the question of redemption of Preference Shares does not arise.
22. There were no instances necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The Company has not invited accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act.
24. The amount borrowed by the Company from various sources during the financial year ending on 31.03.2013 is within the borrowing limits of the Company under sec. 293(1) (d).
25. The Company has made loans and investments in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the financial year.
29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. On verification of the records of the Company and as informed to me, there was no prosecution initiated against or show cause notices received by the Company for alleged offenses under the Act, and also the fines and penalties or any other punishment imposed on the Company.
32. The Company did not have any employee on its payroll during the financial year and hence the question of receiving any money as security from employees does not arise.
33. The Provisions of Provident Fund Act are not applicable to the Company.

Note: The Company could not appoint a Whole Time Company Secretary as required under the provisions of Companies Act 1956 and this Compliance Certificate has been voluntarily requisitioned by the Company.

Date: 30-05-2013
Place: Mumbai

FORAGRAWAL R & CO.
Company Secretaries

ROOPAAGRAWAL
(PROPRIETOR)
C. P. No. 11037
Membership No: A25656

MANAGEMENT DISCUSSION & ANALYSIS REPORT

There has been a change in the management of your Company during the year under reference. M/s. Caren Trading (P) Ltd., are the new promoters of your Company. The new promoters are led by Mr. Rahul Jagnani, a young & ambitious entrepreneur having rich business experience.

The new promoters are upbeat of turning over the Company from its dismal state of affairs to a significant entity in the textiles sector. As a first step towards the objective, the promoters have caused infusion of fresh funds into the Company with a preferential issue of equity shares to the tune of Rs. 30 Crores to persons other than the promoters. The infusion of funds at a time when the liquidity position in the economy is extremely tight can be considered as a major milestone in the history of the Company.

The new management has decided to continue the Company's line of business in the textile sector. The Indian textile industry has an overwhelming presence in the economic life of the country. Apart from providing the basic necessities of life, the textiles industry also plays a vital role through its contribution to industrial output, employment generation and export earnings. Thus the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

The potential size of the Indian textile industry is expected to reach US \$ 220 billion by the year 2020. With consumerism and disposable income on the incline, the retail sector has also witnessed rapid growth in the past decade. Several international retailers are also focusing on India due to its emergence as a potential sourcing destination.

S.W.O.T. analysis of the Indian textile industry:

Strength:

- Removal of quota restrictions
- High export possibilities
- Cost competitiveness

Weakness

- Fragmented industry
- Historical government policies
- Technological obsolescence

Opportunities

- Focus on product development
- Trend forecasting

Threats

- Increased competition
- Increased Consumer consciousness
- Chinese aggression

With the change of guard the new management hopes to move on with its objectives in a phased manner. To start with, it plans to delve into pure trading in textile sector in order to have a foothold in the sector and have reasonable experience prior to moving into manufacturing and then exports.

Disclaimer: The management cautions that some of the statements above are directional & forward looking and are dependent on various factors, some of which may be outside the control of the management.

Corporate Governance Report

Clause 49 of the Listing Agreement of the Stock Exchanges in India stipulates the norms and disclosure standards that have to be followed on the Corporate Governance front by all listed Companies in India.

Our Governance Philosophy:

Good corporate governance structures encourage companies to create value through an entrepreneurial spirit, innovation, development and exploration and provide accountability and control systems commensurate with the risks involved. The Company's philosophy of Corporate Governance is to achieve business excellence by enhancing the long-term welfare of all its stakeholders. An effective corporate governance process is established when an open and transparent relationship exists between (and among) the Board of Directors, the shareholders and the executive management of the Company. When each one is engaged with and responsive to the others, a strong foundation for good corporate governance can be set.

Corporate governance is not just about Committee structures. It implies and requires a comprehensive and consistent corporate commitment to integrity, which is embedded into the fabric of the organization and the way people conduct business. It is evidenced by the organization's leadership, culture, core values and business ethics. The Company is committed to attain the highest standards of Corporate Governance.

The Governance Structure:

Board of Directors:

Composition of the Board

The composition of Board is in compliance with the requirements of Clause 49 (IA) i.e. combination of executive and non-executive directors with not less than fifty percent of the Board of Directors comprising of non-executive directors.

The following persons were appointed as Director during the year:

- Mr. Rahul Jagnani, as Additional Director (Executive, Promoter category), with effect from 2-1-2013.
- Mr. Amit Kumar Daga as Additional Director (Chairman, Non-Executive, Independent category) with effect from 2-1-2013.

