

## BOARD OF DIRECTORS

Mr. Mohanlal Jatia - Chairman

Mr. Sanjay Jatia - Director

Mr. Sarwan Lihala - Director

Mr. Hari Attal - Director

## REGISTERED OFFICE:

Greentex Clearing House, B-1, 2 & 3, Gosrani Compound, Rehnal Village,  
Bhiwandi, Dist: Thane - 421 302.

Maharashtra, India

## AUDITORS:

Rungta & Associates

Chartered Accountants, Mumbai.

## REGISTRAR AND SHARE TRANSFER AGENT:

Computronics Financial Services (I) Ltd.

Office No. 1, Mittal Chambers,

Nariman Point, Mumbai-400 021.

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**31st ANNUAL GENERAL MEETING on Saturday 29th September, 2012 at 11.00 A.M.**  
**at House No. 1249, Bhandari Chowk, Bhandari Compound, Narpoli Village, Bhiwandi, Dist: Thane.**

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**NOTICE**

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting of the Company will be held on Saturday, the 29<sup>th</sup> September, 2012 at 11.00 A.M. at House No. 1249, Bhandari Chowk, Bhandari Compound, Narpoli Village, Bhiwandi, Dist: Thane to transact the following business :-

**ORDINARY BUSINESS:-**

- 1) To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2012 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. Sanjay Jatia who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

- 4) To consider and is thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. Hari Attal, who was appointed as an Additional Director of the Company by the Board of Directors and who cease to holds the office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

**By Order of the Board of Directors  
For Ramgopal Polytex Limited  
Sd/-  
Mohanlal Jatia  
Chairman**

**Place:** Mumbai  
**Date:** 30th May, 2012

**Regd. Office:**

Greentex Clearing House, B-1,2 & 3, Gosrani Compound, Rehnal Village, Bhiwandi, Thane-421302.

**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 24.09.2012 to 29.09.2012 (both days are inclusive).
- e. Members are requested to bring their Annual Report to the Meeting.
- f. Appointment/Re-appointment of Director:

As required in terms of paragraphs VI(A) of Clause 49 of the Listing Agreement, the details of the directors seeking appointment / reappointment are furnished herewith.

**By Order of the Board of Directors  
For Ramgopal Polytex Limited  
Mohanlal Jatia  
Chairman**

**Place:** Mumbai  
**Date:** 30th May, 2012

**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
Mr. Sanjay Jatia - <b>Qualification: B.Com</b> <b>Expertise:</b> 25 years of experience in Trading of yarn, chemicals, etc. <b>Age:</b> 45 Years, <b>Shareholding in the Company:</b> 16800 <b>Committee position in the Company:</b> Member – Audit Committee and Shareholder/Investor Grievance & share transfer committee. <b>Relationship with other Directors:</b> Son of Mr. Mohanlal Jatia	Re-appointment on retirement by rotation	J M Commodities Ltd. Ramgopal Synthetics Ltd. Tarapur Vastra Udyog Pvt. Ltd. Tarapur Synthetics Pvt. Ltd. Ramgopal Investment & Trading Company Pvt. Ltd.	Member of Audit Committee – J.M.Commodities Ltd
Mr. Hari Attal - <b>Qualification:</b> B.Com, LLB <b>Expertise:</b> 35 years of experience in Trading of Textiles goods <b>Age:</b> 69 Years, <b>Shareholding in the Company:</b> NIL <b>Committee position in the Company:</b> Member – Audit Committee. <b>Relationship with other Directors:</b> No	Appointment	NIL	NIL

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

**ITEM NO. 4**

Mr. Hari Attal was appointed as appointed as an Additional Director of the Company by the Board of Directors w.e.f. 18.04.2012. He is from commerce field. As per provisions of the Companies Act,1956, he holds the office upto the date of this Annual General Meeting and is eligible for re-appointment. Notice in pursuance of Section 257 of the Companies Act, 1956 together with necessary deposit has been received from one member of the Company proposing the candidature of Mr. Hari Attal as director of the Company.

The Board has considered as desirable to receive the benefit out of the experience of Mr. Hari Attal having regard to his exposure in field of Trade and commerce. None of the Directors of the Company is concerned or interested in the proposed resolution.

**DIRECTORS' REPORT**

The Members of Ramgopal Polytex Limited,

Your Directors take pleasure in presenting their 31<sup>st</sup> Annual Report together with the Audited Account for the year ended 31<sup>st</sup> March, 2012.

(Rs. in Lakhs)

<b>FINANCIAL RESULTS:</b>	<b>Year Ended 31<sup>st</sup> March 2012</b>	<b>Year Ended 31<sup>st</sup> March 2011</b>
Sales & Other Income	404.99	1180.25
Gross Profit / (Loss)	68.83	13.12
<b>Less:</b> Interest	-	0.30
Profit / (Loss) before Depreciation & Tax	68.83	12.82
Depreciation	3.96	5.06
Profit / (Loss) before Taxation	64.87	7.76
Taxation (including Deferred Tax) for the Year	32.89	3.96
Profit / (Loss) for the Year	31.98	3.80
Profit / (Loss) Brought Forward from Earlier Years	(666.07)	(669.87)
Balance Carried Forward to the Balance Sheet	(634.09)	(666.07)

**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.1050.97 Lakhs in the previous year to Rs.207.60 Lakhs in the Current year. However, the Company has made a Profit of Rs. 31.98 Lakhs during the year as compared to Rs. 3.80 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, 2012, 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, 2012 on a 'going concern' basis.

