

## NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the Company will be held on Friday, the 30<sup>th</sup> September, 2011 at 11.30 A.M. at the Registered Office of the Company at Plot No.2, Amgaon Industrial Estate, Amgaon, Taluka Talasari, District Thane to transact the following business :-

### ORDINARY BUSINESS:-

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
- 2) To appoint Auditors and to fix their remuneration.
- 3) To appoint Directors in place of Mr. Sarwan Lihala who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint Directors in place of Mr. Ayushya Vardhen Lihala who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board of Directors  
For Ramgopal Polytex Limited

Sd/-

Mohanlal Jatia  
Chairman

Place: Mumbai

Date: 30th May, 2011

### Regd. Office:

Plot No.2, Amgaon Industrial Estate,  
Amgaon, Taluka Talasari, Dist.Thane.

### NOTES:-

- a. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. The Proxy form should be lodged with the Company at its Registered Office not less than 48 hours before the commencement of this Meeting.
- b. Members / Proxies should bring the attendance slip duly filled in for attending the Meeting.
- c. Members seeking any information as regard to Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
- d. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2011 to 30.09.2011 (both days are inclusive).
- e. Members are requested to bring their Annual Report to the Meeting.
- f. Re-appointment of Director:  
As required in terms of paragraphs VI (A) of Clause 49 of the Listing Agreement, the details of the director retiring by rotation and eligible for re-appointment are furnished herewith.

By Order of the Board of Directors  
For Ramgopal Polytex Limited

Sd/-

Mohanlal Jatia  
Chairman

Place: Mumbai

Date: 30<sup>th</sup> May, 2011

## Annexure to Notice

Particulars of Directors seeking appointment / reappointment:

Name of Director	Appointment / Re-appointment	Directorship held in other Companies	Committee positions held in other Companies
<p>Mr. Sarwan Lihala</p> <p><b>Qualification:</b> B'Com  <b>Expertise:</b> 25 years of experience in Trading of yarn, chemicals, etc.  <b>Age:</b> 49 Years  <b>Shareholding in the Company:</b> NIL  <b>Committee position in the Company:</b>                      Chairman – Audit Committee.                      Member – Shareholder/Investor Grievance &amp; share transfer committee.</p>	<p>Re-appointment on retirement by rotation</p>	<p>J.M. Textiles Ltd</p>	<p>NIL</p>
<p>Mr. Ayushya Vardhen Lihala</p> <p><b>Qualification:</b> B'Com  <b>Expertise:</b> 3Years experience in the field of Finance  <b>Age:</b> 25 Years  <b>Shareholding in the Company:</b> NIL  <b>Committee position in the Company:</b>                      Member – Audit Committee.</p>	<p>Re-appointment on retirement by rotation</p>	<p>NIL</p>	<p>NIL</p>

## DIRECTORS' REPORT

The Members of Ramgopal Polytex Limited,

Your Directors take pleasure in presenting their 30<sup>th</sup> Annual Report together with the Audited Account for the year ended 31<sup>st</sup> March, 2011.

(Rs. in Lakhs)

<b>FINANCIAL RESULTS:</b>	<b>Year Ended 31<sup>st</sup> March 2011</b>	<b>Year Ended 31<sup>st</sup> March 2010</b>
Sales & Other Income	1,080.24	2,583.08
Gross Profit / (Loss)	13.27	68.81
<b>Less: Interest</b>	0.45	5.84
Profit / (Loss) before Depreciation & Tax	12.82	62.97
Depreciation	5.06	7.20
Profit / (Loss) before Taxation	7.76	55.77
Taxation (including Deferred Tax) for the Year	3.96	17.48
Profit / (Loss) for the Year	3.80	38.29
Profit / (Loss) Brought Forward from Earlier Years	(669.87)	(708.16)
Balance Carried Forward to the Balance Sheet	(666.07)	(669.87)

### **DIVIDEND:**

In view of Carried forward losses, your Directors have not recommended any dividend for the year under review.

### **FUTURE OUTLOOK:**

The turnover of the Company has decreased from Rs.2,583.08 Lakhs in the previous year to Rs.1,080.24 Lakhs in the Current year. The Company has made a Profit of Rs. 3.80 Lakhs during the year as compared to Rs. 38.29 Lakhs in the previous year. Your Company has concentrated on trading activities and is trying to improve the margins. Your Company foresee a better year ahead.

### **FIXED DEPOSITS:**

The Company has not accepted any fixed deposits from the public during the year under review.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

1. in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2011, the applicable accounting standards have been followed;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that year;



3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the accounts for the financial year ending 31<sup>st</sup> March, 2011 on a 'going concern' basis.

**DIRECTORS:**

Mr. Sarwan Lihala and Mr. Ayushya Vardhen Lihala Directors of the Company, retires by rotation and being eligible offers themselves for re-appointment.

**CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with Stock Exchange, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors Certificate regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

**AUDITORS AND AUDITORS REPORT:**

Members are requested to appoint Auditors M/s. Rungta & Associates, Chartered Accountants, Mumbai, who retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment and to fix their remuneration. The Company has received the necessary certificate under Section 224(1) of the Companies Act, 1956.

Observations made by the Auditors in their report are self explanatory and need no explanation.

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

The particulars of the employees as required under Section 217 (2A) of the Companies Act, 1956, are not attached with this report as no employee of the Company comes under the purview of this section.

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information is given in the Annexure which forms part of this report.

**INDUSTRIAL RELATIONS:**

The relation between the management and the staff continued to be cordial during the year under review. Your Directors wish to express their appreciation for the co-operation received from the staff of the Company.

**ACKNOWLEDGEMENT:**

Your Directors place on record their sense of appreciation of the valuable support and co-operation extended by the Government Authorities, Banks and Business Associates.

For and on behalf of Board,

Sd/-  
(Mohanlal Jatia)  
Chairman

Place: Mumbai

Date : 30<sup>th</sup> May, 2011

## ANNEXURE TO DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

In terms of Section 217 (1) (e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, Your Directors furnish hereunder the additional information which form part of the Directors' Report:

### **A) CONSERVATION OF ENERGY:**

During the year under review, your company has not carried out any manufacturing activities. Hence, there was no consumption of energy during the year under review.

### **B) TECHNOLOGY ABSORPTION:**

Since, there is no manufacturing activity, the clause is not applicable to your Company.

### **C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign Exchange Earnings	Rs.	NIL
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#### **Foreign Exchange Outgo**

CIF Value of Imports and Other Expenses incurred	Rs.	NIL
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For and on behalf of Board,  
Sd/-  
(Mohanlal Jatia)  
Chairman

Place: Mumbai  
Date: 30<sup>th</sup> May, 2011



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **(It forms part of Directors' Report)**

Management Discussion and Analysis Report on the business of the Company as applicable and to the extent relevant is given below:

#### **INDUSTRY STRUCTURE AND DEVELOPMENT:**

In view of the changed economic scenario and change in the Government Policy, the Company has to re-align its strategy and focus in the new area of operations for successful performance.