The composition of the Board and other relevant details relating to Directors during the financial year 2012-13 is as under:

SL. No.	Name of the Director	Category of Directorship	No. of other Directorship **	No. of other Committee Members/ Chairman
1.	Mr. Vinod S Harlalka *	Executive & Promoter	Nil	Nil
2.	Mr. Gautam V Harlalka *	Non-Executive & Promoter	Nil	Nil
3.	Mr. Manish V Harlalka *	Non-Executive & Promoter	1	Nil
4.	Mr. Navratan Gaggar #	Non-Executive & Independent	Nil	Nil
5.	Mr. Amit Kumar Daga	Non-Executive Chairman & Independent	Nil	Nil
6.	Mr. Rahul Jagnani	Executive & Promoter	Nil	Nil
7.	Mr. Ramakant Gaggar #	Non-Executive & Independent	2	Nil
8.	Mr. Prakashchand T Bihani	Non-Executive & Independent	Nil	Nil

* # Directors related to each other

**Excluding directorship in, private companies, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956

- 1) Mr. Rahul Jagnani & Mr. Amit Kumar Daga were appointed as Additional Directors of the company w.e.f. 2-1-2013 under Promoter & Independent category respectively
- 2) Mr. Vinod S Harlalka, Mr. Navratan Gaggar & Mr. Prakash Ch. T Bihani resigned as director on 2-1-2013
- 3) None of Directors on the Board are members in more than ten Committee and they do not act as Chairman of more than five committees across all companies in which they are Directors.
- 5) The Company did not have any pecuniary relationship and transaction with any of the Non-Executive Directors during the year under reference
- 6) All Directors, including Independent Directors, are liable to retire by rotation
- 7) All Independent Directors have confirmed that they meet the "independence" criteria as mentioned under Clause 49 of the Listing Agreement

Directors' holding in the equity share capital of the Company as on 31-3-2013:

SL. NO.	Name of the Director	Category	No. of Shares Held	% of holding
1.	Mr. Gautam V Harlalka	Promoter	42730	0.14
2.	Mr. Manish V Harlalka	Promoter	39700	0.13
3.	Mr. Ramakant Gaggar	Independent	18200	0.06
4.	Mr. Amit Kumar Daga	Independent	Nil	---
5.	Mr. Rahul Jagnani	Promoter	Nil	---

The Board of Directors met thirteen times during the Financial Year 2012-13. Board Meetings were held on 6th April, 2012; 15th June, 2012; 10th September, 2012; 18th September, 2012; 23rd October, 2012; 12th November, 2012; 2nd January, 2013; 9th January, 2013; 21st January, 2013; 24th January, 2013; 8th February, 2013; 2nd March, 2013 and 30th March, 2013.

The information as required under Annexure 1A of Clause 49 of the listing agreement is being regularly placed before the Board. The Board also references the declaration made by the Executives of the Company regarding compliance with all laws applicable to the Company on a quarterly basis.

Attendance of each Director at the Board of Directors meetings during the year and at the last Annual General Meeting is as indicated below:

SL. No.	Name of Director	Board Meeting Attended out of 13 meetings of the Board of Directors	Whether Attended the Previous AGM
1.	Mr. Vinod S Harlalka	6	Yes
2.	Mr. Gautam V Harlalka	9	Yes
3.	Mr. Manish V Harlalka	9	Yes
4.	Mr. Navratan Gaggar	7	No
5.	Mr. Prakashchand T Bihani	6	No
6.	Mr. Ramakant Gaggar	11	Yes
7.	Mr. Amit Kumar Daga	5	No
8.	Mr. Rahul Jagnani	6	No

C. Board Committees:

Our Company has three major Board level Committees:

- i. Audit Committee
- ii. Shareholders/ Investor Grievance Committee
- iii. Remuneration Committee

All the decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. Recommendations of the committees are submitted to the entire Board for approval. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the attendance of the members at these meetings, are provided below:

i. Audit Committee

The Audit Committee of the Board consisted of the following members:

Mr. Prakashchand T Bihani -Chairman
 Mr. Navratan Gaggar -Member
 Mr. Manish V Harlalka -Member

The Audit Committee was reconstituted on January 2, 2013. The composition of the Committee is:

Mr. Amit Kumar Daga -Chairman
 Mr. Ramakant Gaggar -Member
 Mr. Rahul Jagnani -Member

Terms of Reference

The terms of reference and role of the Audit Committee are as per the provisions set out in the Listing Agreement of Stock Exchanges read with Sec.292A of the Companies Act, 1956. The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to any Government Body or to the investors or the public; the company's system of internal controls regarding finance, accounting and legal compliances that the Management and the Board have established. The terms of reference of Audit Committee include inter-alia the following:

- Oversee the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of statutory and internal auditors (if required), fixation of audit fee and also approval for payment for any other services.
- Reviewing with the Management the quarterly, half-yearly and the annual financial statements before submission to the Board, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause(2AA) of Sec.217 of the Companies Act, 1956
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by the Management.
 - The going-concern assumption.
 - Compliance with accounting standards.
 - Compliance with Stock Exchange(s) and Legal requirements concerning financial statements.
 - Any related party transactions, i.e. transactions of the Company of material nature, with Promoters or the Management, or relatives etc. that may have potential conflict with the interest of the Company at large.
 - Qualifications in the draft audit report.
- Reviewing with the Management, statutory and internal auditors, the adequacy and compliance of internal control systems.
- Reviewing the adequacy of internal audit function & reporting structure.
- Reviewing the findings of any internal investigations by any authority into matters where they are suspected of any fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors about the scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk-management policies.
- To look into the reasons for substantial defaults in the payment to the lenders, shareholders (in case of non-payment of declared dividends) and other creditors.