**DIRECTORS:**

Mr. Sanjay Jatia, Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

Pursuant to the provision of Section 260 of the Companies Act, 1956, Mr. Hari Attal who was appointed as Additional Director on 18.04.2012. Mr. Hari Attal would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice from a member proposing the candidature of Mr. Hari Attal for the office of Director, liable to retire by rotation.

Due to his pre-occupation, Mr. Ayushya Vardhen Lihala has resigned from the directorship of the Company on 18.04.2012. The Directors place on record their warm appreciation for valuable contribution made by the outgoing Director.

**CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, 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, 2012

**ANNEXURE TO DIRECTORS' REPORT**

Particulars pursuant to the 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
<b>Foreign Exchange Outgo</b>		
CIF Value of Imports and Other Expenses incurred	Rs.	181.66 Lakhs

For and on behalf of Board,  
Sd/-  
(Mohanlal Jatia)  
Chairman

Place: Mumbai

Date: 30<sup>th</sup> May, 2012

## 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 hopeful to obtain satisfactory results in the coming year.

### 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 2011-2012

(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. Hari Attal	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 31.03.12		
		Board Meeting	Last AGM	Other Directorship	Committee Memberships	Committee Chairmanships
Mr. Mohanlal Jatia	C & NED	6	Yes	1	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	No	-	-	-
Mr. Hari Attal**	NE&ID	-	NA	-	-	-

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

\*resigned as Director w.e.f. 18<sup>th</sup> April, 2012

\*\*Appointed as Additional Director w.e.f. 18<sup>th</sup> April, 2012

Only 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 2011-2012, 6 Board Meetings were held on the following dates:

30/05/2011, 20/07/2011, 13/08/2011, 14/11/2011, 14/02/2012 and 27/03/2012.

### III. AUDIT COMMITTEE:

Presently, the Committee consists of Chairman Mr. Sarwan Kumar Lihala, Mr. Hari Attal 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. As on 18/04/2012, Mr. Ayushya Vardhen Lihala has resigned from the Directorship of the Company.

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 30/05/2011, 13/08/2011, 14/11/2011 and 14/02/2012. 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 2 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
2008-2009	AGM	Wednesday, 30 <sup>th</sup> September, 2009 at 2.00 P.M	Plot No. 2, Amgaon Industrial Estate, Taluka Talasari, Dist: Thane, Maharashtra, India
2009-2010	AGM	Thursday, 30 <sup>th</sup> September, 2010 at 11.00 A.M	Plot No. 2, Amgaon Industrial Estate, Taluka Talasari, Dist: Thane, Maharashtra, India
2010-2011	AGM	Friday, 30 <sup>th</sup> September 2011 at 11.30 A.M	Plot No. 2, Amgaon Industrial Estate, Taluka Talasari, Dist: Thane, Maharashtra, India

**Postal Ballot :**

During the Financial year 2010-2011, the Company had conducted postal ballot on 14<sup>th</sup> February, 2012 under the Companies (Passing of Resolution by Postal Ballot) Rules, 2001. Ms Geeta K. Sheth, Company Secretary, was appointed as Scrutinizer for overseeing Postal Ballot process.

The following resolutions were passed with requisite majority:

Date of declaration of the Result of postal ballot	Particulars of Special Resolution	% of votes cast in favour of resolution
23/03/2012	i) Shifting of Registered Office ii) Authorising Board of Directors to make loan to bodies corporate in excess of limits prescribe under Section 372A of the Companies Act, 1956	99.98 99.93

**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 :</b> Date and Time Venue	29 <sup>th</sup> September, 2012 at 11.00 A.M. House No. 1249, Bhandari Chowk, Bhandari Compound, Narpoli Village, Bhiwandi, Dist: Thane.
<b>Financial Year 2012-2013:</b> Financial Year ending -Result for First Quarter ending 30.06.12 -Result for Second Quarter ending 30.09.12 -Result for Third Quarter ending 31.12.12 -Audited Result for the year 31.03.13	31 <sup>st</sup> March, 2013 Second week of August, 2012 Second week of November, 2012 Second week of February, 2013 On or before 30 <sup>th</sup> May, 2013

Date of Book Closure	24.09.2012 to 29.09.2012 (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 2011-12	As the Company shares were suspended from trading, 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	62.99 % 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, 2012
Plant Location	Not Applicable
Address for correspondence	Registered Office : Greentex Clearing House, Godown no B1/2/3, Gosrani Compound, Rehnal village, Bhiwandi Thane-421302 or Computronics Financial Services (I) Ltd Office No.1, Mittal Chambers, Nariman Point, Mumbai – 400 021.

