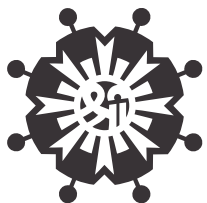




38th ANNUAL REPORT 2017-18



Shree Rajasthan Syntex Limited

www.srsl.in

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: 00168211)
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 (RTA)

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

STATUTORY AUDITOR

M/s. Doogar & Associates, Chartered Accountants, New Delhi

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

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NOTICE

Notice is hereby given that the 38th Annual General Meeting ["AGM"] of the members of Shree Rajasthan Syntex Limited will be held on Wednesday, the 26th day of September, 2018, at 2:30 P.M. at the Registered Office of the Company situated at 'SRSL HOUSE', Pulla Bhuwana Road, N.H. No. 8, Udaipur (Raj.) - 313004 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 31st March, 2018 together with the reports of the Board of Directors and Auditors thereon.

Item no. 2 - Appointment of Mr. Anubhav Ladia (DIN: 00168312) 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.

SPECIAL BUSINESS

Item no. 3 - Ratification of Remuneration of the Cost Auditors for the financial year ending on 31st March, 2019 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 85,000/- (Rupees Eighty Five Thousand Only) plus applicable GST and reimbursement of traveling expenses and out of pocket expenses (at actuals) incurred for the purpose of audit, 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 2018-19 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."

Item No. 4 - Re-appointment of Mr. Narendra Nath Agrawala (DIN: 00168211) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 ("Listing Regulations") (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) Mr. Narendra Nath Agrawala (DIN: 00168211), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for further term of 5 (five) consecutive years with effect from 1st April, 2019 to 31st March, 2024.

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."

Item No. 5 - Re-appointment of Mr. Raj Singh Nirwan (DIN: 00313799) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) Mr. Raj Singh Nirwan (DIN: 00313799), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for further term of 5 (five) consecutive years with effect from 1st April, 2019 to 31st March, 2024.

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."

Item No. 6 - Re-appointment of Mr. Sunil Goyal (DIN: 00110601) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and

applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) Mr. Sunil Goyal (DIN: 00110601), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for further term of 5 (five) consecutive years with effect from 1st April, 2019 to 31st March, 2024.

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."

Item No. 7 - Re-appointment of Mr. Susheel Jain (DIN: 00378678) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) Mr. Susheel Jain (DIN: 00378678), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for further term of 5 (five) consecutive years with effect from 1st April, 2019 to 31st March, 2024.

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."

Item No. 8 - Revision in terms of appointment of Mr. Vinod Kumar Ladia, Executive Chairman and Whole Time Director of the Company and to consider, and if thought fit, to pass the following as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) the relevant provisions of the Articles of Association of the Company, and on the basis of recommendation of the nomination and remuneration committee, the consent of the members of the Company be and is hereby accorded for change in terms of appointment of Mr. Vinod Kumar Ladia (DIN:00168257) who was appointed as the Executive Chairman and Whole Time Director of the Company in the 36th Annual General Meeting ("AGM") held on 26th September, 2016 for a period of 3 years w.e.f. 1st June, 2016 to 31st May, 2019 from "not being liable to retire by rotation" to "being liable to retire by rotation" keeping all the other terms and conditions of his appointment as laid down in the notice and explanatory statement of the 36th AGM held on 26th September, 2016 as it is.

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**



RAVINA SONI
Company Secretary cum
Compliance Officer

**Date: 9th August, 2018
Place: Udaipur**

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the Special business under **Item No. 3, 4, 5, 6, 7 and 8** of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of Securities and 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 Standard"), of the persons seeking re-appointment under **Item No. 2, 4, 5, 6 and 7** 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. If a Proxy is appointed for more than*

fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid.

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 annexed to this Annual Report 2017-18).
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 relevant 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 Thursday, 20th September 2018 to Wednesday, 26th September 2018 (both days inclusive) for the purpose of AGM.*
10. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
11. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to the Registrar and Share Transfer Agent ("RTA")/Company immediately.
12. Members are requested to address all their correspondence including demat 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
 Members are requested to quote their Regd. Folio Number / DP and Client ID Nos. in all their correspondence with the Company or its RTA.
13. 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.
14. **The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to Company or its RTA by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.**
15. **SEBI has vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated 8th June, 2018 has mandated that - "except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository."**
Accordingly, the members are requested to note that request for transfer of shares held in physical form will not be processed w.e.f. 5th December, 2018 and it shall be mandatory to demat the securities for getting the shares transferred.
16. 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 and further requested to dematerialize their physical holdings.
17. **Members wishing to claim their unpaid or unclaimed dividend warrant for the financial year 2010-11 are**

requested to contact the Company or its RTA for encashing the unclaimed dividends standing to the credit of their account upto October 24, 2018. The details of dividend is available on the website of the Company at www.srsl.in.

18. The Dividend which is not encashed / claimed by the shareholder for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate the companies to transfer such shares of Members of whom dividend remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority. Hence, the Company urges all the Members to encash / claim their respective dividend during the prescribed period. The details of the unpaid / unclaimed amounts lying with the Company are available on the website of the Company and on Ministry of Corporate Affairs' website. The Members whose dividend / shares as transferred to the IEPF Authority can now claim their shares from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.
19. The Notice of AGM along with the Annual Report 2017-18 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.
20. The Members who have not registered their email address so far, are requested to register their e-mail address with your depository participant (in case shares are held in the Demat form) / RTA of the Company (in case shares are held in the Physical form) for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically. E-communication format are available at the website of the Company at www.srsl.in.
21. 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 AGM.
22. Annual Report 2017-18 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
23. 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.
24. The Company has engaged the services of National Securities Depository Limited ("NSDL") as Agency to provide e-voting facility.
25. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of The Companies (Management and

Administration) Rules, 2014 (as amended) & 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.

26. 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.
27. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 19th September, 2018 being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice and may cast their vote electronically. The remote e-voting facility would remain open from Saturday, 22nd September, 2018 (9.00 A.M.) to Tuesday, 25th September, 2018 (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, 2018 ('cut-off date'). 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. 3

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 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s), amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the Board in its meeting held on 25th May, 2018, 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 2018-19.

Further, the remuneration payable to the Cost Auditors revised from Rs. 70,000/- to Rs. 85,000/- as recommended by the Audit Committee and approved by the Board of Directors, is subject to the ratification by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Special Business **Item No. 3** of the Notice for ratification of remuneration payable to the Cost Auditor for the financial year 2018-19.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at **Item No. 3** of the Notice.

The Board recommends the Ordinary Resolution set out at **Item No. 3** of the notice for approval by the members.

Item no. 4, 5, 6 and 7

Mr. Narendra Nath Agrawala (DIN: 00168211), aged 78 years, Mr. Raj Singh Nirwan (DIN : 00313799), aged 81 years, Mr. Sunil Goyal (DIN: 00110601), aged 61 years and Mr. Susheel Jain (DIN: 00378678), aged 53 years, were appointed as Independent Directors on the Board, pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, by the Members of the Company in the 34th AGM held on 17th September, 2014. They will hold office as Independent Directors of the Company for a period of five consecutive years, upto 31st March, 2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee, on the basis of performance evaluation of Independent Directors and Nomination and Remuneration Policy ("NRC Policy"), has recommended the re-appointment of Mr. Narendra Nath Agrawala, Mr. Raj Singh Nirwan, Mr. Sunil Goyal and Mr. Susheel Jain as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Narendra Nath Agrawala, Mr. Raj Singh Nirwan, Mr. Sunil Goyal and Mr. Susheel Jain would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. In the opinion of the Board, Mr. Narendra Nath Agrawala, Mr. Raj Singh Nirwan, Mr. Sunil Goyal and Mr. Susheel Jain fulfil the conditions for re-appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. Narendra Nath Agrawala, Mr. Raj Singh Nirwan, Mr. Sunil Goyal and Mr. Susheel Jain are independent of the management.

Considering the re-appointment of

1. Mr. Narendra Nath Agrawala and Mr. Raj Singh Nirwan (who have attained the age of 75+)
2. Mr. Sunil Goyal and Mr. Susheel Jain,

is for second term of 5 (five) consecutive years, hence their re-appointment as Independent Director requires approval of members by way of Special Resolution as provided in the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

Accordingly, it is proposed to re-appoint Mr. Narendra Nath Agrawala, Mr. Raj Singh Nirwan, Mr. Sunil Goyal and Mr. Susheel Jain as Independent Directors of the Company, not liable to retire

by rotation and to hold office for a further term of 5 (five) consecutive years on the Board of the Company with effect from 1st April, 2019 to 31st March, 2024.

Mr. Narendra Nath Agrawala, Mr. Raj Singh Nirwan, Mr. Sunil Goyal and Mr. Susheel Jain have given their (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 (as amended).

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Mr. Narendra Nath Agrawala, Mr. Raj Singh Nirwan, Mr. Sunil Goyal and Mr. Susheel Jain for the office of Independent Directors of the Company.

Details of Directors whose re-appointment as Independent Directors are proposed at **Item Nos. 4, 5, 6 and 7** are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Narendra Nath Agrawala, Mr. Raj Singh Nirwan, Mr. Sunil Goyal and Mr. Susheel Jain are interested in the resolutions set out respectively at **Item Nos. 4, 5, 6 and 7** of the Notice with regard to their respective re-appointments. The relatives of Mr. Narendra Nath Agrawala, Mr. Raj Singh Nirwan, Mr. Sunil Goyal and Mr. Susheel Jain may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolution set out at **Item Nos. 4, 5, 6 and 7** of the Notice for approval by the members.

Item no. 8

Mr. Vinod Kumar Ladia was appointed as the Executive Chairman and Whole Time Director of the Company for a period of 3 years w.e.f. 1st June, 2016 to 31st May, 2019 in the 36th Annual General Meeting ("AGM") held on 26th September, 2016 on the terms and conditions as mentioned in the notice thereof.

Keeping in view the composition of the Board of the company and on the recommendation of the Nomination and Remuneration Committee it is decided to revise one term from the terms and conditions, mentioned in the notice of 36th AGM, of appointment of Mr. Vinod Kumar Ladia from "not being liable to retire by rotation" to "being liable to retire by rotation" keeping all the other terms and conditions of his appointment as laid down in the notice and explanatory statement of the AGM held on 26th September, 2016 as it is.

Except Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav

Ladia, Directors of the Company, none of the other Directors and Key Managerial Personnel of the Company including their relatives, are in any way concerned or interested in the resolution set out at **Item No. 8** of the Notice. The relatives of Mr. Vinod

Kumar Ladia may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. The Board recommends the Special Resolution set out at **Item No. 8** of the Notice for approval by the members.