The terms of reference of this Committee are very wide. It is empowered to reference Financial Statements, management analysis, material individual transactions with related parties not in normal course of business or which are not on an arm's length basis. Generally all items listed in Clause 49II D of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II C.

Legal Compliance Reporting

As required under Clause 49 of the Listing Agreement, the compliances of various laws applicable to the Company are also reviewed.

Audit Committee attendance during fiscal 2013.

The Committee had six meetings during the year under reference, i.e. 15th June, 2012; 20th July, 2012; 10th September, 2012; 23rd October 2012; 12th November, 2012 and 8th February, 2013.

The names of the Directors who are/were members of the Audit Committee during the year under reference and their attendance at Audit Committee Meetings are given below:

Name of the Director	No. of Meetings	
	Held (during his tenure)	Attended
Mr. Prakashchand T Bihani *	5	3
Mr. Navratan Gaggar *	5	3
Mr. Manish V Harlalka #	5	5
Mr. Rahul Jagnani +	1	1
Mr. Ramakant Gaggar ^	1	1
Mr. Amit Kumar Daga +	1	1

* Resigned as Director on January 2, 2013

Resigned from the Audit Committee on January 2, 2013

+ Appointed on January 2, 2013

^ Appointed as Audit Committee member on January 2, 2013

ii. Shareholders/Investor Grievance Committee

The Shareholders/Investor Committee of the Board consisted of the following members:

Mr. Gautam V Harlalka -Chairman
 Mr. Manish V Harlalka -Member
 Mr. Navratan Gaggar -Member

The Committee was reconstituted on January 2, 2013. The composition of the Committee is as under:

Mr. Ramakant Gaggar -Chairman
 Mr. Rahul Jagnani -Member
 Mr. Manish V Harlalka -Member

Terms of Reference

The Committee looks into the redressal of complaints of investor such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc. The Committee oversees the performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

Shareholders/Investor Grievance Committee Attendance during the year

The Committee met four times during the year under reference, i.e., on 9th May, 2012; 25th August 2012; 14th November, 2012 and 2nd March, 2013.

The names of the Directors who are/were members of the Shareholders/Investor Grievance Committee during the year under reference and their attendance at Shareholders/Investor Grievance Committee Meetings are given below:

Name of the Director	No. of Meetings	
	Held (during his tenure)	Attended
Mr. Gautam V Harlalka #	3	3
Mr. Navratan Gaggar *	3	3
Mr. Manish V Harlalka	4	4
Mr. Rahul Jagnani +	1	1
Mr. Ramakant Gaggar +	1	1

* Resigned as Director on January 2, 2013

+ Appointed in the Committee on January 2, 2013

Resigned from the Committee on January 2, 2013

Name and designation of Compliance Officer:

Mr. Rahul Jagnani (Director)

Phone: 022-65564700

Email id: investor.rajlaxmi@gmail.com

iii. Remuneration Committee

The composition of the Remuneration Committee was as under:

Mr. Vinod S Harlalka -Chairman

Mr. Gautam V Harlalka -Member

Mr. Manish V Harlalka -Member

The Committee was reconstituted on January 2, 2013. The composition of the current Remuneration Committee is as under:

Mr. Gautam V Harlalka -Chairman

Mr. Amit Kumar Daga -Member

Terms of Reference

The Remuneration Committee determines and recommends to the Board the remuneration, if any, payable to the executive directors and to the senior management personnel.

Remuneration Committee Attendance during the year

The Committee met once during the year under reference i.e. on 2nd March, 2013.

The names of the Directors who are/were members of the Remuneration Committee during the year under reference and their attendance at such meetings are as under:

Name of the Director	No. of Meetings	
	Held (during his tenure)	Attended
Mr. Vinod S Harlalka *	Nil	Nil
Mr. Gautam V Harlalka	1	1
Mr. Manish V Harlalka *	Nil	Nil
Mr. Amit Kumar Daga +	1	1

* Resigned from the Committee on January 2, 2013

+ Appointed in the Committee on January 2, 2013

Annual General Meetings:

The details of the Annual General Meetings held in the past three years and the special resolutions passed there at are as follows:

Year	Date	Venue	Time	No. of Special Resolution Passed
2009-10	September 30, 2010	G-30 MIDC Industrial Area, Tarapur, Boisar (W), Thane, Maharashtra - 401506	10.00 A.M.	NIL
2010-11	September 30, 2011	G-30 MIDC Industrial Area, Tarapur, Boisar (W), Thane, Maharashtra - 401506	4 P.M.	NIL
2011-12	September 29, 2012	G-30 MIDC Industrial Area, Tarapur, Boisar (W), Thane, Maharashtra - 401506	4 P.M.	NIL

No Postal Ballot was conducted during the financial year 2012-13. None of the resolutions proposed for the ensuing Annual General Meeting is required to be passed by Postal Ballot.