#### **OPPORTUNITIES AND THREATS:**

Presently, the trading market is buoyant and also, the Textile Industries are coming with lots of expansion programme which would result in substantial requirement of materials in which your company is dealing.

The major threat would be slow down in the Indian Economy and globally or change in Economic Policies of the Indian Government

#### **RISK AND CONCERNS:**

It is difficult to assess the risk involved in the business. It is always the intention of the management to minimize the risk involvement with proper analysis and market study, internal control and system.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company maintains an ideal internal control system in every area of its operation.

#### **OPERATIONAL PERFORMANCE:**

The Company has mainly focused on trading in textile related products and are also venturing into other high margin products and hopeful to obtain satisfactory results in the coming year under review.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATION:**

The Company has considered its human resources as the most valuable ingredient of the functioning of the Company and utmost endeavor is made to maintain good relation with the employees at all levels.

#### **CAUTIONARY STATEMENT:**

Statement in this "Management Discussion and Analysis" may be considered to be "forward looking statements" within the meaning of applicable laws or regulations. The statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2010-2011

(As required under the revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company is fully committed to the principal of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment your Company has been uploading fair and ethical business and corporate practices and transparency in its dealings and continuously endeavors to review, strengthen and upgrade its systems and processes so as to bring in transparency and efficiency in its various business segments.

### II. BOARD OF DIRECTORS:

The Company has a broad-based Board and meets the "Composition" criteria. As on today, the Board comprised of four Directors.

a) Composition of the Board of Directors is as follows:

Director	Executive / Non- Executive / Independent
Mr. Mohanlal Jatia	Chairman – Non Executive
Mr. Sanjay Jatia	Non-Executive
Mr. Sarwan Lihala	Non-Executive – Independent
Mr. Ayushya Vardhen Lihala	Non-Executive – Independent

All the Directors on the Board are Non-Executive.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at last Annual General Meeting and also the number of Directorship and Committee membership held by them in other Companies are given below:

Name of the Director	Category	Attendance Particulars		No. of Directorships and Committee Membership/Chairmanship in other Indian Public Limited Company as on 31.03.11		
		Board Meeting	Last AGM	Other Directorship	Committee Memberships	Committee Chairmanships
Mr. Mohanlal Jatia	C & NED	6	Yes	3	1	1
Mr. Sanjay Jatia	NED	6	Yes	3	2	1
Mr. Sarwan Lihala	NE & ID	6	Yes	1	-	-
Mr. Ayushya Vardhen Lihala	NE & ID	6	Yes	-	-	-

C – Chairman, NED – Non Executive Director, NE & ID – Non Executive & Independent Director.

Only the three committees viz. the "Audit Committee", and the "Shareholders'/Investor' Grievance/Share Transfer Committee" and the "Remuneration Committee" have been Considered.

No payment has been made to any director during the year.



**b) Meetings of the Board of Directors:**

During the Financial year 2010-2011, 6 Board Meetings were held on the following dates: 29/05/2010, 16/07/2010, 14/08/2010, 13/11/2010, 14/02/2011 and 24/03/2011.

**III. AUDIT COMMITTEE:**

Presently the Committee consists of Chairman Mr. Sarwan Kumar Lihala, Mr. Ayushya Vardhen Lihala and Mr. Sanjay Jatia, and all of them are Non Executive directors and have knowledge of finance, accounts, company law etc. The quorum for Audit Committee meeting is of minimum two members.

The broad terms of reference of Audit Committee are in accordance with the prescribed guidelines as set out in the Listing Agreement with the Stock Exchanges that inter alia , include overseeing financial reporting processes, reviewing the financial statements, quarterly, half yearly/ annual financial results and adequacy of internal control systems, discussion with the Auditors on any significant findings etc.

During the year under review, four meeting of the Audit Committee were held, the dates being 29/05/2010, 14/08/2010, 13/11/2010 and 14/02/2011. All the Committees members were present at all the meetings.

**IV. REMUNERATION COMMITTEE:**

None of the Directors are drawing any remuneration; hence, the Company has not formed Remuneration Committee.

**V. SHAREHOLDERS'/INVESTORS' GRIEVANCE & SHARE TRANSFER COMMITTEE:**

Presently, the Committee consists of Mr. Mohanlal Jatia, Chairman Mr. Sanjay Jatia, and Mr. Sarwan Kumar Lihala.

The Committee would specifically look into the redressal of the shareholders' complaints in respect of all matters including transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, dematerialization of shares and investor's complaints etc.

The complaints received and replied to the satisfaction of shareholders during the year under review. There were no outstanding complaints as on today.

The Committee met 9 times during the year under review and all the Committees members were present at all the meetings.



## VI. GENERAL BODY MEETINGS :

Details of the last three Annual General Meetings of the Company were held as under:

Financial Year	AGM /EGM	Day, Date &Time	Venue
2007-2008	AGM	Tuesday, 30 <sup>th</sup> Sept 2008 at 2.00 P.M	<b>Registered Office :</b> Plot No. 2, Amgaon Industrial Estate, Taluka Talasari, Dist: Thane, Maharashtra, India
2008-2009	AGM	Wednesday, 30 <sup>th</sup> Sept 2009 at 2.00 P.M	<b>Registered Office :</b> Plot No. 2, Amgaon Industrial Estate, Taluka Talasari, Dist: Thane, Maharashtra, India
2009-2010	AGM	Thursday, 30 <sup>th</sup> Sept 2010 at 11.00 A.M	<b>Registered Office :</b> Plot No. 2, Amgaon Industrial Estate, Taluka Talasari, Dist: Thane, Maharashtra, India

During the Financial year 2010-2011, the Company has not passed any Resolution through postal ballot.

## VII. DISCLOSURES :

- a) There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their relatives, etc. that may have potential conflict with the interests of the Company at large. Transactions with related parties during the period are disclosed in the Annual Report, in accordance with the requirements of Accounting Standard AS-18.
- b) During the last three years/period, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

## VIII. MEANS OF COMMUNICATION:

The results were communicated to all the Stock Exchanges whereby the Company's shares are listed, as soon as the same are approved and taken on record by the Board of Directors of the Company. The results are not sent individually to the shareholders.

The Management Discussion and Analysis Report forms part of the Directors' Report.

