



37th ANNUAL REPORT 2016 -17



shree Rajasthan Syntex Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vinod Kumar Ladia (DIN: 00168257)
Chairman & Whole Time Director

Mr. Vikas Ladia (DIN: 00256289)
Managing Director & Chief Executive Officer

Mr. Anubhav Ladia (DIN: 00168312)
Whole Time Director

Mr. Roshan Lal Kunawat (DIN: 00196938)
Non Executive Director

Mr. Narendra Nath Agrawala (DIN: 0168211)
Independent Director

Mrs. Neelima Khetan (DIN: 05113000)
Independent Director

Mr. Raj Singh Nirwan (DIN: 00313799)
Independent Director

Mr. Ravinder Narain (DIN: 00059197)
Independent Director

Mr. Sunil Goyal (DIN: 00110601)
Independent Director

Mr. Susheel Jain (DIN: 00378678)
Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ravina Soni

CHIEF FINANCIAL OFFICER

Mr. Vinay Punjawat

STOCK EXCHANGE WHERE COMPANY'S SECURITIES ARE LISTED

BSE Limited

REGISTERED & HEAD OFFICE

"SRSL HOUSE", Pulla Bhuwana Road,
 N.H. No. 8, Udaipur (Raj.)-313004

WEBSITE

www.srsl.in

CORPORATE IDENTITY NUMBER (CIN)

L24302RJ1979PLC001948

BANKERS

• IDBI Bank Ltd. • State Bank of India • Bank of Baroda

REGISTRAR & SHARE TRANSFER AGENT

M/s. Mas Services Ltd.
 T-34, 2nd Floor, Okhla Industrial Area,
 Phase II, New Delhi- 110020

STATUTORY AUDITORS

M/s. M.C. Bhandari & Co, Chartered Accountants, Jaipur

SECRETARIAL AUDITOR

M/s. V. M. & Associates, Company Secretaries, Jaipur

COST AUDITOR

M/s. K.G. Goyal & Co., Cost Accountants, Jaipur

INTERNAL AUDITOR

M/s. K.G. Bhatia & Co., Chartered Accountants, Udaipur

BOARD COMMITTEES

Audit Committee

Mr. Raj Singh Nirwan (Chairman)
 Mr. Narendra Nath Agrawala
 Mr. Roshan Lal Kunawat
 Mr. Sunil Goyal
 Mr. Susheel Jain
 Mr. Vinod Kumar Ladia

Nomination & Remuneration Committee

Mr. Narendra Nath Agrawala (Chairman)
 Mr. Raj Singh Nirwan
 Mr. Roshan Lal Kunawat
 Mr. Vinod Kumar Ladia

Stakeholders Relationship Committee

Mr. Roshan Lal Kunawat (Chairman)
 Mr. Narendra Nath Agrawala
 Mr. Vinod Kumar Ladia

Sub Committee

Mr. Anubhav Ladia
 Mr. Narendra Nath Agrawala
 Mr. Roshan Lal Kunawat
 Mr. Vikas Ladia
 Mr. Vinod Kumar Ladia

Contents

	Page No.
Notice	3-6
Board's Reports	7-45
Auditor's Reports	46-51
Balance Sheet	52
Statement of Profit & Loss	53
Cash Flow Statement	54
Significant Accounting Policies	55-56
Notes on Financial Statement	57-71
Route Map	72
Proxy Form - MGT 11	73

NOTICE

Notice is hereby given that the 37th Annual General Meeting [AGM] of the members of Shree Rajasthan Syntex Limited will be held on Tuesday, the 26th day of September, 2017, at 2:30 P.M. at the Registered Office of the Company at 'SRSR HOUSE', Pulla Bhuwana Road, National Highway No. 8, Udaipur- 313004 (Rajasthan) to transact the following business:-

ORDINARY BUSINESS

Item no. 1 - Adoption of Financial Statements

To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the reports of the Board of Directors and Auditors thereon.

Item no. 2 - Appointment of Mr. Anubhav Ladia as a director liable to retire by rotation

To appoint a Director in place of Mr. Anubhav Ladia (DIN: 00168312), who retires by rotation and, being eligible, seeks re-appointment.

Item no. 3 - Appointment of Statutory Auditors

To appoint Statutory Auditors of the Company, and to fix their remuneration and to consider and if thought fit to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification (s), amendment (s) or re-enactment (s) thereof for the time being in force), and on the basis of the recommendations of the Audit Committee and Board of Directors, M/s. Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N) New Delhi, be and is hereby appointed as the Statutory Auditors of the Company, in place of the retiring Auditors M/s. M.C. Bhandari & Co., Chartered Accountants (Firm Registration No. 303002E) Jaipur, to hold office for a period of five consecutive years from the conclusion of the 37th Annual General Meeting till the conclusion of the 42nd Annual General Meeting of the Company to be held in year 2022 (subject to the ratification of their appointment at every AGM to be held after 37th AGM) at such remuneration, as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

Item no. 4 - Ratification of Remuneration of the Cost Auditors

To ratify the Remuneration of the Cost Auditors for the financial year ending March 31, 2018 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any

statutory modification(s), amendment (s) or re-enactment(s) thereof for the time being in force), the payment of remuneration of Rs. 70,000/-(Rupees Seventy Thousand Only) plus applicable Service Tax and reimbursement of out of pocket expenses (at actual) to M/s. K.G. Goyal & Company, Cost Accountants (Firm Registration No.000017) Jaipur, who were re-appointed by the Board of Directors of the Company, as "Cost Auditors" to conduct the audit of the cost records maintained by the Company for Financial Year commencing on 1st April, 2017 and ending on 31st March, 2018, be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

**By Order of the Board of Directors
For Shree Rajasthan Syntex Limited**

ANUBHAV LADIA
(Executive Director)
DIN: 00168312

Place: New Delhi
Date: 5th August, 2017

NOTES

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 4 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, ("Secretarial Standards") of the person seeking re-appointment as Director liable to retire by rotation under Item No. 2 of the Notice, is also annexed.
2. ***A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on poll in the meeting instead of himself / herself, and the proxy need not be a member of the company. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total paid up share capital of the company carrying voting rights. A member holding more than ten percent of the total paid up share capital of the company carrying voting rights may appoint a single person as proxy, provided that such person shall not act as proxy for any other person or shareholder.***
3. The instrument appointing the proxy in order to be effective,

should be duly stamped, filled, signed and must be deposited at the registered office of the company not later than 48 hours before the commencement of the AGM. *(a copy of the proxy form is attached at the last page of Annual Report 2016-17).*

4. Corporate members intending to send their authorized representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send a certified copy of the Board Resolution or Power of Authority to the Company, authorizing their representative to attend and vote on their behalf at the AGM.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. During the period beginning 24 hrs. before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
7. ***Members/ proxies/ authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.***
8. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at AGM.
9. ***The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 20th September 2017 to Tuesday, 26th September 2017 (both days inclusive) for the purpose of AGM.***
10. Members are requested to:
 - a) notify the change in address if any, with Pin Code numbers immediately to the Company (in case of shares held in physical mode)
 - b) quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent "RTA".
11. Members are requested to address all their correspondence including demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's RTA:-
M/s. MAS Services Limited,
 T-34, 2nd Floor, Okhla Industrial Area,
 Phase- II, New Delhi - 110 020
 Phone : 26387281/82/83 Fax : 26387384
 E-mail: info@masserv.com website: www.masserv.com
12. Non Resident Indian Members are requested to inform RTA of the Company any change in their residential status on return

to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of the bank with pin code number, if not furnished earlier.

13. ***The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA.***
14. Members who hold shares in the physical form in the multiple folios in identical names or joint holdings in the same order of names are requested to send the Share Certificate to MAS Services Ltd., RTA, for consolidation into single folio.
15. Members wishing to claim their unpaid or unclaimed dividend warrant for the financial year 2010-11 are requested to contact the RTA of Company as mentioned above, or the Company Secretary, at the Company's registered office for re-validation of the dividend warrant/issue of fresh Demand Draft. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years will also be transferred to the IEPF as per Section 124 of the Companies Act, 2013 and the applicable rules.
16. The Notice of AGM along with the Annual Report 2016-17 is being sent by electronic mode to those members whose email address is registered with the Company / Depositories. For members who have not registered their email address, physical copies are being sent by the permitted mode. Members may also note that even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same.
17. ***The Members who have not registered their email address so far, are requested to register their e-mail address with your depository participant for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.***
18. Relevant documents referred to in the proposed resolutions are available for inspection by members at the Registered Office of the Company between 11.00 a.m. to 5.00 p.m. on all working days upto the date of the Annual General Meeting.
19. Annual Report 2016-17 and AGM Notice is available at the website of the Company at www.srsl.in under 'Corporate Governance' Section and also on the website of the NSDL at www.evoting.nsdl.com.

20. Members desirous of getting any information about the accounts and/or operation of the Company are requested to write to the Company at least seven days before the date of meeting to enable us to keep the information ready at the meeting.
21. The Company has engaged the services of National Securities Depository Limited ("NSDL") as Agency to provide e-voting facility.
22. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014 as substituted by The Companies (Management and Administration) Amendment Rules, 2015 & Regulation 44 of Listing Regulations, the Company is offering remote e-voting facility to the members to enable them to cast their votes electronically from a place other than the venue of the AGM ('remote e-voting') provided by NSDL. Please note that remote e-voting is optional and not mandatory. The facility for voting through polling paper shall be made available at the AGM & members who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.
23. The remote e-voting facility would remain open from Friday, 22nd September, 2017 (9.00 A.M.) to Monday, 25th September, 2017 (5.00 P.M.). The voting right of the members shall be in the proportion to the equity shares held by them in the paid up equity share capital of the Company as on 19th September, 2017 ('cut-off date'). During this period, members holding shares either in the physical form or in dematerialized form, as on the cut-off date of 19th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

The instructions for members relating to remote e-voting which inter alia would contain details about user ID & password are provided separately along with Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")

The following Statement sets out all material facts relating to the **Special Business** mentioned in the accompanying Notice:

Item no. 4

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with rule 14 of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), amendment (s) or re-enactment(s) thereof, for the time being in force), the Board in its meeting held on 30th May, 2017, on the basis of recommendation of the Audit Committee, has approved the re-appointment and recommended remuneration of Cost Auditor, M/s K. G. Goyal & Company, Cost Accountants (Firm Registration No.000017) Jaipur to conduct the audit of the cost records maintained by the Company for Financial Year ending March 31, 2018.

Further, the remuneration payable to the Cost Auditors revised

from Rs. 65,000/- to Rs. 70,000/- as recommended by the Audit Committee and approved by the Board of Directors, is subject to the ratification by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Special Business Item No. 4 of the Notice for ratification of remuneration payable to the Cost Auditor for the financial year ending March 31, 2018.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the notice for approval by the shareholders.

DETAILS / PROFILE OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE 37TH AGM AS PER REGULATION 36(3) OF THE LISTING REGULATIONS

PARTICULARS	DETAILS
Name of the Director	Mr. Anubhav Ladia
DIN	00168312
Date of Birth	11.01.1977
Date of Appointment	01.09.2005
Qualification (s)	B.Com (H), FCA
Relationships between the Directors inter-se	Mr. Anubhav Ladia, son of Mr. Vinod Kumar Ladia and Brother of Mr. Vikas Ladia.
Nature of expertise in specific functional areas	He is a Chartered Accountant having sound experience in finance field. Presently located at the Head Office, looking after finance and accounts department and other departments.
Name of the Companies in which directorship held as on 31.03.2017	M/s. SRSL Securities Ltd. M/s. Divine Fibres Pvt. Ltd. M/s. V.K. Texchem Pvt. Ltd. M/s. PBS Marketing Pvt. Ltd. M/s. Shree Shyam Distributors & Marketing Pvt. Ltd.
Member of the Committee of Board of other companies	NIL
No. of Shares held in the Company	2,70,032

**By Order of the Board of Directors
For Shree Rajasthan Syntex Limited**

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ANUBHAV LADIA
(Executive Director)
DIN: 00168312

Place: New Delhi
Date: 5th August, 2017

THE PROCEDURE AND INSTRUCTIONS FOR E-VOTING FOR THE 37TH ANNUAL GENERAL MEETING ARE PRODUCED HERE UNDER FOR REFERENCE:

I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):

- i. Open e-mail and open PDF file viz. "SRSL-remote e-Voting. pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- iii. Click on Shareholder-Login.
- iv. Put user ID and password as initial password noted in step (i) above. Click Login.
- v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits /characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- vii. Select "EVEN" of "Shree Rajasthan Syntex Ltd."
- viii. Now you are ready for remote e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote casted successfully" will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to cs.vmanda@gmail.com with a copy marked to evoting@nsdl.co.in.

II. In case of Members receiving Physical copy of Notice of 37th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participant (s) or requesting physical copy)

- (i) Initial user ID and password is provided in the box overleaf.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

Note-

- A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

- B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2017.
- E. Any person, who acquire shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19th September, 2017, may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- F. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- H. CS Manoj Maheshwari, FCS 3355, Practicing Company Secretary, Jaipur has been appointed as a scrutinizer to scrutinize the remote e-voting & poll process to be carried out at the AGM in a fair and transparent manner.
- I. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- J. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- K. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.srsl.in and also on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing and shall be communicated to the BSE Limited.

BOARD'S REPORT

To

The Members,

Your Directors have pleasure in presenting the 37th Annual Report on the business and operations of the company along with the Audited Financial Statements for the financial year ended on 31st March, 2017 and Auditor's Report thereon.

1. FINANCIAL SUMMARY /HIGHLIGHTS

The Company's financial highlights for the financial year ended on 31st March, 2017 is summarized below:

(Rs. In Lakhs)

Particulars	Financial Year	
	2016-17	2015-16
Revenue from operations	25,626	25,956
Other Income	253	340
Total Revenue (A)	25,879	26,296
Expenses :		
Cost of Material consumed	16,794	16,968
Purchase of Stock-in-trade	67	2
Changes in inventories of finished goods, Work in progress and stock-in-trade	(1,203)	(533)
Employees benefit expenses	2,994	2,831
Finance Costs	1,598	1,606
Depreciation and Amortization expenses	493	531
Other Expenses	5,222	5,164
Total Expenses (B)	25,965	26,569
Profit / (Loss) before tax (A) - (B)	(86)	(273)
Less : Tax expense	(25)	(63)
Net profit / (loss) for the period	(61)	(210)

2. FINANCIAL PERFORMANCE

During the year under review, your Company has shown marginal improvement in its performance and was able to handle the various market conditions. The sales turnover of the company was Rs. 25,626 lakhs as compared to Rs. 25,956 lakhs of previous year. The Loss before tax amounted to Rs. 86 lakhs as compared to Loss before tax of Rs. 273 lakhs in previous year. There was a loss during the year amounting to Rs. 61 lakhs as compared to loss of Rs. 210 lakhs in previous year. Your Directors & Management along with the entire team is taking all possible action to ensure that we are able to sustain our financial growth and business operational developments inspite of all adverse external conditions & competition.

3. OPERATIONS

The business operations of the company during the year under review has been comparatively satisfactory as compared to previous year. The Company produced 15,920 tonnes of yarn valuing Rs. 26,829 Lakhs during the period under review as against

16,395 tonnes of yarn valuing Rs. 26,489 Lakhs produced during the last year. The performance of the Company is analyzed in detail in the Management Discussions and Analysis Report annexed to this report as **Annexure -7**.

4. EXPORTS

During the year under review, the Company had export of Rs. 3,700 Lakhs against export of Rs. 2,463 Lakhs during the previous year. The export constituted 14.43% of the total turnover of the Company.

The Company has exported its spun yarn mainly in the established markets in Egypt, Turkey, Algeria, USA, Belgium & Morocco. The Company plans to further increase its exports to the existing markets and also tap potential export markets for which emphasis is being made on new and better quality products.

5. DIVIDEND

Due to inadequate profit during the year, your directors did not recommend any dividend for the financial year 2016-17.

6. TRANSFER TO RESERVES

No amount is proposed to be transferred to the Reserves for the financial year 2016-17.

7. FIXED DEPOSITS

Your Company has accepted Unsecured Fixed Deposits from its members during the financial year ended 31st March, 2017 under Section 73 of the Companies Act, 2013. The company has issued DPT-1, circular or circular in the form of advertisement inviting deposits from the members only by passing Special Resolution in its 35th Annual General Meeting (AGM) held on 29th September, 2015 in compliance with the provisions of Section 73 of the Companies Act, 2013 read with rules 4(1) & 4(2) of The Companies (Acceptance of Deposits) Rules, 2014, as amended.

Further, in order to accept the Unsecured Fixed Deposits for the financial year 2017-18 from the members of the company, your company have taken all the required steps pursuant to compliance of Section 73 of the Companies Act, 2013 including :-

- depositing of sum, not less than 15% of the amount of deposit maturing during the financial year and the financial year next following, in the Deposit Repayment Reserve Account and
- credit rating from the "CARE LTD." (CREDIT ANALYSIS AND RESEARCH LIMITED)

The particulars related to Unsecured Fixed Deposits u/s 73, covered under Chapter V of the Companies Act, 2013 as on 31st March, 2017 are as under:

- Unsecured Fixed Deposits accepted during the year : Rs. 8,75,26,000
- Outstanding Unsecured Fixed Deposits as on 31st March, 2017 : Rs. 5,89,00,000

- (c) Unpaid/ Unclaimed Fixed Deposits
as on 31st March, 2017 : NIL
- (d) There has been any default in
repayment of the deposit or
payment of interest thereon during
the year & if so, number of such
cases & the total amount involved : NIL

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE BY THE COMPANY UNDER SECTION 186

Particulars of Loans, guarantees or investments covered under Section 186 of the Companies Act, 2013, along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security, are provided in Notes to the Financial Statements. Please refer note 14, 15 and 19 to the Financial Statement.

9. CHANGE IN SHARE CAPITAL

During the financial year 2016-17, the Company has raised its paid up capital by issue of 13,00,000 convertible share warrants to promoter & promoter group on preferential basis. The Board of Directors and shareholders in their meeting held on 6th August, 2016 and 26th September, 2016 respectively approved such issue. Subsequently, as per the option of conversion exercised by the allottees, the Board of Directors in their meeting held on 10th February, 2017 had allotted 6,50,000 equity shares. Accordingly, the paid up capital increased from Rs. 12,40,23,010 to Rs. 13,05,23,010 as on 31st March, 2017. Also, these shares are listed on the BSE Ltd.

Further, the Company also issued 3,70,000, 11% Cumulative Preference Shares on preferential basis. The Board of Directors and shareholders in their meeting held on 6th August, 2016 and 26th September, 2016 respectively approved such issue.

10. DIRECTORS & KEY MANAGERIAL PERSONNEL

(A) Directors

1. Chairman of the Company

Mr. Vinod Kumar Ladia is Executive Chairman and Whole Time Director of the Company as on 31st March, 2017.

2. Appointments / Re-appointment of the Director

During the year under review -

1. Mr. Vinod Kumar Ladia (DIN: 00168257) was appointed as the Executive Chairman and Whole Time Director,
2. Mr. Vikas Ladia (DIN: 00256289) was appointed as the Managing Director and Chief Executive Officer and
3. Mr. Anubhav Ladia (DIN: 00168312) was re-appointed as the Executive Director, Whole Time Director

by the Board of Directors in their meeting held on 30th May, 2016

for a period of three (3) years w.e.f. 1st June, 2016 to 31st May, 2019, and subsequently their appointments / re-appointment were approved by the shareholders in 36th AGM of the Company held on 26th September, 2016.

3. Retire by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the rules made thereunder & the Company's Articles of Association, Mr. Anubhav Ladia, (DIN: 00168312), being eligible as a director liable to retire by rotation, has offered himself for re-appointment at the 37th AGM.

The Board recommends his re-appointment for consideration by the Members of the Company at the 37th AGM.

(B) Key Managerial Personnel

Mr. Manmohan Pareek resigned from the post of Company Secretary cum Compliance Officer w.e.f. 31st May, 2016.

The Board of Directors in their meeting held on 30th May, 2016 has approved the appointment of Ms. Ravina Soni as the Company Secretary cum Compliance Officer of the company w.e.f. 1st June, 2016.

As on 31st March, 2017, the Key Managerial Personnel of the Company consists of following-

NAME OF THE PERSONNEL	DESIGNATION
Mr. Vinod Kumar Ladia	Executive Chairman and Whole Time Director
Mr. Vikas Ladia	Managing Director and Chief Executive Officer
Mr. Anubhav Ladia	Executive Director, Whole Time Director
Ms. Ravina Soni	Company Secretary cum Compliance Officer
Mr. Vinay Punjawat	Chief Financial Officer

11. MEETINGS OF THE BOARD

The Board of Directors met five times during the financial year 2016-17, i.e. on 30th May, 2016, 6th August, 2016, 10th October, 2016, 14th November, 2016 & 10th February, 2017. Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards issued by The Institute of Company Secretaries of India ("Secretarial Standards"). The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013, Listing Regulations and Secretarial Standards. For further details, please refer *report on Corporate Governance* annexed to this report as **Annexure -8**.

12. COMMITTEE OF BOARD OF DIRECTORS

As on 31st March, 2017, the Board has 4 Committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the Sub-Committee. A detailed note on the Composition of the Board and its Committees and other relevant details is provided in the *report on Corporate Governance* annexed to this report as **Annexure -8**.

13. FORMAL ANNUAL EVALUATION

The evaluation / assessment of the Directors and KMPs of the Company is to be conducted on an annual basis to satisfy the requirements of the Companies Act, 2013 and Listing Regulations. The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees & other Individual Directors which includes criteria for performance evaluation of the Board as a whole. The said criteria provide certain parameters like Attendance, Availability, Time spent, Preparedness, Active participation, Analysis, Objective discussions, Probing & testing assumptions, Industry & Business knowledge, Functional expertise, Corporate Governance, Development of Strategy & Long Term Plans, Inputs in strength area, Director's obligation and discharge of responsibilities, Quality and value of contributions and Relationship with other Board Members etc. which is in compliance with applicable laws, regulations and guidelines.

The Company's Nomination and Remuneration policy which includes Director's appointment and remuneration & criteria for determining qualifications, positive attributes, independence of Director & other matters is annexed to this report as **Annexure-5** & the same is also available on the website of Company at [http://www.srsl.in/documents/NOMINATION AND REMUNERATION POLICY.pdf](http://www.srsl.in/documents/NOMINATION_AND_REMUNERATION_POLICY.pdf)

During the year under review, a separate mechanism was carried out for formal annual evaluation of its own performance & that of its Committee and individual directors, including the Chairman of the Board, on parameters as mentioned above. Performance evaluation of Independent Directors was carried out by the entire Board. Performance evaluation of the Chairman and non independent directors was also carried out in the Meeting of Independent Directors separately.

14. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR

New Independent Directors inducted into the Board are being familiarized with the business environment and overall operations of the Company through orientation session. The details of the training programme are provided in the *report on Corporate Governance* annexed to this report as **Annexure -8**.

Further, at time of appointment of the Independent Director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities which are made available at the website of the Company at www.srsl.in also.

15. AUDITORS & AUDIT REPORTS

I. Statutory Auditors & Audit Report

The Audit Report on the Financial Statements for the financial year ended on 31st March, 2017, issued by M/s. M .C. Bhandari & Co., Statutory Auditors, do not contain any qualifications, reservations or adverse remarks. The observations made by the Auditors are self explanatory and have been dealt with, in Independent Audit Report. The Audit Report is enclosed with the financial statements in this Annual Report and hence do not require any further clarification. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

M/s. M.C. Bhandari & Co., Chartered Accountants (Firm Registration No. 303002E), Jaipur, the statutory auditors of the Company, hold office till the conclusion of the 37th AGM of the Company. Under section 139 of the Companies Act, 2013 and the rules made thereunder, it is mandatory to rotate the auditors on completion of the maximum term permitted under the said section. The Board has recommended the appointment of M/s. Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N), New Delhi, as the statutory auditors of the Company in their place, for a term of five consecutive years, from the conclusion of the 37th AGM of the Company scheduled to be held in the year 2017 till the conclusion of the 42nd AGM to be held in the year 2022, for approval of shareholders of the Company, based on the recommendation of the Audit Committee.