**Table 1 – Distribution of Shareholding as on 31<sup>st</sup> March, 2012**

No. of Equity Shares	No. of Share holders	% of Shareholders	No. of Shares	% of shareholding
Up to 5,000	21,926	94.639	41,26,854	28.461
5,001 to 10,000	720	3.108	5,93,850	4.096
10,001 to 20,000	221	0.954	3,34,900	2.310
20,001 to 30,000	90	0.388	2,26,200	1.560
30,001 to 40,000	25	0.108	89,900	0.620
40,001 to 50,000	58	0.250	2,78,200	1.919
50,001 to 1,00,000	60	0.259	4,72,300	3.257
1,00,001 and Above	68	0.294	83,77,796	57.777
<b>TOTAL</b>	<b>23,168</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, 2012

CATEGORY	No. of Shares held	% of total shares
Promoters	19,47,500	13.431
Companies Under the Same management	45,83,296	31.609
Person acting in concert	0	0
Institutional Investors	0	0
Mutual Funds	0	0
Bank & Financial Institutions	81,300	0.561
Private Corporate Bodies	4,68,700	3.232
Indian Public	59,52,738	41.053
NRI's / OCBs	14,66,466	10.114
<b>TOTAL</b>	<b>1,45,00,000</b>	<b>100.000</b>

### 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 31st March 2012, 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 Accountants**  
**Firm Registration No. 108888W**  
**(PAWANKUMAR RUNGTA)**  
**Proprietor**  
**Membership No. 42902**

Place: Mumbai  
Date: 30th May, 2012

### CEO / CFO Certification

I Sanjay Jatia , 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, 2012 and that to the best of my 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, 2012

**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, 2012, the Statement of Profit and Loss 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, the Statement of Profit and 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 and Loss and the 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, 2012 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 Financial Statements read together with notes thereon, particularly, Note No. 22.11 regarding appointment of Company Secretary, 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, 2012;
    - ii. In the case of the Statement of Profit and Loss, 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  
(Registration No. 108888W)

(**PAWANKUMAR RUNGTA**)  
Proprietor  
Membership No. 42902

Place : Mumbai  
Dated: 30<sup>th</sup> May, 2012

**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, 2012.)

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.  
(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.
- 3) (a) The Company has not taken, secured or unsecured, loans from companies covered in the register maintained under Section 301 of the Act.  
(b) The Company has granted unsecured loans to two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.13,15,54,669 and year end balance of the said loan was Rs. 11,94,29,844. 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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls system.
- 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 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. 6,56,422.*
- (b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax, and Cess which have not been deposited on account of any dispute. Dues in respect of Sales Tax, and Customs & Excise Duty not deposited on account of disputes are as follows:

Name of statute	Nature of dues	Amount Rs.	Period to which amount pertains	Forum where dispute is pending
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	1996-1999	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 any cash losses in the current as well as in the immediately preceding financial year.
- 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.
- 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 no funds have been raised on short-term basis.
- 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  
Firm Registration No. 108888W**

**(PAWANKUMAR RUNGTA)  
Proprietor  
Membership No. 42902**

**Place : Mumbai  
Date: 30<sup>th</sup> May, 2012**

## BALANCE SHEET AS AT 31ST MARCH, 2012

	NOTES	AS AT 31.03.2012 ( Rupees)	AS AT 31.03.2011 ( Rupees)
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	143,963,500	143,963,500
Reserves and Surplus	3	42,291,952	39,094,311
<b>NON CURRENT LIABILITIES</b>			
Long Term Provisions	4	588,867	751,974
<b>CURRENT LIABILITIES</b>			
Trade Payables	5	1,517,227	1,336,603
Other Current Liabilities	6	1,823,436	2,497,732
Short Term Provisions	7	183,335	25,962
<b>TOTAL</b>		<b>190,368,317</b>	<b>187,670,082</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	8	2,832,717	3,565,072
Non Current Investments	9	2,000,000	2,148,708
Deferred Tax Assets	10	9,369,000	11,418,254
Long Term Loans & Advances	11	1,229,645	855,884
<b>CURRENT ASSETS</b>			
Trade Receivables	12	460,400	2,142,675
Cash and Bank Balances	13	764,735	1,726,867
Short Term Loans & Advances	14	163,782,780	160,004,658
Other Current Assets	15	9,929,040	5,807,964
<b>TOTAL</b>		<b>190,368,317</b>	<b>187,670,082</b>

Notes forming part of the Financial Statements 1 to 22

As per our attached report of even date

**For RUNGTA & ASSOCIATES**  
Chartered Accountants

**(PAWAN KUMAR RUNGTA)**  
Proprietor

**On Behalf of the Board of Directors**

**(MOHANLAL JATIA) (SANJAY JATIA)**  
Director Director

Place : Mumbai

Dated: 30th May, 2012

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	NOTES	Current Year (Rupees)	Previous Year (Rupees)
<b>REVENUE</b>			
Revenue from Operations	16	20,759,855	105,096,616
Other Income	17	19,739,427	12,928,743
		<u>40,499,282</u>	<u>118,025,359</u>
<b>EXPENSES</b>			
Purchase of Stock in Trade		20,976,332	4,332,331
Changes in Inventories of Traded Goods	18	-	95,341,237
Employee Benefits Expense	19	1,923,259	2,246,616
Finance Cost	20	-	30,249
Depreciation and Amortisation Expenses	8	395,359	506,836
Other Expenses	21	10,717,437	14,792,335
		<u>34,012,387</u>	<u>117,249,604</u>
<b>Profit before tax</b>		<b>6,486,895</b>	<b>775,755</b>
Tax Expenses:			
Current ( MAT )		(1,240,000)	(145,000)
Deferred Tax		(2,049,254)	(251,218)
<b>Profit for the year</b>		<u><b>3,197,641</b></u>	<u><b>379,537</b></u>
<b>Basic and Diluted Earnings per Equity Share</b> (Face Value of Rs.10 per Equity Share)	22.4	<b>0.22</b>	<b>0.03</b>
Notes forming part of the Financial Statements	1 to 22		