**IX. GENERAL SHAREHOLDERS INFORMATION :**

<b>AGM : Date and Time</b> Venue	30 <sup>th</sup> September, 2011 at 11.30 A.M. <b>Registered Office of the Company :</b> Plot No. 2, Amgaon Industrial Estate, Taluka Talasari, Dist: Thane - 401606, Maharashtra, India
<b>Financial Year 2011-2012:</b> Financial Year ending -Result for First Quarter ending 30.06.11 -Result for Second Quarter ending 30.09.11 -Result for Third Quarter ending 31.12.11 -Audited Result for the year 31.03.12	31 <sup>st</sup> March, 2012 Second week of August, 2011 Second week of November, 2011 Second week of February, 2012 On or before 30 <sup>th</sup> May, 2012
Date of Book Closure	26.09.11 to 30.09.11 (both days inclusive)
Dividend Payment Date	Not Applicable
Listing on Stock Exchange	Mumbai, Delhi, Calcutta, Ahmedabad & National Stock Exchange
<b>Stock Code:</b>	
Bombay Stock Exchange	514223
National Stock Exchange	RAMGOPOLY
Demat ISIN Numbers in NSDL & CDSL for Equity Shares	INE-A10B01017
Market price Data : High , Low during each month in the financial year 2010-2011	As the Company shares were suspended from trading by BSE, there was no trading in the shares of the Company
Registrar and Share Transfer Agents	Computronics Financial Services (I) Ltd Office No.1, Mittal Chambers, Nariman Point, Mumbai – 400 021.
Share Transfer System	Share Transfers are registered and return within a period of 30 days from the date of receipt, if the documents are clear in all respects.
Distribution of shareholding & Category-wise distribution	See table no. 1 & 2
De-materialization of shares and liquidity	62.82 % of the Total Shares have been dematerialized.
Outstanding GDRS/ADRS/Warrants or any convertible instruments, conversion date and likely impact on equity	There were no such outstanding instruments as on 31 <sup>st</sup> March, 2011
Plant Location	Not Applicable
Address for correspondence	<b>Registered Office :</b> Plot No. 2, Amgaon Industrial Estate, Taluka Talasari, Dist: Thane - 401606, Maharashtra, India or <b>Computronics Financial Services (I) Ltd</b> Office No.1, Mittal Chambers, Nariman Point, Mumbai – 400 021.



**Table 1 – Distribution of Shareholding as on 31<sup>st</sup> March, 2011**

No. of Equity Shares	No. of Share holders	% of Shareholders	No. of Shares	% of shareholding
Up to 5,000	21,967	94.674	41,29,904	28.482
5,001 to 10,000	713	3.073	5,88,900	4.063
10,001 to 20,000	221	0.953	3,34,700	2.308
20,001 to 30,000	91	0.393	2,28,300	1.574
30,001 to 40,000	25	0.107	89,900	0.620
40,001 to 50,000	58	0.249	2,78,200	1.918
50,001 to 1,00,000	60	0.258	4,72,300	3.257
1,00,001 and Above	68	0.293	83,77,796	57.778
<b>TOTAL</b>	<b>23,203</b>	<b>100.000</b>	<b>1,45,00,000</b>	<b>100.000</b>

**Table 2 - Distribution of Shareholding Pattern as on 31<sup>st</sup> March, 2011**

CATEGORY	No. of Shares held	% of total shares
Promoters	20,00,000	13.794
Companies Under the Same management	45,83,396	31.609
Person acting in concert	0	0
Institutional Investors	0	0
Mutual Funds	12,400	0.085
Bank & Financial Institutions	68,900	0.475
Private Corporate Bodies	4,67,900	3.215
Indian Public	58,95,904	40.670
NRIs / OCBs	14,71,500	10.152
<b>TOTAL</b>	<b>1,45,00,000</b>	<b>100.000</b>

**RUNGTA & ASSOCIATES**  
**Chartered Accountants**

504, 5th Floor, Rainbow Chambers,  
Poinsur, S. V. Road, Kandivall (West),  
Mumbai - 400 067  
Tel. no.: 022 - 28625153 / 5129  
Mobile: +91 - 98203 54138  
E-mail :- pawankumar.rungta@rediffmail.com

**Auditors' Certificate**

To,  
The Members of  
**Ramgopal Polytex Ltd.**

We have examined the compliance of conditions of Corporate Governance by **Ramgopal Polytex Ltd.** for the year ended 31<sup>st</sup> March 2011, as stipulate in clause 49 of the listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with guidance note on certification of the Corporate Governance (As stipulated in clause 49 of the listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring 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 and the representations made by the Directors and Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

For **RUNGTA & ASSOCIATES**  
**CHARTERED ACCOUNTANT**  
(REGISTRATION NO.:108888W)



**PAWAN KUMAR RUNGTA**  
(PROPRIETOR)  
MEMBERSHIP NO.: 42902



Place: - Mumbai  
Date: - 30<sup>th</sup> May, 2011



## CEO / CFO Certification

I Sanjay Jatla , Director responsible for the finance function, certify that :

- (a) I have reviewed the financial statements, read with the cash flow statement of Ramgopal Polytex Limited for the year ended 31<sup>st</sup> March, 2011 and that to the best of our knowledge and belief, I state that ;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
  - (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) To the best of my knowledge and belief, there are 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. I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit Committee.
- (d) During the year under reference-
- (i) there were no significant changes in the internal control over financial reporting;
  - (ii) no significant changes in accounting policies were made that require disclosure in the notes to the financial statements; and
  - (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to my notice.

Place – Mumbai

Date - 30<sup>th</sup> May,2011

Sd/-

Sanjay M Jatia

Director

**AUDITORS' REPORT**

**TO THE MEMBERS OF  
RAMGOPAL POLYTEX LIMITED**

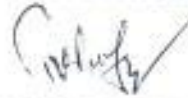
1. We have audited the attached Balance Sheet of **RAMGOPAL POLYTEX LIMITED** as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. 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 Statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 (hereinafter referred to as the 'Act'), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in Paragraph (3) above; 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 purposes of our audit ;
  - b) In our opinion, proper books of account 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 and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable;
  - e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director of the Company under clause (g) of sub-section (1) of Section 274 of the Act;





- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes appearing in Schedule '17', Particularly, Note No.11 regarding appointment of Company Secretary and those appearing elsewhere in the accounts, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
  - ii. In the case of the Profit and 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 for the year ended on that date.

For **RUNGTA & ASSOCIATES**  
Chartered Accountants



(**PAWANKUMAR RUNGTA**)  
Proprietor

Membership No. 42902

Firm Registration No. 108888W



Place : Mumbai  
Dated: 30<sup>th</sup> May, 2011

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in Paragraph (3) of Auditors' Report of even date on the Financial Statements of Ramgopal Polytex Limited for the year ended as on 31<sup>st</sup> March, 2011.)

On the basis of such checks as we considered appropriate and according to the records of the Company, information and explanations given to us during the course of our audit, we state that:

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained, the fixed assets have been physically verified by the management in accordance with the phased programme of verification adopted by the Company. In our opinion, the frequency of verification is reasonable considering the size of the Company and nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
  - (c) No substantial part of the fixed assets has been disposed off by the Company during the year.
- 2) (a) The inventory of trading goods has been physically verified by the management at reasonable intervals during the year and/or at the close of the year.
  - (b) The procedures of physical verification of the inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account (Refer Note No. 12(i) (3) in Schedule '17').
- 3) (a) The Company has taken unsecured loans from a Company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.1,57,16,255 and year end balance of the said loans was Rs. Nil. The terms and conditions of the same are prima facie, not prejudicial to the interest of the Company. As the repayment and interest payment dates have not been stipulated, we are unable to comment whether those have been repaid / paid as stipulated.
  - (b) The Company has granted unsecured loans to three companies, all covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.12,92,23,340 and year end balance of the said loan was Rs. 11,28,32,519. The terms and conditions of the same are prima facie, not prejudicial to the interest of the Company. As the repayment and interest payment dates have not been stipulated, we are unable to comment whether those have been repaid / paid as stipulated.
  - (c) The Company has not taken / granted secured or unsecured loans from / to firms or other parties listed in the said register.