As required under the provisions of Section 139 of the Companies Act, 2013, the company has obtained a written consent and certificate from the above mentioned Auditor to the effect that they confirm with the limits specified in the said Section and they had also given their eligibility certificate stating that they are not disqualified for appointment within the meaning of Section 141 of Companies Act, 2013.

The Board of Directors recommends the appointment of M/s. Doogar & Associates, Chartered Accountants (Firm Registration No. 000561N), New Delhi, as Statutory Auditors of the Company for the term of 5 years, subject to the yearly ratification of such appointment by shareholders at the Annual General Meetings.

II. Cost Auditors & Cost Audit Report

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, as amended, the Board of Directors had appointed M/s. K.G. Goyal & Co., Cost Accountants, Jaipur (Firm Registration No.-000017) as "Cost Auditor" for conducting the Audit of cost records maintained by the Company for the financial year 2016-17 & passed the ordinary resolution in the 36th AGM of the Company for the ratification of the remuneration of the Cost Auditor by the shareholders. The Cost Audit Report for the financial year ended

on 31st March, 2017, shall be received by the Company within the prescribed time limit.

In line with aforesaid Section, the Board of Directors has approved the re-appointment of M/s. K.G. Goyal & Co., Cost Accountants, Jaipur (Firm Registration No.-000017) as "Cost Auditor" in their meeting held on 30th May, 2017 for conducting the Audit of cost records maintained by the Company for the financial year 2017-18. The Remuneration proposed to be paid to them requires ratification by the shareholders of the Company in the ensuing AGM. In view of this, the Board of Directors recommends a revision in the remuneration from Rs. 65,000/- to Rs. 70,000/- of the Cost Auditor to be ratified by the shareholder at the 37th AGM.

III. Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, the Board of Directors had approved the appointment of M/s. V.M. & Associates, Company Secretaries, Jaipur (Firm Registration No.-P1984RJ039200) as "Secretarial Auditor" for conducting Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year 2016-17, in form MR-3, does not contain any qualification, reservation or adverse remark and is annexed to this report as **Annexure -1**.

In line with aforesaid Section, the Board of Directors has approved the re-appointment of M/s. V.M. & Associates, Company Secretaries, Jaipur (Firm Registration No.-P1984RJ039200) as "Secretarial Auditor" for conducting Secretarial Audit for the financial year 2017-18.

IV. Internal Auditor and Internal Audit Report

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the rules made thereunder, as amended, the Board of Directors had approved the appointment of M/s K.G. Bhatia & Co., Chartered Accountants, Udaipur (Firm Registration No.-010370C), as "Internal Auditor" of the company for conducting Internal Audit for the financial year 2016-17. The Internal Audit Reports were received quarterly by the Company and the same were reviewed by the Audit Committee and Board of Directors for each quarter. The observations, if any, mentioned in the quarterly Internal Audit Reports received for the financial year 2016-17 were duly looked into by the Management from time to time.

In line with aforesaid Section, the Board of Directors has approved the re-appointment of M/s. K.G. Bhatia & Co., Chartered Accountants, Udaipur (Firm Registration No.-010370C), as "Internal Auditor" of the company for conducting Internal Audit for the financial year 2017-18.

16. DECLARATION BY INDEPENDENT DIRECTOR

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of

independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (b) of Listing Regulations.

17. RISK MANAGEMENT POLICY

The Company operates in conditions where economic, environment and social risk are inherent to its businesses. In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects. Pursuant to the provisions of Regulation 17 of the Listing Regulations, the Board of Directors must frame, implement and monitor the risk management plan of the Company. In line with Listing Regulations and as per the requirement of Section 134(3)(n) of the Companies Act, 2013 read with the rules made thereunder, as amended, Board has already framed a comprehensive Risk Management Policy to oversee the mitigation plan including identification of element of risk, for the risk faced by the company, which in the opinion of the Board may threaten the existence of the Company. The object of the policy is to make an effective risk management system to ensure the long term viability of the company's business operations. The same was reviewed quarterly by Audit Committee of the Company. For a detailed discussion, please refer to *report on Corporate Governance* annexed to this report as **Annexure -8**.

18. WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the directors and employees are free to report violations of law, rules, regulations or unethical conduct, actual or suspected fraud to their immediate supervisor or provide direct access to the Chairman of the Audit Committee in exceptional cases or such other persons as may be notified by the Board. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. The Whistle Blower Policy of the Company is also available on the website of the Company at <http://www.srsl.in/documents/WHISTLE-BLOWER-POLICY.pdf>. During the year, no whistle blower event was reported & mechanism is functioning well. Further, no personnel has been denied access to the Audit Committee. The details of the whistle blower policy/vigil mechanism is given in the *report on Corporate Governance* annexed to this report as **Annexure -8**.

19. SEXUAL HARASSMENT

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. As required under law, Internal Compliance Committee has been constituted for reporting and conducting

inquiry into the complaints made by the victim on the harassment at the work place.

The following is a summary of Sexual Harassment Complaints received and disposed off during the financial year 2016-17:-

- Number of Complaints pending at the beginning of the year : **NIL**
- Number of Complaints of Sexual Harassment received during the year : **NIL**
- Number of Complaints disposed off during the year : **NA**
- Number of cases pending for more than ninety days : **NIL**
- Number of workshops or awareness programme against Sexual Harassment carried out : **FOUR**
- Nature of action taken by the SRSL Group : **NA**
- Number of Complaints pending at the end of the year : **NIL**

20. SOCIAL OBLIGATIONS

Company has generally taken corporate social responsibility initiatives. However, the present financial position of the company does not mandate the implementation of corporate social responsibility activities pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013. It has continued its efforts for the betterment and upliftment of the living standards of Scheduled Castes and Scheduled Tribes dwelling in the adjoining

areas of Dungarpur by providing them training and employment. The Company through its Charitable Trust and Educational Society is providing education to the Children of people of Dungarpur at Dungarpur Public School. During the year Company has undertaken various social works for the benefit of local population of Dungarpur.

Our Company, owing to its social responsibility, has during the year installed RO Water plant having capacity of 500 Litres per hour each in two villages, i.e., Surpur village & Patapur village, thereby investing an amount of Rs. 10,50,845/- which resulted into provision of clean drinking water for the villagers residing therein.

21. CAPITAL PROJECTS

For normal Capital Expenditure in all the divisions of the Company, provisions have been made for capital expenditure of Rs. 50 Lacs each unit. These are regular capital expenditure which shall be funded from internal accruals of the Company.

22. PARTICULARS OF THE EMPLOYEES

Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a detailed statement is annexed to this report as **Annexure-4**.

Further, with respect to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and as amended from time to time, the names of the top ten employees in terms of remuneration drawn is listed below :

Sl. No	Name of the Employee	Designation of the Employee	Remuneration received (Rs.)	Nature of employment whether contractual or otherwise	Qualifications and experience of the employee	Date of Commencement of employment	The age of such employees (years)	The last employment held by such employee before joining the company	The %age of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Mr. Suresh Chandra Joshi	Vice President (PA & IR)	13,30,579	Contractual	M.A. (Economics). P.G. Diploma in Labour Law, Labour Welfare & Personnel Management Exp.- 31 years	18/06/2015	56	RSWM Ltd.	0	No
2	Mr. Bimal Kanti Mazumdar	President (Technical)	12,96,300	Contractual	B. Tech in Textile Exp.- 44 years	16/07/2015	65	-	0	No
3	Mr. S. L. Tundwal	Sr. Vice President (Technical)	12,32,341	Contractual	B-Tech In Textile Exp.- 44 years	11/01/2016	68	RSWM Ltd.	0	No
4	Mr. Govind Bajpai	Vice President (Works)	10,08,272	Contractual	B. Tech. (Textile Technology) Exp.36 years	11/05/2012	59	Ruby Mills Ltd.	0	No

5	Mr. J L Vyas	G.M. (PA & IR)	7,93,423	Contractual	M.A. (Sociology) L.L.B., Diploma in Labour Law Exp. 36 years	01/09/2015	58	Modern Terry Towels Ltd.	0	No
6	Mr. Vinay Punjawat	Chief Financial Officer	7,91,170	Contractual	MBA (Finance) Exp.- 25 years	11/07/2015	52	Indian Steel Corporation Ltd.	0	No
7	Mr. Manish Mangla	Sr. Manager Marketing	7,29,717	Contractual	B. Tech. (Textile Technology) Exp. 11 years	01/10/2015	32	Rajasthan Spinning & Weaving Mills (Bhilwara)	0	No
8	Mr. Kamleshwar Roy	Chief Engineer	6,64,165	Contractual	Polytechnic Diploma in Mechanical Exp.- 30 years	01/08/2011	52	Punsumi India Ltd. Bhiwadi,	0	No
9	Mr. Arvind Sharma	Manager - Unit 4	6,57,523	Contractual	B. Tech. Exp.- 22 years	01/12/2013	48	Star Global Endura Ltd.	0	No
10	Mr. Raj Kumar Mahasani	Astt. Vice President (Marketing)	6,57,305	Contractual	M.A. & P.G. Diploma in Sales & Marketing Exp.- 28 years	22/01/1990	54	Shree Rajasthan Syntex Ltd.	0	No

23. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with rule 8(3) of The Companies (Accounts) Rules, 2014, relevant details of energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this report as **Annexure-6**.

24. CONTRACT & ARRANGEMENTS WITH THE RELATED PARTY

All Contracts/ arrangements/ transactions that were entered by the Company during the Financial Year 2016-17 are done on Arm's length basis.

Disclosure of particulars of contract/arrangements entered into by the company with Related Parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 are annexed to this report as **Annexure-3**. The policy on related party transaction is available on the website of the company at the link

<http://www.srsl.in/documents/RPT-POLICY.pdf>

25. EXTRACT OF ANNUAL REPORT

Extract of Annual Return in Form MGT-9 as on the financial year ended on 31st March, 2017 as required under Section 92(3) of the Companies Act, 2013 read with The Companies (Management and Administration) Rules 2014, is annexed to this report as **Annexure-2**.

26. CORPORATE GOVERNANCE

Your Company is compliant with the norms on Corporate Governance laid out in the SEBI notification dated September 2,

2015 enacting the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which have replaced the erstwhile Listing Agreement w.e.f. 1st December, 2015. Our *report on Corporate Governance* for 2016-17 is annexed to this report as **Annexure-8**.

Further, Compliance Certificate taken from M/s. M.C. Bhandari & Co, Statutory Auditors, Jaipur, regarding compliance of conditions of Corporate Governance is annexed to this report as **Annexure-9**.

All the Directors, Key Managerial Personnel and Senior Management Personnel have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company.

The Chief Executive Officer has given a declaration of compliance with the Code of Conduct which is included in **Annexure-8**, as required under Regulation 34 read with Schedule V of Listing Regulations.

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The operations of the company are reviewed in detail in the Management Discussion and Analysis Report which is annexed to this report as **Annexure-7**.

28. OTHER COMPLIANCES

28.1 Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report : There

were no material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report which can affect the financial position of the company.

28.2 Details in respect of adequacy of internal financial controls :

For detailed discussion with reference to adequacy of internal financial controls, please refer to Management Discussion and Analysis Report annexed to this report as **Annexure -7**.

28.3 Disclosure of Accounting Treatment in preparation of Financial Statements : The Company follows the guidelines of Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force).

28.4 Details of Subsidiary/Joint Ventures/Associate Companies/ & its Performance : Your company has no Subsidiary/Joint Ventures/Associate Companies.

29. DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 134(5) OF THE COMPANIES ACT, 2013

Your Directors hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 and loss of the company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with

the provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate & were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. ACKNOWLEDGMENT

Your Directors wish to take this opportunity to place on record their gratitude and sincere appreciation for the timely and valuable assistance and support received from Bankers, Share Transfer Agent, Auditors, Customers, Suppliers and Regulatory Authorities.

The Directors place on record their deep appreciation of the dedication of your Company's employees at all levels and look forward to their continued support in the future as well. Your Directors are thankful to the shareholders for their continued patronage.

**By Order of the Board of Directors
For Shree Rajasthan Syntex Limited**



VIKAS LADIA
(Managing Director and
Chief Executive Officer)
DIN: 00256289



ANUBHAV LADIA
(Executive Director)
DIN: 00168312

**Place: New Delhi
Date: 5th August, 2017**

ANNEXURE - 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Shree Rajasthan Syntex Ltd.

SRSL House, Pulla Bhuwana Road

N.H. 8, Udaipur – 313004 (Rajasthan).

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shree Rajasthan Syntex Ltd.** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)** and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreement entered into by the Company with BSE Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

- Issued and allotted 13,00,000 (Thirteen Lakh) convertible warrants convertible into equity shares of Rs. 10/- (Rupees Ten only) each to persons belonging to promoter group on preferential basis;
- Allotted 6,50,000 (Six Lakh Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten Only) each on conversion of 6,50,000 (Six Lakh Fifty Thousand) convertible warrants and has received listing and trading approval from stock exchange; and
- Issued 3,70,000 (Three Lakh Seventy Thousand) 11% Cumulative Preference Shares of Rs. 100/- (Rupees Hundred Only) each aggregating to Rs. 3,70,00,000/- (Rupees Three Crores Seventy Lakhs Only) on preferential basis.

**For V.M. & Associates
Company Secretaries
(ICSI Unique Code P1984RJ039200)**



**CS Manoj Maheshwari
Partner
FCS3355**

**Place: Udaipur
Date: May 30, 2017**

C P No. : 1971

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members
Shree Rajasthan Syntex Ltd.
SRSL House, Pulla Bhuwana Road
N.H. 8, Udaipur – 313004 (Rajasthan).

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the

responsibility of management. Our examination was limited to the verification of procedures on test basis.

- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

**For V.M. & Associates
Company Secretaries
(ICSI Unique Code P1984RJ039200)**


**CS Manoj Maheshwari
Partner
FCS3355
C P No. : 1971**

**Place: Udaipur
Date: May 30, 2017**

ANNEXURE - 2

Form No. MGT-9 EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2017

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

- CIN : L24302RJ1979PLC001948
- Registration Date : 15th November, 1979
- Name of the Company : **SHREE RAJASTHAN SYNTEX LTD.**
- Category / Sub-Category : Company limited by shares, Indian public non - government company
- Address of the Registered office and contact details : 'SRSL HOUSE', Pulla Bhuwana Road, N.H. No. 8, Udaipur (Raj.)- 313004
Phone No:- 0294-2440334,
Email:- cs@srsl.in; houdr@srsl.in,
Website:- www.srsl.in
- Whether listed company : Yes
- Name, Address and Contact details of Registrar and Transfer Agent : **MAS Services Limited**,
T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi- 110020
Contact person : **Mr. Sharwan Mangala**
Ph:- 26387281/82/83
Fax:- 26387384,
Email:- info@masserv.com
Website:- www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
01	Man made Fibre spun yarn	5509 (ITC Code)	99.37

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL
IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as a percentage of total equity)
1. Category-wise Shareholding

Category of shareholders	No. of shares held at the beginning of the year (01.04.2016)				No. of shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of the share	Demat	Physical	Total	% of the share	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)
A. Promoter and Promoter Group									
(1) Indian									
a) Individual / HUF	13,99,627	0	13,99,627	11.29	18,99,627	0	18,99,627	14.55	3.26
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	37,95,584	0	37,95,584	30.60	39,45,584	0	39,45,584	30.23	(0.37)
e) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub- Total A(1)	51,95,211	0	51,95,211	41.89	58,45,211	0	58,45,211	44.78	2.89
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub- Total A(2)	0	0	0	0	0	0	0	0	0
Total shareholding of promoters A= A(1)+A(2)	51,95,211	0	51,95,211	41.89	58,45,211	0	58,45,211	44.78	2.89
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	2,334	2,151	4,485	0.04	2,334	2,151	4,485	0.03	(0.01)
b) Banks / Financial Institutions	0	660	660	0.01	0	660	660	0.01	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Company	0	0	0	0	0	0	0	0	0
g) Foreign Institutional Investor (s)	0	150	150	0	0	150	150	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Other (Specify)	0	0	0	0	0	0	0	0	0
Sub- Total B(1)	2,334	2,961	5,295	0.05	2,334	2,961	5,295	0.04	(0.01)
(2) Non-institutions									
a) Bodies Corporate									
i) Indian	7,65,231	2,56,220	10,21,451	8.24	6,94,617	2,56,220	9,50,837	7.28	(0.96)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individual									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	21,03,269	9,86,614	30,89,883	24.91	20,62,142	9,66,185	30,28,327	23.20	(1.71)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	26,48,730	1,00,200	27,48,930	22.16	27,02,625	1,00,200	28,02,825	21.47	(0.69)
c) Any other									
i) Non- Resident Indian/ OCB	90,404	72,011	1,62,415	1.31	90,471	72,011	1,62,482	1.24	(0.07)
ii) Clearing Member	11,899	0	11,899	0.10	90,257	0	90,257	0.69	(0.59)
iii) Trust	1,67,217	0	1,67,217	1.35	1,67,067	0	1,67,067	1.28	(0.07)
Sub- Total B(2)	57,86,750	14,15,045	72,01,795	58.07	58,07,179	13,94,616	72,01,795	55.18	(2.89)
Total Public shareholding B= B(1) + B(2)	57,89,084	14,18,006	72,07,090	58.11	58,09,513	13,97,577	72,07,090	55.22	(2.89)
C. Shares held by custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	1,09,84,295	14,18,006	1,24,02,301	100.00	1,16,54,724	13,97,577	1,30,52,301	100.00	0.00

2. Shareholding of Promoter & Promoter Group

Sl. No.	Shareholder's name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
1.	SRSL Securities Ltd.	20,92,455	16.87	0	20,92,455	16.03	0	(0.84)
2.	Shree Shyam Distributors and Marketing Private Limited	8,17,324	6.59	0	8,17,324	6.26	0	(0.33)
3.	Vinod Kumar Ladia	4,66,018	3.76	0	6,66,018	5.10	0	1.34
4.	V K Texchem Pvt. Ltd.	4,44,871	3.59	0	5,94,871	4.56	0	0.97
5.	Rajasthan State Industrial Development and Investment Corporation Limited	4,40,934	3.56	0	4,40,934	3.38	0	(0.18)
6.	Vikas Ladia	3,02,515	2.44	0	4,02,515	3.08	0	0.64
7.	Anubhav Ladia	2,70,032	2.18	0	2,70,032	2.07	0	(0.11)
8.	Poonam Ladia	1,40,084	1.13	0	3,40,084	2.61	0	1.48
9.	Vinod Kumar Ladia (HUF)	87,400	0.70	0	87,400	0.67	0	(0.03)
10.	Vikas Ladia(HUF)	47,495	0.38	0	47,495	0.36	0	(0.02)
11.	Anubhav Ladia(HUF)	35,000	0.28	0	35,000	0.27	0	(0.01)
12.	Pooja Toshniwal	25,982	0.21	0	25,982	0.20	0	(0.01)
13.	Puja Ladia	25,101	0.20	0	25,101	0.19	0	(0.01)
Total		51,95,211	41.89	0	58,45,211	44.78	0	2.89

3. Change in Promoter's Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning (01.04.2016)		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Vinod Kumar Ladia	4,66,018	3.76	10.02.2017	2,00,000	Allotment of equity shares by the Company on preferential basis	6,66,018	5.10
2.	M/s. V K Texchem Pvt. Ltd.	4,44,871	3.59	10.02.2017	1,50,000	Allotment of equity shares by the Company on preferential basis	5,94,871	4.56
3.	Mr. Vikas Ladia	3,02,515	2.44	10.02.2017	1,00,000	Allotment of equity shares by the Company on preferential basis	4,02,515	3.08
4.	Mrs. Poonam Ladia	1,40,084	1.13	10.02.2017	2,00,000	Allotment of equity shares by the Company on preferential basis	3,40,084	2.61

4.Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):-

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of total shares of the company				No. of shares	% of total shares of the Company
1.	Mr. Ruchit Bharat Patel	0	0	01.04.2016	-	-	-	-
				28.10.2016	1,50,000	purchase	1,50,000	1.21
				04.11.2016	1,60,000	purchase	3,10,000	2.50
				11.11.2016	90,000	purchase	4,00,000	3.23
		4,00,000	3.23	31.03.2017	-	-	4,00,000	3.06
2.	M/s. BJD Securities Private Ltd	4,46,649	3.60	01.04.2016	-	-	-	-
				08.07.2016	425	purchase	4,47,074	3.60
				19.08.2016	50	purchase	4,47,124	3.61
				21.10.2016	16,950	sale	4,30,174	3.47
				28.10.2016	37,590	sale	3,92,584	3.17
				04.11.2016	95,529	sale	2,97,055	2.40
		2,97,055	2.28	31.03.2017	-	-	2,97,055	2.28
3.	M/s. Shree Shyam Industries Pvt Limited	2,10,215	1.69	01.04.2016	-	-	-	-
		2,10,215	1.61	31.03.2017	-	-	2,10,215	1.61
4.	Mr. Hardik Bharat Patel	0	0	01.04.2016	-	-	-	-
				28.10.2016	1,40,000	purchase	1,40,000	1.13
				04.11.2016	60,000	purchase	2,00,000	1.61
		2,00,000	1.53	31.03.2017	-	-	2,00,000	1.53
5.	M/s. Shree Rajasthan Syntex Limited Employees Welfare Trust	1,67,067	1.35	01.04.2016	-	-	-	-
		1,67,067	1.28	31.03.2017	-	-	1,67,067	1.28
6.	Mr. Bharat Jamnadas Dattani	2,98,430	2.41	01.04.2016	-	-	-	-
				20.05.2016	1,020	purchase	2,99,450	2.41
				03.06.2016	5,100	purchase	3,04,550	2.46
				08.07.2016	2,658	purchase	3,07,208	2.48
				28.10.2016	66,450	sale	2,40,758	1.94
				04.11.2016	93,867	sale	1,46,891	1.18
		1,46,891	1.13	31.03.2017	-	-	1,46,891	1.13
7.	Mr. Jay Bharat Dattani	1,89,449	1.53	01.04.2016	-	-	-	-
				10.06.2016	944	purchase	1,90,393	1.54
				28.10.2016	24,285	sale	1,66,108	1.34
				04.11.2016	25,960	sale	1,40,148	1.13
		1,40,148	1.07	31.03.2017	-	-	1,40,148	1.07