As per our attached report of even date

For RUNGTA & ASSOCIATES  
Chartered Accountants(PAWAN KUMAR RUNGTA)  
ProprietorPlace : Mumbai  
Dated: 30th May, 2012

On Behalf of the Board of Directors

(MOHANLAL JATIA) (SANJAY JATIA)  
Director Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Current Year (Rupees)	Previous Year (Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	6,486,895	775,755
Adjustments for :		
Depreciation and amortisation	395,359	506,836
Interest Income	(16,227,604)	(11,203,490)
Finance Cost	-	30,249
Sundry Balances Written off (Net)	894,712	1,598,765
Excess Provision and Sundry Balances Written Back	-	(483,595)
Loss on Sale of Long Term Investments	113,712	-
Loss on Sale of Fixed Assets	348,330	765,767
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(7,988,596)</b>	<b>(8,009,713)</b>
Movements in Working Capital		
Trade & Other Receivables	997,857	54,865,603
Inventories	-	95,341,237
Trade and Other Payables	(499,406)	(78,364,575)
<b>Cash Generated from/(used in ) Operations</b>	<b>(7,490,145)</b>	<b>63,832,552</b>
Direct Taxes (paid) / refunds	(1,613,761)	9,156,005
<b>Net cash from/(used in) Operating Activities</b>	<b>(A) (9,103,906)</b>	<b>72,988,557</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(30,934)	(321,323)
Sale of Fixed Assets	19,600	524,444
Sale of Long Term Investments	34,996	-
Loans to Companies and Others	(7,924,972)	(74,688,476)
Interest Received	16,227,604	11,203,490
<b>Net cash from/(used in ) Investing Activities</b>	<b>(B) 8,326,294</b>	<b>(63,281,865)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	-	(282,301)
Repayment of Short Term Borrowings	-	(8,761,255)
Finance Cost Paid	-	(30,249)
<b>Net cash used in Financing Activities</b>	<b>(C) -</b>	<b>(9,073,805)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(A + B + C) (777,612)</b>	<b>632,887</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>1,187,629</b>	<b>554,742</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>410,017</b>	<b>1,187,629</b>
<b>Notes:</b>		
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	290,260	269,605
b) Balance with Scheduled Banks in Current Accounts	119,757	918,024
(Excluding Balance in Unpaid Dividend and Margin Money Accounts)		

As per our attached report of even date

For RUNGTA & ASSOCIATES  
Chartered Accountants(PAWAN KUMAR RUNGTA)  
ProprietorPLACE : Mumbai  
DATED : 30th May, 2012

On behalf of the Board of Directors

(MOHANLAL JATIA) (SANJAY JATIA)  
Director Director

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

**NOTE '1'****Summary of 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. Use of Estimates:**

The presentation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

**C. 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.

**D. Depreciation:**

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

**E. 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.

**F. 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 includes costs incurred in bringing the inventories to their present location and condition.

**G. Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the rate of exchange in force at the date of the transaction. Current, Non Current Assets and 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 Statement of Profit and Loss, 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.

**H. Equity Derivative Transaction:**

Profit / (Loss) in respect of Equity / Index Futures / Options are accounted in the Statement of Profit and Loss 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 difference is recognised in the case of losses and ignored in case of profits, considering conservative principal.

I. **Retirement benefits:**

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

- a) Provident / Family Pension fund as a percentage of salary/wages to eligible employees.
- b) Gratuity is provided in accordance with the provisions of Accounting Standard (AS) -15 "Employee Benefits" on the basis of actuarial valuation carried out as at the year end by an independent actuary.
- c) Liability in respect of leave is provided for on the basis of accumulated leave as at the year end.

J. **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.

K. **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.

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

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.

L. **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 statement of profit and loss. 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.

M. **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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

<b>AS AT</b>	<b>AS AT</b>
<b>31.03.2012</b>	<b>31.03.2011</b>
<b>(Rupees)</b>	<b>(Rupees)</b>

**NOTE '2'**

**SHARE CAPITAL**

Authorised :

1,50,00,000 Equity Shares of Rs.10 each	<u><b>150,000,000</b></u>	<u>150,000,000</u>
Issued, Subscribed and Paid-up :		
1,45,00,000 Equity Shares of Rs.10 each	<u><b>145,000,000</b></u>	<u>145,000,000</u>
Less: Calls in Arrears- by Other than Directors and Officers	<u><b>1,036,500</b></u>	<u>1,036,500</u>
	<u><b>143,963,500</b></u>	<u>143,963,500</u>

**Reconciliation of the Number of Shares and Amount**

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Equity Shares		Equity Shares	
	Number	Rs.	Number	Rs.
Outstanding as at the beginning of the year	<b>14,500,000</b>	145,000,000	<b>14,500,000</b>	145,000,000
Issued during the year	-	-	-	-
Bought back during the year	-	-	-	-
Outstanding as at the end of the year	<b>14,500,000</b>	145,000,000	<b>14,500,000</b>	145,000,000

**Rights attached to Equity Shares**

The Company has only one class of Equity Shares having par value of Rs.10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.