- 4). There is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.
- 5). During the year, the company has not entered into any contract or arrangement that was required to be entered in the register required to be maintained under that Section 301 of the Act.
- 6) The Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of Sections 58A & 58AA or any other relevant provisions of the Act, and the rules framed there under, where applicable.
- 7) *The Company does not have any formal internal audit system.* However, as explained effective internal control is being exercised departmentally.
- 8) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable. According to the information and explanations given to us, there are no undisputed amounts outstanding as at the year end for a period of more than six months from the date they became payable, *except in case of Investors Education and Protection Fund of Rs.4, 21,377 and Sales Tax of Rs. 6,74,450.*
- (b) According to the information and explanations given to us, there is no Wealth Tax, Service Tax, and Cess which have not been deposited on account of any dispute. Dues in respect of Income Tax, Sales Tax, and Customs & Excise Duty not deposited on account of dispute are as follows:

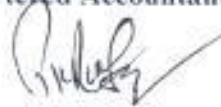
Name of statute	Nature of dues	Amount Rs.	Period to which amount pertains	Forum where dispute is pending
Income Tax Act, 1961	Income tax (Penalty)	13,61,533	2002-03	The Commissioner of Income tax (Appeals)
Sales Tax	Sales Tax	60,08,863	1999-2000	The Deputy Commissioner of Sales tax (Appeals), Palghar, Thane.
Central Excise & Customs Act, 1944	Customs & Excise Duty	7,81,33,551	1998-1999	The Commissioner of Central Excise (Appeals)

- 9) The Company's accumulated losses as at the end of the financial year are less than 50% of its net worth. The Company has not incurred cash losses in the current as well as in the immediately preceding financial year under audit.



- 10) The Company has kept adequate records of its transactions and contracts in respect of dealing in shares and securities and timely entries have been made therein. The shares, securities, debentures and other investments have been held in the name of the Company *except for 2,00,000 equity shares of M/S. Ramgopal Synthetics Limited of the cost of Rs.20,00,000 which are yet to be transferred in the name of the company.*
- 11) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 12) According to the information and explanations given to us and on an overall examination of the Cash Flows of the Company, we report that the funds raised on short-term basis have not been used for long-term investment.
- 13) To the best of our knowledge and belief and according to the information and explanations given to us, during the year no fraud on or by the Company has been noticed or reported to/by us during the course of our audit.

For **RUNGTA & ASSOCIATES**  
**Chartered Accountants**



**(PAWANKUMAR RUNGTA)**

**Proprietor**

**Membership No. 42902**

**Firm Registration No. 108888W**



**Place : Mumbai**

**Dated: 30<sup>th</sup> May, 2011**



**RAMGOPAL POLYTEX LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2011**

	SCHEDULE	AS AT 31.03.2011 ( Rupees)	AS AT 31.03.2010 ( Rupees)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	143,963,500	143,963,500
Reserves and Surplus	2	<u>105,701,497</u>	<u>105,701,497</u>
		<u>249,664,997</u>	<u>249,664,997</u>
<b>LOAN FUNDS</b>			
Secured Loans	3	-	282,301
Unsecured Loans	4	<u>-</u>	<u>8,761,255</u>
		<u>-</u>	<u>9,043,556</u>
<b>TOTAL</b>		<u>249,664,997</u>	<u>258,708,553</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	5,099,174	7,424,176
Less: Depreciation		<u>1,534,102</u>	<u>2,383,380</u>
Net Block		<u>3,565,072</u>	<u>5,040,796</u>
<b>INVESTMENTS</b>	6	<u>2,148,708</u>	<u>2,148,708</u>
<b>DEFERRED TAX ASSET</b>		<u>11,418,254</u>	<u>11,669,472</u>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	7	-	95,341,237
Sundry Debtors	8	<u>2,142,675</u>	<u>31,429,001</u>
Cash and Bank Balances	9	<u>1,726,867</u>	<u>1,093,980</u>
Other Current Assets	10	<u>5,801,346</u>	<u>7,374,949</u>
Loans and Advances	11	<u>161,142,160</u>	<u>121,214,128</u>
		<u>170,813,048</u>	<u>256,453,295</u>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	12	<u>3,834,335</u>	<u>82,869,368</u>
Current Liabilities		<u>1,052,936</u>	<u>721,073</u>
Provisions		<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>165,925,777</u>	<u>172,862,854</u>
<b>PROFIT &amp; LOSS ACCOUNT(LOSS)</b> (As per Annexed Account)		<u>66,607,186</u>	<u>66,986,723</u>
<b>TOTAL</b>		<u>249,664,997</u>	<u>258,708,553</u>

Significant Accounting Policies  
and Notes to Accounts

17

Schedules referred to above form an integral part of the Balance Sheet

As per our attached report of even date

**For RUNGTA & ASSOCIATES**

Chartered Accountants

*(Signature)*

(PAWAN KUMAR RUNGTA)

Proprietor

Place : Mumbai

Dated: 30th May, 2011



On Behalf of the Board of Directors

*(Signature)*

Director

*(Signature)*

Director

RAMGOPAL POLYTEX LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	Current Year Rupees	Previous Year Rupees
<b>INCOME</b>			
Sales		105,096,616	239,194,501
Other Income	13	12,928,743	19,113,288
Increase/(Decrease) in Stocks	14	(95,341,237)	71,974,843
		<u>22,684,122</u>	<u>330,282,632</u>
<b>EXPENDITURE</b>			
Purchase for resale		4,332,331	305,678,478
Administrative, Selling and Other Expenses	15	17,023,324	17,722,582
Interest and Finance Charges	16	45,876	584,436
Depreciation		506,836	720,176
		<u>21,908,367</u>	<u>324,705,672</u>
<b>Profit for the year before taxation</b>		775,755	5,576,960
Taxation:			
Income Tax:			
Current ( MAT )		(145,000)	(130,000)
Deferred Tax		(251,218)	(1,616,060)
Wealth Tax		-	(1,529)
<b>Profit for the year after taxation</b>		<u>379,537</u>	<u>3,829,371</u>
Balance of loss brought forward		(66,986,723)	(70,816,094)
<b>Balance of loss carried to the Balance Sheet</b>		<u>(66,607,186)</u>	<u>(66,986,723)</u>
<b>Basic and Diluted Earnings per Equity Share</b> (Face Value of Rs.10 per Equity Share)		0.03	0.26
Significant Accounting Policies and Notes to Accounts	17		

Schedules referred to above form an integral part of the Profit & Loss Account

As per our attached report of even date  
For RUNGTA & ASSOCIATES

Chartered Accountants

(PAWAN KUMAR RUNGTA)