8.	Ms. Bharati Bharat Dattani	1,66,445	1.34	01.04.2016	-	-	-	-
				13.05.2016	1,405	purchase	1,67,850	1.35
				20.05.2016	145	purchase	1,67,995	1.35
				24.06.2016	2,783	purchase	1,70,778	1.38
				08.07.2016	5,673	purchase	1,76,451	1.42
				15.07.2016	635	purchase	1,77,086	1.43
				22.07.2016	202	purchase	1,77,288	1.43
				28.10.2016	26,941	sale	1,50,347	1.21
				04.11.2016	14,516	sale	1,35,831	1.10
				11.11.2016	13,650	sale	1,22,181	0.99
		1,22,181	0.94	31.03.2017	-	-	1,22,181	0.94
9.	M/s. Rai Investments Ltd	0	0	01.04.2016	-	-	-	-
				15.07.2016	7,385	purchase	7,385	0.06
				22.07.2016	5,864	purchase	13,249	0.11
				29.07.2016	18,948	purchase	32,197	0.26
				05.08.2016	5,935	purchase	38,132	0.31
				12.08.2016	3,850	purchase	41,982	0.34
				19.08.2016	401	purchase	42,383	0.34
				30.09.2016	8,800	purchase	51,183	0.41
				21.10.2016	5,641	purchase	56,824	0.46
				28.10.2016	19,407	purchase	76,231	0.61
				04.11.2016	6,383	purchase	82,614	0.67
				11.11.2016	2,270	purchase	84,884	0.68
				25.11.2016	40	purchase	84,924	0.68
				02.12.2016	246	purchase	85,170	0.69
				23.12.2016	3,240	purchase	88,410	0.71
				31.12.2016	1,250	purchase	89,660	0.72
				13.01.2017	1,000	purchase	90,660	0.73
				27.01.2017	2,510	purchase	93,170	0.75
				10.02.2017	8,057	purchase	1,01,227	0.78
				17.02.2017	576	purchase	1,01,803	0.78
				03.03.2017	10,062	purchase	1,11,865	0.86
		1,11,865	0.86	31.03.2017	-	-	1,11,865	0.86
10.	Mr. Lakhpat Rai Jain	1,09,017	0.88	01.04.2016	-	-	-	-
		1,09,017	0.84	31.03.2017	-	-	1,09,017	0.84
11.	M/s. Swan Industries Limited	89,734	0.72	01.04.2016	-	-	-	-
		89,734	0.69	31.03.2017	-	-	89,734	0.69
12.	Ms. Bansuri Bharat Dattani	1,50,399	1.21	01.04.2016	-	-	1,50,399	1.21
				08.07.2016	1,000	purchase	1,51,399	1.22
				28.10.2016	25,000	sale	1,26,399	1.02
				04.11.2016	36,750	sale	89,649	0.72
		89,649	0.69	31.03.2017	-	-	89,649	0.69
13.	Mr. Bharat Jamnadas	1,43,024	1.15	01.04.2016	-	-	1,43,024	1.15
				10.06.2016	139	purchase	1,43,163	1.15
				08.07.2016	530	purchase	1,43,693	1.16
				02.09.2016	90	purchase	1,43,783	1.16
				28.10.2016	79,550	sale	64,233	0.52
				04.11.2016	25,500	sale	38,733	0.31
		38,733	0.30	31.03.2017	-	-	38,733	0.30

5. Shareholding of Director & Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning (01.04.2016) / end of the year (31.03.2017)	% of total shares of the company				No. of shares	% of total shares of the Company
1.	Mr. Vinod Kumar Ladia (CM and WTD)	4,66,018	3.76	01.04.2016	-	-	-	-
				10.02.2017	2,00,000	Allotment of equity shares by the Company on preferential basis	6,66,018	5.10
		6,66,018	5.10	31.03.2017	-	-	6,66,018	5.10
2.	Mr. Vikas Ladia (MD and CEO)	3,02,515	2.44	01.04.2016	-	-	-	-
				10.02.2017	1,00,000	Allotment of equity shares by the Company on preferential basis	4,02,515	3.08
		4,02,515	3.08	31.03.2017	-	-	4,02,515	3.08
3.	Mr. Anubhav Ladia (ED)	2,70,032	2.18	01.04.2016	-	Nil Movement	-	-
		2,70,032	2.06	31.03.2017	-		2,70,032	2.06
4.	Mr. Susheel Jain (NEID)	29,567	0.24	01.04.2016	-	Nil Movement	-	-
		29,567	0.23	31.03.2017	-		29,567	0.23
5.	Mr. Ravinder Narain (NEID)	6,000	0.05	01.04.2016	-	Nil Movement	-	-
		6,000	0.05	31.03.2017	-		6,000	0.05
6.	Mr. Narendra Nath Agrawala (NEID)	3,384	0.03	01.04.2016	-	Nil Movement	-	-
		3,384	0.03	31.03.2017	-		3,384	0.03
7.	Ms. Neelima Khetan (NEID)	-	-	01.04.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-
8.	Mr. Raj Singh Nirwan (NEID)	-	-	01.04.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-
9.	Mr. Roshan Lal Kunawat (NED)	-	-	01.04.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-
10.	Mr. Sunil Goyal (NEID)	-	-	01.04.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-
11.	Mr. Manmohan Pareek (CS)	-	-	01.04.2016	-	-	-	-
		-	-	31.05.2016	-	-	-	-
*Ceased to be Company Secretary w.e.f. 31.05.2016								
12..	Ms. Ravina Soni (CS)	-	-	01.06.2016	-	-	-	-
		-	-	31.03.2017	-	-	-	-
13.	Mr. Vinay Punjawat (CFO)	10	000	01.04.2016	-	Nil Movement	-	-
		10	0.00	31.03.2017	-		10	0.00

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

Particulars	Secured loans excluding deposits	Unsecured Loans	Deposits (Unsecured Fixed Deposits)	Total indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal amount	1,03,58,89,738	-	1,79,25,000	1,05,38,14,738
(ii) Interest due but not paid	0	-	7,845	7,845
(iii) Interest accrued but not due.	60,17,798	-	4,38,331	64,56,129
Total (i+ii+iii)	1,04,19,07,536	-	1,83,71,176	1,06,02,78,712
Change in Indebtedness during the financial year				
* Addition	-	-	8,91,80,703	8,91,80,703
* Reduction	(6,23,37,097)	-	(4,69,97,176)	(10,93,34,273)
Net change	(6,23,37,097)	-	4,21,83,527	(2,01,53,570)
Indebtedness at the end of the financial year				
(i) Principal amount	96,83,92,986	-	5,89,00,000	1,02,72,92,986
(ii) Interest due but not paid	70,01,422	-	7,845	70,09,267
(iii) Interest accrued but not due.	41,76,031	-	16,46,858	58,22,889
Total (i+ii+iii)	97,95,70,439	-	6,05,54,703	1,04,01,25,142

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total amount
		Mr. Vinod Kumar Ladia (Chairman & Whole Time Director)	Mr. Vikas Ladia (Managing Director & Chief Executive Officer)	Mr. Anubhav Ladia (Executive Director)	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	26,10,000	20,60,000	14,72,000	61,42,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	8,23,098	5,05,582	3,40,208	16,68,888
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	34,33,098	25,65,582	18,12,208	78,10,888
	Ceiling as per the Act	Ceiling limit as per the section 197 of the act & schedule V is Rs.168 Lakhs*			

Due to inadequacy of the profit for the year 2016-17 & pursuant to section 197 of the Act & Schedule-V, the ceiling limit is being calculated amounting to Rs.168 lakhs (84*2) on the basis of effective capital as given in the Part-II of schedule V, Section-II. (as amended)

B. Remuneration to other Directors-

Sl. No	Particulars of remuneration	Name of the Directors							Total amount
		Mr. R.S. Nirwan	Mr. Sunil Goyal	Mr. N.N. Agrawala	Mr. R.L. Kunawat	Mr. Susheel Jain	Mr. Ravinder Narain	Mrs. Neelima Khetan	
1	Independent Directors								
	* Fee for attending Board, Committee meetings	56,000	42,000	35,000	-	35,000	7,000	21,000	1,96,000
	* Commission	-	-	-	-	-	-	-	-
	* Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	56,000	42,000	35,000	-	35,000	7,000	21,000	1,96,000
2	Other Non-Executive Directors								
	* Fee for attending Board, Committee meetings	-	-	-	28,000	-	-	-	28,000
	* Commission	-	-	-	-	-	-	-	-
	* Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	28,000	-	-	-	28,000
Total = (1+2) Total Management remuneration		56,000	42,000	35,000	28,000	35,000	7,000	21,000	2,24,000
Overall ceiling as per the Act.		1% of profit after tax.*							

*Due to inadequacy of the profit for the year 2016-17 the profit/(loss) is (61) lacs. The other Directors have received the remuneration by way of sitting fees only pursuant to section 197(5) of the Companies Act 2013 & the same is within the ceiling limit of Rs. 1 Lacs

C. Remuneration to Key Managerial Personnel other than MD / WTD / Manager

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel				Total amount
		Chief Executive Officer	Company Secretary		Chief Financial Officer	
		Mr. Vikas Ladia	Mr. Manmohan Pareek (1.04.2016 to 30.05.2016)	Ms. Ravina Soni (1.06.2016 to 31.03.2017)	Mr. Vinay Punjawat	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	20,60,000	36,000	1,80,000	5,64,000	28,40,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	5,05,582	17,066	85,330	4,80,626	10,88,604
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	- -	- -	- -	- -	- -
5	Others, please specify	-	-	-	-	-
	Total	25,65,582	53,066	2,65,330	10,44,626	39,28,604

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of Board of Directors

For Shree Rajasthan Syntex Limited



VIKAS LADIA
(Managing Director and
Chief Executive Officer)
DIN: 00256289



ANUBHAV LADIA
(Executive Director)
DIN: 00168312

Place: New Delhi

Date: 5th August, 2017

ANNEXURE - 3

Form No. AOC- 2

CONTRACTS & ARRANGEMENTS WITH THE RELATED PARTY

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts /arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis :

There were no contracts or arrangements or transactions entered into by the company during the financial year ended 31st March, 2017 which were not at arms' length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis :

Particulars	Related Parties				
Name(s) of the related party	M/s. Shree Shyam Distributors & Marketing Pvt. Ltd.	M/s. Rajasthan Yarn Syndicate	M/s. Divine Fibres Pvt. Ltd.	M/s. V K Texchem Pvt. Ltd.	M/s. PBS Marketing Pvt. Ltd.
Nature of Relationship	Director is the Director in the said Company	Relative of Director is proprietor	Director is the Director in the said Company	Director is the Director in the said Company	Director is the Director in the said Company
Nature of contracts/ arrangements/ transactions	1. Sale, purchase or supply of any goods or materials 2. Availing or rendering of any services	1. Sale, purchase or supply of any goods or materials 2. Availing or rendering of any services	1. Sale, purchase or supply of any goods or materials 2. Availing or rendering of any services	1. Sale, purchase or supply of any goods or materials 2. Availing or rendering of any services	1. Sale, purchase or supply of any goods or materials 2. Availing or rendering of any services
Duration of the contracts / arrangements / transactions	5 Financial Years	5 Financial Years	5 Financial Years	5 Financial Years	5 Financial Years
Salient terms of the contracts or arrangements or transactions including the value, if any	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 100 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 25 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 25 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 25 Cr. / Rs. 100 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 25 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.
Date(s) of approval by the Board	24 th May, 2014 and 6 th August, 2016	24 th May, 2014 and 6 th August, 2016	24 th May, 2014 and 6 th August, 2016	24 th May, 2014 and 6 th August, 2016	8 th August, 2015 and 6 th August, 2016
Amount paid as advances, if any	NIL	NIL	NIL	NIL	NIL

For and on behalf of Board of Directors
For Shree Rajasthan Syntex Limited


VIKAS LADIA
(Managing Director and
Chief Executive Officer)
DIN: 00256289


ANUBHAV LADIA
(Executive Director)
DIN: 00168312

Place: New Delhi
Date: 5th August, 2017

ANNEXURE - 4

DISCLOSURE ON THE REMUNERATION OF THE MANAGERIAL PERSONNEL

Details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended 31st March, 2017

- i. the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year -

Directors-

1. Mr. Vinod Kumar Ladia	:	0.022
2. Mr. Vikas Ladia	:	0.028
3. Mr. Anubhav Ladia	:	0.039

*Other Directors receives Sitting Fees only

- ii. the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;-

1) Mr. Vinod Kumar Ladia (Chairman & WTD)	:	0.07%
2) Mr. Vikas Ladia (MD & CEO)	:	0.13%
3) Mr. Anubhav Ladia (ED)	:	0.13%
4) Mr. Vinay Punjawat (CFO)	:	0
5) Ms. Ravina Soni (CS)	:	N.A.

*Other Directors receives Sitting Fees only

CS was appointed w.e.f. 1st June, 2016. And there is no increase in remuneration of CFO upto 31st March, 2017.

- iii. the percentage increase in the median remuneration of employees in the financial year; -0.04 %

- iv. the number of permanent employees on the rolls of Company; 2250

- v. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;


-Average increase in the remuneration of all employees excluding KMPs: -0.06 %

-Average increase in the remuneration of KMPs: 0.09 %

-Justification: *KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.*

It is be and hereby affirmed that the remuneration is as per the remuneration policy of the Company.

For and on behalf of Board of Directors
For Shree Rajasthan Syntex Limited


VIKAS LADIA
(Managing Director and
Chief Executive Officer)
DIN: 00256289


ANUBHAV LADIA
(Executive Director)
DIN: 00168312

Place: New Delhi
Date: 5th August, 2017

ANNEXURE-5

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors and its key managerial personnel to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the Bombay Stock Exchanges (as amended from time to time), this policy is being formulated.

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration Committee consisting of three non-executive directors out of which two shall be independent directors. The Chairman of the Committee shall be an Independent Director.

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement and Guidelines of Reserve Bank of India. The objective of this policy is to lay down a framework in relation to remuneration of directors, Key Managerial personnel and senior management personnel.

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors & key managerial personnel.
- Formulation of criteria for evaluation of Board of Directors including the Independent Director.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To assist the Board in fulfilling all related responsibilities

APPLICABILITY

- Directors (Executive and Non Executive)
- Key Managerial Personnel

POLICY FOR APPOINTMENT & REMOVAL OF DIRECTOR, KMP & SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or KMP and recommend to the Board his / her appointment.

A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

The Committee shall identify whether the director is willing to serve on one or more committees of the Board and also devote such time as necessary for proper performance of his duties.

The Committee shall analyze whether the Independent Director being considered is willing to and shall be able to carry out the duties which every independent directors are required to follow.

The Committee shall check whether the prospective Director / KMP shall be able to follow the code of conduct of the Company or not.

2. Term / Tenure

a) Managing Director / Whole Time Director/ Independent Director

The Committee shall ensure that the appointment or reappointment of any Director as above is carried out as per rules and regulations listed under the Companies Act, 2013 along with other relevant laws.

b) Criteria for evaluation

The Board of Directors shall carry out the evaluation of performance of its Directors for both Whole Time Directors and Independent Directors based on the below criteria

Participation:

- Attendance
- Availability
- Time spent
- Preparedness
- Active participation
- Analysis
- Objective discussions
- Probing & testing assumptions

Knowledge & Skill

- Industry & Business knowledge
- Functional expertise
- Corporate governance
- Development of Strategy & Long Term Plans
- Inputs in strength area.

Others

- Director's obligation and discharge of responsibilities
- Quality and value of contributions
- Relationship with other Board Members

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons

recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

3. POLICY FOR REMUNERATION TO DIRECTORS / KMP

1.Remuneration to Managing Director / Whole-time Director / Key Managerial Personnel.

The Remuneration/ Compensation/ Commission etc. to be paid to Managing Director/ Whole-time Director / Key Managerial Personnel shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force or as per the policy of the company & on going industrial norms.

2. Remuneration to Non- Executive / Independent Director:

The Non-Executive Independent Director may receive sitting fees only as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling / limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. Further, traveling expenses & out of Pocket Expenses shall be reimbursed.

ANNEXURE - 6

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

(i) In order to conserve energy, the company has taken various steps for efficient consumption of energy like use of synthetic tapes, light weight bobbins, soft starters, energy efficient motors, energy saving spindles etc. Figures given here under are self explanatory regarding steps taken by the Company to conserve energy giving positive response:

S. No.	Particulars	Current Year 2016-17	Previous Year 2015-16
1.	Power & Fuel Consumption		
	(1) Electricity		
	a) Units Purchased	6,51,22,864	6,65,30,748
	Total Amount (Rs. in Lacs)	3,372	3,324
	Rate per Unit	5.18	5.00
	b) Own Generation		
	Through Diesel Generator		
	Units	58,622	57,640
	HSD Consumed (in kgs)	15,406	14,567
	Units per Kg. of HSD	3.81	3.96
	(2) Steam Generation		
	(I) Through Furnace Oil Boiler	-	-
	FO (in Kgs.)	-	-
	Total Cost (Rs.in Lacs)	-	-
	Average Rate	-	-
	(II) Through Coal		
	Coal (in MT.)	2,507	2,305
	Total Cost (Rs.in Lacs)	122	93
	Average Rate (Per MT)	4,867	4,045
2.	Consumption per Unit of Production		
	Electricity per kg of yarn (Units)	4.06	4.03
	Coal per kg of yarn (kg)	-	-

(ii) The Company utilizes alternate sources of energy by purchase of power from third parties like M/s. Tata power through the open access policy of the government. Further, the company is also exploring renewal resources like solar power and is in active discussion with various vendors for a PPA agreement.

(iii) The Company makes substantial investment on energy conservation while procurement of its equipments to ensure that the most effective energy cost is charged to the company.

B. TECHNOLOGY ABSORPTION

- The efforts made towards technology absorption; *Company has successfully absorbed the technique of cleaning the yarn electronically and that of Splicing instead of knotting in finishing department. It has adopted sturdy drafting in speed frame and also replaced open type Flyers with closed type for achievement of higher speed in existing speed frames.*
- The benefits derived like product improvement, cost reduction, product development or import substitution as result of the above: *Company could achieve higher productivity and improved yarn quality.*
- In case of imported technology (imported during last 3 years reckoned from the beginning of the financial Years) : N/A
- Expenditure on R & D:

(Rs. in Lacs)


1. Capital	:	0.31
2. Recurring	:	30.13
3. Total	:	30.44
4. Total R & D Expenditure as a % of total turnover	:	0.12%

C. FOREIGN EXCHANGE EARNINGS & OUTGO.

The Company has exported its spun yarn mainly in the established markets in Egypt, Turkey, Algeria, USA, Belgium & Morocco.

Particulars	2016-17 (Rs.in Lacs)	2015-16 (Rs.in Lacs)
1. Total foreign exchange used	28.34	271.76
2. Total foreign exchange earned	3311.31	2288.88

For and on behalf of Board of Directors
For Shree Rajasthan Syntex Limited


VIKAS LADIA
(Managing Director and
Chief Executive Officer)
DIN: 00256289


ANUBHAV LADIA
(Executive Director)
DIN: 00168312

Place: New Delhi
Date: 5th August, 2017

ANNEXURE - 7

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The management of Shree Rajasthan Syntex Ltd. is presenting the Management Discussion and Analysis Report covering the operations and financial performance of the Company for the year 2016-17 The core business of the Company is manufacturing and marketing of synthetic blended yarn, cotton yarn and polypropylene multifilament yarn.

➤ BUSINESS OVERVIEW

The Company is one of the important players in man made fibre spinning with following capacity:

Units	Location	Products	Capacity
Syntex-Division	Simalwara Road Dungarpur	Synthetic Yarn	27,744 SPINDLES
Texchem-Division	Simalwara Road Dungarpur	(i) Synthetic Yarn (ii) Polypropylene Multifilament Yarn	31,488 SPINDLES 1,800 TPA
Polycot-Division	Simalwara Road Dungarpur	Cotton yarn	20,568 SPINDLES

The Company's sales network comprises of branches, depot as well as sales offices in different location.

➤ INDUSTRY STRUCTURE AND DEVELOPMENTS

- The Indian textile industry is second largest in terms of turnover and trade in the world after China. The industry is important in terms of output, foreign exchange earnings and employment. The recent couple of years were challenging for the Indian Textile Industry as a result of the global economic slow down.
- India's Textile & Clothing sector is considered as the backbone of the country due to its significant contribution to Indian economy. Currently it contributes around 5% share in GDP, 13% in India's commodity exports and 14% share in India's Industrial production. With over 45 million people employed directly, the textile industry is the second largest sources of employment generation in the country after agriculture.
- The textile industry can be segmented into Natural fibres and Man Made Fibres (MMFs) based on the use of basic raw material, cotton or crude derivate respectively. Among the various MMF product in the synthetic and cellulosic segments, polyester and viscose forms about 80% of total domestic consumption. Globally man-made fibre is the most dominantly consumed textile fibre.
- Under Union Budget 2017-18 Government of India allocated around USD 926.66 million for Textile Industry. Major focus of this budget is to attract manufacturers, initiate technology up-gradation and setup integrated textile parks, etc.

5. 'Make in India' programme initiated by the Prime Minister of our country is an innovative step to invite global investors to invest in Industries of India.
6. Announcement of 'Demonetization' of Rs. 500 and Rs. 1000 notes during the month of November, 2016 affected labor-intensive sectors including Textiles. However, despite slow business in textiles, representatives of the sector welcomed this move ensuring systematic functioning of the entire value chain related to the industry.
7. Advent of Goods and Service Tax (GST), being a destination based consumption tax, will greatly help in removing distortions and will bring simple and transparent administration of indirect taxation by providing common rate and common base.

➤ **INDUSTRY OPPORTUNITIES**

- 1) The Indian textile industry forecasts tremendous growth potential and its market size is expected to touch USD 250 billion in the next two years from USD 150 billion now.
- 2) The Indian government has come up with a number of Export Promotion Policies for the Textiles Sector. It has allowed 100 percent FDI in the Indian Textiles sector under the automatic route.
- 3) Some of initiatives taken by the government to further promote the industry are as under:
 - a. The Government of India is expected to soon announce a new National Textiles Policy. The new policy aims at creating 35 million new jobs by way of increased investments by foreign companies.
 - b. GST will have far reaching impact as it will reduce the logistics / transport cost. It could also lead to new avenues of opportunities in textiles. It was about time that the entire industry came under one umbrella with one voice to convert India into a global leader in Textiles.
 - c. To give boost to the Textile Sector, Government of India has announced new all industry duty drawback rates. This will benefit all segments of textile industry. This is a positive move and will give a big relief to the exporters as they face duty disadvantage in the prominent markets like USA, EU and other western developed markets.

➤ **INDUSTRIAL CHALLENGES**

Even though India's textile industry is a huge contributor in terms of exports, industrial output and employment, like China's, India's domestic industry is not without its challenges.

1. Higher input costs compared to competing nations

India has one of the highest costs of capital compared to most competing countries which affects the cost of production and thus its competitiveness. Also, the power cost in India is much

higher compared to competing nations.

2. Low technology level

The Textile Industry suffers from the use of low and outdated technologies. In general, spending on R&D, product development etc. by textile companies in India is quite low.

3. Cyclical ups and downs & Demand adversities

There has never been a continuous positive growth rate in textiles products for a longer time periods. Some times it was treated as a cyclical ups and downs, some times the demand adversities have really dented the growth.

4. Foreign Trade Policy (FTP) disappointing for Textile

The current Foreign Trade Policy has not provided any additional benefits to the textiles sector, though measures announced for improving ease of doing business and simplified procedures would be beneficial to the textile sector, among others. The policy will have continuity during the 5 years period and only a midterm review will be made.

While amalgamating Focus Schemes and the other Chapter 3 schemes into Merchandise Exports from India Scheme (MEIS), cotton yarn has been completely ignored. Chapter 3 benefits on cotton yarn had earlier been withdrawn when cotton yarn was brought under restricted list. After withdrawing the requirement of registration of export contracts, this product had been brought under Free List, but Chapter 3 benefits were not restored under the earlier FTP.

5. Demonetization

In the month of November, 2016 Demonetization made a huge impact on sustaining the growth in the industry as ours is a labour intensive industry that has a huge number of daily-wagers. With the cash crunch, many mills had to put the industry in the slowdown mode, if not a complete shutdown.

6. High debt servicing cost

The industry requires to give high debt servicing cost and with the lending rates in India in the range of 12 to 14%, they are significantly higher in comparison to the competing countries like China. The complete textile chain is not covered in the TUF Scheme and thus a large capital investment needs to be made at a very high rate of interest.