ANNEXURE

DETAILS / PROFILE OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE 38TH AGM AS PER REGULATION 36(3) OF THE LISTING REGULATIONS AND SECRETARIAL STANDARD ON GENERAL MEETINGS ("SS-2")

| S. No. | Name of the Director | Mr. Anubhav Ladia (WHOLE TIME DIRECTOR) | Mr. Narendra Nath Agrawala (INDEPENDENT DIRECTOR) | Mr. Raj Singh Nirwan (INDEPENDENT DIRECTOR) |
|--------|--|---|---|---|
| 1. | Age | 41 years | 78 years | 81 years |
| 2. | Qualifications | B.Com (H), FCA | B.Sc. (Textile), MBA (IIM) | B.A., LLB, MBA (IIM) |
| 3. | Experience (including expertise in specific functional areas) / Brief Resume | He is a Chartered Accountant having sound experience in finance field. Presently located at the Head Office, as in-charge of finance and accounts head. | He is having substantial experience in the textile industry. | He is having substantial experience in the textile industry. |
| 4. | Terms and Conditions of Appointment / Re-appointment | As per the resolution at item no. 2 of the Notice convening AGM on 26 th September, 2018 Mr. Anubhav Ladia is proposed to be re-appointed as a Director liable to retire by rotation. | As per the resolution at item no. 4 of the Notice convening AGM on 26 th September, 2018 read with explanatory statement thereto, Mr. Narendra Nath Agrawala is proposed to be re-appointed as Independent Director | As per the resolution at item no. 5 of the Notice convening AGM on 26 th September, 2018 read with explanatory statement thereto, Mr. Raj Singh Nirwan is proposed to be re-appointed as Independent Director |
| 5. | Remuneration last drawn (including sitting fees, if any) | Rs. 22,72,864 | Rs. 63,000 | Rs. 42,000 |
| 6. | Remuneration proposed to be paid | As per the resolution at item no. 11 of the Notice convening AGM on 26 th September, 2016 read with explanatory statement thereto. | Sitting fees only | Sitting fees only |
| 7. | Date of first appointment on the Board | 1 st September, 2005 | 24 th October, 1998 | 17 th April, 2000 |
| 8. | Shareholding in the Company as on March 31, 2018 | 2,70,032 | 3,384 | NIL |
| 9. | Relationship with other Directors / Key Managerial Personnel | Mr. Anubhav Ladia, son of Mr. Vinod Kumar Ladia and Brother of Mr. Vikas Ladia | Not related to any Director / Key Managerial Personnel | Not related to any Director / Key Managerial Personnel |
| 10. | Number of the meetings of the Board attended during the year | 6 | 5 | 3 |
| 11. | Directorship of other Boards as on March 31, 2018 | 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. | NIL | NIL |
| 12. | Membership / Chairmanship of Committee of other Boards as on March 31, 2018 | NIL | NIL | NIL |

| S. No. | Name of the Director | Mr. Sunil Goyal (INDEPENDENT DIRECTOR) | Mr. Susheel Jain (INDEPENDENT DIRECTOR) |
|--------|--|--|---|
| 1. | Age | 61 years | 53 years |
| 2. | Qualifications | M.Com, M.A., LLB., Diploma in Labour Laws, Diploma in Taxation, AICWA, FCS, FCA | FCA |
| 3. | Experience (including expertise in specific functional areas) / Brief Resume | He is having a vast experience since 1980 in the areas of taxation, audits, corporate laws and ranging experience on different aspects relating to functioning of public sector entities at the State and National level including Statutory audit of large number of public sector companies and activities related to socio- economic development of the State and the Country Auditing and Assurance Services, Mergers and Acquisitions, Disinvestment, Joint Ventures and Collaborations, Foreign Exchange Management Act, Taxation including Tribunals and Settlement Commission, Investment Planning, Trustee services, Hand Holding of Foreign Companies to setup business in India, Project Related Services, SOX Audit etc. | He is a Chartered Accountant having sound experience in finance field. He is a businessman. |
| 4. | Terms and Conditions of Appointment / Re-appointment | As per the resolution at item no. 6 of the Notice convening AGM on 26 th September, 2018 read with explanatory statement thereto. Mr. Sunil Goyal is proposed to be re-appointed as Independent Director | As per the resolution at item no. 7 of the Notice convening AGM on 26 th September, 2018 read with explanatory statement thereto. Mr. Susheel Jain is proposed to be re-appointed as Independent Director |
| 5. | Remuneration last drawn (including sitting fees, if any) | Rs. 56,000 | Rs. 21,000 |
| 6. | Remuneration proposed to be paid | Sitting fees only | Sitting fees only |
| 7. | Date of first appointment on the Board | 19 th December, 2006 | 19 th December, 2006 |
| 8. | Shareholding in the Company as on March 31, 2018 | NIL | 1,38,584 |
| 9. | Relationship with other Directors / Key Managerial Personnel | Not related to any Director / Key Managerial Personnel | Not related to any Director / Key Managerial Personnel |
| 10. | Number of the meetings of the Board attended during the year | 4 | 2 |
| 11. | Directorship of other Boards as on March 31, 2018 | M/s. Vaibhav Global Limited M/s. Ganesh Consultants Pvt. Ltd. | M/s. Swan Industries Private Limited M/s. Kasliwal Marbles Private Limited |
| 12. | Membership / Chairmanship of Committee of other Boards as on March 31, 2018 | M/s. Vaibhav Global Limited 1. Audit Committee - Chairman 2. Nomination, remuneration and Compensation Committee - Chairman 3. Stakeholders Relationship Committee - Chairman | NIL |

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



RAVINA SONI
Company Secretary cum
Compliance Officer

Date: 9th August, 2018
Place: Udaipur

THE PROCEDURE AND INSTRUCTIONS FOR E-VOTING FOR THE 38TH AGM 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 38th AGM (for members whose email IDs are not registered with the Company/Depository Participants(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, 2018.
 - E. Any person, who acquires 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, 2018, 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 and shall be communicated to the BSE Limited.

BOARD'S REPORT

To

The Members,

Your Directors have pleasure in presenting the 38th Annual Report on the business and operations of the company along with the Audited Financial Statements for the financial year ended on 31st March, 2018.

1. FINANCIAL SUMMARY /HIGHLIGHTS

The Company's financial highlights is summarized below:

(Rs. In Lakhs)

| Particulars | Financial Year | | |
|---|----------------|----------|---------|
| | 2017-18 | *2016-17 | 2016-17 |
| Revenue from operations | 22,565 | 25,792 | 25,626 |
| Other Income | 771 | 254 | 253 |
| Total Revenue (A) | 23,336 | 26,046 | 25,879 |
| Expenses : | | | |
| Cost of material consumed | 12,499 | 16,794 | 16,794 |
| Purchase of Stock-in-trade | 25 | 66 | 67 |
| Changes in inventories of finished goods, Work in progress and stock-in-trade | 2,849 | (1,203) | (1,203) |
| Employees benefit expenses | 2,263 | 3,025 | 2,994 |
| Finance Costs | 1,423 | 1,603 | 1,598 |
| Depreciation and Amortization expenses | 472 | 493 | 493 |
| Other Expenses | 4,670 | 5,390 | 5,222 |
| Total Expenses (B) | 24,201 | 26,168 | 25,965 |
| Profit/(Loss) before tax (A) - (B) | (865) | (122) | (86) |
| Less : Tax expense | (292) | (37) | (25) |
| Profit / (Loss) for the period | (573) | (85) | (61) |
| Other comprehensive Income (Net of Tax) | 27 | 21 | NA |
| Total Comprehensive Income for the period (Comprising profit after tax and other comprehensive income after tax for the period) | (546) | (64) | NA |

*Figures are restated as per Ind AS.

2. INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated 16th February, 2015 notified The Companies (Indian Accounting Standard) Rules, 2015. Ind AS has replaced the existing Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder. Accordingly, Ind AS is applicable to the Company from 1st April, 2017, with a transition date of 1st April, 2016.

3. FINANCIAL PERFORMANCE

During the year under review your Company had a downfall in its performance due to some uncertain market conditions and increase in prices of raw material, power, fuel, etc. beyond the

control of the company. External factors such as implementation of GST, etc. also affected the working of the Company. The total revenue of the company was Rs. 23,336 Lakhs as compared to Rs. 26,046 Lakhs of previous year. There was a loss during the year amounting to Rs. 573 lakhs as compared to loss of Rs. 85 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.

4. OPERATIONS

The business operations of the company during the year under review have not been satisfactory as compared to previous year. The Company produced 12,456 tonnes of yarn valuing Rs. 19,716 lakhs during the period under review as against 15,920 tonnes of yarn valuing Rs. 26,829 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 6**.

5. EXPORTS

During the year the Company had export of Rs. 2,675 Lakhs against export of Rs. 3,700 Lakhs during the previous year. The export constituted 11.88% of the total turnover of the Company.

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

6. DIVIDEND

As the company has incurred loss during the year, your directors did not recommend any dividend for the financial year 2017-18.

7. TRANSFER TO RESERVES

No amount is proposed to be transferred to the Reserves for the financial year 2017-18.

8. FIXED DEPOSITS

Your Company has accepted Unsecured Fixed Deposits from its members during the financial year ended 31st March, 2018 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 after 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.

The particulars related to Unsecured Fixed Deposits u/s 73, covered under Chapter V of the Companies Act, 2013 as on 31st March, 2018 are as under:

| | | |
|---|---|-----------------|
| (a) Unsecured Fixed Deposits accepted during the year | : | Rs. 3,37,89,000 |
| (b) Outstanding Unsecured Fixed Deposits as on 31 st March, 2018 | : | Rs. 3,74,86,000 |
| (c) Unpaid/ Unclaimed Fixed Deposits as on 31 st March, 2018 | : | 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 |

Further, in order to accept the Unsecured Fixed Deposits for the financial year 2018-19 from the members of the company, your company has 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)

9. 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 5, 6 and 13 to the Financial Statement.

10. CHANGE IN SHARE CAPITAL

The Company had issued 13,00,000 convertible share warrants to promoter & promoter group on preferential basis in the financial year 2016-17. 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. Thereafter, during the year 2017-18, as per option of conversion exercised by the allottees, the Board of Directors in its meeting held on 14th September, 2017 has further allotted the remaining 6,50,000 equity shares. Accordingly, the paid up capital of the Company has increased from Rs. 13,05,23,010 as on 31st March, 2017 to Rs. 13,70,23,010 as on 31st March, 2018. Also, these shares are listed on the BSE Ltd.

The Company had issued 3,70,000, 11% Cumulative Redeemable Preference Shares on preferential basis in the financial year 2016-17. The Board of Directors and shareholders in their meeting held on 6th August, 2016 and 26th September, 2016 respectively approved such issue.