Proprietor

Place : Mumbai

Dated: 30th May, 2011



On Behalf of the Board of Directors

*Moham Ali Khan*

Director

Director



RAMGOPAL POLYTEX LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 Rupees	2009 - 2010 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	775,755	5,576,960
Adjustments for :		
Depreciation	506,836	720,176
Interest Received	(11,203,490)	(12,232,928)
Interest Paid	30,249	432,982
Dividend Received	-	(7,725)
Profit on Sale of Investments	-	(639,190)
Unrealised Exchange Gain / (Loss)	-	(2,982,750)
Sundry Balances Written off	1,598,765	-
Excess Provision and Sundry Balances Written Back	(483,595)	(556,851)
Loss on Sale of Fixed Assets	765,767	1,379,809
<b>Operating Profit before Working Capital Changes</b>	<b>(8,009,713)</b>	<b>(8,309,517)</b>
Adjustment for :		
Trade & Other Receivables	54,865,603	(42,242,220)
Inventories	95,341,237	(71,974,843)
Trade Payables	(78,219,575)	8,121,734
<b>Cash Generated from Operations</b>	<b>63,977,552</b>	<b>(114,404,846)</b>
Direct Taxes (paid) / refunds	9,011,005	915,801
<b>Net cash from/(used) in Operating Activities</b>	<b>(A)</b>	<b>(113,489,045)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(321,323)	(125,600)
Sale of Fixed Assets	524,444	593,778
Sale of Investments	-	668,463
Loans to Companies and Others	(74,688,476)	92,524,330
Interest Received	11,203,490	12,232,928
Dividend Received	-	7,725
<b>Net cash from/(used) in Investing Activities</b>	<b>(B)</b>	<b>105,901,624</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	(282,301)	(483,230)
Proceeds from Short Term Borrowings	(8,761,255)	8,761,255
Interest Paid	(30,249)	(432,982)
<b>Net cash from/(used) in Financing Activities</b>	<b>(C)</b>	<b>7,845,043</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(A + B + C)</b>	<b>257,622</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>554,742</b>	<b>297,120</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>1,187,629</b>	<b>554,742</b>

Notes:

- 1) Figures in brackets represent outflows.
- 2) Previous year's figures have been regrouped to conform with those of the current year.
- 3) Cash & Cash equivalents include :
  - a) Cash in Hand
  - b) Balance with Scheduled Banks in Current Accounts  
(Excluding Balance in Unpaid Dividend Account)

269,605	371,365
918,024	183,377

As per our attached report of even date

For RUNGTA & ASSOCIATES  
Chartered Accountants

(PAWAN KUMAR RUNGTA)  
Proprietor



PLACE : MUMBAI  
DATED : 30TH MAY, 2011

On behalf of the Board of Directors

Director

Director

RAMGOPAL POLYTEX LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT 31.03.2011 Rupees	AS AT 31.03.2010 Rupees
<b>SCHEDULE '1'</b>		
<b>SHARE CAPITAL</b>		
Authorised :		
1,50,00,000 Equity Shares of Rs.10 each	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed and Paid-up :		
1,45,00,000 Equity Shares of Rs.10 each	<u>145,000,000</u>	<u>145,000,000</u>
Less: Calls Unpaid (Other than Directors)	<u>1,036,500</u>	<u>1,036,500</u>
	<u>143,963,500</u>	<u>143,963,500</u>
<b>SCHEDULE '2'</b>		
<b>RESERVES AND SURPLUS</b>		
Securities Premium Account	<u>105,006,960</u>	<u>105,006,960</u>
Less: Calls Unpaid (Refer Note No.2 in Schedule '17')	<u>1,036,500</u>	<u>1,036,500</u>
	<u>103,970,460</u>	<u>103,970,460</u>
Capital Reserve (Special Capital Incentive from the Maharashtra State Government)	<u>1,731,037</u>	<u>1,731,037</u>
	<u>105,701,497</u>	<u>105,701,497</u>
<b>SCHEDULE '3'</b>		
<b>SECURED LOANS</b>		
Hire Purchase Loans- from a Bank	<u>-</u>	<u>282,301</u>
(Secured against specific vehicles financed thereagainst)	<u>-</u>	<u>282,301</u>
<b>SCHEDULE '4'</b>		
<b>UNSECURED LOANS</b>		
From a Body Corporate (Short Term)	<u>-</u>	<u>8,761,255</u>
	<u>-</u>	<u>8,761,255</u>



**RAMGOPAL POLYTEX LIMITED**

**SCHEDULE '5'**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

**FIXED ASSETS**

(Amount in Rupees)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2010	Additions during the Year	Deductions during the Year	As At 31.03.2011	Up to 31.03.2010	Provided for the Year	Deductions during the Year	Up to 31.03.2011	As At 31.03.2011	As At 31.03.2010
BUILDINGS	868,520	-	-	868,520	207,662	14,157	-	221,819	646,701	660,858
PLANT & MACHINERY	1,062,651	321,323	-	1,383,974	277,481	108,861	-	386,342	997,632	785,170
FURNITURE & FIXTURES	102,705	-	-	102,705	72,031	3,650	-	75,681	27,024	30,674
VEHICLES *	5,390,300	-	2,646,325	2,743,975	1,826,206	380,168	1,356,114	850,260	1,893,715	3,564,094
<b>TOTAL</b>	<b>7,424,176</b>	<b>321,323</b>	<b>2,646,325</b>	<b>5,099,174</b>	<b>2,383,380</b>	<b>506,836</b>	<b>1,356,114</b>	<b>1,534,102</b>	<b>3,565,072</b>	<b>5,040,796</b>
Previous Year	12,110,843	125,600	4,812,267	7,424,176	4,501,884	720,176	2,838,680	2,383,380	5,040,796	

\* Note:

Registered in the name of Directors on behalf of the Company and includes, vehicles of cost of Rs.17,32,650 (previous year Rs.17,32,630) acquired on hire purchase basis.





RAMGOPAL POLYTEX LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT 31.03.2011 Rupees	AS AT 31.03.2010 Rupees
<b>SCHEDULE '6'</b>		
<b>INVESTMENTS</b>		
GOVERNMENT SECURITIES - (Unquoted)		
6 Years National Savings Certificate (Lodged with Customs Authorities)	1,000	1,000
EQUITY SHARES (Long Term, Non Trade, Fully Paid up)		
Quoted		
2,342 Equity Shares of Prime Textiles Ltd of Rs.2 each	147,708	147,708
Unquoted		
2,00,000 Equity Shares of Ramgopal Synthetics Ltd of Rs.10 each *	2,000,000	2,000,000
	<u>2,148,708</u>	<u>2,148,708</u>
Aggregate Book Value of Quoted Investments	147,708	147,708
Market/Fair Value of Quoted Investments	30,844	40,025
Note:		
* A Company under the same Management.		
<b>SCHEDULE '7'</b>		
<b>INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Trading Goods	-	95,341,237
	<u>-</u>	<u>95,341,237</u>
<b>SCHEDULE '8'</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, considered good ) (Refer Note No.7 in Schedule '17' )		
Debts outstanding for a period exceeding six months	2,142,675	1,520,729
Other Debts	-	29,908,272
	<u>2,142,675</u>	<u>31,429,001</u>