Disclosures:

- (i) Related Party Transactions: During the year under reference, no transactions of material nature had been entered into by the Company with the Promoters or Directors or Management or their relatives that may have a potential conflict with interest of the Company except for those disclosed in the financial statements for the year ended March 31, 2013.
- (ii) Accounting Standards: The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India and to the best of its knowledge there are no deviations in the accounting treatments that require specific disclosure.
- (iii) CEO / CFO Certification: The CEO/CFO certificate for the financial year ended March 31, 2013 is annexed hereto.

Details of Compliances

- a) There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.
- b) The Company has regularized its filings with the Stock Exchange. The Company has implemented the mandatory requirements of Corporate Governance as set out in the Listing Agreement during the year under reference. Though the Company does not have a specific Whistle blower policy, no personnel is denied access to the Audit Committee. A certificate from Auditor certifying the compliance by the Company with the provisions of Corporate Governance of the Listing Agreement is annexed hereto.
- c) The voluntary guidelines issued by Ministry of Corporate Affairs in December 2009, pertaining to Corporate Governance are complied with to the extent found feasible.
- d) Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a qualified practicing Company Secretary carried out a Reconciliation of Share Capital Audit on quarterly basis to reconcile the total Share Capital with National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with total number of shares in physical forms and total number of dematerialized shares held with NSDL and CDSL. Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchange certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company. In view of the share capital being increased during the year above the stipulated amount, the Company was required to employ a full time Company Secretary. However, despite the efforts made by the Board in this direction the Company could not fulfill the obligation during the year. Hence, the Board obtained a Secretarial Compliance Report from a practicing Company Secretary for the year under reference.

Means of Communication

- (i) All periodical reports including Un-audited financial results, Quarterly Shareholding Pattern, clause 49A compliance etc. are put up on Company's website. Annual Report is sent to the shareholders at their postal address registered with the company and also put up on Company's website www.rajlaxmiindustriesltd.com.

- (ii) The Management Discussion and Analysis Report, in compliance with the requirements of Clause 49 of the Listing Agreement is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc., to the extent applicable, are discussed in this Report.
- (iii) The Company's website is a comprehensive reference on its management, corporate governance, investor relations, updates and news. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to Compliance officer, registrars and share transfer agents.

General Shareholder Information

Date, time and venue of AGM	Monday, September 30, 2013, at 11 A.M. at the registered office of the Company situated at G-30 MIDC Industrial Area, Tarapur, Boisar (W), Thane - 401506.
Financial Year	April 1, 2012 to March 31, 2013
Dates of Book Closure	Friday, September 27, 2013 to Monday, September 30, 2013 (Both the days inclusive)
Dividend Payment Date	Not Applicable
Financial Calendar - First Quarter Results - Second Quarter Results - Third Quarter Results - Audited results for the year ended 31 st March, 2014	April, 2013 to March, 2014 - End July, 2013 - End October, 2013 - End January, 2014 - Before 30 th May, 2014

Listing on Stock Exchanges	The BSE Ltd., Mumbai
Listing Fees	Listing fees as prescribed have been paid to the stock exchanges up to 31st March 2013.
Stock Code	BSE Limited – 512319
Demat Arrangement	With NSDL and CDSL
ISIN NO.	INE 400O01015
Registered Office	G-30 MIDC Industrial Area, Tarapur, Boisar (W), Thane – 401506 (Maharashtra)
Compliance officer & Contact Address	Mr. Rahul Jagnani G-30 MIDC Industrial Area, Tarapur, Boisar (W), Thane – 401506 (Maharashtra) Phone: 022-27541687 Email ids: info.rajlaxmi@gmail.com investor.rajlaxmi@gmail.com
Registrar and Share Transfer Agent	Link Intime (India) Pvt. Ltd. C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), <u>Mumbai</u> - 400 078 Email id: mumbai@linkintime.co.in rnt.helpdesk@linkintime.co.in Tel No.: 91-22-25963838 / 25946970 Fax No.: 91-22-25946969

Share Transfer System

Shareholders / Investors are requested to send share transfer related documents directly to our Registrar and Transfer Agent whose address is given elsewhere in this report. The Board has delegated powers to the executives of the Company and RTA to approve transfers/transmission / dematerialization / dematerialization. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by our RTA.

Investor Services

Number of complaints from shareholders during the year ended March 31, 2013

Complaints outstanding as on 1st April 2012	Nil
Complaints received during the year ended 31st March 2013	Nil
Complaints resolved during the year ended 31st March 2013	Nil
Complaints pending as on 31st March 2013	Nil

Market Price Data:

The Company's equity shares remained infrequently traded on the bourses. There is no monthly High, Low price of the Company's shares in the last financial year.

The equity shares were last traded in the period from 6-1-2011 to 20-4-2011 in the price band of Rs. 18.40-19.30 per share.