As per the application received from allottees, out of 3,70,000, 1,70,000 11% Cumulative Redeemable Preference Shares were

allotted on private placement basis to allottees by the Board of Directors in its meeting held on 6th September, 2017. Remaining 2,00,000 11% Cumulative Redeemable Preference Shares has been lapsed since none of the allottees made any application for such allotment within the period of 12 months from the date of passing of special resolution i.e. upto 26th September, 2017.

Further, the Company has adopted IND-AS from 1st April 2017. Accordingly as per IND AS 32 & 109, 11% Cumulative Redeemable Preference Shares has been classified as Debt and have been recorded at fair value at the time of initial recognition. For subsequent measurement, preference shares have been valued based on amortized cost. For further details please refer the financial statements 2017-18 annexed to this report.

11. CHANGES IN THE DIRECTORS & KEY MANAGERIAL PERSONNEL

(A) Directors

During the year under review, there was no change in Directors.

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) will retire by rotation at the 38th AGM, and being eligible, has offered himself for re-appointment.

Mr. Narendra Nath Agrawala (DIN: 00168211), aged 78 years, Mr. Raj Singh Nirwan (DIN : 00313799), aged 81 years, Mr. Sunil Goyal (DIN: 00110601), aged 61 years and Mr. Susheel Jain (DIN: 00378678), aged 53 years, were appointed as Independent Directors on the Board, pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges, by the Members of the Company in the 34th AGM held on 17th September, 2014.

They will hold office as Independent Directors of the Company for a period of five consecutive years, upto 31st March, 2019.

The Nomination and Remuneration Committee, on the basis of performance evaluation of Independent Directors and Nomination and Remuneration Policy ("NRC Policy"), has recommended their re-appointment for a second term of 5 (five) consecutive years on the Board of the Company. The Board has approved the re-appointment of all the Independent Directors, post completion of their term, subject to approval of shareholders in its ensuing AGM.

Mr. Vinod Kumar Ladia was appointed as the Executive Chairman and Whole Time Director of the Company for a period of 3 years w.e.f. 1st June, 2016 to 31st May, 2019 in the 36th AGM held on 26th September, 2016 on the terms and conditions as mentioned in the notice thereof.

Keeping in view the composition of the Board of the company and on the recommendation of the Nomination and Remuneration Committee, the Board has approved to revise one term from the terms and conditions, mentioned in the notice of 36th AGM, of appointment of Mr. Vinod Kumar Ladia from "not being liable to retire by rotation" to "being liable to retire by rotation" keeping all

the other terms and conditions of his appointment as laid down in the notice and explanatory statement of the AGM held on 26th September, 2016 as it is.

The Board of Directors recommends all the above re-appointments and revision in the terms of appointment for the consideration by the members of the Company at the 38th AGM.

(B) Key Managerial Personnel (KMP)

During the financial year 2017-18, there was no change in the structure of the Key Managerial Personnel.

12. MEETINGS OF THE BOARD

The Board of Directors met six times during the financial year 2017-18, i.e. on 30th May, 2017, 5th August, 2017, 6th September, 2017, 14th September, 2017, 11th December, 2017 and 12th February, 2018. 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 -7**.

13. COMMITTEE OF BOARD OF DIRECTORS

As on 31st March, 2018, 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 -7**.

14. 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.

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.

15. NOMINATION AND REMUNERATION POLICY

The details of the Policy are provided in the report on Corporate Governance annexed to this report as **Annexure -7**.

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

17. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR

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 -7**.

Further, at time of new appointment of 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.

18. AUDITORS AND AUDIT REPORTS

I. Statutory Auditors & Audit Report

M/s. Doogar & Associates, Chartered Accountants (Firm Registration No.000561N), New Delhi were appointed as Statutory Auditor of the Company at the 37th AGM held on 26th September, 2017, (for a term of five consecutive years) to hold office till the conclusion of 42nd AGM to be held in the calendar year 2022.

The Audit Report on the Financial Statements for the financial year ended on 31st March, 2018, issued by M/s. Doogar & Associates, Statutory Auditors, does 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.

In accordance with the provisions of Companies (Amendment) Act, 2017 notified w.e.f. 7th May, 2018 by the Ministry of Corporate Affairs, now the appointment of Statutory Auditor is not required to be ratified at every AGM.

As required under the provisions of Section 139 of the Companies Act, 2013, the company has obtained a written 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 within the meaning of Section 141 of Companies Act, 2013.

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, the Board of Directors had approved the appointment of 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 2017-18 & the shareholders passed the ordinary resolution in the 37th AGM of the Company for the ratification of the remuneration of the Cost Auditor. The Cost Audit Report for the financial year ended on 31st March, 2018, does not contain any qualification, reservation or adverse remark.

Further, 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 25th May, 2018 for conducting the Audit of cost records maintained by the Company for the financial year 2018-19. 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. 70,000/- to Rs. 85,000/- of the Cost Auditor to be ratified by the shareholders at the 38th 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 2017-18. The Secretarial Audit Report for the financial year 2017-18, in form MR-3, does not contain any qualification, reservation or adverse remark and is annexed to this report as **Annexure -1**.

Further, 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" in their meeting held on 25th May, 2018 for conducting the Secretarial Audit of the Company for the financial year 2018-19.

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 2017-18. 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 2017-18 were duly looked into by the Management from time to time.

Further, 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" in their meeting held on 25th May, 2018 for conducting the Internal Audit of the Company for the financial year 2018-19.

19. 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, the 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 half yearly by Audit Committee of the Company. For a detailed discussion, please refer to report on Corporate Governance annexed to this report as **Annexure -7**.

20. 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 -7**.

21. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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, an 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 2017-18-

- 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 : **FIVE**
- Nature of action taken by the SRSL : **NA**
- Number of Complaints pending at the end of the year : **NIL**

22. SOCIAL OBLIGATIONS

The 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. The Company made 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.

23. EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form MGT-9 containing details as on the financial year ended 31st March, 2018 as required under Section 92(3) of the Companies Act, 2013 read with The Companies (Management and Administration) Rules 2014, is annexed herewith as **Annexure-2**.

24. CONTRACT & ARRANGEMENTS WITH THE RELATED PARTY

All Contracts/ arrangements/ transactions that were entered by the Company during the Financial Year 2017-18 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://srsl.in/documents/RPT-POLICY.pdf>.

25. 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 (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) as on 31.03.2018 | 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) | 14,71,555 | Permanent | M.A. (Economics), P.G. Diploma in Labour Law, Labour Welfare and Personnel Management & L.L.B. Exp.- 32 years | 18/06/2015 | 57 Years | RSWM Ltd. | NIL | NO |
| 2 | Mr. Shyam Lal Tundwal | Sr. Vice President (Technical) | 12,28,700 | Permanent | B-Tech in Textile Exp.- 45 years | 11/01/2016 | 69 Years | RSWM Ltd. | NIL | NO |
| 3 | Mr. Ibrahim Maner | Chief Operating Officer | 10,29,692 | Permanent | LTM, from VJTI | 01/03/2017 | 60 Years | Cimmco Spinners (CLC Group) Solapur/AMIT Spg Industries Ltd. Kolhapur./Spentex Industry (I) Ltd Baramati – Cotton Units | NIL | NO |

| | | | | | | | | | | |
|----|----------------------------|----------------------------------|----------|-----------|--|------------|-----------|-------------------------------|-----|----|
| 4 | Mr. Vinay Punjawat | Chief Financial Officer | 8,56,425 | Permanent | MBA (Finance) Exp.- 25 years | 11/07/2015 | 52 Years | Indian Steel Corporation Ltd. | NIL | NO |
| 5 | Mr. Jawahar Lal Vyas | G.M. (PA & IR) | 7,97,130 | Permanent | M.A. (Sociology) L.L. B., Diploma in Labour Law Exp.- 37 years | 01/09/2015 | 59 Years | Modern Terry Towels Ltd. | NIL | NO |
| 6 | Mr. Ravindra Kumar Choubey | G.M. (TPP) | 7,22,500 | Permanent | B.E.(Mechanical), Exp-30 Years | 01/04/2017 | 54 Years | Prayagraj Power Generation CO | NIL | NO |
| 7 | Mr. Sunil Kumar Tailor | G.M. (Technical) | 7,25,756 | Permanent | B.E.(Textiles), Exp-23 Years | 17/10/2015 | 49 Years | RTM,Bhawani mandi | NIL | NO |
| 8 | Mr. Raj Kumar Mahasani | Astt. Vice President (Marketing) | 6,67,208 | Permanent | M.A. & P.G. Diploma in Sales & Marketing Exp.- 28 years | 22/01/1990 | .55 Years | Shree Rajasthan Syntex Ltd. | NIL | NO |
| 9 | Mr. Kamleshwar Roy | Chief Engineer | 6,40,684 | Permanent | Polytechnic Diploma in Mechanical Exp.- 31 years | 01/08/2011 | 53 Years | Punsumi India Ltd. Bhiwadi, | NIL | NO |
| 10 | Mr. Mohammed Salim | Technical Manager | 5,86,377 | Permanent | Diploma in Textile, Exp.- 23 years | 04/05/2016 | 46 Years | RSWM Ltd. | NIL | NO |

26. 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 -5**.

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 -6**.

28. CORPORATE GOVERNANCE

Your Company is compliant with the norms on Corporate Governance as provided in the Listing Regulations. Report on Corporate Governance for 2017-18 is annexed to this Annual Report as **Annexure -7**.

Further, Compliance Certificate taken from M/s. Doogar & Associates, Statutory Auditors, New Delhi, regarding compliance of conditions of Corporate Governance forms part of report on Corporate Governance.

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 forms part of report on Corporate Governance as required under Regulation 34 read with Schedule V of Listing Regulations.

29. OTHER COMPLIANCES

29.1 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 Financial Statements relate and the date of the report which can affect the financial position of the company.

29.2 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 -6**.

29.3 Disclosure of Accounting Treatment in preparation of Financial Statements: The Ministry of Corporate Affairs(MCA) vide its notification in the Official Gazette dated 16th February, 2015 notified The Companies (Indian Accounting Standard) Rules, 2015. Ind AS has replaced the existing Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder. Accordingly, the Company has adopted Ind As from 1st April, 2017, with a transition date of 1st April, 2016.

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

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

Your Directors hereby confirm that:

- in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had 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."

31. 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, Auditors,

Customers, Suppliers, Share Transfer Agent and Regulatory Authorities and other stakeholders of the Company.