**RAMGOPAL POLYTEX LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

	AS AT 31.03.2011 Rupees	AS AT 31.03.2010 Rupees
<b>SCHEDULE '9'</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in hand	269,605	371,365
Balances with Scheduled Banks in:		
Current Accounts	1,272,742	538,095
Margin Money Account (Against issue of Bank Guarantees)	184,520	184,520
	<u>1,726,867</u>	<u>1,093,980</u>
<b>SCHEDULE '10'</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Receivable on Loans	5,801,346	7,374,949
	<u>5,801,346</u>	<u>7,374,949</u>
<b>SCHEDULE '11'</b>		
<b>LOANS AND ADVANCES</b> (Unsecured, considered good) (Refer Note No.7 & 9 in Schedule '17')		
Loans to Companies & Others	159,604,182	83,342,103
Advances recoverable in cash or in kind or for value to be received	273,794	25,831,836
Deposits	133,300	1,753,300
Tax deducted at source	1,130,884	10,286,889
	<u>161,142,160</u>	<u>121,214,128</u>
<b>SCHEDULE '12'</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors *	1,280,575	50,066,946
Advances against Orders and Customers' credit balances	634,123	30,720,068
Other Liabilities	1,498,260	884,701
Bank Book Overdraft (Since Cleared)	-	776,276
Investors Education & Protection Fund Shall be credited by - unclaimed dividend **	421,377	421,377
	<u>3,834,335</u>	<u>82,869,368</u>
<b>PROVISIONS</b>		
Gratuity	777,936	589,553
Wealth Tax	-	1,520
Income Tax	275,000	130,000
	<u>1,052,936</u>	<u>721,073</u>
	<u>4,887,271</u>	<u>83,590,441</u>

\* Refer Note No.15 in Schedule '17'

\*\* Due and payable to the said fund as at the Balance Sheet date.



RAMGOPAL POLYTEX LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2011

	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE '13'</b>		
<b>OTHER INCOME</b>		
Interest (Gross) :		
On Loans Given (TDS Rs. 11,09,985; previous year Rs.13,77,489)	11,203,490	11,925,516
On Fixed Deposits with Bank (TDS Rs. Nil; previous year Rs.31,664)	-	307,412
On Income Tax Refund	1,008,858	533,497
Dividend on Long Term Investments	-	7,725
Profit on sale of Long Term Investments	-	639,190
Profit on Trading in Equity Derivative Instruments	-	56,564
Excess Provision and Sundry Balances Written Back	483,595	556,851
Gain on Exchange Fluctuations (Net)	232,800	5,086,533
	<u>12,928,743</u>	<u>19,113,288</u>
<b>SCHEDULE '14'</b>		
<b>INCREASE/(DECREASE) IN STOCKS</b>		
<b>CLOSING STOCKS</b>		
Trading Goods	-	95,341,237
	<u>-</u>	<u>95,341,237</u>
<b>LESS: OPENING STOCKS</b>		
Trading Goods	95,341,237	23,366,394
	<u>95,341,237</u>	<u>23,366,394</u>
	<u>(95,341,237)</u>	<u>71,974,843</u>





RAMGOPAL POLYTEX LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2011

	Current Year Rupees	Previous Year Rupees
<b>SCHEDULE '15'</b>		
<b>ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>		
<b>Payments to and Provision for Employees:</b>		
Salaries, Wages and Bonus	2,008,941	1,880,026
Contribution to Provident and other funds	138,253	115,236
Staff Welfare	102,422	179,741
Rent & Compensation	2,664,636	3,751,320
Rates and Taxes(Including Sales Tax)*	4,284,281	3,004,549
Repairs and Maintenance:		
Plant & Machinery	126,535	151,390
Others	66,959	22,129
Labour Charges	863,351	218,960
Insurance	-	47,909
Auditors' Remuneration :		
Audit Fees	30,000	30,000
Tax Audit Fees	10,000	10,000
Certification	90,500	11,250
Reimbursement of out of pocket expenses / Service Tax	13,443	5,279
Brokerage and Commission	168,966	128,543
Sales Promotion Expenses	1,033,074	780,556
Freight, Transport and Loading & Unloading	-	165,898
Security Transaction Tax	20	3,489
Irrecoverable Balances Written off	1,598,765	-
Loss on Trading in Equity Derivative Instruments	4,900	-
Loss on Sale of Fixed Assets	765,767	1,379,809
Miscellaneous Expenses	3,055,511	5,836,498
	<u>17,023,324</u>	<u>17,722,582</u>

\*Including Sales Tax on Assessment related to earlier years Rs. 6,68,962 (previous year Rs.8,69,401)

**SCHEDULE '16'**

**INTEREST AND FINANCE CHARGES**

<b>Interest :</b>		
Fixed Loans	30,249	52,570
Others	-	380,412
Finance Charges	15,627	151,454
	<u>45,876</u>	<u>584,436</u>



RAMGOPAL POLYTEX LIMITED

SCHEDULE '17'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011

I. SIGNIFICANT ACCOUNTING POLICIES:

A. General :

- i) The financial statements are prepared under the historical cost convention, in accordance with the mandatory Accounting Standards and on the accounting principle of a going concern. All expenses and income to the extent considered payable and receivable, respectively, unless specifically stated to be otherwise, are accounted for on an accrual basis.
- ii) Interest receivable on customers' overdue bills is consistently accounted for on cash basis, as the quantum of income thereof cannot be determined with reasonable certainty.
- iii) Sales are net of credit notes issued for claims and damages relating to earlier years but crystallised during the year and inclusive of sales tax.

B. Fixed Assets:

Fixed assets are valued at cost less depreciation. Cost comprises of purchase price and any attributable cost of bringing the assets to the working conditions for its intended use.

C. Depreciation:

Depreciation is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

D. Investments:

Long term investments are stated at cost. No adjustment is made in the carrying cost for the temporary decline in the market value of investments.

E. Inventories:

Inventories are valued at lower of cost and net realisable value. Cost is assigned on FIFO basis. Obsolete, defective and unserviceable items are provided for.

Inventory of traded goods include costs incurred in bringing the inventories to their present location and condition.

F. Foreign Currency Transactions:

Transactions in foreign currency are recorded at the rate of exchange in force at the date of the transaction. Current Assets and Current Liabilities in foreign currency outstanding at the year end, if any, are stated at the rate of exchange prevailing at the close of the year and the resultant gain / loss is recognised in the Profit and Loss Account, except in cases covered by forward exchange contracts in which case they are translated at the contracted rates and the resultant gains / losses are recognised over the life of the contracts.





**G. Equity Derivative Transaction:**

Profit / (Loss) in respect of Equity / Index Futures / Options are accounted in the profit and loss account on the expiry of the respective contract or on the same being squared – off.

In case of unsettled contracts as at the Balance Sheet date, mark to market position is recognised in the case of losses and ignored in case of profits, considering conservative principal.

