

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2010.

1. Company's Philosophy

The Company's philosophy on Code of Corporate Governance is based on the following principles:

- (i) The members of the Board are persons in whom the shareholders have reposed their confidence and trust. Persons appointed to the Board are conscious of their corporate and social responsibilities and maintain highest standards of integrity
- (ii) Highest standards of compliance, disclosure and transparency are maintained by the Company.

2. Board of Directors

Mr. Manoj Khemani retires by rotation and being eligible, offers himself for re-appointment.

Directors' Profile

Brief resume of all the Directors, nature of their expertise in specific functional areas and number of companies in which they hold directorships, memberships / chairmanships of Board Committees and their shareholding in the Company are as follows:

- (i) Gauri Shankar Poddar, aged 67 years is a Graduate in Commerce as well as in Law and has been the Managing Director of the Company from inception.
- (ii) Mr. B.R Goyal, aged 64 years is a Practicing Chartered Accountant having more than 40 years of experience in Auditing & Finance.
- (iii) Mr. Manoj Khemani, aged 42 is a Commerce Graduate having more than 22 years of experience in family business.

Mr. Gauri Shankar Poddar is holding 309,060 equity shares of Rs.10/- each in the Company. None of the other two directors are holding any shares in the Company.

Details of designation of directors, attendance of Board Meetings / AGM and other directorship and chairmanships/memberships of Committees

S. No.	Name of Director	Category of Directorship	Attendance of Meetings during 2006 - 07		No. of Directorships and Committee Memberships/Chairmanships (including this Company)		
			Board	Last AGM Meetings	Directorships	Committee Memberships	Committee Chairmanships
1	Mr. G.S. Poddar	Executive	8	No	NIL	1	
2	Mr. B.R. Goyal	Non Executive	8	No	NIL	-	3
3	Mr. Manoj Khemani	Non-Executive	5	No	No	2	-

3. Meetings of the Board / Committees

Board Meetings

During the year ended March 31, 2010, eight (8) meetings of the Board of Directors were held on April 28, 2009, June 10, 2009, July 29, 2009; August 24, 2009; October 28, 2009; December 24, 2009, January 29, 2010 and March 5, 2010.

Audit Committee

The Audit Committee is comprised of Mr. B. R. Goyal as Chairman and Mr. G.S.Poddar as Member.

The powers and role of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement related to the Corporate Governance.

During the year ended March 31, 2010, five (5) meetings of the Audit Committee were held on April 28, 2009, July 29, 2009, August 24, 2009, October 28, 2009 and January 29, 2010.

Shareholders' Grievance Committee

The Shareholders' Grievance Committee is comprised of Mr. B. R. Goyal as Chairman and Mr. Manoj Khemani as Member.

During the year ended March 31, 2010, one (1) meeting of the Shareholders' Grievance Committee was held on December, 24, 2009

Details of Pending Complaints:-

Complaints Received from	Nos.of Complaints Received	Nos.of Complaints pending
SEBI	NIL	NIL
Stock Exchange	NIL	NIL
Investors	NIL	NIL
Govt.Authorities	NIL	NIL

Remuneration Committee

The Remuneration Committee is comprised of Mr. B. R. Goyal as Chairman and Mr. Manoj Khemani as Member.

During the year ended March 31, 2010, one (1) meeting of the Remuneration Committee was held on December, 24, 2009.

4. General Body Meetings

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

Year	Location	Date and Time	Special Resolutions Passed
2006-07	F-210-223, RIICO Industrial Area, Udyog Vihar, Sukher, Udaipur-313 004.	September 29, 2007 at 10.00 A.M.	
2007-08	F-210-223, RIICO Industrial Area, Udyog Vihar, Sukher, Udaipur-313 004.	September 30, 2008 at 10.00 A.M.	Nil
2008-09	F-210-223, RIICO Industrial Area, Udyog Vihar, Sukher, Udaipur-313 004.	September 30, 2009 at 10.00 A.M.	Re-appointment of Mr G.S. Poddar as Managing Director

5. Disclosures on materially significant related party transactions

None of the transactions with any of the related parties were in conflict with the interest of the Company.