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
(Whole Time Director)
DIN: 00168312

Date: 9th August, 2018
Place: Udaipur

ANNEXURE - 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[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 - 313 004 (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, 2018 ('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, 2018 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. 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. There were no changes in the composition of the Board of Directors during the period under review. 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. Further, independent director(s) were present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. 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:

- (a) 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 on preferential / private placement basis and has received listing and trading approval from stock exchange; and
- (b) Allotted 1,70,000 (One Lakh Seventy Thousand) 11% Cumulative, Non - participating Non - Convertible Preference Shares of Rs. 100/- (Rupees Hundred Only) each on preferential / private placement basis.

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



**CS Manoj Maheshwari
Partner
FCS3355**

**Place: Udaipur
Date: May 25, 2018**

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 - 313 004 (Rajasthan).

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

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.

6. 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 25, 2018**

ANNEXURE - 2

Form No. MGT-9 EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2018

(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

1. CIN : L24302RJ1979PLC001948
2. Registration Date : 15th November, 1979
3. Name of the Company : **SHREE RAJASTHAN SYNTEX LTD.**
4. Category / Sub-Category : Company limited by shares, Indian public non - government company
5. 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
6. Whether listed company : Yes
7. 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 Mangla**
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) | 99.79 |

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 (01.04.2017) | | | | No. of shares held at the end of the year (31.03.2018) | | | | % 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 | 18,99,627 | 0 | 18,99,627 | 14.55 | 23,99,627 | 0 | 23,99,627 | 17.51 | 2.96 |
| 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 | 39,45,584 | 0 | 39,45,584 | 30.23 | 40,95,584 | 0 | 40,95,584 | 29.89 | (0.34) |
| 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) | 58,45,211 | 0 | 58,45,211 | 44.78 | 64,95,211 | 0 | 64,95,211 | 47.40 | 2.62 |
| (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) | 58,45,211 | 0 | 58,45,211 | 44.78 | 64,95,211 | 0 | 64,95,211 | 47.40 | 2.62 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 2,334 | 2,151 | 4,485 | 0.03 | 2,334 | 2,151 | 4,485 | 0.03 | 0 |
| b) Banks / Financial Institutions | 0 | 660 | 660 | 0.01 | 0 | 660 | 660 | 0.00 | (0.01) |
| 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 | 0.00 | 0 | 150 | 150 | 0.00 | 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 | 0.04 | 2,334 | 2,961 | 5,295 | 0.03 | (0.01) |
| (2) Non-institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 6,94,617 | 2,56,220 | 9,50,837 | 7.28 | 11,04,010 | 2,56,120 | 13,60,130 | 9.93 | 2.65 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individual | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh | 20,62,142 | 9,66,185 | 30,28,327 | 23.20 | 20,01,723 | 9,38,506 | 29,40,229 | 21.46 | (1.74) |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh | 27,02,625 | 1,00,200 | 28,02,825 | 21.47 | 23,84,229 | 1,00,200 | 24,84,429 | 18.13 | (3.34) |
| c) Any other | | | | | | | | | |
| i) Non- Resident Indian/ OCB | 90,471 | 72,011 | 1,62,482 | 1.24 | 96,014 | 72,011 | 1,68,025 | 1.22 | (0.02) |
| ii) Clearing Member | 90,257 | 0 | 90,257 | 0.69 | 81,915 | 0 | 81,915 | 0.59 | (0.10) |
| iii) Trust | 1,67,067 | 0 | 1,67,067 | 1.28 | 1,67,067 | 0 | 1,67,067 | 1.22 | (0.06) |
| Sub- Total B(2) | 58,07,179 | 13,94,616 | 72,01,795 | 55.18 | 58,34,958 | 13,66,837 | 72,01,795 | 52.56 | (2.62) |
| Total Public shareholding B= B(1) + B(2) | 58,09,513 | 13,97,577 | 72,07,090 | 55.22 | 58,37,292 | 13,69,798 | 72,07,090 | 52.60 | (2.62) |
| C. Shares held by custodian for GDRs and ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 1,16,54,724 | 13,97,577 | 1,30,52,301 | 100.00 | 1,23,32,503 | 13,69,798 | 1,37,02,301 | 100.00 | 0.00 |

2. Shareholding of Promoter & Promoter Group

| Sl. No. | Shareholder's name | Shareholding at the beginning of the year (01.04.2017) | | | Shareholding at the end of the year (31.03.2018) | | | % 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) |
| 2(1) | Promoter | | | | | | | |
| 1. | Vinod Kumar Ladia | 6,66,018 | 5.10 | 0 | 8,66,018 | 6.32 | 0 | 1.22 |
| 2(2) | Promoter Group | | | | | | | |
| 2. | SRSL Securities Ltd. | 20,92,455 | 16.03 | 0 | 21,07,855 | 15.38 | 0 | (0.65) |
| 3. | Shree Shyam Distributors and Marketing Private Limited | 8,17,324 | 6.26 | 0 | 8,01,924 | 5.85 | 0 | (0.41) |
| 4. | V K Texchem Pvt. Ltd. | 5,94,871 | 4.56 | 0 | 7,44,871 | 5.44 | 0 | 0.88 |
| 5. | Poonam Ladia | 3,40,084 | 2.61 | 0 | 5,40,084 | 3.94 | 0 | 1.33 |
| 6. | Vikas Ladia | 4,02,515 | 3.08 | 0 | 5,02,515 | 3.67 | 0 | 0.59 |
| 7. | Rajasthan State Industrial Development and Investment Corporation Limited | 4,40,934 | 3.38 | 0 | 4,40,934 | 3.22 | 0 | (0.16) |
| 8. | Anubhav Ladia | 2,70,032 | 2.07 | 0 | 2,70,032 | 1.97 | 0 | (0.10) |
| 9. | Vinod Kumar Ladia (HUF) | 87,400 | 0.67 | 0 | 87,400 | 0.64 | 0 | (0.03) |
| 10. | Vikas Ladia (HUF) | 47,495 | 0.36 | 0 | 47,495 | 0.34 | 0 | (0.02) |
| 11. | Anubhav Ladia (HUF) | 35,000 | 0.27 | 0 | 35,000 | 0.26 | 0 | (0.01) |
| 12. | Pooja Toshniwal | 25,982 | 0.20 | 0 | 25,982 | 0.19 | 0 | (0.01) |
| 13. | Puja Ladia | 25,101 | 0.19 | 0 | 25,101 | 0.18 | 0 | (0.01) |
| Total [2(1)+2(2)] | | 58,45,211 | 44.78 | 0 | 64,95,211 | 47.40 | 0 | 2.62 |

3. Change in Promoter's Shareholding

| Sl. No. | Shareholder's Name | Shareholding | | Date | Increase / Decrease in Shareholding | Reason | Cumulative shareholding during the year | |
|---------|----------------------------|--|----------------------------------|------------|-------------------------------------|---|---|----------------------------------|
| | | No. of shares at the beginning (01.04.2017) / end of the year (31.03.2018) | % of total shares of the company | | | | No. of shares | % of total shares of the Company |
| 1. | Mr. Vinod Kumar Ladia | 6,66,018 | 5.10 | 01.04.2017 | | | | |
| | | | | 14.09.2017 | 2,00,000 | Allotment of equity shares by the Company on preferential basis | 8,66,018 | 6.32 |
| | | 8,66,018 | 6.32 | 31.03.2018 | | | | |
| 2. | M/s. V K Texchem Pvt. Ltd. | 5,94,871 | 4.56 | 01.04.2017 | | | | |
| | | | | 14.09.2017 | 1,50,000 | Allotment of equity shares by the Company on preferential basis | 7,44,871 | 5.44 |
| | | 7,44,871 | 5.44 | 31.03.2018 | | | | |
| 3. | Mrs. Poonam Ladia | 3,40,084 | 2.61 | 01.04.2017 | | | | |
| | | | | 14.09.2017 | 2,00,000 | Allotment of equity shares by the Company on preferential basis | 5,40,084 | 3.94 |
| | | 5,40,084 | 3.94 | 31.03.2018 | | | | |
| 4. | Mr. Vikas Ladia | 4,02,515 | 3.08 | 01.04.2017 | | | | |
| | | | | 14.09.2017 | 1,00,000 | Allotment of equity shares by the Company on preferential basis | 5,02,515 | 3.67 |
| | | 5,02,515 | 3.67 | 31.03.2018 | | | | |

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 (01.04.2017) / end of the year (31.03.2018) | % of total shares of the company | | | | No. of shares | % of total shares of the Company |
| 1. | Mr. Ruchit Bharat Patel | 4,00,000 | 3.06 | 01.04.2017 | | | | |
| | | 4,00,000 | 2.92 | 31.03.2018 | | | | |
| 2. | M/s. BJD Securities Private Ltd. | 2,97,055 | 2.28 | 01.04.2017 | | | | |
| | | | | 02.06.2017 | 300 | purchase | 2,97,355 | 2.28 |
| | | | | 30.06.2017 | 100 | purchase | 2,97,455 | 2.28 |
| | | | | 28.07.2017 | 400 | purchase | 2,97,855 | 2.28 |
| | | | | 04.08.2017 | 1 | purchase | 2,97,856 | 2.28 |
| | | | | 13.10.2017 | 1000 | purchase | 2,98,856 | 2.18 |
| | | | | 03.11.2017 | 7568 | purchase | 3,06,424 | 2.24 |
| | | | | 17.11.2017 | 2180 | purchase | 3,08,604 | 2.25 |
| | | | | 01.12.2017 | 300 | purchase | 3,08,904 | 2.25 |
| | | | | 12.01.2018 | 320 | purchase | 3,09,224 | 2.26 |
| | | | | 09.02.2018 | 100 | purchase | 3,09,324 | 2.26 |
| | | 3,09,324 | 2.26 | 31.03.2018 | | | | |
| 3. | M/s. Shree Shyam Industries Pvt Limited | 2,10,215 | 1.61 | 01.04.2017 | | | | |
| | | 2,10,215 | 1.53 | 31.03.2018 | | | | |
| 4 | M/s. Rai Investments Ltd | 1,11,865 | 0.86 | 01.04.2017 | | | | |
| | | | | 28.04.2017 | 6,055 | purchase | 1,17,920 | 0.90 |
| | | | | 05.05.2017 | 8,023 | purchase | 1,25,973 | 0.97 |
| | | | | 30.06.2017 | 1,577 | purchase | 1,27,520 | 0.98 |
| | | | | 07.07.2017 | 650 | purchase | 1,28,170 | 0.98 |
| | | | | 14.07.2017 | 950 | purchase | 1,29,120 | 0.99 |
| | | | | 21.07.2017 | 2,885 | purchase | 1,32,005 | 1.01 |
| | | | | 27.10.2017 | 11,500 | purchase | 1,43,505 | 1.05 |
| | | | | 31.10.2017 | 17,977 | purchase | 1,61,482 | 1.18 |
| | | | | 03.11.2017 | 13,928 | purchase | 1,75,410 | 1.28 |
| | | | | 17.11.2017 | 4,601 | purchase | 1,80,011 | 1.31 |
| | | | | 24.11.2017 | 9,450 | purchase | 1,89,461 | 1.38 |
| | | | | 01.12.2017 | 1,637 | purchase | 1,91,098 | 1.39 |
| | | | | 15.12.2017 | 12,389 | purchase | 2,03,487 | 1.49 |
| | | 2,03,487 | 1.49 | 31.03.2018 | | | | |
| 5. | Mr. Hardik B. Patel | 0 | 0 | 01.04.2017 | | | | |
| | | | | 01.12.2017 | 2,00,000 | purchase | 2,00,000 | 1.46 |
| | | 2,00,000 | 1.46 | 31.03.2018 | | | | |
| 6 | M/s. Innovative Data Organisation Pvt Ltd | 2,930 | 0.022 | 01.04.2017 | | | | |
| | | | | 05.05.2017 | 5,500 | purchase | 8,430 | 0.06 |
| | | | | 12.05.2017 | 2,797 | purchase | 11,227 | 0.09 |
| | | | | 28.07.2017 | 1,933 | purchase | 13,160 | 0.10 |
| | | | | 13.10.2017 | 47,991 | purchase | 61,151 | 0.45 |
| | | | | 20.10.2017 | 17,500 | purchase | 78,651 | 0.57 |
| | | | | 27.10.2017 | 16,600 | purchase | 95,251 | 0.70 |
| | | | | 17.11.2017 | 12,563 | purchase | 1,07,814 | 0.79 |
| | | | | 29.12.2017 | 7,000 | purchase | 1,14,814 | 0.84 |
| | | | | 12.01.2018 | 23,145 | purchase | 1,37,959 | 1.01 |
| | | | | 19.01.2018 | 25,267 | purchase | 1,63,226 | 1.19 |
| | | | | 02.03.2018 | 10,554 | purchase | 1,73,780 | 1.27 |
| | | 1,73,780 | 1.27 | 31.03.2018 | | | | |
| 7. | M/s. Shree Rajasthan Syntex Limited Employees Welfare Trust | 1,67,067 | 1.28 | 01.04.2017 | | | | |
| | | 1,67,067 | 1.22 | 31.03.2018 | | | | |
| 8. | Mr. Jay Bharat Dattani | 1,40,148 | 1.07 | 01.04.2017 | | | | |
| | | | | 28.04.2017 | 23,000 | sale | 1,17,148 | 0.90 |
| | | 1,17,148 | 0.85 | 31.03.2018 | | | | |