Distribution of Shareholding as on March 31, 2013

No. of shares	No. of shareholders	% of holders	No. of shares	% of shares
Up to 5000	88	52.07%	18760	0.06%
5001 – 10000	11	6.51%	10450	0.03%
10001 – 20000	5	2.96%	9250	0.03%
20001 – 30000	0	---	---	---
30001 – 40000	0	---	---	---
40001 – 50000	4	2.37%	20000	0.07%
50001 – 100000	0	---	---	---
100001 and above	61	36.09%	30941540	99.81%
TOTAL	169	100%	31000000	100%

Categories of Shareholders as at March 31, 2013

Sr. No	Description	No. of Shares	% to Capital
A.	Promoters & Promoters Group - Body Corporate	506500	1.63%
B.	Public Shareholding		
	-Institutions Financial Institutions/Banks	----	---
	- Non-institutions Bodies Corporate	20650	0.07%
	Individuals	30472850	98.30%
	Total	3,10,00,000	100%

Dematerialization of Shares & Liquidity

The Company has taken steps for dematerialization of its shares during the year. However, as on 31-3-2013 the whole equity of the Company was in physical form. As on this date, the Company is in the process of sorting out certain issues related to dematerialization.

The Company applied for listing permission for 30000000 equity shares issued on preferential basis during the year to persons other than promoters & has received the in-principle approval from the BSE. The equity shares issued on preferential basis to persons other than promoters shall remain in locked-in position till 1-3-2014.

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments: None

Stock option scheme: None

Plant Location:

The Company at present does not have an operating Plant in existence.

Address of Correspondence

Shareholders may correspond with the Registrar and Transfer Agent, at the address mentioned herein above on all matters relating to transfer of shares and credit of shares in Demat Account.

Members may contact Mr. Rahul Jagnani, Compliance Officer for all investor related matters at the registered office of the company at the following address:

Rajlaxmi Industries Limited

G-30 MIDC Industrial Area,

Tarapur, Boisar (W),

Thane-401506

Telefax: 022-27541687

Email id: info.rajlaxmi@gmail.com

On behalf of the Board of Directors

Boisar (W), Thane,
May 30, 2013

Rahul Jagnani
(Director)

Declaration by the Chief Executive Officer under Clause 49 I (D) of the Listing Agreement regarding adherence to the Code of Conduct

To,
The Members of **Rajlaxmi Industries Limited**

In accordance with Clause 49 sub clause I (D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors of the Company have affirmed compliance to the Code of Conduct, as applicable, for the Financial Year ended March 31, 2013.

For Rajlaxmi Industries Limited

Rahul Jagnani
Chief Executive Officer
May 30, 2013

Auditors' Certificate on Compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement

To,
The Members of Rajlaxmi Industries Limited

We have examined the compliance of conditions of Corporate Governance by **Rajlaxmi Industries Limited** for the year ended 31 March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such further compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Jayesha S. Shah & Co.**
Chartered Accountants
Registration No: 112476W

JAYESHA S. SHAH

Proprietor
Membership No. 45801
May 30, 2013

Chief Executive Officer's Certification as per Clause 49 (V) of the Listing Agreement

I, Rahul Jagnani, Chief Executive Officer, hereby certify that in respect of the Financial Year ended on March 31, 2013:

- (a) I have reviewed the financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct;

- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps taken or proposed to be taken to rectify the same;
- (d) I have indicated to the auditors and the Audit Committee:
- i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

(Rahul Jagnani)
Chief Executive Officer
May 30, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of **Rajlaxmi Industries Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Rajlaxmi Industries Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true & fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true & fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) in the case of the Statement of Profit & Loss, of the loss for the year ended on that date; and
- (c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order,2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- 2) As required by section 227(3) of the Act, we report that:
 - (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, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statement comply with the 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 March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

Place: Mumbai
Date: 30-05-2013

FOR JAYESHA S.SHAH & CO.
CHARTERED ACCOUNTANTS
Registration No. : 112476W

JAYESHA S. SHAH
(PROPRIETOR)
Membership No: 45801

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) Since the Company does not have inventory, this clause is not applicable.
- 3) a. According to the information and explanations given to us, the Company has taken interest free unsecured loans from six parties including two Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year under review, was Rs 3,61,39,558 /- and year end balance of loan taken from such parties was Rs 76,50,000 /- . 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) Since the Company has no manufacturing activity and no inventory during the year, the provisions of this clause is not applicable.
- 5) In our opinion and according 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) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income tax, VAT, Excise duty, Cess and other statutory dues with the appropriate authority during the year. According to the information and explanation given to us, there are no dues of Income tax, VAT, Excise duty and Cess which have not been deposited on account of any dispute.
- 10) The accumulated losses of the Company does not exceed fifty percent of its networth at the end of the financial period. The Company has incurred cash loss in the current year and 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 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) Since the Company has not taken any term loan, this clause is not applicable.
- 17) 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.
- 18) According to the information and explanations given to us, the Company has made preferential allotment of shares to parties and Companies covered in the register maintained under the section 301 of the Companies Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- 19) According to the information and explanations given to us, during the period covered by our audit, the Company has not issued any debentures.
- 20) During the year, the Company has not raised any money by public issue.
- 21) 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.

Place: Mumbai
Date: 30-05-2013

FOR JAYESHA S. SHAH & CO.
CHARTERED ACCOUNTANTS
Registration No. : 112476W

JAYESHA S. SHAH
(PROPRIETOR)
Membership No: 45801

RAJLAXMI INDUSTRIES LTD.