➤ **RISK AND CONCERNS**

a. Raw material availability

Though India is having sufficient availability of raw materials, namely, cotton, man made fibres and silk but factors such as low rain fall in the cotton growing areas, increase in crude oil prices in the international markets for basic raw materials of man made fibres and increase in logistic cost may effect the availability of raw material and competitiveness of the industry.

b. Power availability

Most of the textile mills in India, particularly in north and western parts are dependent on power supply by self-generation using coal as fuel due to low quality of availability of power from the government. Because of increase in cost of coal, the cost of generation of power is increasing which may affect the competitiveness of the Industry.

c. Currency risk

Since the textile industry has a major portion of its revenue from exports, Indian rupee relationship with foreign currencies such as US Dollar is important. The industry hedges currency risks by forward currency cover against sale contracts. Hence movement in foreign currency vis-à-vis rupee has direct impact on exports realization and import cost. The volatile movement of Rupee against the US Dollar is a serious concern for the industry.

d. Government Policies

The Textile Industry is highly dependent on the Government Policies on various matters. Frequent changes in the taxation policies bring instability in the industry.

➤ PRODUCT WISE PERFORMANCE OF THE COMPANY

Chart given below gives the break up of sales between the domestics and export markets for the last 3 years: (Rupees In Lacs)

Revenue from operations	2014-15	2015-16	2016-17
Export	3234.04	2462.75	3700.73
Domestic	26295.69	23308.30	21763.8

The current yarn portfolio of SRSL can be classified into 4 main categories-Grey yarn, dyed yarn, cotton yarn and PPMF yarn.

- ❖ **Grey Yarn:** Grey yarn is produced using blends of different synthetic fibre such as polyester/viscose, 100% viscose yarn, 100% polyester fibre yarn and pure cotton. These qualities are produced in Shree Rajasthan Texchem division and Shree Rajasthan Polycot division of the Company. The Company has niche markets for 100% viscose fibre yarn. Specialty fibre yarns were developed for industrial and home textile applications.
- ❖ **Dyed yarns:** Dyed yarn is produced at Syntex division of the Company. These yarns are relatively higher value added products and made according to customers specifications of blend, counts and shades. The Company has specialty in producing home textile dyed yarns for end use such as carpets, tapestry and upholstery. Further the Company has now developed melange yarns for weaving and knitting applications.
- ❖ **Cotton Yarn:** It is produced at Polycot division. These yarns are mainly consumed for woven fabrics and terry towel application. The Company produces high quality cotton yarns and have a strong customer base.

- ❖ **PPMF Yarn:** Polypropylene multifilament yarn is produced at Shree Rajasthan Texchem division of the company at Dungarpur; POY and texturised yarn is produced for knitting, socks and furnishing applications. BCF yarn is produced for carpet applications.

➤ OPERATIONS

During the year under review, your Company has shown marginal improvement in its performance and was able to handle the various market conditions. The sales turnover of the company was Rs. 25,626 lakhs as compared to Rs. 25,956 lakhs of previous year. The Loss before tax amounted to Rs. 86 lakhs as compared to Loss before tax of Rs. 273 lakhs in previous year. There was a loss during the year amounting to Rs. 61 lakhs as compared to loss of Rs. 210 lakhs in previous year.

FINANCIAL PERFORMANCE FOR THE YEAR ENDED ON 31.03.2017.

(Rs. In Lakhs)

Particulars	Financial Year	
	2016-17	2015-16
Revenue from operations	25,626	25,956
Other Income	253	340
Total Revenue (A)	25,879	26,296
Expenses :		
Cost of Material consumed	16,794	16,968
Purchase of Stock-in-trade	67	2
Changes in inventories of finished goods, Work in progress and stock-in-trade	(1,203)	(533)
Employees benefit expenses	2,994	2,831
Finance Costs	1,598	1,606
Depreciation and Amortization expenses	493	531
Other Expenses	5,222	5,164
Total Expenses (B)	25,965	26,569
Profit / (Loss) before tax (A) - (B)	(86)	(273)
Less : Tax expense	(25)	(63)
Net profit / (loss) for the period	(61)	(210)

➤ DIVERSIFICATION AND MODERNISATION

The Company lays emphasis on modernizing its plant & machinery on continuous basis to ensure that it produces the best quality yarn to face the competition in the international market. The Company has made substantial efforts towards modernizing its engineering equipments and power generation.

The Company has also incurred regular capital expenditure for maintenance of its plant & machinery which has led to saving in both labour and power costs besides further improvement in the quality of yarn.

➤ OUTLOOK

Out look for the textile industry is positive and the Directors of the Company are hopeful that with the dismantling of quotas,

penetration in the new global scenario, change in product mix, cost effectiveness and development of new qualities, it would be possible to meet the challenges being faced by the Indian Textile Industry. It is also expected that the Company would be able to increase its price in the export market to offset the change in foreign currency rates. It is also expected that Ministry of Commerce, Government of India would give additional export incentives to the industry to offset the change in foreign currency rates. There is a significant scope for converting the raw cotton in to yarn, both for overseas and domestic markets. The investments in the downstream segments of weaving and processing will ensure that our company is always able to effectively utilize its installed capacity and its expansion in future.

➤ **DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company believes in acquisition, retention and betterment of talented team players. HRD activities are taken in the Company involving positive approach to develop employees to take care of productivity, quality and customer needs. The Company has to make constant efforts to manage labour shortages. To develop skilled labour, training facilities are provided to the employees in house or by deputing them to the machinery suppliers and to training institutes for specific training.

The Company has well developed management information system giving daily, monthly and periodical information to the different levels of management. Such reports are being analyzed and effective steps are taken to control the efficiency, utilization, productivity and quality in the Company.

➤ **INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal control system commensurate with its size and nature of business. The internal control systems are complemented by various Management information System (MIS) reports covering all areas. The management reviews and strengthens the controls periodically.

Apart from self-monitoring of the internal controls, there is a Chartered Accountant firm appointed to conduct internal audit of the Company's operations as approved by the Audit Committee. This firm presents their important observations to the Audit Committee that is chaired by an Independent Director. The internal auditors provide a reassurance to the affirmation given by the Management that the control systems are effective, operational and adequate.

The Audit Committee takes due cognizance of the observations made by the auditors and gives their suggestions for improvement. The suggestions of the Audit Committee further ensure the quality and adequacy of the control systems.

The Company has appointed internal auditors for all the 4 units. The internal control ensures that all assets were safeguarded and protected against loss through unauthorized use or disposition and transactions were authorized, recorded, noticed and reported correctly. While operating managers ensure compliance with their areas, internal auditors carry out audit test on randomly selected samples and report on non-compliance or weakness if any through internal audit reports of the respective unit/areas. These reports are reviewed by the management and then by Audit Committee of the Board for follow up action.

A report of Auditors pursuant to Sec 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Control is annexed with the Auditor's Report.

➤ **CAUTIONARY STATEMENT**

Statements in the Management Discussions and Analysis report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable security laws and regulation. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand and supply and price conditions in domestic and overseas market in which the company operates, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factor.

ANNEXURE - 8

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance Overview

The Company believes that Corporate governance provides a structure that works for the benefit of everyone concerned, by ensuring that the enterprise adheres to ethical standards, laws and accepted best practices. It imbibes the basic business ethics and values that need to be adhered to in letter and spirit.

We believe that a transparent, ethical and responsible corporate governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the culture of the organisation.

The Company has sought to consistently focus on good corporate governance by increasing transparency and accountability to its Shareholders and other Stakeholders.

The Company wishes to be a responsible partner in society, acting with integrity towards its shareholders, customers, employees and the Government. Therefore, we ensure highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact.

In India, Corporate Governance standards for listed companies are regulated by the Securities & Exchange Board of India (SEBI) through Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 i.e. "Listing Regulations" (effective from 1st December, 2015).

We believe, Corporate Governance is just not a destination, but a journey to constantly improve sustainable value creation. It is an upward moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in the following pages.

➤ **Best Corporate Governance Practices**

SRL maintains the standards of the Corporate Governance. It is the Company's constant endeavour to adopt the best Corporate Governance practices keeping in view the international code of Corporate Governance and practices of well-known global companies. Some of the governance norms implemented by the company includes:

1. All the Securities related filings with Stock Exchanges and SEBI are duly complied with.
2. The Company has Independent Board Committees for the matters related to Stakeholder's interface and Nomination and Remuneration of the Board members and Key Managerial Personnel.
3. The Company's internal audit is also conducted by Independent auditors.
4. The Secretarial Audit Report placed before the Board is included in the Annual Report under the heading Board's Report as **Annexure -1**.

➤ **Ethics / Governance Policies**

The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. In this direction, the Company has, *inter-alia*, adopted the following codes and policies which act as enablers to carry out our duties in an ethical manner:

- 1) Code of Conduct
- 2) Code of Conduct for Prohibition of Insider Trading
- 3) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- 4) Nomination and Remuneration Policy
- 5) Policy for Determination of Materiality of Events and Information for Disclosure
- 6) Policy for Preservation of Documents and Archival Policy
- 7) Related Party Transaction Policy
- 8) Risk Management Policy
- 9) Vigil Mechanism and Whistle-Blower Policy
- 10) Sexual Harassment Policy

➤ **Observance of Secretarial Standards issued by the Institute of Company Secretaries of India**

The Secretarial Standards on the Meetings of Board of Directors

(SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, are adhered to by the Company.

2. Board of Directors

2.1 Composition and Category of Directors

The Company's policy is to have optimum combination of Executive and Non-Executive Directors to maintain its independence and separate its function of governance and management. Listing Regulations mandate that for a company with an executive chairman, at least half of the Board should be independent directors. As on March 31, 2017, the Company's Board comprise of ten Directors as detailed below -

a) Three Executive Directors

- Mr. Vinod Kumar Ladia, Chairman & Whole Time Director
- Mr. Vikas Ladia, Managing Director & Chief Executive Officer
- Mr. Anubhav Ladia, Whole time Director

b) Seven Non-Executive Directors

- Mr. Narendra Nath Agrawala, NEID
- Mrs. Neelima Khetan, NEID
- Mr. Raj Singh Nirwan, NEID
- Mr. Ravinder Narain, NEID
- Mr. Roshan Lal Kunawat, NED
- Mr. Sunil Goyal, NEID
- Mr. Susheel Jain, NEID

#NEID - Non Executive Independent Director

#NED - Non Executive Director

A majority of the Board i.e. 6 (six) out of 10 are Independent Directors, i.e. 60% of the Board strength- more than the requirement of Listing Regulations. Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia are related to each other. Mr. Vinod Kumar Ladia being father of Mr. Vikas Ladia and Mr. Anubhav Ladia.

During the year, the shareholders in 36th Annual General Meeting held on 26th September, 2016 had approved the appointment / re-appointment of-

1. Mr. Vinod Kumar Ladia as Executive Chairman and Whole Time Director,
2. Mr. Vikas Ladia as Managing Director and Chief Executive Officer and
3. Mr. Anubhav Ladia as Whole time Director

The Executive and Non-Executive Directors are appointed/re-appointed by the Board and the shareholders, based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise & industry knowledge. The Directors do not have any pecuniary relationship with the Company except to the extent of the following:

- a) **Managing/Whole Time Directors** : Remuneration as per their terms of appointment and reimbursement of expenses actually incurred for the business of the Company, within the approved terms and conditions.

- b) **Non-Executive Directors** : Reimbursement of expenses and payment of sitting fees for the Board / Committee meetings attended by them.

2.2 Board Meetings

The Board of Directors met five times during the financial year on 30th May 2016, 6th August 2016, 10th October, 2016, 14th November 2016 & 10th February 2017. Notices of the meetings & Agenda along with explanatory notes, wherever required, for each meeting were sent to the Directors within prescribed time. The maximum time gap between any two consecutive meetings was less than one hundred and twenty days as prescribed in the Listing Regulations, the Companies Act, 2013 and Secretarial Standards.

2.3 Attendance & Directorship held

As mandated by Listing Regulations, none of the Directors are members of more than ten board-level committees nor they are Chairman of more than five Committees in which they are members. Further, all the Directors have confirmed that they do not serve as an Independent Director in more than seven listed companies or where they are Whole Time Director in any listed company, then they do not serve as Independent Director in more than three listed companies.

The details of categories of the Director on the Board, their attendance at Board meetings during the year & at last Annual General Meeting, and the number of Directorship, Committee memberships and Committee Chairmanship held by them in various other Companies are as under:-

S. No	Name and designation of the Director	Category	No. of Board Meetings held	No. of Board Meetings Attended	Attendance in Last AGM	No. of outside Directorship(s) ⁽¹⁾	No. of Committee Membership(s) ⁽²⁾	No. of Committee Chairmanship(s) ⁽²⁾	No. of shares / outstanding convertible share warrants (SW) held
1.	Mr. V.K. Ladia (DIN: 00168257) Promoter-CM & WTD	ED	5	5	Yes	8	-	-	Shares- 6,66,018 SW- 2,00,000
2.	Mr. Vikas Ladia (DIN: 00256289) Promoter Group - MD & CEO	ED	5	2	Yes	1	-	-	Shares- 4,02,515 SW- 1,00,000
3.	Mr. Anubhav Ladia (DIN: 00168312) Promoter Group-WTD	ED	5	5	Yes	5	-	-	Shares- 2,70,032
4.	Mr. R.L. Kunawat (DIN: 00196938)	NED	5	2	No	1	-	-	-
5.	Mr. N.N. Agrawala (DIN: 00168211)	NEID	5	3	Yes	-	-	-	Shares - 3,384
6.	Mrs. Neelima Khetan (DIN: 05113000)	NEID	5	3	No	-	-	-	-
7.	Mr. Raj Singh Nirwan (DIN: 00313799)	NEID	5	4	No	-	-	-	-
8.	Mr. Ravinder Narain (DIN: 00059197)	NEID	5	1	No	3	2	0	Shares - 6,000
9.	Mr. Sunil Goyal (DIN: 00110601)	NEID	5	3	No	2	-	-	-
10.	Mr. Susheel Jain (DIN: 00378678)	NEID	5	3	No	2	-	-	Shares - 29,567

Notes:

✧ CM	-	Chairman
✧ WTD	-	Whole Time Director
✧ MD & CEO	-	Managing Director & Chief Executive Officer
✧ ED	-	Executive Director
✧ NED	-	Non- Executive Director
✧ NEID	-	Non- Executive Independent Director

(1) Excluding Directorship in Shree Rajasthan Syntex Ltd.

(2) As required under Regulation 26 of the Listing Regulations, the disclosure includes membership / chairmanship of the Audit Committee & Stakeholder Relationship Committee in other companies.

D. Independent Director
I. Selection of Independent Directors

Considering the requirement of skills set on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation, and takes appropriate decision. Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under law.

II. Meetings of Independent Directors

As per provisions of Regulation 25 of Listing Regulations and Section 149 of the Companies Act 2013, read with Schedule IV mentioned therein, the Company's Independent Directors meet at least once in every year without the presence of Executive Directors or management personnel. Such meetings are conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Board of Directors. A meeting of Independent Directors was held during the year in which the following matters were duly taken on record as per the Listing Regulations and Schedule IV of the Companies Act, 2013:

- Performance Evaluation of Non- Independent Directors
- Performance Evaluation of Board as a whole
- Performance Evaluation of Chairman
- Assessment of quality, quantity, timeliness and efficiency of flow of Information between the Company, Management and the Board.

III. Familiarization Programme for Directors

The objective of a familiarization programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its shareholders.

In compliance with the requirements of Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model, etc.

During the year, Familiarization programmes were conducted for non-executive directors to update them about business related issues and new initiatives of the Company. At such meetings, the executive directors share point of views and leadership thought on relevant issues. An overview of the familiarization programme is placed on the Company's website at the link

<http://www.srsl.in/documents/Familiarization-Programme-ID.pdf>.

IV. Performance Evaluation Criteria For Directors

The Company has devised criteria for evaluation of the Directors including Independent Directors. The said criteria provide certain parameters like Attendance, Availability, Time spent, Preparedness, Active participation, Analysis, Objective discussions, Probing & testing assumptions, Industry & Business knowledge, Functional expertise, Corporate Governance, Development of Strategy & Long Term Plans, Inputs in strength area, Director's obligation and discharge of responsibilities, Quality and value of contributions and Relationship with other Board Members etc. which is in compliance with applicable laws, regulations and guidelines.

E. Information supplied to the Board

Minimum four Board meetings are held annually. Additional Board Meetings are convened by giving appropriate notice & agenda to address the Company's specific needs. The items / matters required to be placed before the Board *inter alia* includes:

- ❖ Annual operating plans of business and budgets including capital budgets and any updates
- ❖ Quarterly results of the Company and its operating divisions or business segments
- ❖ Company's Annual Financial Results, Financial Statements, Auditors Report & Board's Report
- ❖ Minutes of meetings of the Audit Committee and other Committees of the Board
- ❖ Non compliance of any regulatory, statutory or listing requirements and shareholder's service, such as dividend non payment, share transfer delay (if any) among others
- ❖ Appointment, remuneration and resignation of Directors
- ❖ Formation/reconstitution of Board Committees
- ❖ Terms of reference of Board Committees

❖ Declaration by independent directors at the time of appointment / annually	❖ Internal Audit findings and External Audit Reports (through the Audit Committees)
❖ Disclosures of Director's interest and their shareholding	❖ Status of business risk exposures, its management and related action plans
❖ The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary	❖ Making of loans and investment of surplus funds
❖ Show cause, demand, prosecution notices and penalty notices, which are materially important	❖ Borrowing of monies, giving guarantees or providing security in respect of loans
❖ Fatal or serious accidents, dangerous occurrences and any material effluent or pollution problems	❖ Brief on statutory developments, changes in government policies, among others with impact thereof,
❖ Any material default in financial obligations to and by the Company or substantial non payment for goods sold by the Company	❖ Director's Responsibilities arising out of any such developments
❖ Any issue which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company	❖ Compliance Certificate certifying compliances with all laws as applicable to the Company
❖ Details of any joint venture or collaboration agreement	❖ Various quarterly / half-yearly Compliances as mentioned below:-
❖ Transactions that involve substantial payment towards goodwill, brand equity or intellectual property	➤ Reconciliation of Share Capital Audit Report under Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
❖ Significant labour problems and their proposed solutions. Any significant development in human resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.	➤ Compliance Certificate ensuring maintenance of physical and electronic transfer facility as per Regulation 7(3) of "Listing Regulations"
❖ Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business	➤ Statement of Investor Complaints as per Regulation 13(3) of "Listing Regulations"
❖ Details of Foreign Exchange Exposures and the steps taken by management to limit the risks of adverse exchange rate, if material	➤ Corporate Governance Report as per Regulation 27 of "Listing Regulations"
❖ Annual Secretarial Audit Reports submitted by Secretarial Auditors	➤ Shareholding Pattern as per Regulation 31 of "Listing Regulations"
❖ Dividend declaration, if any	➤ Certificate from Practicing Company Secretary under Regulation 40(9) of "Listing Regulations"
❖ Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made	
❖ Significant changes in accounting policies and internal control system	
❖ Takeover of a company or acquisition of a controlling or substantial stake in another company	
❖ Statement of significant transactions, related party transactions and arrangements entered by unutilized subsidiary companies	
❖ Issue of securities	
❖ Appointment of and fixing of remuneration of the auditors as recommended by the Audit committee	

F. Code of Conduct

The Company has laid down a Code of Conduct for all the members of the Board of Directors and Senior Management Personnel for avoidance of conflict of interest. The Directors and Senior Management Personnel have confirmed compliance with Code of Conduct for the financial year 2016-17. A copy of the Code is available on the Company's website at the following web link <http://www.srsl.in/documents/CODE.pdf> also. The Chief Executive Officer has given a certificate of compliance with the Code of Conduct which forms part of **Annexure-8**, as required under Regulation 34 read with Schedule V of Listing Regulations.

There were no material, financial and commercial transactions in which the Senior Management Personnel had personal interest which could lead to potential conflict of interest with the Company during the year.

3. Audit Committee

The Audit Committee's composition meets with the requirement

of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. Members of the Audit Committee possesses financial / accounting expertise / exposure.

Composition: As on March 31, 2017 the Audit Committee comprises of 6 Directors, Mr. Raj Singh Nirwan, Mr. Narendra Nath Agrawala, Mr. Roshan Lal Kunawat, Mr. Sunil Goyal, Mr. Susheel Jain and Mr. Vinod Kumar Ladia. All the members of the committee except Mr. Vinod Kumar Ladia, are Non Executive Directors. Mr. Raj Singh Nirwan, Independent Director, is the Chairman of the Committee. There has been no change in the composition of the committee during the year. The Company Secretary is the Secretary to the Committee.

Meeting details: Four meetings of the Audit Committee were held during the financial year 2016-17, on 30th May 2016, 6th August 2016, 14th November 2016 & 10th February 2017. The accounts and financial positions were perused by the Audit Committee and thereafter placed before the Board for their consideration. The details of meetings and attendance were duly minutised.

The Composition and attendance record of the members of the Audit Committee meetings are as follows:

Sl. No.	Name of the Directors	Position held in the committee	Category	No. of meetings held	No. of meetings attended
01	Mr. Raj Singh Nirwan	Chairman	NEID	4	4
02	Mr. Narendra Nath Agrawala	Member	NEID	4	2
03	Mr. Roshan Lal Kunawat	Member	NED	4	2
04	Mr. Sunil Goyal	Member	NEID	4	3
05	Mr. Susheel Jain	Member	NEID	4	2
06	Mr. Vinod Kumar Ladia	Member	WTD	4	4

Notes:

- ✧ NED - Non- Executive Director
- ✧ NEID - Non- Executive Independent Director
- ✧ WTD - Whole Time Director

The Chief Financial Officer and Auditors are invitees to the Audit Committee Meetings. Mr. Raj Singh Nirwan, Chairman, authorised Mr. Narendra Nath Agrawala (member of the Audit Committee) to attend the 36th Annual General Meeting (AGM) of the Company, on his behalf, which was held on September 26, 2016.

Powers of the Audit Committee *inter alia* include the following:

- ✧ To investigate any activity within its terms of reference.
- ✧ To seek information from any employee.
- ✧ To obtain outside legal or other professional advice.

- ✧ To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of Reference of Audit Committee:

- ✧ Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient & credible;
- ✧ Recommendation of the appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company;
- ✧ Approving of payment to statutory auditors, including cost auditors, for any other services rendered by them;
- ✧ Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by the management;
 - Significant adjustments made in financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statement;
 - Disclosure of any related party transactions; and
 - Qualifications in draft audit report.
- ✧ Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- ✧ Reviewing and monitoring the auditors independence and performance and effectiveness of audit process;
- ✧ Approval or any subsequent modification of transactions of the Company with related parties;
- ✧ Scrutiny of inter-corporate loans and investments;
- ✧ Valuation of undertakings or assets of the Company, wherever it is necessary;
- ✧ Evaluation of internal financial controls and risk management system;
- ✧ Reviewing with the management, performance of statutory auditors, cost auditors & internal auditors, adequacy of internal control systems;
- ✧ Discussion with internal auditors on any significant findings and follow up thereof;
- ✧ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- ❖ Approval of appointment of Chief Financial Officer of the Company;
- ❖ To review the functioning of the Whistle Blower Mechanism;
- ❖ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- ❖ Reviewing the following information:
 1. The management discussions and analysis of financial condition and results of operations.
 2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
 4. Internal auditor reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of internal auditors/ chief internal auditor.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee's composition meets with requirement of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. Members of this Committee possess sound expertise / knowledge / exposure.

Composition: As on March 31, 2017 the Nomination and Remuneration Committee comprises of 4 Directors, Mr. Narendra Nath Agrawala, Mr. Raj Singh Nirwan, Mr. Roshan Lal Kunawat and Mr. Vinod Kumar Ladia (inducted as a new member of the Nomination and Remuneration Committee in the Board Meeting held on 30th May, 2016). All the members of the committee except Mr. Vinod Kumar Ladia, are Non Executive Directors. Mr. Narendra Nath Agrawala is the Chairman of the Committee. The Company Secretary is the Secretary to the Committee.