**The Details of Shareholders Holding More than 5% Shares**

Name of the Shareholder	As at 31 March, 2012		As at 31 March, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ramgopal Textiles Limited	<b>1,822,500</b>	12.57%	<b>1,822,500</b>	12.57%
Sanjay Jatia (Jointly With Pushpadevi Agarwal & Sudhir Jatia)	<b>1,723,300</b>	11.88%	<b>1,723,300</b>	11.88%
Ramgopal Synthetics Limited	<b>883,000</b>	6.09%	<b>883,000</b>	6.09%
Ramgopal Investment & Trading Company Private Limited	<b>822,196</b>	5.67%	<b>822,196</b>	5.67%

**NOTE '3'**

**RESERVES AND SURPLUS**

**a) Capital Reserve (Special Capital Incentive From the Maharashtra State Government)**

As per Last Balance Sheet	<u><b>1,731,037</b></u>	<u>1,731,037</u>
	<u><b>1,731,037</b></u>	<u>1,731,037</u>

**b) Securities Premium Account**

As per Last Balance Sheet	<b>105,006,960</b>	105,006,960
Less: Calls in Arrears - by other than Directors and Officers	<b>1,036,500</b>	1,036,500
	<u><b>103,970,460</b></u>	<u>103,970,460</u>

**c) Surplus /(Deficit) in the Statement of Profit & Loss**

As per Last Balance Sheet	<b>(66,607,186)</b>	(66,986,723)
Add: Profit for the year as per annexed Statement of Profit & Loss	<b>3,197,641</b>	379,537
	<u><b>(63,409,545)</b></u>	<u>(66,607,186)</u>
	<u><b>42,291,952</b></u>	<u>39,094,311</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	AS AT 31.03.2012 (Rupees)	AS AT 31.03.2011 (Rupees)
<b>NOTE '4'</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Employees Benefits :		
Gratuity	588,867	751,974
	<u>588,867</u>	<u>751,974</u>
<b>NOTE '5'</b>		
<b>TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises		
Others	1,517,227	1,336,603
	<u>1,517,227</u>	<u>1,336,603</u>
<b>NOTE '6'</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Duties & Taxes	734,386	1,403,260
Dues to Employees	33,550	38,972
Advances from Customers	634,123	634,123
Unclaimed Dividend **	421,377	421,377
	<u>1,823,436</u>	<u>2,497,732</u>

\*\* Due and payable to the Investors Education & Protection fund as at the Balance Sheet date.

**NOTE '7'****SHORT TERM PROVISIONS**

Provision for Employees Benefits :

Gratuity	183,335	25,962
	<u>183,335</u>	<u>25,962</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '8'

FIXED ASSETS

(Amount in Rupees)

DESCRIPTION	GROSS BLOCK			DEPRECIATION/ AMORTISATION				NET BLOCK		
	As At 01.04.2011	Additions during the Year	Disposal during the Year	As At 31.03.2012	Upto 3/31/2011	Provided for the Year	Disposal during the Year	Upto 31.03.2012	As At 31.03.2012	As At 31.03.2011
TANGIBLE ASSETS										
BUILDINGS	868,520	-	-	868,520	221,819	14,157	-	235,976	632,544	646,701
FURNITURE & FIXTURES	102,705	-	40,689	62,016	75,681	3,636	24,945	54,372	7,644	27,024
VEHICLES *	2,743,975	-	-	2,743,975	850,260	260,678	-	1,110,938	1,633,037	1,893,715
OFFICE EQUIPMENT	946,922	30,934	463,221	514,635	116,181	46,041	111,035	51,187	463,448	830,741
COMPUTERS	437,052	-	-	437,052	270,161	70,847	-	341,008	96,044	166,891
<b>TOTAL</b>	<b>5,099,174</b>	<b>30,934</b>	<b>503,910</b>	<b>4,626,198</b>	<b>1,534,102</b>	<b>395,359</b>	<b>135,980</b>	<b>1,793,481</b>	<b>2,832,717</b>	<b>3,565,072</b>
Previous Year	7,424,176	321,323	2,646,325	5,099,174	2,383,380	506,836	1,356,114	1,534,102	3,565,072	