6. Means of Communication

Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report, and other important information is circulated to members and others entitled thereto. The Report on Management Discussion and Analysis (MD&A) forms part of the Annual Report

7. General Shareholder Information

Company Registration Details

The Company is registered in the State of Rajasthan, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is

L17118RJ1983 PLC 002658.

Annual General Meeting:

Day, Date, Time and Venue: Friday, September 30, 2010, at 10.00 AM
F-210-223, RIICO Industrial Area,
Udyog Vihar, Sukher,
Udaipur-313004

Book Closure Period: Thursday, 23rd September, 2010
to Thursday, 30th September, 2010
(both days inclusive), for AGM

Listing on Stock Exchanges, Payment of Listing Fee, Stock Codes etc.

Stock Exchange	No. of Shares Listed	Trading ISIN
Bombay Stock Exchange Ltd. (BSE)	1,61,89,270	N.A.
National Stock Exchange of India Ltd. (NSE)	1,61,89,270	
Delhi Stock Exchange Association Ltd. (DSE)	1,61,89,270	
Ahmedabad Stock Exchange Ltd. (ASE)	1,61,89,270	
Jaipur Stock Exchange Limited (JSE)	1,61,89,270	
Calcutta Stock Exchange Association Ltd. (CSE)	1,61,89,270	

Stock Market Data

The shares of the Company have not been traded on any of the stock exchanges where the shares of the Company are listed due to suspension of trading in the shares.

Share Transfer System

The Company has in-house share transfer facility. The share transfers which are received in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Shareholders' Grievance Committee.

Pattern of Shareholding as on 31st March, 2010

S. No.	Category	Shares					
		Electronic Form		Physical Form		Total	
		No. of Capital	%age of Total Shares	No. of Shares	%age of Total Capital	No. of Share	%age of Total Capital
1	Promoters	-	-	8671812	53.57	8671812	53.57
2	Bodies Corporate	-	-	1060845	6.55	1060845	6.55
3	Individuals	-	-	5022060	31.02	5022060	31.02
4	NRIs	-	-	584737	3.61	584737	3.61
5	Mutual Funds, Banks, FIs, Trusts	-	-	849816	5.25	849816	5.25
	TOTAL			16189270	100.00	16189270	100.00

Distribution of Shareholding as on 31st March, 2010.

S. No.	Category	Share holders		No. of Shares		
		No	%age of Total Shareholders	Physical Form	Total	%age of Total Capital
1	Upto -5000	9095	79.58	2162266	2162266	13.26
3	5000-10000	1608	14.07	1175340	1175340	7.26
4	10001-20000	522	4.57	751962	751962	4.64
5	20001-30000	84	0.73	204920	204920	1.27
6	30001-40000	33	0.29	114848	114848	0.71
7	40001-500000	26	0.23	117120	117120	0.72
	50001 - 100000	20	0.17	154650	154650	0.96
9	100001 and above	41	0.36	11508844	11508844	71.09
	Total	11429	100.00	16189270	16189270	100.00

The Shares are in physical form

Address for Correspondence
F-4777, Okhla Industrial Area Phase II
Basement, New Delhi- 110 020

8. Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s M.B.R & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is annexed to the Directors' Report forming part of the Annual Report.

9. Adoption of Requirements of Clause 49

The Company has complied with all the mandatory requirements of Clause 49

For and on behalf of the Board

Place: Delhi
Dated: 28.08.10

(B.R.GOYAL)
DIRECTOR

(G.S.PODDAR)
MANAGING DIRECTOR

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENTS

TO THE MEMBERS OF RAJASTHAN PETRO SYNTHETICS LTD

We have examined the Compliance of conditions of Corporate Governance by Rajasthan Petro Synthetics Ltd for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination carried out in accordance with the Guidance Note issued by the Instituted of Chartered Accountants of India, on Corporate Governance and was limited to procedure and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

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

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

**For M.B.R & COMPANY
CHARATERED ACCOUNTANTS**

**(CA.MUKESH SHARMA)
PARTNER**

**Membership No.511275
ICAI'S FRN NO.021360N**

**Place : New Delhi
Dated: 28.08.2010**