Meeting details: Two meetings of the Nomination & Remuneration Committee were held during the financial year on 9th May 2016 and 3rd August, 2016. The details of meeting and attendance were duly minutised.

The Composition and attendance record of the members of the Nomination and Remuneration Committee meetings are as follows:

Sl. No.	Name of the Directors	Position held in the committee	Category	No. of meetings held	No. of meetings attended
01	Mr. Narendra Nath Agrawala	Chairman	NEID	2	2
02	Mr. Raj Singh Nirwan	Member	NEID	2	0
03	Mr. Roshan Lal Kunawat	Member	NED	2	2
04	Mr. Vinod Kumar Ladia	Member	WTD	1	1

Notes:

- ❖ NED - Non- Executive Director
- ❖ NEID - Non- Executive Independent Director
- ❖ WTD - Whole Time Director

Terms of Reference of the Committee, inter alia, includes the following:

- ❖ To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommended to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- ❖ To formulate the criteria for evaluation of performance of Independent Director and Board of Directors.
- ❖ To devise a policy on Board Diversity;
- ❖ To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- ❖ To extend or continue the term of appointment of the Independent Director, on the basis of the report of Performance Evaluation of Independent Director.
- ❖ To perform such other functions as may be necessary or appropriate for the performance of its duties.

Nomination & Remuneration Policy

The Company has duly formulated the Nomination & Remuneration Policy enclosed in the Board's Report as **Annexure - 5** and is also available at Company's website at

http://www.srsl.in/documents/NOMINATION_AND_REMUNERATION_POLICY.pdf which includes:

- 1) Appointment Criteria and Qualifications of Director, KMP and Senior Management & their Removal.
- 2) Term / Tenure of Managing Director / Whole Time Director/ Independent Director.
- 3) Criteria for evaluation.
- 4) Policy for Remuneration to Managing Director / Whole-Time Director / Key Managerial Personnel & Non-Executive / Independent Director

Remuneration to Directors in fiscal 2017

Details of Remuneration / Sitting fees paid to Directors for the year 2016-17 on the basis of Nomination & Remuneration Policy is given below:

(In Rupees)

Name and designation of Director	Category	Period of service contract	Salary	Allowances	Perquisites	Sitting fee	Total
Mr. V.K. Ladia (CM & WTD)	ED	3 yrs.	26,10,000	4,93,200	3,29,898	-	34,33,098
Mr. Vikas Ladia (MD & CEO)	ED	3 yrs.	20,60,000	2,47,200	2,58,382	-	25,65,582
Mr. Anubhav Ladia (WTD)	ED	3 yrs.	14,72,000	1,76,640	1,63,568	-	18,12,208
Mr. R.L. Kunawat	NED	-	-	-	-	28,000	28,000
Mr. N.N. Agrawala	NEID	5 yrs.	-	-	-	35,000	35,000
Mrs. Neelima Khetan	NEID	5 yrs.	-	-	-	21,000	21,000
Mr. Raj Singh Nirwan	NEID	5 yrs.	-	-	-	56,000	56,000
Mr. Ravinder Narain	NEID	5 yrs.	-	-	-	7,000	7,000
Mr. Sunil Goyal	NEID	5 yrs.	-	-	-	42,000	42,000
Mr. Susheel Jain	NEID	5 yrs.	-	-	-	35,000	35,000

Notes:

- ✧ CM - Chairman
- ✧ WTD - Whole Time Director
- ✧ MD & CEO - Managing Director & Chief Executive Officer
- ✧ ED - Executive Director
- ✧ NED - Non- Executive Director
- ✧ NEID - Non- Executive Independent Director

Employment agreements with Executive Directors

The Shareholders in the 36th Annual General Meeting held on 26th September, 2016 had approved the appointments / re-appointments and remuneration of Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia.

Key Details of Appointments / Re-appointment and Notice period of Chairman, Managing Director and Executive Director are as below -

- Appointment & terms thereof (including remuneration), of Mr. Vinod Kumar Ladia, Chairman & Whole Time Director, has been approved for 3 (three) years w.e.f. 1st June, 2016 to 31st May, 2019 with 6 months notice period.
- Appointment & terms thereof (including remuneration), of Mr. Vikas Ladia, Managing Director & Chief Executive Officer, has been approved for 3 (three) years w.e.f. 1st June, 2016 to 31st May, 2019 with 6 months notice period.
- Re-appointment & terms thereof (including remuneration), of Mr. Anubhav Ladia, Whole time Director, has been approved for 3 (three) years w.e.f. 1st June, 2016 to 31st May, 2019 with 6 months notice period.

- ❖ The remuneration to Executive / Whole Time Directors is paid as determined/ recommended by the Nomination and Remuneration Committee and Board of Directors.
- ❖ Details of fixed component and performance linked incentive along with the performance criteria : *Salary has fixed component only and no performance linked incentive.*

Non-executive Director's remuneration

Non-Executive Directors are being paid Sitting fee plus reimbursement of the expenses, for each meeting of the Board of Directors and Audit Committee.

- Further, no severance fees has been paid during the year.

5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee composition meets with requirement of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations. The Stakeholders Relationship Committee is primarily responsible to review all grievances connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints.

Composition: As on March 31, 2017 the Stakeholders Relationship Committee comprises of 3 Directors : Mr. Roshan Lal Kunawat, Mr. Narendra Nath Agrawala and Mr. Vinod Kumar Ladia. All the members of the committee except Mr. Vinod Kumar Ladia, are Non-Executive Directors. Mr. Roshan Lal Kunawat, Non Executive Director, is the Chairman of the Committee. There has been no change in the composition of the committee during the year. Ms. Ravina Soni, Company Secretary cum Compliance Officer is the Secretary of the Committee.

Meeting details: Four meetings of the Stakeholders Relationship Committee were held during the financial year on 9th May 2016, 3rd August, 2016, 14th November, 2016 & 3rd February 2017. The details of meeting and attendance are duly minuted.

The Composition and attendance record of the members of the Stakeholders Relationship Committee meetings are as follows:

Sl. No.	Name of the Directors	Position held in the committee	Category	No. of meetings held	No. of meetings attended
01	Mr. Roshan Lal Kunawat	Chairman	NED	4	4
02	Mr. Narendra Nath Agrawala	Member	NEID	4	3
03	Mr. Vinod Kumar Ladia	Member	WTD	4	4

Notes:

- ✧ NED - Non- Executive Director
- ✧ NEID - Non- Executive Independent Director
- ✧ WTD - Whole Time Director

Number of Shareholder's complaints received and resolved during the financial year 2016-17

Details of queries and grievances received and addressed by the Company during FY 2016-17 is given in the below Table.

Nature of Complaints	Number
Number of complaints received from the investors comprising non-receipt of dividend warrants, non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / SEBI (SCORES) and so on	4
Number of complaints resolved	4
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2017	Nil
Complaints pending as on March 31, 2017	Nil
Number of Share transfers pending for approval, as on March 31, 2017	Nil

6. Sub-Committee

Sub-Committee of Board of Directors deals with various matters including transfer of shares, transmission of shares, issue of duplicate share certificates, approving the split, consolidation requests, demat requests and other matters relating to Securities, etc. And such other matters as authorised by the Board of Directors. During the year, pursuant to Regulation 40 of the Listing Regulations, Board of Directors delegated the power of transfer & transmission of shares, issue of duplicate share certificate, approving the split, consolidation requests, demat requests and other matters relating to Securities, etc. to the Registrar and Share Transfer Agent (RTA) of the Company.

Composition: The Sub-Committee of the Board consisting of Mr. Anubhav Ladia, Mr. Narendra Nath Agrawala, Mr. Roshan Lal Kunawat, Mr. Vikas Ladia and Mr. Vinod Kumar Ladia. There has been no change in the composition of the committee during the year. The Company Secretary is the Secretary of the Committee.

Meeting details: During the year 2016-17, Eighteen (18) meetings of Sub-Committee of the Board were held. Two members constitute the quorum for each meeting. The meetings were held on 4th April 2016, 14th April, 2016, 30th April 2016, 31st May 2016, 30th June 2016, 21st July 2016, 9th August 2016, 6th September 2016, 30th September 2016, 25th October 2016, 30th November 2016, 20th December 2016, 28th December 2016, 20th January, 2017, 27th February 2017, 10th March 2017, 20th March, 2017 and 27th March, 2017. The Composition and attendance record of the members of the Stakeholders Relationship Committee meetings are as follows:

Sl. No.	Name of the Directors	Position held in the committee	Category	No. of meetings held	No. of meetings attended
01	Mr. Anubhav Ladia	Member	WTD	18	15
02	Mr. Narendra Nath Agrawala	Member	NEID	18	16
03	Mr. Roshan Lal Kunawat	Member	NED	18	12
04	Mr. Vikas Ladia	Member	MD	18	6
05	Mr. Vinod Kumar Ladia	Member	WTD	18	15

Notes:

- ✧ MD - Managing Director
- ✧ NED - Non- Executive Director
- ✧ NEID - Non- Executive Independent Director
- ✧ WTD - Whole Time Director

Terms of Reference of the Committee, *inter alia*, includes the following:

- 1) The Sub-Committee of the Board of Directors is authorised to delegate the below authority in part or in full, with or without modification, to the officers of the Company - Authorization to represent / to appear on behalf of the Company including all the divisions of the Company viz. Shree Rajasthan Syntex, Shree Rajasthan Texchem & Shree Rajasthan Polycot before any Court, any State/Central Government Office, any Executive, Quasi Judiciary, Judiciary and/or other Government authorities including Ajmer Vidyut Vitran Nigam Ltd, Pollution Control Board, P.F., E.S.I., Telephone, C.E.S.T.A.T / Tribunal, Sales Tax, Income Tax, Central Excise & Customs, Coal suppliers, Lignite suppliers etc. and to sign, verify, submit any writ, civil suit application, labour suit application, criminal suit application, affidavit, agreement, petition, documents, appeals, returns, bonds, challan, invoices, legal undertakings, bank guarantees, registers, letters & other papers on behalf of the Company including all the divisions before any such Court, department/authorities, companies, etc. and to do all other acts and things necessary in connection with any of the said matters.
- 2) The Sub-Committee is authorised to approve and take on record the below matters related to shares-
 - Share Transfer
 - Share Transmission
 - Demat/Remat Request
 - Splitting of Shares
 - Consolidation of Shares
 - Conversion of Shares
 - Issue of Duplicate Share Certificate.
- 3) The Sub-Committee is authorised to approve and take on record the following registers received by the Company from Registrar and Share Transfer Agent (RTA), M/s Mas Services Ltd.-
 - Share Transfer Register
 - Share Transmission Register
 - Demat/Remat Request Register
 - Renewed and Duplicate Share Certificate Register
 - Any other related registers.
- 4) The Sub-Committee is authorised to approve the below transaction related to financial assistance taken by the Company -
 - Execution of Revival Letter for revival of documents executed by the Company for availment of various credit facilities.
 - Review of existing Credit Facilities with various banks.
 - Renewal and enhancement of working capital facilities
 - Renewal of Financial Assistance provided by various banks.

- 5) Miscellaneous Facilities provided by banks-
 - Increase or decrease in LC limit.
 - Overdraft Facilities
- 6) The Sub-Committee is authorised to approve the below matters related to banking facilities taken by the Company -
 - a. Opening of various bank accounts such as-
 - Current Account
 - Cash Credit Account
 - Demat Account
 - b. Closure of various bank accounts such as -
 - Current Account
 - Cash Credit Account
 - Demat Account
 - c. Internet Banking and Online Banking Facilities.
 - d. Delegation of Authority for operation of bank account.

7. General Body Meetings

7.1 ANNUAL GENERAL MEETINGS

Last 3 Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Venue
2015 -16	26 th September 2016	2.30 PM	Regd. Office : SRSL House, Pulla Bhuwana Road, NH 8, Udaipur -313 004 (Raj.)
2014 -15	29 th September 2015	2.30 PM	Regd. Office : SRSL House, Pulla Bhuwana Road, NH 8, Udaipur -313 004 (Raj.)
2013 -14	17 th September 2014	2.30 PM	Regd. Office : SRSL House, Pulla Bhuwana Road, NH 8, Udaipur -313 004 (Raj.)

The details of Special Resolutions passed at Annual General Meetings during last 3 years i.e. 2016, 2015 and 2014 are as under:-

Sl. No.	AGM held on	Special Resolution passed
01	26 th September, 2016	<ol style="list-style-type: none"> 1. Approval for appointment of Mr. Vinod Kumar Ladia (DIN: 00168257) as an Executive Chairman and Whole Time Director of the Company for the period of 3 (Three) years w.e.f. 1st June, 2016 to 31st May, 2019. 2. Approval for appointment of Mr. Vikas Ladia (DIN: 00256289) as Managing Director & Chief Executive Officer of the Company for the period of 3 (Three) years w.e.f. 1st June, 2016 to 31st May, 2019. 3. Approval for re-appointment of Mr. Anubhav Ladia (DIN: 00168312) as an Executive Director of the Company for the period of 3 (Three) years w.e.f. 1st June, 2016 to 31st May, 2019. 4. Approval for issue of 3,70,000 Non-Cumulative Preference Shares of Rs. 100/-each on Private Placement Basis. 5. Approval for issue of 13,00,000 Convertible Share Warrants to Promoter / Promoter Group of the Company on preferential basis.

02	29 th September, 2015	<ol style="list-style-type: none"> 1. Approval for Related Party Transactions with M/s PBS Marketing Pvt. Ltd. u/s 188 of the Companies Act, 2013. 2. Acceptance of deposits from members u/s 73 of the Companies Act, 2013.
03	17 th September, 2014	<ol style="list-style-type: none"> 1. Approval of borrowing powers in terms of Section 180 (1) (c) of the Companies Act, 2013 2. Approval for Related Party Transactions with M/s Shree Shyam Distributors & Marketing Pvt. Ltd. u/s 188 of the Companies Act, 2013. 3. Approval for Related Party Transactions with M/s Rajasthan Yarn Syndicate u/s 188 of the Companies Act, 2013. 4. Approval for Related Party Transactions with M/s V. K. Texchem u/s 188 of the Companies Act, 2013. 5. Approval for Related Party Transactions with M/s Divine Fibres Pvt. Ltd. u/s 188 of the Companies Act, 2013. 6. Acceptance of deposits from members u/s 73 of the Companies Act, 2013.

*No Extraordinary General Meeting of Shree Rajasthan Syntex Limited was held during the year.

7.2 POSTAL BALLOT

During the year, no resolution has been passed through postal ballot. Also, no special resolution is proposed to be conducted through postal ballot. Further, none of the business proposed to be transacted in the ensuing Annual General Meeting requires passing through postal ballot.

8. Means of Communication

(a) Quarterly Results:- The Company's quarterly, half yearly & yearly results in the form prescribed under Listing Regulations were sent to the Stock Exchange, where the shares are listed and also made available on company's website at www.srsl.in.

(b) Newspaper wherein results were published:- As stipulated under Regulation 47 of the Listing Regulations, the Quarterly Results were published in one English National Newspaper and one Hindi Newspaper within 48 hours of the conclusion of the Board meeting in which the results were approved. Notice and Financial Results (Audited / Unaudited) were published in Financial Express and Nafa-nuksan within the prescribed time.

(c) Website:- The Company's website www.srsl.in contains a separate dedicated section '*Corporate Governance*' where shareholders information is available. The Company's Annual Report is also made available in a user friendly and downloadable form.

(d) Annual Report:- The Annual Report containing, *inter alia*, Board's Report, Audited Financial Statements, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management's Discussions and Analysis (MD&A) Report forms part as **Annexure - 7** of the Annual

Report. Annual Report is made available on the Company's website www.srsl.in also.

(e.) News releases, presentations, among others:- Official news releases and official media releases, if any, were sent to Stock Exchanges and also made available on company's website at www.srsl.in.

(f.) Designated Exclusive email ID:- The Company has designated the following email ids exclusively for investor servicing:

For queries on Annual Report: cs@srsl.in

For queries in respect of shares in physical mode:

mas_serve@yahoo.com

9. General Shareholder Information:

a) Annual General Meeting

Day and Date : 26th September, 2017
Time : 2.30 P.M.
Venue : At the Registered Office of the Company at 'SRSL House', Pulla Bhuwana Road, N.H.No.8, Udaipur 313 004

b) Financial year : 1st April, 2016 - 31st March, 2017

*Financial Calendar Particulars April 01, 2016 to March 31, 2017

Unaudited Financial Results for

Qtr. ended June 30, 2016 : 06.08.2016

Unaudited Financial Results for

Half Year ended September 30, 2016 : 14.11.2016

Unaudited Financial Results for

Third Qtr. ended December 31, 2016 : 10.02.2017

Audited Financial Results for

the year ending March 31, 2017 : 30.05.2017

As per Regulation 33 of the Listing Regulations Quarterly Results were submitted to Stock Exchange within 45 days of end of each Quarter (except last quarter) and year to date standalone Financial Results within 60 days of end of last quarter.

The below mentioned Tentative Financial Calendar is as per the Listing Regulations:-

*Financial Calendar Particulars April 01, 2017 to March 31, 2018 (Tentative)

1. First Quarter Results : In or before the 2nd week of September, 2017
2. Second Quarter & Half Yearly Results : In or before the 2nd week of December, 2017
3. Third Quarter & Nine-months Results : In or before the 2nd week of February, 2018
4. Fourth Quarter & Annual Results : In or before the 4th week of May 2018

***Annual General Meeting 2017-18** : Second week of September, 2018 (Tentative schedule)

***Date of Book Closure** : Wednesday, 20th September, 2017 to Tuesday, 26th September, 2017

c) Dividend Payment Date : N.A.

d) Listing on Stock Exchanges : At present the equity shares of the company are listed on Bombay Stock Exchange (BSE Ltd.), Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001. The Annual Listing fees for the financial year 2017-18 to BSE Ltd. has been paid.

e) Payment of Depository Fees : Annual Custody/Issuer fee for the year 2017-18 has been paid by the Company to NSDL & CDSL on receipt of the invoices.

f) Stock Code : 503837 with BSE Ltd.

g) Market price data and Performance in comparison to broad based indices:

Month	Shree Rajasthan Syntex Ltd.		BSE Ltd.	
	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)
April, 2016	9.18	6.91	26,100.54	24,523.20
May, 2016	10.92	8.66	26,837.20	25,057.93
June, 2016	10.92	8.62	27,105.41	25,911.33
July, 2016	14.30	10.52	28,240.20	27,034.14
August, 2016	14.57	10.20	28,532.25	27,627.97
September, 2016	14.99	11.00	29,077.28	27,716.78
October, 2016	15.99	11.53	28,477.65	27,488.30
November, 2016	17.50	10.11	28,029.80	25,717.93
December, 2016	17.50	9.85	26,803.76	25,753.74
January, 2017	16.90	11.01	27,980.39	26,447.06
February, 2017	15.90	12.60	29,065.31	27,590.10
March, 2017	14.99	12.33	29,824.62	28,716.21

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



h) Registrar and Share Transfer Agent : M/s. MAS Service Ltd.

T-34, 2nd Floor, Okhla Industrial Area, Phase -II New Delhi - 10024
Phone-011-26387281, 7282, 7283 Fax-011-26387384

i) Share Transfer System: Share transfers are normally effected within a period of 15 days from the date of receipt, if all required documentation is submitted. Earlier the share transfer requests were dealt by the Registrar and Share Transfer Agent (RTA) of the Company and thereafter share transfer requests were approved by the Sub- Committee and the status of the share transfers were reported to the Board.

During the year, pursuant to Regulation 40 of the Listing Regulations, Board of Directors delegated the power of transfer & transmission of shares, issue of duplicate share certificate, approving the split, consolidation requests, demat requests and other matters relating to Securities, etc. to the Registrar and Share Transfer Agent (RTA) of the Company. Therefore, now the share transfer requests are dealt and approved by the Registrar and Share Transfer Agent (RTA) of the Company and the status of the share transfers are reported directly to the Board in each of subsequent Board Meeting.

The Company obtains from a Company Secretary in Practice, Half-yearly Certificate of compliance with the share transfer formalities as required under Regulation 40 of Listing Regulations and file a copy of the said certificate with Stock Exchange.

j) Shareholding Pattern

The detailed report on the shareholding pattern of the Company as on March 31, 2017 is presented in MGT-9 enclosed in the Board's Report as **Annexure -2**.

k) Distribution of Shareholding as on 31st March, 2017

Table 1 Shareholding pattern by size :

Shareholding of Nominal value (Rs)	No. of shareholders	Total No. of shares	% of share holding
1 - 5,000	10,365	13,65,299	10.45
5,001 - 10,000	554	4,39,293	3.37
10,001 - 20,000	250	3,74,775	2.87
20,001 - 30,000	93	2,29,623	1.76
30,001 - 40,000	55	1,91,189	1.47
40,001 - 50,000	35	1,64,057	1.26
50,001 - 1,00,000	64	4,41,382	3.38
1,00,001 & above	111	98,46,683	75.44
Total	11,527	1,30,52,301	100.00

Table 2 Shareholding pattern by ownership :

Shareholders	No. of shares held	% of total shares held
Promoter & promoter group	58,45,211	44.78
Foreign Institutional Investors	150	0.00
Mutual Funds /UTI	4,485	0.03
Banks	660	0.01
Corporate Bodies	9,50,837	7.28
Non -Resident Indian / OCB's	1,62,482	1.25
Public	60,88,476	46.65
Total	1,30,52,301	100.00

Table 3 Shareholding pattern category wise :

Category	Number of shareholders	Shareholders (%)	Number of shares held	Shareholding (%)
Electronic	4,628	40.15	1,16,54,724	89.29
Physical	6,899	59.85	13,97,577	10.71
Total	11,527	100	1,30,52,301	100.00

l) Dematerialization of Shares and Liquidity

As on 31st March 2017, 89.29% of the Company's equity shares have been dematerialized. The Company has entered into an agreement with both National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) whereby shareholders have the option to dematerialize their shares with the Depositories.

International Securities Identification Number (ISIN) of the Company is INE796C01011.

m) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity: During the year 2016-17, the Company has raised its paid up capital by issue of 13,00,000 *convertible share warrants* to promoter & promoter group on preferential basis. The Board of Directors and shareholders in their meeting held on 6th August, 2016 and 26th September, 2016 respectively approved such issue. Subsequently, as per the option of conversion exercised by the allottees, the Board of Directors in their meeting held on 10th February, 2017 had allotted 6,50,000 equity shares. Accordingly, as on 31st March, 2017 the paid up capital increased from Rs. 12,40,23,010 to Rs. 13,05,23,010. Also, these shares are listed on the BSE Ltd. platform.

Further, 6,50,000 convertible share warrants are outstanding as on 31st March, 2017 and the option of conversion of share warrants into equity shares can be exercised within 18 (eighteen) months from the date of allotment of the Warrants i.e. upto April 9, 2018.

If option of conversion of the share warrants is exercised by the allottees during the financial year 2017-18, it will result into increase in the paid up capital of the Company.

n) Disclosures of commodity price risks or foreign exchange risk and commodity hedging activities

The Company is a large exporter and has natural hedging for its foreign currency exposures and the Company has zero defaults in repaying any of the foreign currency borrowings.

o) Plant Locations

i) Shree Rajasthan Syntex Ltd.,

Village - Udaipura, Simalwara Road, Dungarpur - 314 001 (Raj.) Tel: 02964 - 302400 Fax: 02964 - 302500

ii) Shree Rajasthan Polycot (A Div. of Shree Rajasthan Syntex Ltd.)