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes	AS AT 31-3-2013	AS AT 31-3-2012
<u>I. EQUITY AND LIABILITIES</u>			
(1) Shareholders' Funds			
(a) Share Capital	3	310,000,000	10,000,000
(b) Reserves and Surplus	4	(49,374,237)	(45,769,582)
(2) Current Liabilities			
(a) Short Term Borrowings	5	7,650,000	35,791,371
(b) Other Current Liabilities	6	390,823	18,040
Total		268,666,586	39,829
<u>II. ASSETS</u>			
(1) Current assets			
(a) Current Investments	7	262,500,000	-
(b) Cash and Cash Equivalents	8	420,586	29,829
(c) Short-Term Loans and Advances	9	5,746,000	10,000
Total		268,666,586	39,829

Significant Accounting Policies & Additional Notes to the Accounts
The Notes form an integral part of these financial statements

1 & 2

On behalf of the Board of Directors

R. Jagnani
Director

R. Gaggari
Independent Director

A. Daga
Director

As per our report of even date
For **Jayesha S Shah & Co.**
Chartered Accountants

Jayesha S. Shah
Proprietor
Membership No- 45801
Place: Mumbai
Dated : 30-5-2013

RAJLAXMI INDUSTRIES LTD.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Notes	For the year ended 31-3-2013	For the year ended 31-3-2012
I. Income:			
Revenue from operations		-	-
		-	-
II. Expenses:			
Employee Benefits Expenses	10	-	102,112
Other Expenses	11	3,562,675	272,288
		3,562,675	374,400
III. Loss before tax		(3,562,675)	(374,400)
IV. Tax expense:			
Paid for Earlier years		(41,980)	(322,926)
V. Loss for the Year		(3,604,655)	(697,326)
Earnings per Share (EPS) : (Nominal Value of share : Rs. 10/-)			
- Basic		-1.04	-0.70
- Diluted		-1.04	-0.70

Significant Accounting Policies & Additional Notes to the Accounts
The Notes form an integral part of these financial statements

1 & 2

On behalf of the Board of Directors

R. Jagnani
Director

R. Gaggar
Independent Director

A. Daga
Director

As per our report of even date
For **Jayesha S Shah & Co.**
Chartered Accountants

Jayesha S. Shah
Proprietor
Membership No- 45801
Place: Mumbai
Dated : 30-5-2013

RAJLAXMI INDUSTRIES LIMITED
Notes to the Financial Statements for the year ended 31st March, 2013

1. Corporate information :

Rajlaxmi Industries Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange. As per the Memorandum of Association, the Company is engaged in the business of trading of cloth and Fabrics.

2. Basis of Preparation :

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

2.1 Summary of Significant Accounting policies

a. Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognized in the year in which the results are known/materialized.

b. Revenue Recognition :

Revenues/incomes and costs/expenditures are accounted for as and when they are earned and incurred.

c. 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.

d. Taxation :

- i. Provision for taxation, if any is made on the basis of the taxable income computed as per provisions of Income Tax Act, 1961.
- ii. 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 can be realised.

e. Investments :

Current investments are stated at lower of cost and fair value.

f. Cash and Cash Equivalents :

The Cash and Cash equivalents includes Balances with Scheduled Bank in current accounts and cash on hand.

g. Earnings Per Share:

Basic and diluted earnings per share are computed by dividing the net profit after tax attributable to equity shareholders for the year, with the weighted number of equity shares outstanding during the year.

h. Provisions, Contingent Liabilities & Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised as a liability but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

	AS AT 31-3-2013	AS AT 31-3-2012
NOTE NO - 3		
SHARE CAPITAL		
Authorised Share Capital		
3,10,00,000 Equity Shares of Rs. 10/- each	310,000,000	10,000,000
(Previous Year : 10,00,000 Equity Shares of Rs. 10/- each)		
Issued, Subscribed & Paid-up Share Capital		
3,10,00,000 Equity Shares of Rs. 10/- each fully paid-up	310,000,000	10,000,000
(Previous Year : 10,00,000 Equity Shares of Rs. 10/- Each fully paid-up)		
	310,000,000	10,000,000

3.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars.	Nos.	Amount (Rs)
Equity Shares at the beginning of the Year	1,000,000	1,00,00,000
Add: Shares Issued to persons other than promoters on Preferential basis during the year	30,000,000	30,00,00,000
Equity Shares at the end of the Year	31,000,000	31,00,00,000

3.2 Terms / Rights attached to Equity Shares :

All Equity Shares issued by the Company including those issued during the year on preferential basis rank equal in all rights and privileges including dividend.