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

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	AS AT 31.03.2012 (Rupees)	AS AT 31.03.2011 (Rupees)
<b>NOTE '9'</b>		
<b>NON CURRENT INVESTMENTS</b>		
(Long Term, Non Trade, Fully Paid up)		
In Equity Shares		
Quoted		
Nil (Previous Year 2,342) Equity Shares of Prime Textiles Ltd.of Rs.2 each	-	147,708
Unquoted		
2,00,000 Equity Shares of Ramgopal Synthetics Ltd.of Rs.10 each *	<b>2,000,000</b>	2,000,000
In Government Securities : (Unquoted)		
6 Years National Savings Certificate (Lodged with Customs Authorities)	-	1,000
	<u><b>2,000,000</b></u>	<u>2,148,708</u>
Aggregate Book Value of Quoted Investments	-	147,708
Market/Fair Value of Quoted Investments	-	30,844
Aggregate amount of Unquoted Investments	<b>2,000,000</b>	2,001,000
* An associate company		
<b>NOTE '10'</b>		
<b>DEFERRED TAX ASSETS</b>		
Deferred Tax Assets *	<b>9,369,000</b>	11,418,254
	<u><b>9,369,000</b></u>	<u>11,418,254</u>
* Refer Note No. 22.3		
<b>NOTE '11'</b>		
<b>LONG TEM LOANS AND ADVANCES</b>		
(Unsecured,considered good)		
Tax deducted at source and Payments	<b>1,229,645</b>	855,884
(Net of Provisions of Rs. 15,15,000; Previous Year Rs.2,75,000)	<u><b>1,229,645</b></u>	<u>855,884</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	AS AT 31.03.2012 (Rupees)	AS AT 31.03.2011 (Rupees)
<b>NOTE '12'</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they were due for payment		
	<b>460,400</b>	2,142,675
	<b>460,400</b>	2,142,675
<b>NOTE '13'</b>		
<b>CASH AND BANK BALANCES</b>		
Balances with Banks in:		
Current Accounts	119,757	918,024
Margin Money Account	-	184,520
Unpaid Dividend Account	354,718	354,718
Cash in hand	290,260	269,605
	<b>764,735</b>	1,726,867
<b>NOTE '14'</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Loans and Advances in the nature of loans		
Related parties *	111,804,769	109,104,182
Others	51,600,000	50,500,000
Deposits		
Related parties *	50,000	50,000
Others	85,800	83,300
Loans to employees	220,100	189,100
Prepaid Expenses	22,111	78,076
	<b>163,782,780</b>	160,004,658
* Refer Note No. 22.6		
<b>NOTE '15'</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured, considered good)		
Interest Receivable on Loans and Advances		
from related parties *	7,625,075	3,728,337
from others	2,300,656	2,073,009
Other Receivables	3,309	6,618
	<b>9,929,040</b>	5,807,964
* Refer Note No. 22.6		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	Current Year (Rupees)	Previous Year (Rupees)
<b>NOTE '16'</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Traded Goods	<b>20,759,855</b>	105,096,616
	<b>20,759,855</b>	105,096,616
<b>NOTE '17'</b>		
<b>OTHER INCOME</b>		
Interest Income :		
On Loans Given	<b>16,227,604</b>	11,203,490
On Income Tax Refund	-	1,008,858
Excess Provision and Sundry Balances Written Back	-	483,595
Scrap Sales	<b>300,000</b>	-
Refund Received from Sales Tax (Vat)	<b>3,211,823</b>	-
Gain on Exchange Fluctuations (Net)	-	232,800
	<b>19,739,427</b>	12,928,743
<b>NOTE '18'</b>		
<b>CHANGES IN INVENTORIES OF TRADED GOODS</b>		
Closing Stocks		
Inventory at the end of the year	-	-
	-	-
LESS: Opening Stocks		
Inventory at the beginning of the year	-	95,341,237
	-	95,341,237
Net Increase / (Decrease)	-	(95,341,237)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	Current Year (Rupees)	Previous Year (Rupees)
<b>NOTE '19'</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages and Bonus	1,691,724	2,008,941
Contribution to Provident and other funds	116,321	135,253
Staff Welfare	115,214	102,422
	<u>1,923,259</u>	<u>2,246,616</u>
<b>NOTE '20'</b>		
<b>FINANCE COSTS</b>		
Interest expenses on borrowings	-	30,249
	<u>-</u>	<u>30,249</u>
<b>NOTE '21'</b>		
<b>OTHER EXPENSES</b>		
Rent & Compensation	137,684	2,664,636
Rates and Taxes	149,350	144,110
Sales Tax	937,857	4,140,171
Repairs and Maintenance:		
Plant & Machinery	80,182	126,535
Others	36,835	66,959
Labour Charges	-	863,351
Auditors' Remuneration :		
Audit Fees	30,000	30,000
Tax Audit Fees	10,000	10,000
Certification	39,750	90,500
Re-imbursment of expenses/Service Tax	9,039	13,443
Brokerage and Commission	125,000	168,966
Legal & Professional	2,077,608	718,545
Vehicle Expenses	368,519	662,154
Traveling & Conveyance	1,500,504	402,443
Telephone & Telex	632,266	626,570
Printing & Stationery	182,967	134,141
Postage & Telegram	244,242	47,022
Sales Promotion	401,362	1,033,074
Bank Charges	53,776	15,627
Donations	60,000	33,000
Claims / Discount / Rebate	300,000	-
Loss on Exchange Fluctuations (Net)	1,784,731	-
Security Transaction Tax	44	20
Irrecoverable Balances Written off (Net)	894,712	1,598,765
Loss on Sale of longterm Investments	113,712	-
Loss on Trading in Equity Derivative Instruments	-	4,900
Loss on Sale of Fixed Assets	348,330	765,767
Miscellaneous Expenses	198,967	431,636
	<u>10,717,437</u>	<u>14,792,335</u>