| | | | | | | | | |
|-----|-----------------------------------|----------|------|------------|--------|----------|----------|------|
| 9. | Mr. Bharat Jamnadas Dattani | 1,46,891 | 1.13 | 01.04.2017 | | | | |
| | | | | 28.04.2017 | 14,000 | Sale | 1,32,891 | 1.02 |
| | | | | 07.07.2017 | 1,400 | Sale | 1,31,491 | 1.01 |
| | | | | 13.10.2017 | 986 | Sale | 1,30,505 | 0.95 |
| | | | | 27.10.2017 | 7,368 | Sale | 1,23,137 | 0.90 |
| | | | | 22.12.2017 | 2,300 | Sale | 1,20,837 | 0.88 |
| | | | | 12.01.2018 | 12,775 | Sale | 1,08,062 | 0.79 |
| | | 1,08,062 | 0.79 | 31.03.2018 | | | | |
| 10. | M/s. Medium Investment Co Pvt. Lt | 13,646 | 0.10 | 01.04.2017 | | | | |
| | | | | 05.05.2017 | 7,125 | purchase | 20,771 | 0.16 |
| | | | | 12.05.2017 | 4,050 | purchase | 24,821 | 0.19 |
| | | | | 07.07.2017 | 2,483 | purchase | 27,304 | 0.21 |
| | | | | 14.07.2017 | 3,639 | purchase | 30,943 | 0.24 |
| | | | | 04.08.2017 | 6,323 | purchase | 37,266 | 0.29 |
| | | | | 13.10.2017 | 20,809 | purchase | 58,075 | 0.42 |
| | | | | 20.10.2017 | 1,800 | purchase | 59,875 | 0.44 |
| | | | | 27.10.2017 | 9,960 | purchase | 69,835 | 0.51 |
| | | | | 03.11.2017 | 2,000 | purchase | 71,835 | 0.52 |
| | | | | 29.12.2017 | 20,909 | purchase | 92,744 | 0.68 |
| | | | | 19.01.2018 | 7,351 | purchase | 1,00,095 | 0.73 |
| | | | | 23.02.2018 | 4,000 | Sale | 96,095 | 0.70 |
| | | 96,095 | 0.70 | 31.03.2018 | | | | |
| 11. | Ms. Bansuri Bharat Dattani | 89,649 | 0.69 | 01.04.2017 | | | | |
| | | | | 09.02.2018 | 100 | Sale | 89,549 | 0.65 |
| | | 89,549 | 0.65 | 31.03.2018 | | | | |
| 12. | M/s Swan Industries Ltd. | 89,734 | 0.69 | 01.04.2017 | | | | |
| | | | | 15.12.2017 | 2,500 | Sale | 87,234 | 0.64 |
| | | | | 22.12.2017 | 1,000 | Sale | 86,234 | 0.63 |
| | | | | 12.01.2018 | 5,362 | Sale | 80,872 | 0.59 |
| | | | | 19.01.2018 | 3,565 | Sale | 77,307 | 0.56 |
| | | | | 26.01.2018 | 200 | Sale | 77,107 | 0.56 |
| | | 77,107 | 0.56 | 31.03.2018 | | | | |

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 (01.04.2017) / end of the year (31.03.2018) | % of total shares of the company | | | | No. of shares | % of total shares of the Company |
| 1. | Mr. Vinod Kumar Ladia (CM and WTD) | 6,66,018 | 5.10 | 01.04.2017 | | | | |
| | | | | 14.09.2017 | 2,00,000 | Allotment of equity shares by the Company on preferential basis | 8,66,018 | 6.32 |
| | | 8,66,018 | 6.32 | 31.03.2018 | | | | |
| 2. | Mr. Vikas Ladia (MD and CEO) | 4,02,515 | 3.08 | 01.04.2017 | | | | |
| | | | | 14.09.2017 | 1,00,000 | Allotment of equity shares by the Company on preferential basis | 5,02,515 | 3.67 |
| | | 5,02,515 | 3.67 | 31.03.2018 | | | | |
| 3. | Mr. Anubhav Ladia (ED) | 2,70,032 | 2.07 | 01.04.2017 | | | | |
| | | 2,70,032 | 1.97 | 31.03.2018 | | | | |
| 4. | Mr. Susheel Jain | 29,267 | 0.22 | 01.04.2017 | | | | |
| | | | | 08.12.2017 | 1,09,017 | Purchase | 1,38,284 | 1.01 |
| | | 1,38,284 | 1.01 | 31.03.2018 | | | | |

| | | | | | | | | |
|-----|--------------------------------------|-------|------|------------|--|--|--|--|
| 5. | Mr. Ravinder Narain (NEID) | 6,000 | 0.05 | 01.04.2017 | | | | |
| | | 6,000 | 0.04 | 31.03.2018 | | | | |
| 6. | Mr. Narendra Nath Agrawala (NEID) | 3,384 | 0.03 | 01.04.2017 | | | | |
| | | 3,384 | 0.02 | 31.03.2018 | | | | |
| 7. | Ms. Neelima Khetan (NEID) | - | - | 01.04.2017 | | | | |
| | | - | - | 31.03.2018 | | | | |
| 8. | Mr. Raj Singh Nirwan (NEID) | - | - | 01.04.2017 | | | | |
| | | - | - | 31.03.2018 | | | | |
| 9. | Mr. Roshan Lal Kunawat (NED) | - | - | 01.04.2017 | | | | |
| | | - | - | 31.03.2018 | | | | |
| 10. | Mr. Sunil Goyal (NEID) | - | - | 01.04.2017 | | | | |
| | | - | - | 31.03.2018 | | | | |
| 11. | Ms. Ravina Soni (CS) | - | - | 01.04.2017 | | | | |
| | | - | - | 31.03.2018 | | | | |
| 12 | Mr. Vinay Punjawat (CFO) | 10 | 0.00 | 01.04.2017 | | | | |
| | | 10 | 0.00 | 31.03.2018 | | | | |

V INDEBTEDNESS

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

(Amount in Rs.)

| Particulars | Secured loans excluding deposits | Unsecured Loans | Deposits (Unsecured Fixed Deposits) | Total indebtedness |
|--|-------------------------------------|--------------------|---|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| (i) Principal amount | 96,79,03,235 | 1,00,00,000 | 5,89,00,000 | 1,03,68,03,235 |
| (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) | 97,90,80,688 | 1,00,00,000 | 6,05,54,703 | 1,04,96,35,391 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 6,63,14,904 | 1,78,48,191 | 3,45,07,748 | 11,86,70,843 |
| * Reduction | 5,42,42,103 | 1,00,00,000 | 5,68,49,858 | 12,10,91,961 |
| Net change | 1,20,72,801 | 78,48,191 | -2,23,42,110 | -24,21,118 |
| Indebtedness at the end of the financial year | | | | |
| (i) Principal amount | 91,41,50,884 | 1,70,00,000 | 3,74,86,000 | 96,86,36,884 |
| (ii) Interest due but not paid | 7,48,07,400 | - | 7,845 | 7,48,15,245 |
| (iii) Interest accrued but not due. | 21,95,205 | 8,48,191 | 7,18,748 | 37,62,144 |
| Total (i+ii+iii) | 99,11,53,489 | 1,78,48,191 | 3,82,12,593 | 1,04,72,14,273 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-

(Amount in Rs.)

| 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 (Whole Time Director) | |
| 1 | Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 28,40,000 | 22,50,000 | 16,50,000 | 67,40,000 |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | 8,21,930 | 5,29,355 | 6,22,864 | 19,74,149 |
| | (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 | 36,61,930 | 27,79,355 | 22,72,864 | 87,14,149 |
| | Ceiling as per the Act* | 1,68,00,000 | 1,68,00,000 | 1,68,00,000 | 5,04,00,000 |

Due to inadequacy of the profit for the year 2017-18 & pursuant to section 197 of the Act & Schedule-V (as amended) and pursuant to special resolution passed for appointment of such managerial personnel, 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.