**H. Retirement benefits:**

Liability in respect of retirement benefits as at the year end is provided for and / or funded and charged to Profit & Loss Account as follows:

- a) Provident / Family Pension fund as a percentage of salary/wages to eligible employees.
- b) Gratuity liability is provided for on accrual basis calculated as per the provisions of Payment of Gratuity Act, 1972.
- c) Liability in respect of leave is provided for on the basis of accumulated leave as at the year end.

**I. Borrowing Costs:**

Borrowing costs attributable to the acquisition and construction of assets are capitalised as part of the cost of respective assets up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the revenue.

**J. Taxation:**

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is a virtual / reasonable certainty that these would be realised in future.

**K. Impairment of Assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the profit and loss account. If at the balance sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**L. Provisions, Contingent Liabilities and Contingent Assets:**

Provision is made based on the reliable estimate, when it is probable that an outflow of resources embodying economic benefit will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognised or disclosed in the financial statements.





## II. NOTES TO ACCOUNTS

### 1. Contingent Liabilities not provided for in respect of:

	Current Year (Rupees)	Previous Year (Rupees)
(a) Guarantees issued by Bank in favour of Customs Authorities.	1,84,520	1,84,520
(b) Claims against the Company not acknowledged as debts.	7,11,832	-
(c) Disputed Customs and Central Excise Duties on Export Commitments (excluding interest)	7,81,33,551	7,81,33,551
(d) Disputed Income Tax Demands	27,38,094	1,02,61,810
(e) Disputed Sales Tax Demands	60,08,863	6,56,422

### 2. Calls unpaid are subject to reconciliation since quite some time with the Registrar to the Issue.

### 3. Deferred Tax Assets comprises of:

	As on 31.03.2011 ( Rupees )	As on 31.03.2010 ( Rupees )
i) Difference between book and tax depreciation	4,80,791	3,41,430
ii) Unabsorbed losses and depreciation	1,02,66,663	1,09,37,121
iii) Statutory dues allowable on payment basis	6,70,800	3,90,921
<b>Total Deferred Tax Assets</b>	<b>1,14,18,254</b>	<b>1,16,69,472</b>

Note: In the opinion of the Management, there is reasonable and virtual certainty of its realisation in future.

### 4. Calculation in respect of Earnings Per Share:

	As on 31.03.2011 ( Rupees )	As on 31.03.2010 ( Rupees )
<b>a) Numerator</b> Net Profit / (Loss) as per Profit and Loss Account and considered for EPS calculation	3,79,537	38,29,371
<b>b) Denominator</b> Weighted Number of Equity Shares	1,45,00,000	1,45,00,000
<b>c) Nominal Value per Equity Share</b>	10	10
<b>d) Basic and Diluted Earnings per Equity Share</b>	<b>0.03</b>	<b>0.26</b>

### 5. The Company's main business is trading of Yarns, Metal, Coal, etc. All other activities of the Company are incidental to the main business. As such, there is no other reportable segment as per the Accounting Standard-17 "Segment Reporting" notified under Companies (Accounting Standards) Rules, 2006.



**6. Related Party disclosures :**

Related party disclosures as required by AS-18 "Related Party Disclosures", are given below.

**a) List of Related Parties:**

- 1) Parties where control exists - Nil
- 2) Other parties with whom the Company has entered into transactions:  
**Associate / Group Companies / Concerns**  
 Ramgopal Textiles Limited  
 Ramgopal Synthetics Limited  
 J.M.Textiles Limited  
 Aristocrat Marketing Limited  
 J.M.Trading Corporation  
 Tarapur Vastra Udyog Private Limited

**b) The following transactions were carried out with the related parties in the normal course of the business:**

Particulars	For the Year ended 31.3.2011 ( Rupees )	For the Year ended 31.3.2010 ( Rupees )
<b>Expenses:</b>		
J.M.Trading Corporation -Rent		
Tarapur Vastra Udyog Pvt.Limited - Consignment Agent Commission	72,000	72,000
	-	29,834
<b>Income:</b>		
J.M.Textiles Limited -Interest		
Ramgopal Textiles Limited - Interest	14,88,048	47,24,991
Aristocrat Marketing Limited - Interest	26,54,549	4,92,023
	8,939	1,94,555
<b>Finance and Investment:</b>		
<b>Loan and Advances Given:</b>		
J.M.Textiles Limited		
Ramgopal Textiles Limited	20,54,21,510	31,25,02,531
Aristocrat Marketing Limited	16,60,69,549	2,41,32,023
	3,58,939	1,94,555
<b>Refund of Loan Given or Loan Taken :</b>		
J.M.Textiles Limited		
Ramgopal Textiles Limited	21,04,66,425	37,62,72,499
Aristocrat Marketing Limited	6,44,25,455	4,59,79,495
	3,63,624	31,89,870
<b>Outstandings:</b>		
<b>Payable</b>		
J.M.Trading Corporation	72,000	72,000
<b>Unsecured Loans:</b>		
Ramgopal Textiles Limited		
<b>Loans and Advances:</b>		
J.M.Textiles Limited		87,61,255
Ramgopal Textiles Limited	1,99,49,680	2,49,94,595
Aristocrat Marketing Limited	9,28,82,839	-
<b>Deposits:</b>		
J.M.Trading Corporation		4,685
<b>Investments:</b>		
Ramgopal Synthetics Limited	50,000	50,000
	20,00,000	20,00,000

**Notes:**

- i) No amount pertaining to related parties have been provided for as doubtful debts. Also, no amount has been written off /back.
- ii) Details relating to investments in the above related parties have been disclosed in the Schedule '6' - Investments.
- iii) The related parties are as identified by the Company and relied upon by the auditors.

7. Sundry Debtors of Rs.21,42,675 (Previous Year Rs.14,60,329) and loans & advances of Rs.89,520 (Previous Year Rs.89,520) have become long overdue but are fully recoverable and therefore, no provision has been considered necessary.

8. In the opinion of the Board, the current assets and loans & advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for depreciation and other known liabilities is adequate and not in excess of what is reasonably necessary.





9. Loans and Advances include :

(a) Due from companies under the same management within the meaning of section 370(1B)(Non Operative) of the Companies Act, 1956:

	As on 31.03.2011 (Rupees)	Maximum Balance During the year (Rupees)
J.M. Textiles Ltd.	1,99,49,680	7,47,69,595
Aristocrat Marketing Ltd.	(2,49,94,595)	(10,77,14,563)
	-	2,50,000
	(4,685)	(30,00,000)
Rangopal Textiles Limited	9,28,82,839	11,04,43,745
	(-)	(1,56,96,217)

Note: Previous year's figures have been given in brackets

(b) Security Deposits to a partnership firm in which certain directors of the company are interested as partners Rs.50,000 (previous year Rs.50,000) towards godown taken on hire.

10. Balances of certain sundry debtors, loans & advances, unpaid dividend account and sundry creditors are subject to confirmation/reconciliation. In the opinion of the management, the difference as may be noticed on such reconciliation will not be material.