Simalwara Road Dungarpur- 314001 (Raj.) Tel: 02964 - 302400 Fax: 02964- 302503

iii) Shree Rajasthan Texchem (A Div. of Shree Rajasthan Syntex Ltd)
Village - Patapura, Simalwara Road Dungarpur - 314 001 (Raj.) Tel:
02964 - 302400, Fax: 02964- 302502

p) Address for correspondence : 'SRSL House', Pulla Bhuwana Road
/Registered office N.H. No.8, Udaipur, (Raj.) - 313 004

10. Insider Trading / Formulation and Adoption of Code of Fair disclosures and Code of Conduct Related to Insider Trading of Shares as per SEBI (Prohibition of Insider Trading) Regulations, 2015 w.e.f. 15.05.2015

Your company was governed under SEBI (Prohibition of Insider Trading) Regulations, 1992 along with its main amendments in 2008 and 2011 till 14th May, 2015. Further, pursuant to SEBI vide its notification No. LADNRO/GN/2014-15/21/85 dated 15th January, 2015 has notified SEBI (Prohibition of Insider Trading) Regulations 2015. This regulation has come into the effect from 14th May 2015 and it overrides the previous regulations of code of internal procedures and conduct framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992 inter alia to prevent insider trading in the shares of the Company. Accordingly, the company has duly formulated and adopted the following codes w.e.f. 15.05.2015:

01. Code of Practices And Procedures For Fair Disclosure of Unpublished Price Sensitive Information.

02. Code Of Conduct To Regulate, Monitor And Report Trading By its Employees & Other Connected Persons towards achieving compliance with regulations.

11. Compliance Officer & Role of Company Secretary in overall Governance process

The Company Secretary plays a key role in ensuring that the Board (including the committees thereof) procedures are followed & regularly reviewed. Ms. Ravina Soni, Company Secretary and Compliance Officer, has been designated by the Board as the Compliance Officer for complying with requirements of the Companies Act, 2013 & Rules made there under, Securities Laws and Listing Regulations. As per the requirement of the Companies Act, 2013 she is also a part of Key Managerial Personnel.

12. Risk Management

The Company has a well defined risk management framework in place. Under this framework, the management identifies and monitors business risks on continuous basis and initiated appropriate risk mitigation steps as & when deemed necessary. The Company has established plans & procedures to periodically place before the Board, risk assessment and minimization procedures being followed by the Company and the steps taken to mitigate those risks through this framework. Given below is the Risk Management Plan:-

The risk management plan comprised of the following 5 steps :

- i) Identification of risk
- ii) Defining the risk in detail
- iii) Analyzing the risk
- iv) Evaluating various aspects linked to the risk
- v) Treatment of risk

13. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

A certificate duly signed by CEO and CFO of the Company was placed at the Board meeting of the Company held on 30th May, 2017 which forms part of **Annexure -8** as per requirement of Regulation 17(8) of Listing Regulations.

14. BSE Corporate Compliance & Listing Centre (The Listing Centre)

BSE's Listing Centre is a web based application designed for corporate. All periodical compliances filings like shareholding pattern, corporate governance report, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redressal System (SCORES): The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

15. Other Disclosures

a) Related party transactions - Disclosure on materially significant related party transactions that may have potential conflict with the interests of Company at large.

None of the RPT have potential conflict with the interests of Company at large. Further, the details of Related Party Transactions are provided in form AOC-2 attached under the head of Board's Report as **Annexure -3**. The Related Party Transaction Policy is also available at the website of the Company at the link

<http://www.srsl.in/documents/RPT-POLICY.pdf>

b) Details of non-compliance by the Company, penalties and strictures imposed on the company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related to capital markets during last three years.

- i) There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.
- ii) Stock option details, if any, and whether the same has been

issued at a discount as well as the period over which accrued and over which exercisable - No stock option issued.

c) Whistle Blower Policy / Vigil Mechanism

Pursuant to Section 177 (9) & (10) of the Companies Act, 2013 and as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Vigil Mechanism / Whistle Blower Policy was formulated to provide an opportunity to employees and an avenue to raise concerns about the unethical behavior actual or suspected fraud or violation of the Company's code or ethics policy and to access in good faith the Audit Committee, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

The Vigil Mechanism / Whistle Blower Policy and any matters arising towards such policy shall be overseen by the Audit Committee on the basis of the following details;

- a) Internal Policy & Protection under Policy.
- b) Safeguards against Harassment or Victimization:
- c) False Allegation & Legitimate Employment Action.
- d) Disclosure to the Head of Department/Audit Committee
- e) Accountability - Head of Department/ Managing Director/Audit Committee.
- f) Procedure of vigil mechanism.

The Whistle Blower Policy of the Company is also available on the website of the Company at the link
<http://www.srsl.in/documents/WHISTLE-BLOWER-POLICY.pdf>.

During the year, no whistle blower event was reported & mechanism is functioning well. Further, no personnel has been denied access to the Audit Committee.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Listing Regulations.

The Company complies with all the requirements of the Listing Regulations. Your Company has complied with the mandatory requirements and has ensured the implementation of non-mandatory items such as -


- ❖ Separate person to the post of Chairman, and CEO & MD.
- ❖ Unmodified audit opinions / reporting.

16. Non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Para C to Schedule V of the Listing Regulations.

The Company has complied with all the requirements in this regard, to the extent applicable.

17. The Company is in compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations, and Disclosure Requirements) Regulations, 2015.

For and on behalf of Board of Directors
 For Shree Rajasthan Syntex Limited


VIKAS LADIA
 (Managing Director and
 Chief Executive Officer)
 DIN: 00256289


ANUBHAV LADIA
 (Executive Director)
 DIN: 00168312

Place: New Delhi
 Date: 5th August, 2017

Declaration affirming compliance with Code Of Conduct

I hereby confirm & declare that all the Board members and Senior Management Personnel have individually affirmed compliance with the Code of Conduct adopted by the Company for the financial year ended 31st March, 2017.

Place : Udaipur
 Date : 30th May, 2017


VIKAS LADIA
 (Chief Executive Officer)
 DIN: 00256289

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The Board of Directors

Shree Rajasthan Syntex Ltd.

Dear Members of the Board,

We, Vikas Ladia, Managing Director and Chief Executive Officer and Mr. Vinay Punjawat, Chief Financial Officer, of Shree Rajasthan Syntex Ltd., to the best of our knowledge and belief, certify that :

a) We have reviewed financial statements and the cash flow statement for the year 2016-2017 and that to the best of our knowledge and belief :

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2016-17 which are fraudulent, illegal or violative of the company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee –

i) significant changes in internal control over financial reporting during the year 2016-17

ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and

iii) instances of significant fraud of which we have become aware 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.



VIKAS LADIA
(Managing Director
& Chief Executive Officer)
DIN: 00256289



VINAY PUNJAWAT
(Chief Financial Officer)

Place : Udaipur
Date : 30th May, 2017

ANNEXURE - 9**M. C. BHANDARI & CO.****CHARTERED ACCOUNTANTS****22 Gaurav Nagar, Civil Lines Jaipur 302006****Mob. 9928000773 Email- chaturvedivs@gmail.com****To,****The Members of Shree Rajasthan Syntex Ltd**

We have examined the compliance of conditions of Corporate Governance by Shree Rajasthan Syntex Ltd, for the year ended on 31st March, 2017 as stipulated in Schedule V(E) of Listing Regulations, of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Regulation. 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 the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations with relevant Stock Exchange.

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

For M. C. BHANDARI & Co.
Chartered Accountants
Firm Reg. No. 303002E


CA V. Chaturvedi**Partner****Membership No. : 013296****Place: Jaipur****Date: 5th August, 2017**

M. C. BHANDARI & CO.
CHARTERED ACCOUNTANTS

22 GAURAV NAGAR, HAWA SADAK, CIVIL LINES, JAIPUR 302001

Independent Auditor's Report

To the Members of Shree Rajasthan Syntex Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Shree Rajasthan Syntex Ltd., which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on 31st March, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements, 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
-

2. As required by section 143(3) of the Act, we report that:
- a) we have sought and 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act.
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in Annexure "B", and
 - g) with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, in our opinion and to best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29(e) & 32 to the financial statements.
 - ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses)
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealing in specified bank notes during the period from 8th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management. refer note No.39.

For M. C. BHANDARI & Co.
Chartered Accountants
FRN303002E


CA V. Chaturvedi

Partner

Membership No. : 013296

Place: Udaipur

Date: May 30, 2017

ANNEXURE "A" REFERRED TO THE AUDITORS REPORT

(Referred to in our report of even date)

Annexure referred to in Point 1 of the Auditor's Report of even date to the members of
Shree Rajasthan Syntex Ltd for the year ended as on March 31, 2017.

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us we state as under: -

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situations of Fixed Assets.
- b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased program of verification adopted by the company and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of Company.

- (ii) The company has conducted physical verification of its inventories (excluding materials in transit and stock lying with third parties) at reasonable intervals. No material discrepancies were noticed during physical verification.
- (iii) The Company has granted loan to a party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') in earlier years.
- a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the parties listed in the register maintained under Section 189 of the Act was not, *prima facie*, prejudicial to the interest of the Company,
- b) In the case of loan granted to the party listed in the register maintained under section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has accepted deposits. To the best of our knowledge & belief, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with.
- (vi) The Central Government has prescribed maintenance of the cost records U/S 148(1) of the Companies Act, 2013 in respect to the company's products. We have broadly reviewed the books of account & records maintained by the company in this connection and are of the opinion that *prima facie*, the prescribed accounts and records have been made & maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, ESI, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited, except few delays, during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, ESI, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are not material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise and value added tax have not been deposited by the Company on account of disputes:

S. No.	Name of the Statute	Nature of the dues	Amount (Rs. In lacs)		Period to which the amount relates (F.Y.)	Forum where dispute is pending
			Gross.	Amount deposited under protest		
1	Rajasthan Stamps Act	Stamp Duty	2.70	0.90	2012-13	Tax Board, Ajmer
2	Rajasthan Tax into entry of goods into local area Act, 1999	Entry tax and interest	303.40	121.31	2006-07 to 2012-13	Supreme court of India
3	Central Excise Act 1994	Excise Duty and Custom Duty	1.53	1.53	2007-08 to 2008-09	Dy Commissioner / Asst
4	Central Excise Act 1994	Excise Duty and Custom Duty	77.45	22.30	1995-96 to 2007-08	Commissioner Appeals
5	Central Excise Act 1994	Excise Duty and Custom Duty	16.96	3.59	1995-96 to 2009-10	CESTAT
6	Service Tax	Service Tax	17.02	4.45	2004-05 to 2009-10	CESTAT
7	Service Tax	Service Tax	35.27	15.00	2004-05 to 2008-09	Commissioner (Appeals)
8	Service Tax	Service Tax	1.59	1.59	2008-09	High Court of Rajasthan
9	Rajasthan Value Added Tax 2003	Value added tax with RIPS	723.68	60.85	2007-08 to 2014-15	Rajasthan Tax Board, Ajmer

- (viii) Except few delays, Company has not defaulted repayment of loans or borrowings to financial institutions or banks. There was no overdue loans or borrowings on balance sheet date.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of warrants, convertible in equity shares, during the year. The Company has complied with the requirement of section 42 of Companies Act 2013 and the amount raised has been utilized for the purposes for which the funds have been raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For and on behalf of
For M C Bhandari & Co.
Chartered Accountants,
Firm Reg. No. 303002E



CA V. CHATURVEDI
Partner
Membership No. 13296

Place : Udaipur
Date : 30th May, 2017

ANNEXURE - B TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shree Rajasthan Syntex Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conduct our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
For M C Bhandari & Co.
Chartered Accountants,
Firm Reg. No. 303002E



CA V. CHATURVEDI
Partner
Membership No. 13296

Place : Udaipur
Date : 30th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	2	1305.23	1240.23
(b) Reserves & Surplus	3	1929.38	1990.09
(c) Money received against allotment of share warrants	4	16.25	-
		3250.86	3230.32
(2) Non- current liabilities			
(a) Long-term borrowings	5	3506.12	4500.18
(b) Deferred tax liabilities (Net)	6	272.91	319.48
(c) Other Long term liabilities	7	153.91	151.17
(d) Long term provisions	8	298.23	288.60
		4231.17	5259.43
(3) Current liabilities			
(a) Short-term borrowings	9	5379.63	4441.60
(b) Trade payables	10	5163.10	4771.86
(c) Other current liabilities	11	2061.08	2059.30
(d) Short term provisions	12	196.02	187.51
		12799.83	11460.27
Total		20281.86	19950.02
II. ASSETS			
(1) Non- current assets			
(a) Properties, Plant & Equipments			
(i) Tangible assets	13	8774.89	9375.39
(ii) Intangible assets	13	0.01	0.02
(iii) Capital work-in-progress	13	-	-
		8774.90	9375.41
(b) Non-current investments	14	0.15	0.15
(c) Long-term loans and advances	15	239.48	263.64
(2) Current assets			
(a) Inventories	16	5511.25	4510.88
(b) Trade receivables	17	728.41	1126.31
(c) Cash and cash equivalents	18	89.79	109.35
(d) Short-term loans and advances	19	403.07	380.58
(e) Other current assets	20	4534.81	4183.70
		11267.33	10310.82
Total		20281.86	19950.02
Significant Accounting Policies	1		
Note on Financial Statements	2 to 43		


Signed in terms of our report
of even date annexed hereto.

For and on behalf of
M/s M.C. BHANDARI & CO.
Chartered Accountants
Firm Reg. No. 303002E


CA V. CHATURVEDI
Membership. No. 013296
Partner

Date: 30.05.2017
Place: Udaipur


VINOD KUMAR LADIA
CHAIRMAN AND
WHOLE TIME DIRECTOR
(DIN : 00168257)


NARENDRA NATH AGRAWALA
INDEPENDENT DIRECTOR
(DIN : 00168211)


VIKAS LADIA
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER
(DIN : 00256289)


RAVINA SONI
COMPANY SECRETARY


VINAY PUNJAWAT
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017


Particulars	Note No.	2016-2017 Rs. (in lacs)	2015-2016 Rs. (in lacs)
Revenue from operations	21	25626.01	25956.71
Other Income	22	252.80	339.70
Total Revenue		25878.81	26296.41
Expenses :			
Cost of materials consumed	23	16794.03	16,968.41
Purchases of Stock -in-Trade		66.81	1.62
Changes in inventories of finished goods- work-in-progress and stock-in-trade	24	(1,203.20)	(532.98)
Employee benefits expenses	25	2993.95	2831.16
Finance costs	26	1598.30	1606.03
Depreciation and amortisation Expenses		492.62	531.34
Other Expenses	27	5222.41	5163.65
Total expenses		25964.92	26569.23
Profit before tax		(86.11)	(272.82)
Tax Expenses:			
(1) Income Tax (Earlier year's)		21.16	0.02
(2) Deferred Tax written back		46.56	63.01
Profit/(Loss) for the period		(60.71)	(209.83)
Earning per equity share :	29		
Basic		(0.47)	(1.69)
Diluted		(0.44)	(1.69)
Significant Accounting Policies	1		
Note on Financial Statements	2 to 43		

Signed in terms of our report
of even date annexed hereto.

For and on behalf of
M/s M.C. BHANDARI & CO.
Chartered Accountants
Firm Reg. No. 303002E


CA V. CHATURVEDI
Membership. No. 013296
Partner

Date: 30.05.2017
Place: Udaipur


VINOD KUMAR LADIA
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RAVINA SONI
COMPANY SECRETARY


VINAY PUNJAWAT
CHIEF FINANCIAL OFFICER


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017


	2016-17	2015-16
A Cash Flow from Operating Activities		
Net Profit before tax and extraordinary items	(86.11)	(272.82)
Adjustments for		
Depreciation	492.61	531.34
Provision for Leave Encashment/Gratuity	16.04	7.74
Loss on Sale of Assets/Investments (Net)	(52.01)	(125.90)
Interest Income	(65.11)	(164.06)
Interest Expenses	1,598.28	1,535.08
Exchange Fluctuation	0.02	70.94
Operating Profit before Working Capital Changes	1,903.72	1,582.32
Adjustments for		
Trade and other Receivables	2.14	(348.90)
Inventories	(1,000.38)	(0.67)
Trade and other payable	507.05	751.33
Cash Generation from Operations	1,412.53	1,984.08
Less: Taxes paid (Net of Refunds)	(19.92)	(5.38)
Net Cash from Operating Activities	1,432.45	1,989.46
B Cash Flow from Investing Activities		
Purchase of Fixed Assets/Capital Expenditure	(32.31)	(10.75)
Sale of Fixed Assets	192.21	457.50
Sale of Investment	-	48.10
Cash used in Investing Activities	159.90	494.85
C Cash flow from Financing Activities		
Proceeds from issuance of Share warrants	81.25	-
Proceeds from Term Borrowings	-	-
Repayment of Loans	(1,513.00)	(1,182.76)
Proceeds of Fixed Deposits/ICD	409.75	130.42
Intercompany and Other Loans	5.25	5.70
Change in Short Term Borrowings	938.03	(64.83)
Interest Expenses	(1,598.28)	(1,535.08)
Interest Income	65.11	164.06
Foreign Exchange Fluctuation	(0.02)	(70.94)
Dividends (including corporate dividend tax)	-	-
Net Cash Realised from Financing Activities	(1,611.91)	(2,553.43)
Add: Cash and Cash Equivalent as at 31.03.2016	109.35	178.47
Cash and Cash Equivalent as at 31.03.2017	89.79	109.35


Signed in terms of our report
of even date annexed hereto.

For and on behalf of
M/s M.C. BHANDARI & CO.
Chartered Accountants
Firm Reg. No. 303002E


CA V. CHATURVEDI
Membership. No. 013296
Partner


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RAVINA SONI
COMPANY SECRETARY


VINAY PUNJAWAT
CHIEF FINANCIAL OFFICER

Date: 30.05.2017
Place: Udaipur

1. SIGNIFICANT ACCOUNTING POLICIES

i) PROPERTY, PLANT & EQUIPMENTS AND DEPRECIATION:

- a) Property, plant & equipments are stated at cost, net of Cenvat. All costs including financing costs till commencement of commercial production and adjustment arising from exchange rate variations relating to borrowings attributable to the fixed assets are capitalised. Stores and spares received along with the Plant & Machinery are being capitalised with related machine.
- b) Cotton Yarn Unit is stated at cost without availing CENVAT, and Thermal Power Plant is stated without availing service cenvat. All costs including financing costs till commencement of commercial production and adjustment arising from exchange rate variations relating to borrowings attributable to the fixed assets are capitalized.
- c) Depreciation on property, plant & equipments is provided on straight line method as per useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on incremental cost, arising on account of conversion difference of foreign currency liabilities for acquisition of fixed assets and stand by equipments, which are amortised over the residual life of the respective assets.
- d) Assets costing Rs.5000/- or less acquired on or after 1.7.1993 are fully depreciated.
- e) The company provides for depreciation on following plant & machinery considering the same as continuous process plant.
 - (i) Filament Yarn Division, Spun Yarn Division and Cotton Yarn Division
 - (ii) Power Generation Equipments
- f) Free hold lands and leasehold lands are not depreciated.
- g) Impairment of Assets – If the carrying amount of property, plant & equipments exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the highest of the net selling price and the value in use determined by the present value of estimated future cash flows.

ii) INVENTORIES:

Inventories are valued at cost or net realisable value whichever is lower. Historical cost has been determined as under :-

A	Raw Materials	At Batch cost.
B	Stores, Spares	At First In First Out method.

C	Fuel	Monthly weighted average
D	Work-in-progress	(i) Preparatory Stage – at cost (ii) Yarn Stage-at cost or net realizable value whichever is lower.
E	Finished goods	at cost or net realizable value whichever is lower. [Cost formula used in clause (D) & (E): – Conversion cost and other cost in bringing the inventories to their present location and condition.]
F	Waste and Scrap	at net realisable value.
G	Trading stocks	at cost of purchase

iii) INVESTMENTS:

Long term investments are carried at cost including related expenses. In case of diminution in value other than temporary, the carrying amount is reduced to recognize the decline cost.

iv) RAW MATERIAL CONSUMPTION IS NET OF EXPORT BENEFITS.

v) RESEARCH AND DEVELOPMENT:

Research and development costs (other than costs of fixed assets acquired) are charged as an expense in the year in which they are incurred.

vi) EMPLOYEE BENEFITS:

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost. Long – term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.

Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense when employees have rendered service entitling them to the contributions.

The costs of providing leave encashment and gratuity, defined benefit plans, are determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by

third party actuaries at each balance sheet date. The leave encashment and gratuity benefit obligation recognized in the Balance Sheet represents the present value of the obligations as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

vii) PRELIMINARY, CAPITAL ISSUES AND DEFERRED REVENUE EXPENSES:

Preliminary, Capital issue expenses are amortised in a period of ten years. Upfront payment made for reduction in rate of interest and for fresh Term Loans and amalgamation expenses (Debited to Deferred Revenue Expenses) are amortised in a period of five years.

viii) REVENUE RECOGNITION:

- (a) The accounts of the company are prepared under the historical cost convention and in accordance with the applicable accounting standards.
- (b) Income is accounted for on accrual basis in accordance with Accounting Standard (AS) 9-“Revenue Recognition” which provides that where there is no reasonable certainty, the recognition of income be postponed.
- (c) Excise Duty is recognized on dispatches to parties.
- (d) Claims lodged with insurance companies and others are recognised in accounts to the extent they are measurable with reasonable certainty of acceptance. Excess/Shortfall is adjusted in the year of receipt.

ix) CENVAT :

- a. CENVAT claimed on capital goods (Plant and Machinery), except for Plant and Machinery of Cotton Yarn Division, is credited to Plant and Machinery cost. Depreciation is not charged on the CENVAT claimed on capital goods in the books of account as well as under the Income Tax Act.
- b. CENVAT on purchases of such inputs are deducted from the cost, wherever the excise duty has been paid on finished goods manufactured out of these inputs.

x) FOREIGN CURRENCY TRANSACTION :

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c. Non monetary foreign currency items are carried at cost.
- d. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

xi) EXPORT BENEFITS :

Export benefits on Export are recognized in accounts to the extent they are measurable with reasonable certainty. Excess/Shortfall is adjusted in the year of receipt.

xii) PROVISIONS AND CONTINGENT LIABILITIES :

- a. Provisions are made when the present obligation of a past event gives rise to probable outflow, embodying economic benefit on settlement and the amount of obligation can be reliably estimated.
- b. Contingent Liabilities are disclosed after a careful evaluation of facts and legal aspects of the matter involved
- c. Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

xiii) TAXATION :

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred tax on account of timing difference between taxable and accounting income is provided considering the tax rates and tax laws enacted or substantially enacted by the Balance Sheet date in accordance with Accounting Standard 22 as notified by the regulatory authorities.

xiv) EXCISE DUTY :

Excise duty on manufactured goods wherever applicable is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date.

Notes on Financial Statements for the Year ended 31st March, 2017
2 Share Capital

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
AUTHORISED :		
(i) 2,60,00,000 (Previous year 2,60,00,000) Equity Shares of Rs.10/- each	2600.00	2600.00
(ii) 6,00,000 (Previous year 6,00,000) Cumulative Redeemable Preference Shares of Rs.100/- each	600.00	600.00
	3200.00	3200.00
ISSUED,SUBSCRIBED AND FULLY PAID UP:		
1,30,52,301 (Previous year 1,24,02,301) Equity Shares of Rs.10/-each	1305.23	1240.23
	1305.23	1240.23

2.1 Out of above equity shares, 37,59,899 equity shares of Rs. 10/- each fully paid have been allotted to erstwhile share holders of the amalgamating Company M/s Shree Rajasthan Texchem Ltd., pursuant to the scheme of amalgamation as approved by the Honb'le High Court of Rajasthan , Jodhpur without payment being received in cash.