B. Remuneration to other Directors-

(Amount in Rs.)

| Sl. No. | Particulars of remuneration | Name of the Directors | | | | | | | Total amount |
|---------|---|-------------------------------|-----------------|----------------------------|------------------------|------------------|---------------------|---------------------|-----------------|
| | | Mr. Raj Singh Nirwan | Mr. Sunil Goyal | Mr. Narendra Nath Agrawala | Mr. Roshan Lal Kunawat | Mr. Susheel Jain | Mr. Ravinder Narain | Mrs. Neelima Khetan | |
| 1 | Independent Directors | | | | | | | | |
| | * Fee for attending Board, Committee meetings | 42,000 | 56,000 | 63,000 | - | 21,000 | 7,000 | 35,000 | 2,24,000 |
| | * Commission | - | - | - | - | - | - | - | - |
| | * Others, please specify | - | - | - | - | - | - | - | - |
| | Total (1) | 42,000 | 56,000 | 63,000 | - | 21,000 | 7,000 | 35,000 | 2,24,000 |
| 2 | Other Non -Executive Directors | | | | | | | | |
| | * Fee for attending Board, Committee meetings | - | - | - | 63,000 | - | - | - | 63,000 |
| | * Commission | - | - | - | - | - | - | - | - |
| | * Others, please specify | - | - | - | - | - | - | - | - |
| | Total (2) | - | - | - | 63,000 | - | - | - | 63,000 |
| | Total = (1+2) | 42,000 | 56,000 | 63,000 | 63,000 | 21,000 | 7,000 | 35,000 | 2,87,000 |
| | Overall ceiling as per the Act* | 1% of profit after tax | | | | | | | |

*As the company has incurred loss during the year, 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.

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

(Amount in Rs.)

| Sl. No. | Particulars of Remuneration | Name of Key Managerial Personnel | | | Total amount |
|---------|---|----------------------------------|-------------------|-------------------------|------------------|
| | | Chief Executive Officer | Company Secretary | Chief Financial Officer | |
| | | Mr. Vikas Ladia | Ms. Ravina Soni | Mr. Vinay Punjawat | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 22,50,000 | 2,30,000 | 5,96,500 | 30,76,500 |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | 5,29,355 | 1,74,097 | 4,30,726 | 11,34,178 |
| | (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 | 27,79,355 | 4,04,097 | 10,27,226 | 42,10,678 |

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
 (Whole Time Director)
 DIN: 00168312

Date: 9th August, 2018
 Place: Udaipur

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, 2018 which were not at arms' length basis.

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

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

**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
(Whole Time Director)
DIN: 00168312

Date: 9th August, 2018

Place: Udaipur

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, 2018

- 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 (Chairman & WTD) : **44.96 : 1**
- 2) Mr. Vikas Ladia (MD & CEO) : **35.59 : 1**
- 3) Mr. Anubhav Ladia (WTD) : **26.23 : 1**

*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) : **0.09%**
- 2) Mr. Vikas Ladia (MD & CEO) : **0.09%**
- 3) Mr. Anubhav Ladia (WTD) : **0.12%**
- 4) Mr. Vinay Punjawat (CFO) : **0.14%**
- 5) Ms. Ravina Soni (CS) : **0.39%**

*Other Directors receives Sitting Fees only

- iii. the percentage increase in the median remuneration of employees in the financial year; **0.09 %**

- iv. the number of permanent employees on the rolls of Company; **1665**

- 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: **0.12 %**


-Average increase in the remuneration of KMPs: **0.11 %**

-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
(Whole Time Director)
DIN: 00168312

Date: 9th August, 2018
Place: Udaipur

ANNEXURE-5

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.
- (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

- i. 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.
- ii. 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.
- iii. In case of imported technology (imported during last 3 years reckoned from the beginning of the financial Years) : N/A
- iv. Expenditure on R & D: (Rs. in Lacs)

| | |
|---|-------|
| 1. Capital | - |
| 2. Recurring | 43.27 |
| 3. Total | 43.27 |
| 4. Total R & D Expenditure as a % of total turnover | 0.19% |

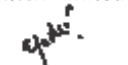
C. FOREIGN EXCHANGE EARNINGS & OUTGO.

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

| Particulars | 2017-18 (Rs. in Lakhs) | 2016-17 (Rs. in Lakhs) |
|----------------------------------|---------------------------|---------------------------|
| 1. Total foreign exchange used | 305.88 | 28.34 |
| 2. Total foreign exchange earned | 2311.52 | 3311.31 |

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
(Whole Time Director)
DIN: 00168312

Date: 9th August, 2018
Place: Udaipur

ANNEXURE - 6

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 2017-18. 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 the second largest manufacturer and exporter in the world, after China. The industry is of vital importance to the Indian economy in terms of output, foreign exchange earning and employment.
- India's Textile & Clothing sector is considered as the backbone of the country due to its significant contribution to Indian economy.
 - Currently, the domestic textiles industry contributes 10% (approx.) to the manufacturing output of the country, generates about 4% (approx.) to its GDP. Importantly the sector contributes 15% (approx.) to the export earnings of India. Mitigating the repercussion of currency fluctuation remains a challenge.
- The textile industry holds importance from the employment point of view as well. It employs 4.5 crore people directly and another 6 crore people in allied sectors, including a large number of women and rural population. The sector has perfect alignment with Government's key initiative of Make in India, Skill India, Women Empowerment and Rural Youth Employment.
- 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 derivative 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 fibres is the most dominantly consumed textile fibre.

- The textile Industry in general had a negative impact due to the after effects of structural transformation that took place in the form of implementation of demonetization and GST. Further post GST import duty has come down sharply, thus making imports cheaper for the domestic industry which has placed pressure on selling prices for the textile industry as a whole, consumer's preference to go in for e-commerce / on-line sales and reduction in export benefits have reduced margins. Thus hindering the promotion of exports.

➤ INDUSTRY OPPORTUNITIES

- The Indian Textile Industry is among the oldest in the country. It is projected to reach USD 230 billion by 2020 from around USD 120 billion
- Under Union Budget 2018-19 Government of India allocate around Rs.7,148 crores for Textile Industry. Major focus of this budget is to attract manufacturers, initiate technology up-gradation and set up integrated textile parks etc.
- The Skill India and Make-in India programs of Central government headed by Prime Minister Shri Narendra Modi is helping the industry in getting required skilled manpower and good market for textile products. It is opportunity for the textile industry to upgrade their technology and implement ERP to streamline supply chain and enhance customer relations management activities.
- The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand.
- The structural reform of The Goods and Services Tax (GST) is expected to provide a boost to the economic growth and investments in the long run.

➤ 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. 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 | 2015-16 | 2016-17 | *2016-17 | 2017-18 |
|-------------------------|----------|---------|-----------|-----------|
| Export | 2462.75 | 3700.73 | 3700.73 | 2675.52 |
| Domestic | 23308.30 | 21763.8 | 21,929.59 | 19,843.34 |

*Figures are restated as per Ind AS.

The current yarn portfolio of SRS� 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. Speciality 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 speciality 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 multi filament 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

The business operations of the company during the year under review have not been satisfactory as compared to previous year. The Company produced 12,456 tonnes of yarn valuing Rs. 19,716 lakhs during the period under review as against 15,920 tonnes of yarn valuing Rs. 26,829 lakhs produced during the last year. The Company's financial highlights is summarized below:

(Rs. In Lakhs)

| Particulars | Financial Year | | |
|---|----------------|---------------|---------------|
| | 2017-18 | *2016-17 | 2016-17 |
| Revenue from operations | 22,565 | 25,792 | 25,626 |
| Other Income | 771 | 254 | 253 |
| Total Revenue (A) | 23,336 | 26,046 | 25,879 |
| Expenses : | | | |
| Cost of material consumed | 12,499 | 16,794 | 16,794 |
| Purchase of Stock-in-trade | 25 | 66 | 67 |
| Changes in inventories of finished goods, Work in progress and stock-in-trade | 2,849 | (1,203) | (1,203) |
| Employees benefit expenses | 2,263 | 3,025 | 2,994 |
| Finance Costs | 1,423 | 1,603 | 1,598 |
| Depreciation and Amortization expenses | 472 | 493 | 493 |
| Other Expenses | 4,670 | 5,390 | 5,222 |
| Total Expenses (B) | 24,201 | 26,168 | 25,965 |
| Profit/(Loss) before tax (A) - (B) | (865) | (122) | (86) |
| Less : Tax expense | (292) | (37) | (25) |
| Profit / (Loss) for the period | (573) | (85) | (61) |
| Other comprehensive Income (Net of Tax) | 27 | 21 | NA |
| Total Comprehensive Income for the period (Comprising profit after tax and other comprehensive income after tax for the period) | (546) | (64) | NA |

*Figures are restated as per Ind AS.

➤ 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 CONTROL 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 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 - 7

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance

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".

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**

Shree Rajasthan Syntex Limited 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 (KMP).
3. The Company's internal audit is conducted by Independent auditors.
4. The Secretarial Audit is also conducted by Practicing Company Secretary.

➤ **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 for Directors, Key Managerial Personnels (KMPs) and Senior Managerial Personnels (SMPs)
- 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 31st March, 2018, 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, Independent Director
- Mrs. Neelima Khetan, Independent Director
- Mr. Raj Singh Nirwan, Independent Director
- Mr. Ravinder Narain, Independent Director
- Mr. Roshan Lal Kunawat, Non-Independent Director
- Mr. Sunil Goyal, Independent Director
- Mr. Susheel Jain, Independent 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.