11. Company is making efforts to appoint company secretary under Section 383A of the Companies Act, 1956.

12. i) Quantitative information in respect of Opening Stock, Purchases, Turnover & Closing Stock:

Description	Unit	(Amount in Rupees)							
		Opening Stock		Purchases		Turnover		Closing Stock	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Yarns	Kgs.	(12375)	(26,48,250)	(-)	(-)	(12375)	(27,04,804)	(-)	(-)
Yarns (High Seas Basis)	Kgs.	(-)	(-)	(48000)	(32,89,920)	(48000)	(33,60,000)	(-)	(-)
Polymers (HDPE)	Kgs.	(-)	(-)	(588000)	(3,88,81,919)	(588000)	(4,17,89,262)	(-)	(-)
Ferrous Metals	M.T.	2836.850	8,50,03,812	146.980	43,32,331	2983.830	10,50,37,617	(-)	(-)
	Kgs.	(-)	(-)	(8797.430)	(26,28,74,533)	(5960.580)	(18,70,08,152)	(2836.850)	(8,36,03,812)
Steaming(Non-Cooking) Coal	M.T.	6707.100	1,37,37,425	(-)	(-)	6707.100	38,999	(-)	(-)
		(8632.560)	(2,07,18,144)	(-)	(6,33,000)	(1925.460)	(43,32,283)	(6707.100)	(1,17,37,425)
<b>Total</b>		<b>9543.950</b>	<b>9,53,41,237</b>	<b>146.980</b>	<b>43,32,331</b>	<b>9690.930</b>	<b>10,50,96,616</b>	<b>(9543.950)</b>	<b>(9,53,41,237)</b>
		(21007.560)	(3,33,66,394)	(644797.430)	(30,56,78,478)	(656261.040)	(23,91,94,501)		

Notes:

- 1) Previous year's figures have been given in brackets.
- 2) Turnover of Ferrous Metals includes Nil MT. (Previous year 0.050 MT. ) given as free samples.
- 3) Turnover of Steaming (Non-Cooking) Coals includes Shortage due to Combustion etc. of 6650.370 M.T. (Previous Year Nil M.T.) as identified on final lifting.

ii) C.I.F. Value of Imports:

Trading Goods:	2010-2011 (Rupees)	2009-2010 (Rupees)
Yarn/Metals/Coal etc.	-	3,57,89,484

iii) Expenses incurred in foreign currency:

	2010-2011 (Rupees)	2009-2010 (Rupees)
Bank Interest (Remitted through Bank on import of goods)	-	1,08,070
Travelling	-	4,11,810

13. No provision has been considered necessary for diminution in the fair / market value of quoted investments, as in the opinion of the management, the diminution is on account of temporary market features and the investments were made on long-term basis.





14. Disclosure as per requirement of Clause 32 of the Listing agreement :-

a) Loans & Advances to Associates:

(Amount in Rupees)				
	Amount Outstanding as on 31.3.2011	Maximum Amount Outstanding during the year	Number of Equity Shares held in the Company (Quantity in Numbers)	Maximum Number of Equity Shares held in the Company (Quantity in Numbers)
Rangopal Textiles Limited	9,28,82,839	11,04,43,745	18,22,200	18,22,200
J. M. Textiles Limited	1,99,49,680	7,47,69,595	6,89,300	6,89,300
Aristocrat Marketing Limited	-	2,50,000	Nil	Nil

b) Investments in Associates:

(Amount in Rupees)				
	Amount Outstanding as on 31.3.2011	Maximum Amount Outstanding during the year	Number of Equity Shares held in the Company (Quantity in Numbers)	Maximum Number of Equity Shares held in the Company (Quantity in Numbers)
Rangopal Synthetics Ltd.	20,00,000	20,00,000	8,83,000	8,83,000

15. There are no dues to Micro, Small and Medium Enterprises as at the close of the year.

16. Gratuity payable to employees as per provision of the Payment of Gratuity Act 1972 is a defined benefit plan. As per the Accounting Standard (AS)-15 "Employee Benefits", disclosure in respect of defined benefit plan are as under:

			(Amount in Rs.)	
			Gratuity (Unfunded)	
			2010-2011	2009-2010
<b>I</b>	<b>Components of employer expense</b>			
	1	Current service cost		
	2	Interest cost	74,623	63,718
	3	Actuarial losses/(gains)	45,690	33,672
	4	Total expense recognised in the statement of profit and loss Account	68,070	57,682
			1,88,383	155,072
<b>II</b>	<b>Net asset / (liability) recognised in Balance Sheet as at year end</b>			
	1	Present value of defined benefit obligation	7,77,936	5,89,553
	2	Fair value on plan assets	-	-
	3	Status [surplus/(deficit)]	-	-
	4	Unrecognised past service cost	(7,77,936)	(5,89,553)
	5	Net asset / (liability) recognized in Balance Sheet	(7,77,936)	(5,89,553)
<b>III</b>	<b>Change in defined benefit obligations (DBO) during the year</b>			
	1	Present value of DBO at the beginning of period	5,89,553	4,34,481
	2	Current service cost	74,623	63,718
	3	Interest cost	45,690	33,672
	4	Actuarial (gains)/ losses	68,070	57,682
	5	Benefits paid	-	-
	6	Present value of DBO at the end of the year	7,77,936	5,89,553
<b>IV</b>	<b>Actuarial assumptions</b>			
	1	Discount rate (%)	8.00%	7.75%
	2	Rate of increase in compensation level	6.00%	6.00%
	3	Retirement age	58 years	58 years
	4	Maturity table	LIC 1994-96	LIC 1994-96

17. Previous year's figures have been re-cast, re-classified and re-grouped wherever considered necessary so as to correspond with current year's figures.

Signatures to Schedules 'I' to '17'  
For and on behalf of the Board

Place : Mumbai  
Dated: 30<sup>th</sup> May, 2011

*Mayur Mohan*  
DIRECTORS



## RAMGOPAL POLYTEX LIMITED

Additional information in Pursuance to part IV of Schedule VI to the Companies Act, 1956.

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(i) Registration Details:

Registration No.	: 24145	State Code	: 11
Balance Sheet Date	: 31.03.2011		

(ii) Capital Raised during the Year (Rs. in Thousands) :

Public Issue	: NIL	Rights Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL

(iii) Position of mobilisation and deployment of Funds (Rs.in Thousands):

Total Liabilities	: 254552	Total Assets	: 254552
Sources of Funds	:		
Paid up capital	: 143964	Reserves & Surplus	: 105701
Secured Loans	: Nil	Unsecured Loans	: Nil
Application of Funds			
Net Fixed Assets	: 3565	Investments	: 2149
Net Current Assets	: 165926	Misc. Expenditure	: Nil
Accumulated Losses	: 66607	Deferred Tax Assets	: 11418

(iv) Performance of Company (Rs. in Thousands):

Turnover	: 22684	Total Expenditure	: 21908
Profit/(Loss) Before Tax	: 776	Profit/(Loss) After Tax	: 379
Earning per share (Rs.)	: 0.03	Dividend rate %	: NIL

(v) Generic Names of three principal products/services of Company (As per monetary terms) :

Sr. No.	Product description	ITC Code No.
	Trading	N.A.

For and on behalf of the Board

  
DIRECTORS

Place : Mumbai  
Dated: 30<sup>th</sup> May, 2011