2.2 Details of shareholder holding more than 5% shares :-

Name of the Share holders	No. of Shares	% held	No. of Shares	% held
	As at 31.03.2017		As at 31.03.2016	
SRTL Securities Ltd.	2092455	16.03	2092455	16.87
Shree Shyam Distributors & Maktg. (P) Ltd.	817324	6.26	817324	6.59
V.K. Ladia	666018	5.10	-	-

2.3 The reconciliation of number of shares outstanding is set out below :

	As at 31.03.2017 No. of Shares	As at 31.03.2016 No. of Shares
Equity share at the beginning of the year	12402301	12402301
Equity shares allotted on conversion of warrants	650000	-
Equity share at the closing of the year	13052301	12402301

2.4 The Company has one class of equity shares having a par value of Rs. 10/- per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividends as and when declared by the Company. In the event of liquidation , the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount in proportion to their shareholding.

3 Reserves & Surplus

	As at 01.04.2016 Rs. (in lacs)	Addition/ Transfer Rs. (in lacs)	Deduction/ Transfer Rs. (in lacs)	As at 31.03.2017 Rs. (in lacs)
Reserves				
Capital Reserves	75.00	-	-	75.00
Share Premium	1998.42	-	-	1998.42
Securities Premium	718.82	-	-	718.82
Capital Redemption Reserve	500.00	-	-	500.00
Capital Subsidy	17.28	-	-	17.28
Total (A)	3309.52	-	-	3309.52
General Reserve	177.12	-	-	177.12
Profit & Loss Account				
Opening balance	(1,496.55)	(60.71)	-	(1,557.26)
Total (B)	(1,319.43)	(60.71)	-	(1,380.14)
Grand Total (A+B)	1990.09	(60.71)	-	1929.38

4 Money Received Against Allotment of Share Warrants

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Money Received against allotment of 13,00,000 share warrants issued	81.25	-
Less :- 6,50,000 warrants converted in to equity shares of Rs. 10/- each	65.00	-
(6,50,000 warrants, at the rate Rs. 2.5 per warrant)	16.25	-

The Company has issued and allotted 13,00,000 warrants to promoter and promoter group on preferential basis at Rs. 10/- each on 10th October, 2016 convertible into Equity Shares (ratio of 1 equity share for every 1 convertible warrant held) at the option of the share warrant holder on or before April 9, 2018 (i.e. within 18 months from the date of allotment of share warrants). Till the year end, 6,50,000 warrant holder opted to convert these warrants into the Equity Shares of Rs. 10/- each. Equity Shares are to be allotted for remaining warrant holder on receipt of the balance amount

5 Long Term Borrowings

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
(i) Term Loans from Banks (Secured)		
IDBI	1059.78	1745.78
BOB	1405.00	1725.00
SBI	473.52	933.52
	<u>2938.30</u>	<u>4404.30</u>
(ii) Fixed Deposits (Unsecured)		
- From Directors	29.15	43.75
- From Related Parties	538.67	52.13
	<u>567.82</u>	<u>95.88</u>
Total	<u>3506.12</u>	<u>4500.18</u>

5.1 Term Loans from IDBI Bank Ltd. (IDBI) , State Bank of India (SBI) , and Bank of Baroda (BOB) are secured by a joint equitable mortgage, by deposit of title deeds, over the company's immovable assets and a charge by way of hypothecation of all movable assets (except Plant & Machinery exclusively charged in favour of BOB for Loan of Rs.1020.00 Lacs respectively, (Previous year Rs. 1060.00 lacs) present and future subject to prior charges on specified movables created in favour of company's Bankers and personal guarantee of two directors. The mortgage and charges created shall rank pari-passu inter-se amongst the financial Institution and Banks.

5.2 Maturity Profile of Secured Term Loans from Banks are as set out below :

Repayment Due in Financial Years	IDBI	BOB	SBI	Total Rs. (in lacs)
2018-2019	899.78	135.00	473.52	1508.30
2019-2020	160.00	520.00	-	680.00
2020-2021	-	435.00	-	435.00
2021-2022	-	315.00	-	315.00
Total	1059.78	1405.00	473.52	2938.30

5.3 Interest Rates are lending Bank's MCLR (Y) + 3.80 TO 5.40 %.

5.4 Maturity Profile of Unsecured Deposits are as set out below :

Repayment Due in Financial Years	Amount Rs. In lacs
2018-2019	37.99
2019-2020	529.83
Total	567.82

6 Deferred Tax Liabilities (Net)

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Deferred tax liabilities (Net)	272.91	319.48
	<u>272.91</u>	<u>319.48</u>

6.1 The Company has estimated the deferred tax charge using the applicable rate of taxation based on the impact of timing difference between financial Statements and estimated taxable income for the current year. The component of the deferred tax balance as on 31.03.2017 and 31.03.2016 are as follows :-

	31.03.2017	Rs. In Lacs 31.03.2016
Deferred Tax Assets		
Brought Forward Losses	1695.57	1790.20
Gratuity / Leave encashment	146.29	148.10
Total Assets	1841.86	1938.30
Deferred Tax Liability		
Depreciation	2114.77	2257.78
	2114.77	2257.78
Net Deferred Tax (Assets) / Liability	272.91	319.48

7 Other Long Term Liabilities

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Deposit & Advances	153.91	151.17
	153.91	151.17

8 Long Term Provisions

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Provision for Employees benefits	298.23	288.60
	298.23	288.60

9 Short Term Borrowings

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
(a) Working Capital Loans From Banks (Secured)		
Foreign Currency Loan	88.98	249.20
Rupee Loan	5190.65	4192.40
	5279.63	4441.60
(b) From a Corporate Body (Unsecured)	100.00	0.00
	5379.63	4441.60

9.1 Borrowings for Working Capital from State Bank of India, Bank of Baroda, State Bank of Bikaner & Jaipur and IDBI Bank Ltd. are secured by hypothecation of raw materials, stock-in-process, stock-in-transit, finished goods, consumable stores and spares and book debts and are further secured by way of second charge on immovable assets of the Company ranking pari-passu inter-se amongst the Bankers and personal guarantee of two directors.

10 Trade Payables

	Rs. (in lacs)	As at 31.03.2017 Rs. (in lacs)	Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Acceptances		1491.18		1484.56
Trade Payables				
a) Micro Small and Medium Enterprises	7.99		2.39	
b) Others	3663.93	3671.92	3284.91	3287.30
		5163.10		4771.86

10.1 The details of amount outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under :

Particulars	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
1. Principal amount due outstanding	7.99	2.39
2. Interest due on (1) above and unpaid	-	-
3. Interest paid to the suppliers during the year	-	-
4. Payments made to the supplier beyond the appointed day during the year	-	-
5. Interest due and payable for the period of delay	-	-
6. Interest accrued and remaining unpaid	-	-
7. Amount of further interest remaining due and payable in succeeding year	-	-

Note : No amount outstanding under point 2 to 7 above, as per terms & conditions with the suppliers.

11 Other Current Liabilities

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Unclaimed dividend (*)	4.43	4.44
Unclaimed Public Fixed Deposit (*)	0.08	-
Interest accrued and due on unclaimed deposits (*)	-	-
Other Liabilities (*)	344.02	303.74
Unclaimed Interest on PFD (*)	0.00	0.08
Deposit & Advances	97.13	82.44
Deposits due within one year from Directors	4.66	14.42
Deposits due within one year from Related parties	16.52	68.95
Creditors for Capital Expenditures	0.00	7.67
Interest accrued but not due on borrowing	58.23	64.56
Interest accrued and due on borrowing	70.01	-
Term Loan Instalment due within one year	1466.00	1513.00
	2061.08	2059.30

(*) These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund as there is no due & outstanding.

12 Short Term Provisions

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Provision for Employees benefits	196.02	187.51
	196.02	187.51

**13 PROPERTIES, PLANT & EQUIPMENTS**

Description of Assets	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2016 Rs. in Lacs	Additions/ Adjustments Rs. in Lacs	Deductions/ Transfers Rs. in Lacs	As at 31.03.2017 Rs. in Lacs	As at 01.04.2016 Rs. in Lacs	Additions/ Adjustments Rs. in Lacs	Deductions/ Transfers Rs. in Lacs	As at 31.03.2017 Rs. in Lacs	As at 31.03.2017 Rs. in Lacs	As at 31.03.2016 Rs. in Lacs
(i) Tangible Assets										
Land (Leasehold and freehold)										
& site Development	37.64	0.00	0.00	37.64	0.00	0.00	0.00	0.00	37.64	37.64
Buildings *	2874.23	3.53	21.64	2856.12	1192.03	76.62	8.62	1260.03	1596.09	1682.20
Tube Well	8.82	0.49	0.00	9.31	8.40	0.02	0.00	8.42	0.89	0.42
Plant & Machinery	19443.27	0.66	1376.95	18066.98	12217.94	354.93	1251.13	11321.74	6745.24	7225.33
Electrical Installations	1031.78	0.00	5.47	1026.31	722.46	41.21	4.79	758.88	267.43	309.32
Water Supply Installations	83.58	11.19	0.00	94.77	29.77	2.88	0.00	32.65	62.12	53.81
Material Handling Equipment	27.02	0.00	1.38	25.64	18.14	2.07	1.18	19.03	6.61	8.88
Air Conditioner	16.94	0.26	0.00	17.20	14.77	0.61	0.00	15.38	1.82	2.17
Furniture & Fixture	164.58	0.17	0.00	164.75	142.05	5.07	0.00	147.12	17.63	22.53
Office Equipments	92.04	3.17	0.11	95.10	80.24	4.10	0.06	84.28	10.82	11.80
Vehicles	73.42	12.84	8.44	77.82	52.12	5.11	8.01	49.22	28.60	21.30
(ii) Intangible Assets										
Software	0.33	0.00	0.00	0.33	0.32	0.00	0.00	0.32	0.01	0.01
Total This Year	23853.65	32.31	1413.99	22471.97	14478.24	492.62	1273.79	13697.07	8774.90	9375.41
Previous Year	25564.40	13.63	1724.38	23853.65	15331.59	531.34	1384.69	14478.24		
(iii) Capital Work-in-Progress										
-Others									0.00	0.00
									8774.90	9375.41

Note :

12.1 (*) Includes cost of land of corporate office, being composite cost of land and building, value of land could not be ascertained separately.

12.2 There is no addition on account of any Business combination during the year.

14 Non-Current Investments

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Other Investments (Unquoted)		
National Saving Certificates (Pledged with Sales Tax Authorities)	0.15	0.15
	<u>0.15</u>	<u>0.15</u>

15 Long-Term Loans and Advances

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
(i) Capital Advances	0.00	0.00
(ii) Security Deposits (Others)	159.87	178.98
(iii) Loan & Advances to related parties (SRSI Employees Welfare Trust)	75.25	80.50
(iv) Others (Prepaid Expenses)	4.36	4.16
	<u>239.48</u>	<u>263.64</u>

16 Inventories

	Rs. (in lacs)	As at 31.03.2017 Rs. (in lacs)	Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Raw Materials				
- Man made fibre	268.92		322.73	
- Cotton	50.18		148.88	
- Fibre Stock in Deptt.	59.94		47.22	
- Stock in transit	<u>99.75</u>	<u>478.79</u>	<u>117.92</u>	636.75
Work-in-Process		<u>954.50</u>		713.31
Finished Goods	3726.25		2788.17	
- Stock in transit	<u>58.16</u>	<u>3784.41</u>	<u>50.64</u>	2838.81
Stock in trade		4.29		6.02
Stores & Spares		248.74		282.71
- Stock in transit		24.25		22.43
Others				
Waste & Scrap		<u>16.27</u>		<u>10.85</u>
		<u>5511.25</u>		<u>4510.88</u>

17 Trade Receivables

	Rs. (in lacs)	As at 31.03.2017 Rs. (in lacs)	Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Trade receivables (Unsecured & Considered Good)				
Over six months	45.16		42.13	
Others	<u>683.25</u>	<u>728.41</u>	<u>1084.18</u>	1126.31

18 Cash and Cash Equivalents

	Rs. (in lacs)	As at 31.03.2017 Rs. (in lacs)	Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Cash and Bank Balances				
Cheques, Drafts on hand	14.32		39.54	
Cash -on- Hand	2.40		3.99	
Balance in Current account with Banks	2.11		2.29	
Bank Deposit (Maturity within 3 months)	<u>10.69</u>	<u>29.52</u>	<u>32.77</u>	78.59
Balances with Banks				
(i) Dividend Accounts	4.44		4.44	
(ii) Bank Deposit (Maturity above 3 to12 months)	<u>55.83</u>	<u>60.27</u>	<u>26.32</u>	30.76
		<u>89.79</u>		<u>109.35</u>

19 Short-Term Loans and Advances

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Loans & Advances to related parties (SRSL Employees Welfare Trust)	5.00	5.00
Others		
Advance recoverable in cash or kind	398.07	375.58
	<u>403.07</u>	<u>380.58</u>

20 Other Current Assets

	As at 31.03.2017 Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
Claims and Export Incentives Recoverable	3009.27	2352.28
Interest accrued on trade receivables	2.82	5.49
Interest Subsidy Recoverable (TUFS)	344.35	422.04
Advance Income Tax	326.21	367.30
Balance with Excise Deptt.	792.61	988.60
Others	59.55	47.99
	<u>4534.81</u>	<u>4183.70</u>

21 Revenue From Operations

	Rs. (in lacs)	This Year Rs. (in lacs)	Rs. (in lacs)	Previous Year Rs. (in lacs)
a). Sale of Products				
- Domestic	22041.40		23601.92	
- Export	3700.73		2462.75	
	<u>25742.13</u>		<u>26064.67</u>	
Less :- Sales Return of Previous year	-	25742.13	-	26064.67
b) Other Operating Revenues				
-Miscellaneous Income	0.01		0.51	
- Insurance Charges Recovered on despatches	84.48		90.18	
- Insurance Claims of damaged goods	1.89		1.57	
- Depot Charges on sales	75.10	161.48	93.40	185.66
		<u>25903.61</u>		<u>26250.33</u>
c) Less : Excise Duty		277.60		293.62
		<u>25626.01</u>		<u>25956.71</u>

22 Other Income

	Rs. (in lacs)	This Year Rs. (in lacs)	Rs. (in lacs)	Previous Year Rs. (in lacs)
a) Interest Income				
Interest Recovered from customers	39.67		65.92	
Interest received on Bank FDR's, loans & others	25.44	65.11	98.13	164.05
b) Other Non-Operating Income				
Miscellaneous Income	3.51		32.96	
Rent / Lease rent Received	0.09		-	
Profit on disposal of Fixed Assets (*)	55.08		119.81	
Profit on sale of Investments	0.00		8.10	
Income Related to Previous year	0.02		0.58	
Interest subsidy received (TUFS)	95.38		-	
Insurance claim received	0.83		2.04	
Sundry balances / Liabilities written Back	32.78	187.69	12.16	175.65
		<u>252.80</u>		<u>339.70</u>

(*) Note :- Refer Note No. 38.

23 Cost of Material Consumed

	Rs. (in lacs)	This Year Rs. (in lacs)	Rs. (in lacs)	Previous Year Rs. (in lacs)
Fibre Consumption		16125.90		16258.13
Dyes & Chemical Consumption		288.30		288.45
Packing Material Consumption		365.23		379.37
Others		14.60		42.46
		<u>16794.03</u>		<u>16968.41</u>

	This Year Rs. (in lacs)	(% of Consumption)	Previous Year Rs. (in lacs)	(% of Consumption)
23.1 Value of Raw material Consumed				
- Imported	-	-	195.29	1.15
- Indigenous	16794.03	100.00	16773.12	98.85
Total	16794.03	100.00	19626.24	100.00
23.2 Particulars of Material Consumed				
Cellulosic and non Cellulosic	15554.82		15219.19	
Cotton	859.38		1327.39	
Others	379.83		421.83	
Total	16794.03		16968.41	

24 Increase/ Decrease In Stocks

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Opening Stock :		
Yarn	2838.81	2183.93
Fabrics	6.02	6.40
Waste & Scrap	10.85	14.76
Work in process	760.53	878.14
	3616.21	3083.23
Closing stock:		
Yarn	3784.41	2838.81
Fabrics	4.29	6.02
Waste & Scrap	16.27	10.85
Work in process	1014.44	760.53
	4819.41	3616.21
(INCREASE)/ DECREASE IN STOCKS	(1,203.20)	(532.98)

25 Employee Benefits Expenses

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Payment & Provision for Employees:		
Salaries, Wages, Bonus & Allowances	2635.13	2475.32
Contribution to Provident Fund & ESI	293.63	280.30
Welfare Expenses	24.39	24.74
Gratuity	40.80	50.80
	2993.95	2831.16

25.1 The employees gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Particulars	Gratuity (Funded) Rs. In Lacs	Leave Encashment (Unfunded) Rs. In lacs
EXHIBIT A.1: AMOUNT RECOGNISED IN BALANCE SHEET		
Defined Benefit Obligation	332.51	47.39
Fair value of plan assets	(2.60)	-
Funded status - (surplus)/deficit	329.91	47.39
Unrecognised past service (cost)/credit	-	-
Para 59(b) limit	-	-
Liability/(asset) recognised in balance sheet	329.91	47.39
EXHIBIT A.2: AMOUNT RECOGNISED IN STATEMENT OF PROFIT & LOSS		
Current service cost	48.71	7.87
Interest cost	23.61	2.64
Expected return on plan assets	(0.34)	-
Employee contributions	-	-
Past service cost - vested benefits	-	-
Past service cost - non-vested benefits	-	-
Effect of limit in para 59(b)	-	-
Settlement/curtailment cost/(credit)	-	-
Actuarial loss/(gains)	(31.18)	4.78
Total employer expense	40.80	15.29

Particulars	Gratuity (Funded) Rs. In Lacs	Leave Encashment (Unfunded) Rs. In Lacs
EXHIBIT A.3: ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	0.34	-
Actuarial gain/(loss) on plan assets	(3.12)	-
Actual return on plan assets	(2.78)	-
EXHIBIT A.4: RECONCILIATION OF DEFINED BENEFIT OBLIGATION		
Defined Benefit Obligation as at 31 March 2016	326.18	37.28
Current service cost	48.71	7.87
Interest cost	23.61	2.64
Employee contributions	-	-
Past service cost - vested benefits	-	-
Past service cost - non-vested benefits	-	-
Amalgamations	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Actual benefit payments	(31.69)	(5.18)
Actuarial loss/(gains) due to change in assumptions	9.70	1.15
Actuarial loss/(gains) due to plan experience	(43.99)	3.63
Defined Benefit Obligation as at 31 March 2017	332.51	47.39
EXHIBIT A.5: RECONCILIATION OF FAIR VALUE OF PLAN ASSETS		
Fair value of assets as at 31 March 2016	2.19	-
Expected return on plan assets	0.34	-
Contributions by sponsor	31.00	-
Employee contributions	-	-
Actual benefit payments from fund	(27.82)	-
Amalgamations	-	-
Settlements	-	-
Actuarial gains/(loss)	(3.12)	-
Fair value of assets as at 31 March 2017	2.60	-
EXHIBIT A.6: RECONCILIATION OF BALANCE SHEET AMOUNT		
Net liability as at 31 March 2016	323.99	37.28
Employer expense for the period	40.80	15.29
Benefit payments made directly by Sponsor	(3.87)	(5.18)
Actual contributions by sponsor	(31.00)	-
Net liability as at 31 March 2017	329.91	47.39
EXHIBIT A.7: RECOGNITION OF ACTUARIAL GAIN/LOSS		
Actuarial loss/(gain) arising on DBO	(34.29)	4.78
Actuarial loss/(gain) arising on plan assets	3.12	-
Total loss/(gain) for the period	(31.18)	4.78
(Loss)/gain recognised during the period	(31.18)	(4.78)
Unrecognised actuarial loss/(gain)	-	-
EXHIBIT A.8: RECOGNITION OF PAST SERVICE COST		
Past service cost - non-vested benefits as at 31 March 2016	-	-
Past service cost - non-vested benefits arising during the period	-	-
Past service cost - non-vested benefits recognised during the period	-	-
Past service cost - non-vested benefits as at 31 March 2017	-	-
EXHIBIT A.9: EXPERIENCE HISTORY		
Defined Benefit Obligation	332.51	47.39
Fair value of plan assets	(2.60)	-
(Surplus)/deficit	329.91	47.39
Experience adjustment on liabilities: gain/(loss)	43.99	(3.63)
Experience adjustment on plan assets: gain/(loss)	(3.12)	-

EXHIBIT A.10: MAJOR CATEGORIES OF PLAN ASSETS

Government of India securities	-	N/A
Corporate bonds	-	N/A
Equity shares of listed companies	-	N/A
Property	-	N/A
Insurer-managed funds	1.00	N/A
Other	-	N/A
Total	1.00	N/A

EXHIBIT A.11: DETAILS OF SELF-INVESTMENT

Sponsor's debt instruments	-	N/A
Sponsor's equity shares	-	N/A
Property owned / used by sponsor	-	N/A
other	-	N/A
Total	-	N/A

EXHIBIT A.12: CURRENT AND NON- CURRENT LIABILITY

Current liability	63.77	15.31
Non-current liability	266.15	32.08
Total	329.91	47.39

26 Finance Costs

	This year Rs. (in lacs)	Previous Year Rs. (in lacs)
INTEREST ON:		
Term Loans	533.82	596.88
Bank Borrowings & Others	975.42	857.49
Loss on Foreign currency transactions & translation	0.02	70.94
Other Financial Charges	89.04	80.72
	<u>1598.30</u>	<u>1606.03</u>

27 Other Expenses

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Manufacturing Expenses:		
Stores & Spares	98.48	100.08
Packing Expenses	28.70	26.10
Power & Fuel	3485.03	3389.57
Repairs & Maintenance :		
Plant & Machinery	549.67	558.59
Building	26.04	22.66
General	8.05	8.07
Sundry Manufacturing Expenses	163.79	162.29
Job charges	21.73	34.22
	<u>4381.49</u>	<u>4301.58</u>
Administrative & Other Expenses:		
Directors Sitting Fees	2.24	1.68
Directors Remuneration	61.42	55.32
Rent, Rates & Taxes	35.56	26.74
Travelling (including Directors Travelling- -Expenses Rs.16.59 lacs (Previous Year Rs.18.75 lacs)	55.87	52.90
Insurance Charges	23.06	25.54
Vehicle Upkeep	15.21	11.55
Misc.Expenses	122.59	122.54
Add : Previous year expenses	<u>0.71</u>	<u>1.88</u>
Telephone Expenses	12.82	11.68
Fees & Cess	10.67	6.56
Printing & Stationery	13.95	13.27
Loss on sale of Stores	0.20	6.68
Postage Expenses	4.61	4.75
	<u>358.91</u>	<u>341.09</u>
Fixed Assets written off	<u>3.07</u>	<u>2.01</u>

Sundry Balances Written off / Claim settlement	1.78	36.57
Auditors Remuneration:		
Audit Fee	3.08	2.80
Tax Audit Fee	0.55	0.50
Other Services	0.83	0.76
Audit Expenses	1.31	1.75
	5.77	5.81
Internal Audit Fee & Expenses	2.07	2.12
Cost Audit Fee & Expenses	0.68	0.52
	2.75	2.64
Selling Expenses :		
Commission & Brokerage	139.72	171.82
Discount	111.81	100.14
Freight & Forwarding (Net of recoveries)	212.21	193.94
Rebate & Claim	3.81	5.46
Research & Development Exp.	0.01	0.00
Others	1.08	2.60
	468.64	473.96
Grand Total :	5222.41	5163.65

28. Value of Stores & Spares Consumed

	This Year		Previous Year	
	Rs. (in lacs)	(% of Consumption)	Rs. (in lacs)	(% of Consumption)
- Imported	16.61	16.87	36.13	36.10
- Indigenous	81.87	83.13	63.95	63.90
Total	98.48	100.00	100.08	100.00

29. Earning Per Equity Share

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Profit attributable to the Equity Share holders (Rs. in lacs)	(60.71)	(209.83)
Weighted average number of equity shares outstanding during the year	13052301	12402301
Weighted average number of equity shares outstanding during the year for diluted EPS	13702301	12402301
Nominal value of equity Share (Rs.)	10	10
Basic earning per Share (Rs.)	(0.47)	(1.69)
Diluted earning per Share (Rs.)	(0.44)	(1.69)

30. CONTINGENT LIABILITIES AND COMMITMENTS:

- a. Claims not acknowledged as debts by the Company Rs.17.79 Lacs (Previous Year Rs 90.35 Lacs)
- b. Bills discounted with Banks and outstanding Rs. 409.11 lacs (Previous Year Rs. 97.34 Lacs)
- c. Counter guarantees given by the Company in respect of guarantees and Letter of Credits given by the Bankers on behalf of the Company Rs. 1533.48 Lacs (Previous year Rs. 1645.45 Lacs)
- d. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances Rs. Nil (Previous Year Rs. Nil).
- e. Demands issued by the Excise/Custom Authorities amounting to Rs. 119.83 Lacs (Previous Year Rs. 142.25 Lacs) besides other penalties in law. The company is contesting the issues under legal advice. The company has however deposited Rs.51.96 Lacs (Previous year 56.22 lacs) under protest.
31. Assessment of Sales Tax for the assessment years 2015-16 and 2016-17 are pending, liabilities if any, arising thereon shall be accounted for in the year of assessment.
32. a.) The Apex Income tax authorities have decided cases for the assessment year from 1998-99 to 2014-15 in favour of the Company. The department/ company has referred the cases to the Hon'ble High Court of Rajasthan, ITAT, CIT(A). The advance Income tax/ MAT paid by the Company shall be adjusted on the decision of the Hon'ble High Court of Rajasthan, ITAT, CIT(A)
- b.) Assessment of Income Tax has been completed up to the assessment year 2014-15.
- c.) In view of carry forward losses no provision is required towards Income Tax.