The Executive and Non-Executive Director 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) **Executive 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 six times during the financial year 2017-18, on 30th May 2017, 5th August 2017, 6th September, 2017, 14th September, 2017, 11th December, 2017 & 12th February, 2018. Notices of the meetings & Agenda along with explanatory notes, 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 entitled to attend | No. of Board Meetings Attended | Attendance in Last AGM | No. of other Directorship(s) ⁽¹⁾ | No. of Committee Membership(s) ⁽²⁾ | No. of Committee Chairmanship(s) ⁽²⁾ | No. of shares held |
|-------|--|----------|--|--------------------------------|------------------------|---|---|---|--------------------|
| 1. | Mr. Vinod Kumar Ladia (DIN: 00168257) Promoter CM & WTD | ED | 6 | 6 | Yes | 6 | - | - | 8,66,018 |
| 2. | Mr. Vikas Ladia (DIN: 00256289) Promoter Group- MD & CEO | ED | 6 | 4 | Yes | 2 | - | - | 5,02,515 |
| 3. | Mr. Anubhav Ladia (DIN: 00168312) Promoter Group- WTD | ED | 6 | 6 | Yes | 5 | - | - | 2,70,032 |
| 4. | Mr. Roshan Lal Kunawat (DIN: 00196938) Director | NED | 6 | 5 | Yes | 1 | - | - | 0 |

| | | | | | | | | | |
|-----|---|------|---|---|----|---|---|---|----------|
| 5. | Mr. Narendra Nath Agrawala (DIN: 00168211) Director | NEID | 6 | 5 | No | - | - | - | 3,384 |
| 6. | Mrs. Neelima Khetan (DIN: 05113000) Director | NEID | 6 | 5 | No | - | - | - | 0 |
| 7. | Mr. Raj Singh Nirwan (DIN: 00313799) Director | NEID | 6 | 3 | No | - | - | - | 0 |
| 8. | Mr. Ravinder Narain (DIN: 00059197) Director | NEID | 6 | 1 | No | 2 | 2 | 0 | 6,000 |
| 9. | Mr. Sunil Goyal (DIN: 00110601) Director | NEID | 6 | 4 | No | 2 | 2 | 2 | 0 |
| 10. | Mr. Susheel Jain (DIN: 00378678) Director | NEID | 6 | 2 | No | 2 | - | - | 1,38,584 |

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 & Stakeholders 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 financial year without the attendance of Non-Independent Directors and members of management. Such meetings are conducted informally 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:

- a. Performance Evaluation of Non- Independent Directors
- b. Performance Evaluation of Board as a whole
- c. Performance Evaluation of Chairman
- d. 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 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
- ❖ Disclosures of Director's interest and their shareholding
- ❖ 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

- ❖ Show cause, demand, prosecution notices and penalty notices, which are materially important
- ❖ Fatal or serious accidents, dangerous occurrences and any material effluent or pollution problems
- ❖ Any material default in financial obligations to and by the Company or substantial non payment for goods sold by the Company
- ❖ 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
- ❖ Details of any joint venture or collaboration agreement
- ❖ Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- ❖ 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.
- ❖ Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business
- ❖ Details of Foreign Exchange Exposures and the steps taken by management to limit the risks of adverse exchange rate, if material
- ❖ Annual Secretarial Audit Reports submitted by Secretarial Auditors
- ❖ Dividend declaration, if any
- ❖ 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
- ❖ Internal Audit findings and External Audit Reports (through the Audit Committees)
- ❖ Status of business risk exposures, its management and related action plans
- ❖ Making of loans and investment of surplus funds
- ❖ Borrowing of monies, giving guarantees or providing security in respect of loans
- ❖ Brief on statutory developments, changes in government policies, among others with impact thereof

- ❖ Director's Responsibilities arising out of any such developments
- ❖ Compliance Certificate certifying compliances with all laws as applicable to the Company
- ❖ Various quarterly / half-yearly Compliances as mentioned below:-
 - Reconciliation of Share Capital Audit Report under Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
 - Compliance Certificate ensuring maintenance of physical and electronic transfer facility as per Regulation 7(3) of "Listing Regulations".
 - Statement of Investor Complaints as per Regulation 13(3) of "Listing Regulations".
 - Corporate Governance Report as per Regulation 27 of "Listing Regulations".
 - Shareholding Pattern as per Regulation 31 of "Listing Regulations".
 - Certificate from Practicing Company Secretary under Regulation 40(9) of "Listing Regulations".

F. Code of Conduct

The Company has laid down a Code of Conduct for all the members of the Board of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) for avoidance of conflict of interest. All the Directors, KMPs and SMPs have confirmed compliance with Code of Conduct for the financial year 2017-18. 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 this report as required under Regulation 34 read with Schedule V of Listing Regulations.

There were no material, financial and commercial transactions in which the SMPs 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 possess financial/accounting expertise/exposure.

Composition: As on 31st March, 2018 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 2017-18, on 30th May 2017, 14th September, 2017, 11th December 2017 & 12th February, 2018. The accounts and financial positions were reviewed and recommended by the Audit Committee and thereafter placed before the Board for their consideration. The details of meetings and attendance were duly minuted.

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

| Sl. No. | Name of the Directors | Position held in the committee | Category | No. of meetings entitled to attend | No. of meetings attended |
|---------|----------------------------|--------------------------------|----------|------------------------------------|--------------------------|
| 01 | Mr. Raj Singh Nirwan | Chairman | NEID | 4 | 3 |
| 02 | Mr. Narendra Nath Agrawala | Member | NEID | 4 | 4 |
| 03 | Mr. Roshan Lal Kunawat | Member | NED | 4 | 4 |
| 04 | Mr. Sunil Goyal | Member | NEID | 4 | 4 |
| 05 | Mr. Susheel Jain | Member | NEID | 4 | 1 |
| 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. Vinod Kumar Ladia (member of the Audit Committee), on his behalf, to attend the 37th AGM of the Company which was held on 26th September, 2017.

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.

Composition: As on 31st March, 2018 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. 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: Three meetings of the Nomination and Remuneration Committee were held during the financial year 2017-18, on 30th May 2017, 11th December, 2017 and 12th February, 2018. The details of meetings and attendance were duly minutised.

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

| Sl. No. | Name of the Directors | Position held in the committee | Category | No. of meetings entitled to attend | No. of meetings attended |
|---------|----------------------------|--------------------------------|----------|------------------------------------|--------------------------|
| 01 | Mr. Narendra Nath Agrawala | Chairman | NEID | 3 | 3 |
| 02 | Mr. Raj Singh Nirwan | Member | NEID | 3 | 2 |
| 03 | Mr. Roshan Lal Kunawat | Member | NED | 3 | 3 |
| 04 | Mr. Vinod Kumar Ladia | Member | WTD | 3 | 3 |

Notes:

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

Mr. Narendra Nath Agrawala, Chairman, authorised Mr. Roshan Lal Kunawat (member of the Nomination and Remuneration Committee) on his behalf, to attend the 37th AGM of the Company, which was held on 26th September, 2017.

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

- ❖ Identifying persons who are qualified to become Directors, Key Managerial Personnel (KMP) and recommend to the Board their appointment/re-appointment and removal
- ❖ Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, and KMP.
- ❖ Formulating the criteria for evaluation of Independent Directors and the Board and shall carry out evaluation of every director's performance;

- ✧ The Committee shall be in position to recommend to the Board, extension or continuation of the terms of appointment/re-appointment of Independent Director, on the basis of the performance evaluation of Independent Director;
- ✧ Devising a policy on Board diversity;
- ✧ Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;
- ✧ All information about the Directors / Managing Directors / Whole time Directors / KMP i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders, where required;
- ✧ The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole-time Directors and KMP;
- ✧ While approving the remuneration / revision in the remuneration (including sitting fees), the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- ✧ The Committee shall be in a position to bring about objectivity in determining the remuneration package Directors and KMP while striking the balance between the interest of the Company and the shareholders;
- ✧ The Committee shall perform all such other activities as determined by the Board and also required under the laws applicable to the Company.

Nomination & Remuneration Policy ('Policy')

The Nomination and Remuneration Policy of Company, in the first place, was approved by the Board of Director in their meeting held on 12th February, 2015 which was effective from the same date.

During the year, considering the requirement of amendment in policy in line with the Companies Act, 2013 and Listing Regulations, your Company has revised the Nomination and Remuneration policy of the Company which was approved by the Board of Directors in their meeting held on 14th September 2017 and which was effective from the same date. Both old and revised policy is available at Company's website at

http://www.srsl.in/documents/NOMINATION_AND_REMUNERATION_POLICY.pdf and

http://www.srsl.in/documents/Revised_Nomination_and_Remuneration_Policy.pdf respectively.

The new policy briefly includes:

- 1) Appointment/re-appointment Criteria and Qualifications of Director, KMP, SMP and other employees as may be decided by the Board of Directors.
- 2) Term / Tenure of Director, KMP, SMP and other employees.
- 3) Familiarization programme for Independent Directors.
- 4) Provisions relating to remuneration of Directors, KMP, SMP

and other employees.

- 5) Criteria for evaluation.
- 6) Removal and Retirement of Directors/KMP/SMP and other employees.
- 7) Provisions relating to remuneration of Director, KMP, SMP and other employees.

Remuneration to Directors in fiscal 2018

Details of Remuneration / Sitting fees paid to Directors for the year 2017-18 on the basis of Nomination & Remuneration Policy is given below:

(Amount in Rs.)

| S. No | Name and designation of Director | Category | Period of service contract | Salary | Allowances | Perquisites | Sitting fee | Total |
|-------|---------------------------------------|----------|----------------------------|-----------|------------|-------------|-------------|-----------|
| 1) | Mr. Vinod Kumar Ladia (CM & WTD) | ED | 3 yrs. | 28,40,000 | 5,20,800 | 3,01,130 | - | 36,61,930 |
| 2) | Mr. Vikas Ladia (MD & CEO) | ED | 3 yrs. | 22,50,000 | 2,70,000 | 2,59,355 | - | 27,79,355 |
| 3) | Mr. Anubhav Ladia (WTD) | ED | 3 yrs. | 16,50,000 | 1,98,000 | 4,24,864 | - | 22,72,864 |
| 4) | Mr. Roshan Lal. Kunawat (Director) | NED | - | - | - | - | 63,000 | 63,000 |
| 5) | Mr. Narendra Nath Agrawala (Director) | NEID | 5 yrs. | - | - | - | 63,000 | 63,000 |
| 6) | Mrs. Neelima Khetan (Director) | NEID | 5 yrs. | - | - | - | 35,000 | 35,000 |
| 7) | Mr. Raj Singh Nirwan (Director) | NEID | 5 yrs. | - | - | - | 42,000 | 42,000 |
| 8) | Mr. Ravinder Narain (Director) | NEID | 5 yrs. | - | - | - | 7,000 | 7,000 |
| 9) | Mr. Sunil Goyal (Director) | NEID | 5 yrs. | - | - | - | 56,000 | 56,000 |
| 10) | Mr. Susheel Jain (Director) | NEID | 5 yrs. | - | - | - | 21,000 | 21,000 |

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 Whole Time Directors

Key Details of Appointments / Re-appointment and Notice period of Whole Time Director are as below -

1. 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.
2. 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.
3. 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 31st March, 2018 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 2017-18, on 30th May, 2017, 14th September, 2017, 11th December, 2017 & 12th February, 2018. The details of meeting and attendance are duly minutised.

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

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

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:

- ❖ Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend etc.;
- ❖ Recommend methods to upgrade the standard of services to investors;
- ❖ Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment/ modification as may be applicable;
- ❖ Perform such other functions as may be necessary or appropriate for the performance of its duties

Number of Shareholder's complaints received and resolved during the financial year 2017-18

Details of queries and grievances received and addressed by the Company during FY 2017-18 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 | 2 |
| Number of complaints resolved | 2 |
| Number of complaints not resolved to the satisfaction of the investors as on 31 st March, 2018 | Nil |
| Complaints pending as on 31 st March, 2018 | Nil |

6. Sub-Committee

Sub-Committee of Board of Directors deals with various matters which includes:-

- a) To Borrow Money (otherwise than by issue of shares & debentures)
- b) To invest the funds of the Company
- c) To grant loan or give guarantee or provide the security in respect of loans
- d) To carry out the Banking Functions
- e) To delegate authority and such other matters as authorised by the Board of Directors.