Name	As at 31/03/2013		As at 31/03/2012	
	Equity Shares Held	Holding %	Equity Shares Held	Holding %
Asha Vinod Harlalka	---	--	321510	32.15
Gautam Vinod Harlalka	---	--	202730	20.27
Manish Vinod Harlalka	---	--	199700	19.97
Yogirathnam Pondurai	2650000	8.55	-	-
P. Balaselvi	2650000	8.55	-	-
Vinod Garg HUF	1600000	5.16	-	-
Sangitha Garg	1600000	5.16	-	-
Puushpit Garg	1600000	5.16	-	-

NOTE NO - 4

RESERVES & SURPLUS

A) Capital Reserve	1,700,000	1,700,000
	1,700,000	1,700,000
B) Deficit in Statement of Profit & Loss		
Balance as per last financial statements	(47,469,582)	(46,772,256)
Add: Loss for the year	(3,604,655)	(697,326)
	(51,074,237)	(47,469,582)
Total (A+B)	(49,374,237)	(45,769,582)

NOTE NO - 5

SHORT TERM BORROWINGS

LOAN FROM RELATED PARTIES

Unsecured; Repayable on demand; Interest free

- From Bodies Corporate	-	9,500,000
- From Directors	7,650,000	26,291,371
	7,650,000	35,791,371

NOTE NO - 6**OTHER CURRENT LIABILITIES**

Audit Fees payable
TDS payable
Liability for Expenses
Others

	AS AT 31-3-2013	AS AT 31-3-2012
	11,212	13,788
	29,301	773
	47,310	3,479
	303,000	-
	390,823	18,040

NOTE NO - 7**CURRENT INVESTMENTS** (Non-trade; Unquoted; at cost)

In fully paid-up Equity Shares of Rs. 10/- each, of following Companies :

70000 Nos. (P.Y. NIL) of Jackpot Vintrade (P) Ltd.
77000 Nos. (P.Y. NIL) of New Edge Vinimay (P) Ltd.
98000 Nos. (P.Y. NIL) of Vedant Commodeal (P) Ltd.
17500 Nos. (P.Y. NIL) of Silversons Tradelinks (P) Ltd.

	70,000,000	-
	77,000,000	-
	98,000,000	-
	17,500,000	-
	262,500,000	-

NOTE NO - 8**CASH & CASH EQUIVALENTS**

Balance with Banks in Current account
Cash on Hand (as per books and as certified by the management)

	419,109	26,440
	1,477	3,389
	420,586	29,829

NOTE NO - 9**SHORT-TERM LOANS & ADVANCES****LOANS**

Unsecured; considered good

- to a Partnership Firm

	5,000,000	-
--	-----------	---

ADVANCES

Advance against expenses
Other Advances (Security Deposit etc.)

	746,000	-
	-	10,000
	5,746,000	10,000

NOTE NO - 10**EMPLOYEE BENEFITS EXPENSES**

Staff Welfare Expenses
Provident Fund

	-	96
	-	102,016
	-	102,112

NOTE NO - 11**OTHER EXPENSES**

Filing fees paid
Legal and Professional fees
Sundry balances written off
Sales tax assessment dues
Profession Tax
Interest Paid (Others)
Transfer fees paid to MIDC
Miscellaneous Expenses

	1,542,239	16,545
	446,556	90,157
	10,000	-
	89,115	139,010
	2,510	2,500
	-	900
	1,419,155	-
	7,336	1,115
	3,516,911	250,227

Auditor's Remuneration:

- As Statutory Audit Fees
- For Taxation matters
- For Limited review & Certification matters

	14,045	13,788
	-	8,273
	31,719	-
	3,562,675	272,288

12. Segment Reporting :

The Company is engaged only in one activity viz. trading of cloth & fabrics, hence in our opinion the financial statements are disclosing the information as required by Accounting standards 17. However during the year there is no business activity and hence Segment Reporting is not applicable.

13. The information required as per AS - 18 "RELATED PARTY DISCLOSURE" is as under :

S.No.	Name of the Related party (Relationship)	Description of Transaction	2012-13 Rs.	2011-12 Rs.
1	Shri Manish V Harlalka (Key Managerial Personnel)	Opening balance Loan taken Loan repaid Closing balance	1,936,136 344,330 2,280,466 -	1,533,853 402,283 - 1,936,136
2	Shri Gautam V Harlalka (Key Managerial Personnel)	Opening balance Loan taken Loan repaid Closing balance	16,711,114 350,000 17,061,114 -	16,557,614 153,500 - 16,711,114
3	Shri Vinodkumar Harlalka (Key Managerial Personnel)	Opening balance Loan taken Loan repaid Closing balance	7,644,121 - 4,121 7,640,000	7,544,121 100,000 - 7,644,121
4	Shri. R. Jagnani (Key Managerial Personnel)	Opening balance Loan taken Loan Repaid Closing balance	- 10,000 - 10,000	- - - -
5	Evergreen Infotech and Datacom Private Limited (Associated Concern)	Opening balance Loan taken Loan repaid Closing balance	4,000,000 - 4,000,000 -	4,000,000 - - 4,000,000
6	Garnet International Limited (Associated Concern)	Opening balance Loan taken Loan repaid Closing balance	5,500,000 - 5,500,000 -	5,500,000 - - 5,500,000
7	Caren Trading Pvt Ltd.	BSE fees paid on behalf of the company	103,000	-

14. Deferred tax assets on unabsorbed depreciation and losses available for set-off under Income tax have not been considered on prudent basis due to the uncertainty regarding generation of sufficient future taxable profits.

15. 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.