**NOTES TO ACCOUNTS**

22.1 Contingent Liabilities not provided for in respect of:

	Current Year (Rupees)	Previous Year (Rupees)
(a) Guarantees issued by Bank in favour of Customs Authorities.	Nil	1,84,520
(b) Claims against the Company not acknowledged as debts.	7,11,832	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	Nil	27,38,094
(e) Disputed Sales Tax Demands	60,08,863	60,08,863

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

22.3 Deferred Tax Assets comprises of:

	As on 31.03.2012 ( Rupees )	As on 31.03.2011 ( Rupees )
i) Difference between book and tax depreciation	4,93,074	4,80,791
ii) Unabsorbed losses and depreciation	84,27,250	1,02,66,663
iii) Statutory dues allowable on payment basis	4,48,676	6,70,800
<b>Total Deferred Tax Assets</b>	<b>93,69,000</b>	<b>1,14,18,254</b>

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

22.4 Calculation in respect of Earnings Per Share:

	As on 31.03.2012	As on 31.03.2011
<b>a) Numerator</b> Net Profit/(Loss) as per Statement of Profit and Loss(Rs.)	31,97,641	3,79,537
<b>b) Denominator</b> Weighted Number of Equity Shares (Nos)	1,45,00,000	1,45,00,000
<b>c) Nominal Value per Equity Share (Rs.)</b>	10	10
<b>d) Basic and Diluted Earnings per Equity Share (Rs.)</b>	<b>0.22</b>	<b>0.03</b>

22.5 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.

22.6 **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:

**Associates**

Ramgopal Textiles Limited                      Aristocrat Marketing Limited    J.M.Textiles Limited  
 Ramgopal Synthetics Limited              J.M.Trading Corporation

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

Particulars	For the Year ended 31.3.2012 ( Rupees )	For the Year ended 31.3.2011 ( Rupees )
<b>Expenses:</b>		
J.M.Trading Corporation -Rent	72,000	72,000
<b>Income:</b>		
J.M.Textiles Limited -Interest	30,46,285	14,88,048
Ramgopal Textiles Limited - Interest	54,26,132	26,54,549
Aristocrat Marketing Limited - Interest	-	8,939
<b>Finance and Investment:</b>		
<b>Loan and Advances Given:</b>		
J.M.Textiles Limited	12,20,68,435	20,54,21,510
Ramgopal Textiles Limited	1,99,01,132	16,60,69,549
Aristocrat Marketing Limited	-	3,58,939
<b>Refund of Loan Given:</b>		
J.M.Textiles Limited	7,89,29,629	21,04,66,425
Ramgopal Textiles Limited	5,64,42,613	6,44,25,455
Aristocrat Marketing Limited	-	3,63,624

	As on 31.03.2012 (Rupees)	As on 31.03.2011 (Rupees)
<b>Outstandings:</b>		
<b>Trade Payables :</b>		
J.M.Trading Corporation	72,000	72,000
<b>Loans and Advances:</b>		
J.M.Textiles Limited (Including interest receivable)		
Ramgopal Textiles Limited (Including interest receivable)	6,30,88,486	1,99,49,680
<b>Deposits:</b>	5,63,41,358	9,28,82,839
J.M.Trading Corporation	50,000	50,000
<b>Investments:</b>		
Ramgopal Synthetics Limited	20,00,000	20,00,000

- Notes:**
- i) No amounts 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 Note No '9' Non Current Investments.
  - iii) The related parties are as identified by the Company and relied upon by the auditors.
- 22.7 Trade receivables of Rs.4,60,400 (Previous Year Rs.21,42,675), and advances of Rs. Nil (Previous Year Rs.89,520) have become long overdue but are fully recoverable and therefore, no provision has been considered necessary.
- 22.8 In the opinion of the management, assets other than Fixed assets and non-current investments have a value on realisation in the ordinary course of business at the amount at which they are stated.
- 22.9 Short term loans and advances include Security Deposits to a partnership firm in which a director of the Company is interested as partner Rs.50,000 (previous year Rs.50,000) towards godown taken on hire.
- 22.10 Balances of certain trade receivables, loans and advances, unpaid dividend account and trade payables are subject to confirmation/reconciliation. In the opinion of the management, the difference as may be noticed on such reconciliation will not be material.
- 22.11 Company is making efforts to appoint Company Secretary under Section 383A of the Companies Act, 1956.
- 22.12 Information in respect of Opening Stock, Purchases, Turnover & Closing Stock:

Description	Opening Stock	Purchases	Turnover	Closing Stock
	Value (in Rs.)	Value (in Rs.)	Value (in Rs.)	Value (in Rs.)
Yarns	-	2,09,76,332	2,07,59,855	-
	(-)	(-)	(-)	(-)
Ferrous Metals	-	-	-	-
	(8,36,03,812)	(43,32,331)	(10,50,37,617)	(-)
Steaming (Non Cocking) Coal	-	-	-	-
	(1,17,37,425)	(-)	(58,999)	(-)
Total	-	2,09,76,332	2,07,59,855	-
	(9,53,41,237)	(43,32,331)	(10,50,96,616)	(-)