33. LEGAL CASES:

- a.) The Company has received various demands of ESI aggregating to Rs.25.01 Lacs. (Previous year Rs.25.01 Lacs). Since the matter is pending in appeal and the Company does not envisage any liability, no provision has been made. Amount deposited under Protest Rs. 0.93 lacs. (Previous year Rs. 0.64 Lacs).
- b.) The Company suffered losses due to breaches/non-fulfillment of the terms and conditions of the Contract with M/s. Kirloskar Oil Engines Ltd. in respect of 2 Nos. DG set of 2.5 MW supplied by them. These losses have been partly recovered by the Company by encashment of Bank Guarantee taken under the Contract with the party. For balance recovery of Rs.

234.23 lacs suit against KOEL is filed. M/s Kirloskar Oil Engines Ltd has also filed a counter claim of Rs. 603.57 lacs for recovery of invoked bank guarantees including Rs.53.56 lacs as interest and Rs.50 lacs compensation.

- c.) (i) The Hon'ble Supreme court in the case of Jindal Stainless Ltd. has held levy of Entry Tax unconstitutional. It has also directed all the High Courts to look in to the constitutional validity of respective Entry Tax. Consequent to that 5 High Courts namely Allahabad, Punjab, Haryana, Jharkhand and Kerela has held the respective Entry Tax to be constitutionally invalid . The Hon'ble High Court of Rajasthan in the case of Dinesh Pouches has also held the levy of Entry Tax by the Government of Rajasthan as unconstitutional. As per legal opinion obtained amount paid by the company towards Entry Tax pursuant to Rajasthan Entry Tax Act 1999 has become refundable since inception.It filed refund claim of Entry Tax aggregating to Rs. 252.32 Lacs, for the year 2001-02 to 2005-06.
- (ii) The Company is not liable to pay Entry Tax pursuant to the above said decision of Supreme Court, as such the Company has not provided for Entry Tax for the year 2006-2007 to 2014-15 aggregating to Rs. 233.73 Lacs & interest Rs. 80.62 Lacs.
- (iii) The aggrieved State Governments including Government of Rajasthan filed appeals with Hon'ble Supreme Court of India.
- (iv) Various High Courts, including the Hon'ble High Court of Rajasthan rejected all the cases relating to Entry Tax. Aggrieved by the judgement of Hon'ble High Court of Rajasthan, the "Trade" had filed SLP with Hon'ble Supreme Court of India with Stay Application, While disposing off stay petition Hon'ble High Court has given Interim Order for deposit of 50% of principal demand and for balance 50% Bank Guarantee to be submitted to Govt through assessing authorities. The company has deposited Rs. 121.31 Lacs against principal demand of Rs. 233.74 Lacs upto 2014-15 and has given bank guarantee of Rs. 98.34 Lacs. From February 2015 the company is regularly paying Entry Tax.
- (v) SLP filed before Hon'ble Supreme Court has been decided vide order Dated 11th November, 2016, Hon'ble Supreme Court has decided SLP confirming that state can levy Entry Tax. However, state cannot discriminate the levy of Entry Tax. In view of this judgement we have

sought opinion that whether on the point of discrimination we are required to file separate petition before Hon'ble Supreme Court or respective High Court jurisdiction. On this point Hon'ble Supreme Court has further directed that we should go on the point of discrimination to respective High Court. The Company is in process to file writ before Hon'ble High Court of Jodhpur, Rajasthan.

- d.) (i) The company has filed writ petitions with Hon'ble high court of Rajasthan against disallowances of benefits receivable under Rajasthan Investment Promotion Scheme 2003 (RIPS) on expansion and modernization towards interest subsidy and wage and employment subsidy. These benefit aggregate to Rs.723.68 Lacs upto the assessment year 2007-08 to 2014-15 inclusive of interest Rs. 214.11 Lacs. As per legal opinion obtained by the company, it is accounting these benefits in its books of account. It has also filed appeal before appellate authority and deposited under protest Rs. 60.85 Lacs (Previous year Rs.60.85 Lacs).
- (ii) The Company is eligible for subsidy under Rajasthan Investment Promotion Scheme 2010 and has adjusted Rs. 46.64 Lacs under Investment and Employment Subsidy for its modernization and expansion project. The matter has been principally accepted by the State Level Screening Committee and has recommended the same to the State Finance Department for confirmation.
- e.) As per legal opinion Urban Cess and Water Cess levied by State of Rajasthan is not leviable on the company being established at RIICO Industrial land. The entire amount Rs. 245.95 lacs paid upto 31.03.2012 has become recoverable. The company has charged Rs. 245.95 lacs paid upto 31.03.2012 to Profit & Loss Account. However Rs. 808.33 lacs paid during 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17 stands recoverable under the head Urban Cess / Water Cess deposited under Protest recoverable Account. The company has filed SLP in Supreme Court for the recovery of entire amount.
- f.) The AVVNL has recovered Rs. 23.84 lakhs towards late payment Surcharge (LPS) on incentive disallowed towards power factor. The Company has deposited the same under protest and filed an appeal in the Hon'ble Rajasthan high Court of entire amount.
- g.) As legally opined, the electricity duty levied by AVVNL on electricity supplied by Tata Power Trading Co. Ltd is unconstitutional and hence illegal and not leviable. The

Company has filed writ petitions against this levy with Hon'ble High Court of Rajasthan during the year. The Company disputes this levy and has deposited Rs 407.44 lacs under protest during the year.

- h.) The Rajasthan Electricity Regulatory Commissioner levied additional surcharge @ Rs. 1/- per unit on open access purchases on 12.05.2016. The order was challenged by the company and other consumers in the Hon'ble High Court of Rajasthan and also before the Hon'ble Tribunal (APTEL) on the ground of natural justice. The order of the Commissioner was set aside by these courts and referred back to State Commission. The State Commission reconsidered the matter and refixed the additional surcharge @ 0.80/- per unit. The matter was taken up by RTMA and it filed Review petition with the State Commission and also an appeal before Hon'ble Tribunal (APTEL). The matter is still pending with the above judicial authorities. The company has paid Rs. 379 Lacs under protest.
- i.) The company has paid Rs. 18.70 lacs to M/s TUSCON ENGINEERS LTD. as per arbitration award given against the company. The company has filed an appeal with Hon'ble High Court of Rajasthan against the arbitration award.
- j.) In view of the Judgement passed by the Hon'ble Supreme Court in the case of M/s Spentex Industries Ltd., the Company is entitled to receive pending rebate claims of Rs. 130.13 Lacs of excise duty receivable on import and export of finished goods, out of which, rebate claims of Rs. 42.84 Lacs pending before the Hon'ble Rajasthan High Court was decided in Company's favour and the remaining cases of rebate claims of Rs. 87.29 Lacs are pending before Joint Secretary (Ministry of Finance) due to the reason that the Hon'ble Punjab & Haryana High Court in the case of NVR Forgings v/s Union of India held that revision by Central Government has been entrusted to a Joint Secretary level officer who is equal to Commissioner (Appeals) in rank. Since officer of same rank can not Judge an order passed by another officer of same rank, revision order passed by Joint Secretary (Re-visionary Authority) against order of Commissioner (Appeals) was not sustainable. The Union of India has filed SLP against the Judgement of Punjab & Haryana High Court. The Company is taking legal opinion in the matter. The Company is also entitled to claim of Rs. 70.92 lacs as interest on delayed payments towards these rebate claims.
- k.) The Company received Rs. 64.94 lacs against excise rebate claims. However the department deducted a sum of Rs. 43.97 lacs from the claims payable to the company on account of

interest on other demands. The Company does not agree to this deduction made by the Excise Department and has filed an appeal before the Hon'ble Commissioner of Central Excise (Appeals).

- I.) In respect of the supplies of coal from Ms Anik Industries Ltd, a quality claim as per purchase order was made by the company which was not accepted by the supplier. The matter was referred in arbitration where it was held that the coal supplied by the supplier was not of the quality as mentioned in the purchase orders. However, in respect of counter claim by company an amount of Rs. 71.46 lacs (including interest of Rs. 31.06 lacs) is under litigation.
34. Since the company is upgrading its main Plant & Machinery under Technology Up gradation Fund scheme regularly, it is not carrying any asset of which carrying cost is more than its recoverable amount / value in use on the Balance Sheet date. Hence there is no impairment loss.
35. Some of the balances appearing under the head Creditors, Debtors, Advances and Deposits are subject to confirmations yet to be received by the company.
36. Export obligation under all EPCG Licenses pending as on 31.03.2017 is Rs. 55.00 lacs (previous year Rs. 49.83 lacs).
- 37. PRIMARY SEGMENT INFORMATION :** As per Accounting Standard 17 , the requirement of Segment reporting is not applicable to the Company both in respect of Geographical Segment and Product Segment , The Company is engaged in Production of Textile products, Revenue from other segment is less than 10% of total revenue.

38. EXCEPTIONAL ITEM.

Profit on Account of sale of fixed assets shown under other non operating income includes:

	(Rs in Lacs)
Profit on sale of Fixed Assets	137.61
Loss on sale of Fixed Assets	82.53
Net Profit on sale of Fixed Assets	55.08

39. During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 30, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows :

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	568500.00	3554069.00	4122569.00
(+) Imprest/ Advance with staff	26500.00	0.00	26500.00
(+) Permitted Reciepts	0.00	7293158.00	7293158.00
(-) Permitted Payments	247000.00	10413842.00	10660842.00
(-) Amount deposited in bank	348000.00	0.00	348000.00
Closing cash in hand as on 30.12.2016	0.00	433385.00	433385.00

40. RELATED PARTY TRANSACTIONS :

Name of the Companies/Firms with whom transactions have taken place during the year :

Associate Company: Nil

Related to the Key Management Personnel :

1	Shree Shyam Distributors & Market. Pvt Ltd.	13	Mrs. Puja Ladia
2	SRS� Employees Welfare Trust	14	Mrs. Poonam Ladia
3	Kunawat & Associates	15	Shree Shyam Industries Pvt. Ltd.
4	Sh. Vikas Ladia		
5	V.K. Texchem Pvt. Ltd.	16	M/s A.M. Traders
6	Sh. Anubhav Ladia	17	SRS� Charitable Trust
7	Shanti Trading Corporation.	18	Rajasthan Yarn Syndicate
8	Smt. Monika Ladia	19	SRS� Educational Society
9	Sh. Aman Ladia	20	PBS Marketing Pvt. Ltd
10	Sh. V.K. Ladia	21	Divine Fibers Pvt. Ltd.
11	V.K.Ladia HUF	22	Madan Chand & Sons
12	Sh. Pranav Ladia	23	M/s. A.P. Enterprises

(Rs in Lacs)

	Related to Key Management Personnel
Loans- PFD Taken	848.06
Loans- PFD Repayment	413.95
Raw Material Purchase	3738.18
Repayment received - SRS� Employee Welfare Trust	5.25
Interest - Expenses (other than Director)	37.27
Remuneration	5.34
Professional Charges	0.87
Lease rent Paid	6.63
Sale of Assets	150.00
MEIS License Sale	65.31
Loans Receivables	80.25
Fixed Deposit Payable	555.19
Security Deposit Recoverable	10.00
Security Deposit Refundable	52.00
Recievable from sale of property	40.00
Fee Payable	0.85
Rent Payable	5.40
Issue of Equity Shares	35.00
Issue of Share Warrants	8.75

Name of Directors :

V.K. Ladia	Vikas Ladia	Anubhav Ladia	Neelima Khetan	R S Nirwan
R L Kunawat	N N Agrawala	Sunil Goyal	Ravinder Narain	Susheel Jain

Transaction with Directors:
(Rs in Lacs)

Remuneration including perquisites	78.11
Loans– Taken/(Fixed Deposit)	27.20
Loans– Refunded	51.56
Interest Expenses–on Fixed Deposit	5.58
Loans Payable- Fixed Deposit	33.81
Board Meeting Fees	2.24
Issue of Equity Shares	30.00
Issue of Share Warrants	7.50

41. The National Highway Authority has acquired 2450 Sq Meters of land situated at Bagru Ravan. The Company has filed legal case for recovery of adequate compensation. The matter is *sub judice*.,

		2016-17		2015-16	
		Quantity M.T.	Amount Rs. In Lacs	Quantity M.T.	Amount Rs. In Lacs
a)	C.I.F. VALUE OF IMPORTS: Raw Materials	-	-	194.75	217.05
	Capital Goods , Spares	-	16.61	-	34.22

(Rs. in Lacs)

b)	EXPENDITURE IN FOREIGN CURRENCY: Travelling Expenses	-	0.94	-	2.15
	Commission/Claims	-	4.95	-	11.53
	Foreign Bank Charges	-	5.54	-	6.11
	Membership Expenses	-	0.30	-	-
c)	EARNING IN FOREIGN CURRENCY : F.O.B. Value of Export Sales.	-	3311.31	-	2288.88

42. Figures have been rounded off to the nearest rupees in Lacs.

43. Figures for previous year have been regrouped/reclassified, wherever necessary to confirm to this year's classification.

Signed in terms of our report
of even date annexed hereto.

For and on behalf of
M/s M.C. BHANDARI & CO.
Chartered Accountants
Firm Reg. No. 303002E


CA V. CHATURVEDI
Membership. No. 013296
Partner

Date: 30.05.2017
Place: Udaipur


VINOD KUMAR LADIA
CHAIRMAN AND
WHOLE TIME DIRECTOR
(DIN : 00168257)

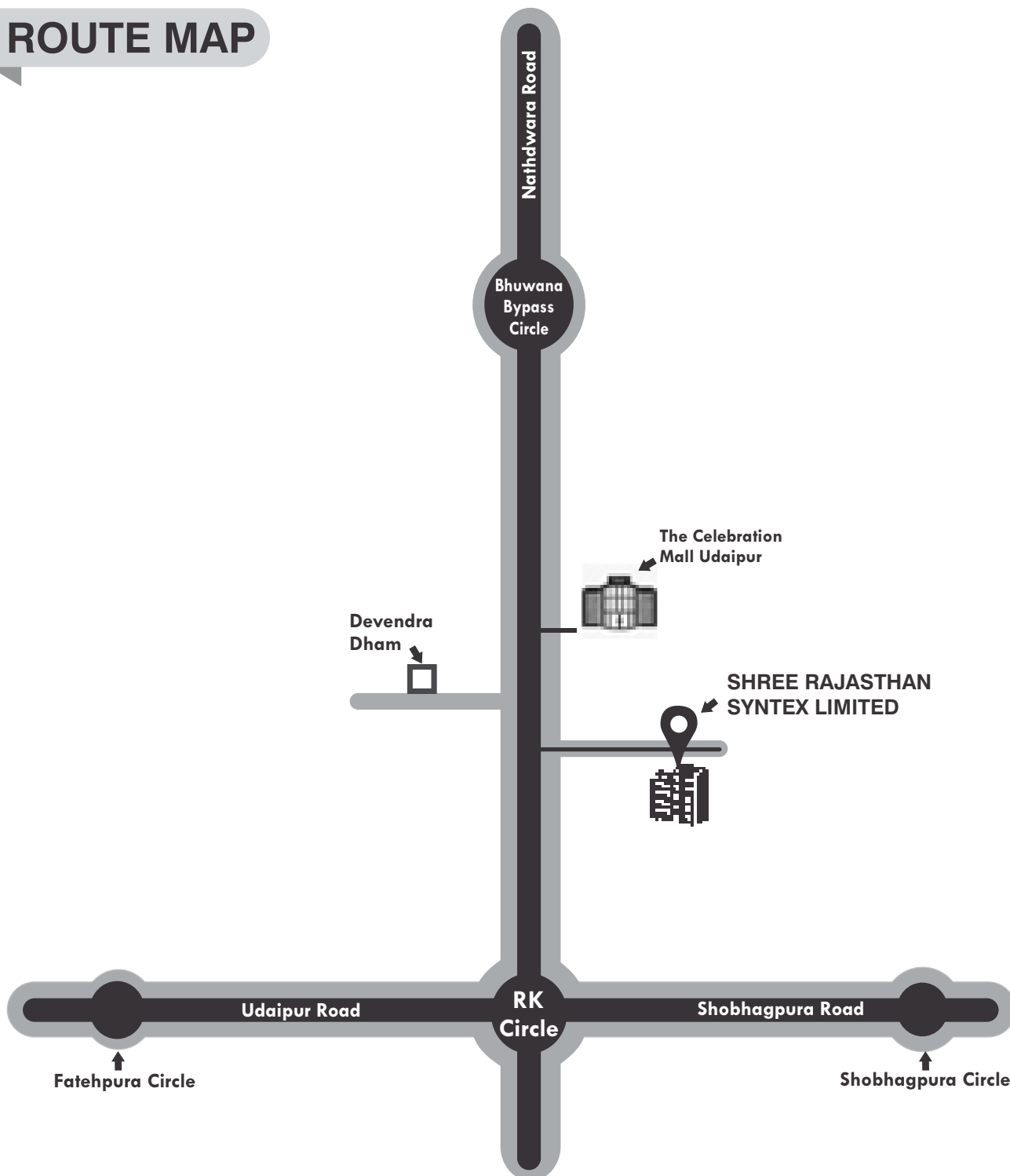

NARENDRA NATH AGRAWALA
INDEPENDENT DIRECTOR
(DIN : 00168211)


VIKAS LADIA
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER
(DIN : 00256289)


RAVINA SONI
COMPANY SECRETARY


VINAY PUNJAWAT
CHIEF FINANCIAL OFFICER

ROUTE MAP



FORM NO. MGT 11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : **L24302RJ1979PLC001948**
 Name of the company : **SHREE RAJASTHAN SYNTEX LTD.**
 Registered Office : **'SRSL HOUSE', PULLA BHUWANA ROAD, N.H. 8 UDAIPUR (RAJ.)**
 Name of the member (s) :
 Registered address :
 E-mail Id :
 Folio No/ Client Id :
 DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :
 Address :
 E-mail Id :
 Signature :or failing him
2. Name :
 Address :
 E-mail Id :
 Signature :or failing him
3. Name :
 Address :
 E-mail Id :
 Signature :

as my/ our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 37th Annual General Meeting of the Company, to be held on Tuesday, 26th day of September, 2017 at 2.30 p.m. at "SRSL HOUSE", Pulla Bhuwana Road, N.H. No. 8, Udaipur (Raj.)-313004 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution
ORDINARY BUSINESS	
1	Adoption of Financial Statements
2	Appointment of Mr. Anubhav Ladia as a director liable to retire by rotation
3	Appointment of Statutory Auditors
SPECIAL BUSINESS	
4	Ratification of Remuneration of the Cost Auditors

Signed this.....day of..... 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp of
Rs. 1/-

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

PRODUCTION MACHINES AT FACTORY



CORPORATE OFFICE AT UDAIPUR



**shree RAJASTHAN SYNTEX LIMITED**

Regd. Office : 'SRSL House', Pulla-Bhuwana Road, N.H. No. 8 Udaipur (Raj.)-313 004
 CIN: L24302RJ1979PLC001948 Phone No: 0294-2440334 Fax: 0294-2440946 Email: houdr@srsi.in

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ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD	NO. OF SHARES

The E-voting facility will be available during the following voting period :

Commencement of e-voting	From 09.00 A.M. (IST) on Friday, 22 nd September, 2017
End of e-voting	Upto 05.00 P.M. (IST) on Monday, 25 th September, 2017

The Cut-off date (i.e. the record date) for the purpose of e-voting is **19th September, 2017.**

----- TEAR HERE -----

**shree RAJASTHAN SYNTEX LIMITED**

Regd. Office : 'SRSL House', Pulla-Bhuwana Road, N.H. No. 8 Udaipur (Raj.) - 313 004
 CIN: L24302RJ1979PLC001948 Phone No: 0294-2440334 Fax: 0294-2440946 Email: houdr@srsi.in

ATTENDANCE SLIP

I/We hereby record my presence at the Annual General Meeting of the company to be held on **Tuesday, 26th day of September, 2017 at 2.30 P.M.** at Regd. Office, 'SRSL House', Pulla-Bhuwana Road, N.H. No. 8 Udaipur (Raj.) - 313 004.

Name of the Shareholders or Proxy (In Block Letters) :

No. of Shares Held :

Regd. Folio No./DPID-CLID :

Signature of the Shareholder/Proxy :

Note:

Please Complete This Attendance Slip And Hand It Over At The Entrance Of The Hall.

THE PROCEDURE AND INSTRUCTIONS FOR E-VOTING FOR THE 37TH ANNUAL GENERAL MEETING ARE PRODUCED HERE UNDER FOR REFERENCE:

- I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**
- Open e-mail and open PDF file viz. "SRTL-remote e-Voting. pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - Click on Shareholder-Login.
 - Put user ID and password as initial password noted in step (i) above. Click Login.
 - Password change menu appears. Change the password with new password of your choice with minimum 8 digits /characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - Select "EVEN" of "Shree Rajasthan Syntex Ltd."
 - Now you are ready for remote e-voting as Cast Vote page opens.
 - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote casted successfully" will be displayed.
 - Once you have voted on the resolution, you will not be allowed to modify your vote.
 - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to cs.vmanda@gmail.com with a copy marked to evoting@nsdl.co.in.
- II. In case of Members receiving Physical copy of Notice of 37th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy)**
- Initial user ID and password is provided in the box overleaf.
 - Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

Note-

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2017.
- Any person, who acquire shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19th September, 2017, may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- CS Manoj Maheshwari, FCS 3355, Practicing Company Secretary, Jaipur has been appointed as a scrutinizer to scrutinize the remote e-voting & poll process to be carried out at the AGM in a fair and transparent manner.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.srtl.in and also on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing and shall be communicated to the BSE Limited.