16. EARNINGS PER SHARE (AS 20)

Particulars		2012-13	2011-12
Loss for the year	Rs.	(3,604,655)	(697,326)
Weighted average number of Equity Shares	Nos.	3,465,753	1,000,000
Face value of shares	Rs.	10	10
Earnings per share (Basic & diluted)	Rs.	(1.04)	(0.70)

17. The balances of all personal accounts, viz. creditors, loans, advances and deposits are subject to confirmations and reconciliation, if any.

18. Contingent liabilities : Nil (Previous Yr : Nil)

19. The Company is in search of suitable candidate to be appointed as whole-time secretary in order to comply with sec. 383A of the Companies Act, 1956.

20. Previous year's figures have been regrouped / reclassified, wherever necessary to correspond with the current year's classification / disclosur.

As per our report of even date
For **Jayesha S Shah & Co.**
Chartered Accountants

Jayesha S. Shah
Proprietor
Membership No- 45801
Place: Mumbai
Dated : 30-5-2013

On behalf of the Board of Directors

R. Jagnani
Director

R. Gaggar
Independent Director

A. Daga
Director

RAJLAXMI INDUSTRIES LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

	31st March 2013	31st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) after tax	(3,604,655)	(697,326)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(3,604,655)	(697,326)
Adjustment for :		
(a) Trade Receivables	-	337,455
(b) Trade Payables & Other current liabilities	372,783	(291,305)
(c) Short term Loans & Advances	(5,736,000)	655,783
(d) Short term Borrowings	(28,141,371)	-
NET CASH USED IN OPERATING ACTIVITIES	(37,109,243)	4,607
B. CASH FLOW FROM INVESTING ACTIVITIES		
Short term Investments	(262,500,000)	-
NET CASH USED IN INVESTING ACTIVITIES	(262,500,000)	-
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Issue of Share Capital	300,000,000	-
NET CASH FROM FINANCING ACTIVITIES	300,000,000	-
Net Increase / (Decrease) in Cash & Cash Equivalents (A + B + C)	390,757	4,607
Opening Balance of Cash & Cash Equivalents	29,829	25,222
Closing Balance of Cash & Cash Equivalents	420,586	29,829

Notes:

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3, "Cash Flow Statements".
- 2 Balance of Cash & Cash Equivalents is as per Note No. 8

The Notes form an integral part of these financial statements

For **Jayesha S Shah & Co.**
Chartered Accountants

Jayesha S. Shah

Proprietor

Membership No- 45801

PlaceMumbai

Dated 30-5-2013

On behalf of the Board of Directors

R. Jagnani
Director

R. Gaggar
Independent Director

A. Daga
Director

RAJLAXMI INDUSTRIES LIMITED

G 30, MIDC INDUSTRIAL AREA, TARAPUR, BOISAR (W), Thane, Maharashtra - 401506

PROXY FORM

DP ID.	
CLIENT ID	

FOLIO NO.	
NO. OF SHARES	

I/We

_____ of _____

Being a Member / Members of _____ Limited hereby appoint Mr. / Ms. _____

as my / our Proxy to attend and vote for me / us and on my / our behalf at the ANNUAL GENERAL MEETING of the Company to be held on _____ the _____ and at any adjournment(s) thereof.

Signed this _____ day of _____ 2013.

Affix
Re.1/-
Revenue
Stamp

Signature(s)

Proxy form must reach company's registered office not later than 48 hours before the commencement of the meeting

FOR OFFICE USE ONLY

DATE OF RECEIPT

RAJLAXMI INDUSTRIES LIMITED

G 30, MIDC INDUSTRIAL AREA, TARAPUR, BOISAR (W), Thane, Maharashtra - 401506

ATTENDANCE SLIP

DP ID.

--

CLIENT ID

--

FOLIO NO.

--

NO. OF
SHARES

--

Name & Address of Shareholder / Proxy holder

I Certify that I am registered Shareholder / Proxy for the registered Shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on _____, the _____ at the Registered Office of the Company at _____ .

Member's / Proxy's Signature

(Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and handover at the entrance of the Meeting Hall)

Book Post

If Undelivered please return to:


Rajlaxmi Industries Limited

Regd. Off.: G 30, MIDC INDUSTRIAL AREA,
TARAPUR, BOISAR (W), Thane, Maharashtra - 401506

RAJLAXMI INDUSTRIES LIMITED

Regd. Off: G-30, M.I.D.C. Industrial Area, Tarapur,
Boisar (W), Dist : Thane - 401 506

FORM - A

1	Name of the company	RAJLAXMI INDUSTRIES LIMITED
2	Annual financial statements for the year ended	31 st March 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	To be signed by-	
	CEO / Managing Director	For RAJLAXMI INDUSTRIES LTD. <i>Rahul Jagnani</i> Authorised Signatory / Director Rahul Jagnani
	Auditor of the company	<i>J. S. Shah</i> Jayesha S. Shah & Co. 
	Audit Committee	For RAJLAXMI INDUSTRIES LTD. <i>Amit Kr. Daga</i> Authorised Signatory / Director Amit Kumar Daga