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

22.13 C.I.F. Value of Imports:

	2011-2012 (Rupees)	2010-2011 (Rupees)
Traded Goods:		
Yarn	1,73,47,057	-

22.14 Expenses incurred in foreign currency:

	2011-2012 (Rupees)	2010-2011 (Rupees)
Travelling	8,19,143	-

22.15 Disclosure as per requirement of Clause 32 of the Listing agreement :

a) Loans to Associates:

(Amount In Rupees)

	Amount Outstanding as on 31.3.2012	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)
Ramgopal Textiles Limited	5,63,41,358 (9,28,82,839)	9,28,82,839 (11,04,43,745)	18,22,500 (18,22,500)	18,22,500 (18,22,500)
J. M. Textiles Limited	6,30,88,486 (1,99,49,680)	9,34,96,830 (7,47,69,595)	6,89,300 (6,89,300)	6,89,300 (6,89,300)
Aristocrat Marketing Limited	-	-	-	-
	(-)	(2,50,000)	(-)	(-)

b) Investments in Associates:

(Amount In Rupees)

	Amount Outstanding as on 31.3.2012	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)
Ramgopal Synthetics Ltd.	<b>20,00,000</b> (20,00,000)	<b>20,00,000</b> (20,00,000)	<b>8,83,000</b> (8,83,000)	<b>8,83,000</b> (8,83,000)

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

22.16 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)	
		2011-2012	2010-2011
<b>I</b>	<b>Components of employer expense</b>		
1	Current service cost	<b>57,360</b>	74,623
2	Interest cost	<b>62,235</b>	45,690
3	Actuarial losses/(gains)	<b>(99,367)</b>	68,070
4	Total expense recognised in the statement of profit and loss.	<b>20,228</b>	1,88,383
<b>II</b>	<b>Net asset / (liability) recognised in Balance Sheet as at year end</b>		
1	Present value of defined benefit obligation	<b>7,72,202</b>	7,77,936
2	Fair value on plan assets	-	-
3	Status [surplus/(deficit)]	<b>(7,72,202)</b>	(7,77,936)
4	Unrecognised past service cost	-	-
5	Net asset / (liability) recognized in Balance Sheet	<b>(7,72,202)</b>	(7,77,936)
<b>III</b>	<b>Change in defined benefit obligations (DBO) during the year</b>		
1	Present value of DBO at the beginning of period	<b>7,77,936</b>	5,89,553
2	Current service cost	<b>57,360</b>	74,623
3	Interest cost	<b>62,235</b>	45,690
4	Actuarial (gains)/ losses	<b>(99,367)</b>	68,070
5	Benefits paid	<b>(25,962)</b>	-
6	Present value of DBO at the end of the year	<b>7,72,202</b>	7,77,936
<b>IV</b>	<b>Actuarial assumptions</b>		
1	Discount rate (%)	<b>8.50%</b>	8.00%
2	Rate of increase in compensation level	<b>6.00%</b>	6.00%
3	Retirement age	<b>58 years</b>	58 years
4	Maturity table	<b>LIC 1994-96</b>	LIC 1994-96

22.17 The revised Schedule VI has been effective from 1<sup>st</sup> April, 2011 for the preparation of Financial Statements. This has significantly impacted the disclosure and presentation made in the Financial Statements. Accordingly, the Company has reclassified the previous year figure to this year classification. The adoption of revised Schedule VI does not impact revenue recognition and measurement principals followed for preparation of Financial Statements.

Signatures to Notes '1' to '22'  
For and on behalf of the Board

PLACE : Mumbai  
DATED : 30th May, 2012

(MOHANLAL JATIA)  
Director

(SANJAY JATIA)  
Director

**RAMGOPAL POLYTEX LIMITED**

Regd. Office : Greentex Clearing House, B-1, 2 & 3, Gosrani Compound, Rehnal Village, Bhiwandi, Dist: Thane - 421 302. Maharashtra, India

**ATTENDANCE SLIP**

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I/We hereby record my/our presence at the 31st ANNUAL GENERAL MEETING of the above named company held at 11.00 A.M. on Saturday, the 29th September, 2012 at House No. 1249, Bhandari Chowk, Bhandari Compound, Narpoli Village, Bhiwandi, Dist: Thane. Maharashtra, India.

NAME(S) OF THE MEMBER(S)	Registered Folio No.
ADDRESS	Client ID No.
	DP ID No.
	No. of shares held

Name of Proxy (in block letters)  
(To be filled in, if the Proxy attends instead of the Member)

\_\_\_\_\_  
Signature



**RAMGOPAL POLYTEX LIMITED**

Regd. Office : Greentex Clearing House, B-1, 2 & 3, Gosrani Compound, Rehnal Village, Bhiwandi, Dist: Thane - 421 302. Maharashtra, India

**PROXY FORM**

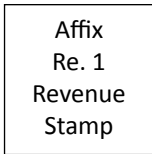
I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member(s) of RAMGOPAL POLYTEX LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_

as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 31st ANNUAL GENERAL MEETING of the Company to be held at 11.00 A.M. on Saturday, the 29th day of September, 2012 at House No. 1249, Bhandari Chowk, Bhandari Compound, Narpoli Village, Bhiwandi, Dist: Thane. Maharashtra, India.

AS WITNESSED under my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signed by the said \_\_\_\_\_

DP ID No. \_\_\_\_\_



NOTES :

1. This Proxy need not be a member.
2. This Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.