Composition: The Sub-Committee of the Board comprise 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: Five meetings of Sub-Committee of the Board were held during the financial year 2017-18, Two members constitute the quorum for each meeting. The meetings were held on 6th April 2017, 10th July, 2017, 19th August 2017, 6th December 2017, and 22nd December 2017.

The attendance record of the members of the Sub-Committee are as follows:

| Sl. No. | Name of the Directors | Position held in the committee | Category | No. of meetings entitled to attend | No. of meetings attended |
|---------|----------------------------|--------------------------------|----------|------------------------------------|--------------------------|
| 01 | Mr. Anubhav Ladia | Member | WTD | 5 | 5 |
| 02 | Mr. Narendra Nath Agrawala | Member | NEID | 5 | 3 |
| 03 | Mr. Roshan Lal Kunawat | Member | NED | 5 | 2 |
| 04 | Mr. Vikas Ladia | Member | MD | 5 | 2 |
| 05 | Mr. Vinod Kumar Ladia | Member | WTD | 5 | 4 |

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:

- ✧ Exercise all powers to borrow monies (otherwise than by issue of shares & debentures) within the limits approved by the Board and taking necessary actions connected therewith including refinancing for optimisation of borrowing costs.
- ✧ Borrow monies by way of loan for the purpose of financing debt, refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments within the limits approved by the Board.
- ✧ Carry out, rescind or vary/modify all or any of the financial arrangement with / assistance from Banks, Institutions, companies, corporations, societies, firms, person or persons on behalf of the Company within the prescribed limits.
- ✧ Invest the funds of the Company within the limit approved by the Board.
- ✧ Giving of loans / guarantees / issuing letters of comfort / providing securities in respect of loans within the limits approved by the Board.
- ✧ Provide corporate guarantee/performance guarantee by the Company within the limits approved by the Board.
- ✧ Approve opening, closing and operation of Accounts (including internet banking facilities) with banks and delegate authority to directors / executives / officers to operate the bank accounts.
- ✧ Delegate authorities from time to time to the directors / executives / authorised persons to implement the decisions of the Committee.
- ✧ Delegate the authority in part or in full to the directors/ executives/ officers of the Company to deal with the Court, any State/Central Government Office, any Executive, Quasi

Judiciary, Judiciary and/or other Government authorities and to deal with such other authorities / department necessary to carry out the functioning of the Company.

- ✧ Delegate authority to director / executives / officers to deal with any specific matter.
- ✧ Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

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 |
|----------------|----------------------------------|---------|--|
| 2016 -17 | 26 th September, 2017 | 2.30 PM | Regd. Office : SRSL House, Pulla Bhuwana Road, NH 8, Udaipur -313 004 (Raj.) |
| 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.) |

The details of Special Resolutions passed at Annual General Meetings during last 3 years i.e. 2017, 2016 and 2015 are as under:-

| Sl. No. | AGM held on | Special Resolution passed |
|---------|----------------------------------|---|
| 01 | 26 th September, 2017 | No special resolution was passed in this meeting |
| 02 | 26 th September, 2016 | <ol style="list-style-type: none"> 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. 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. 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. Approval for issue of 3,70,000 - 11% Cumulative Preference Shares of Rs. 100/- each on Private Placement Basis. Approval for issue of 13,00,000 Convertible Share Warrants to Promoter / Promoter Group of the Company on preferential basis. |
| 03 | 29 th September, 2015 | <ol style="list-style-type: none"> Approval for Related Party Transactions with M/s PBS Marketing Pvt. Ltd. u/s 188 of the Companies Act, 2013. 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 was 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 Discussions and Analysis (MD&A) Report forms part as **Annexure-6** 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 Exchange 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

(g) Contact person for Grievance Redressal : Ms. Ravina Soni,
Company Secretary Cum Compliance Officer
Phone No.:-0294-2440334, E-mail:- cs@srsl.in

(h) Nodal Officer under IEPF Rules : The Company has appointed a Nodal Officer for the purpose of transfer of unclaimed / Unpaid dividend to IEPF (Investor Education and Protection Fund) under the provisions of IEPF, the details of Nodal Officer is given below.

Ms. Ravina Soni,

Company Secretary Cum Compliance Officer
Phone No.:-0294-2440334, E-mail:- cs@srsl.in

(i) Registrar and Share Transfer Agent :

M/s. MAS Service Ltd.

T-34, 2nd Floor, Okhla Industrial Area,

Phase-II New Delhi - 110024

Phone-011-26387281, 7282, 7283 Fax-011-26387384

Email- info@masserv.com

Website - www.masserv.com

9. General Shareholder Information:

a) Annual General Meeting

Day and Date : 26th September, 2018

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, 2017 - 31st March, 2018

*Financial Calendar Particulars 1st April, 2017 to 31st March, 2018

Unaudited Financial Results for

Qtr. ended 30th June, 2017 : 14th September, 2017

Unaudited Financial Results for

Half Year ended 30th September, 2017 : 11th December, 2017

Unaudited Financial Results for

Third Qtr. ended 31st December, 2017 : 12th February, 2017

Audited Financial Results for the

year ending 31st March, 2018 : 25th May, 2018

In view of the applicability of IND-AS and pursuant to Regulation 33 of Listing Regulations read with SEBI Circular No. CIR/CFD/FCA/62/2016 dated 5th July, 2016, issued by the Securities and Exchange Board of India, Financial Results for the quarter ended 30th June, 2017 and 30th September, 2017 were submitted to the Stock Exchange within 75 days from the end of each quarter and the Financial Results for the quarter ended 31st December, 2017 were submitted within 45 days from the end of quarter and year to date Financial Results as on 31st March, 2018 were submitted within 60 days from the end of last quarter to Stock Exchange.

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

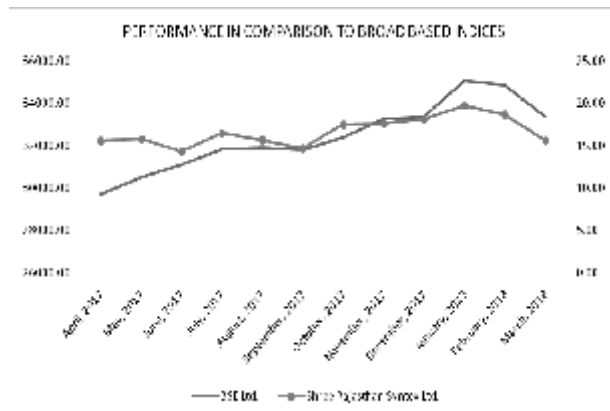
*Financial Calendar Particulars 1st April, 2018 to 31st March, 2019 (Tentative)

1. First Quarter Results : In or before the 2nd week of August, 2018
2. Second Quarter & Half Yearly Results : In or before the 2nd week of November, 2018
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, 2019

- *Annual General Meeting 2018-19** : Last week of September, 2019
(Tentative schedule)
- *Date of Book Closure** : Thursday, 20th September, 2018 -
Wednesday, 26th September, 2018 (Both days inclusive)
- 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 2018-19 to BSE Ltd. has been paid.
- e) Payment of Depository Fees** : Annual Custody/Issuer fee for the financial year 2018-19 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, 2017 | 18.08 | 13.05 | 30184.22 | 29241.48 |
| May, 2017 | 18.50 | 13.00 | 31255.28 | 29804.12 |
| June, 2017 | 16.29 | 12.33 | 31522.87 | 30680.66 |
| July, 2017 | 18.34 | 14.60 | 32672.66 | 31017.11 |
| August, 2017 | 17.75 | 13.55 | 32686.48 | 31128.02 |
| September, 2017 | 16.64 | 12.70 | 32524.11 | 31081.83 |
| October, 2017 | 20.85 | 14.10 | 33340.17 | 31440.48 |
| November, 2017 | 20.00 | 15.15 | 33865.95 | 32683.59 |
| December, 2017 | 20.25 | 16.00 | 34137.97 | 32565.16 |
| January, 2018 | 21.70 | 17.65 | 36443.98 | 33703.37 |
| February, 2018 | 21.10 | 16.25 | 36256.83 | 33482.81 |
| March, 2018 | 17.40 | 13.80 | 34278.63 | 32483.84 |



h) 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.

The share transfer requests are dealt by the Registrar and Share Transfer Agent (RTA) of the Company.

Pursuant to Regulation 40 of the Listing Regulations, Board of Directors has 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 RTA of the Company. Therefore, the share transfer requests are dealt and approved by the RTA and the status of the share transfers are reported to the Board in each of subsequent Board Meeting which are noted by the Board.

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.

i) Shareholding Pattern

The detailed report on the shareholding pattern of the Company as on 31st March, 2018 is presented in MGT-9 enclosed in the Board's Report as **Annexure-2**

j) Distribution of Shareholding as on 31st March, 2018

Table 1 Shareholding pattern by size :

| Shareholding of Nominal value (Rs) | No. of shareholders | Shareholders (%) | Total No. of shares | % of share holding |
|------------------------------------|---------------------|------------------|---------------------|--------------------|
| 1 - 5,000 | 9,878 | 90.19 | 12,83,429 | 9.36 |
| 5,001 - 10,000 | 499 | 4.56 | 3,91,266 | 2.85 |
| 10,001 - 20,000 | 226 | 2.06 | 3,39,074 | 2.47 |
| 20,001 - 30,000 | 85 | 0.78 | 2,11,280 | 1.54 |
| 30,001 - 40,000 | 59 | 0.54 | 2,05,054 | 1.49 |
| 40,001 - 50,000 | 32 | 0.29 | 1,51,775 | 1.10 |
| 50,001 - 1,00,000 | 76 | 0.69 | 5,39,410 | 3.93 |
| 1,00,001 & above | 98 | 0.89 | 1,05,81,013 | 77.22 |
| Total | 10,953 | 100.00 | 1,37,02,301 | 100.00 |

Table 2 Shareholding pattern by ownership :

| Shareholders | No. of shares held | % of total shares held |
|---------------------------------|--------------------|------------------------|
| Promoter & promoter group | 64,95,211 | 47.40 |
| Foreign Institutional Investors | 150 | 0.00 |
| Mutual Funds /UTI | 4,485 | 0.03 |
| Banks | 660 | 0.00 |
| Corporate Bodies | 13,60,130 | 9.93 |
| Non -Resident Indian / OCB's | 1,68,025 | 1.22 |
| Public | 56,73,640 | 41.42 |
| Total | 1,37,02,301 | 100.00 |

Table 3 Shareholding Pattern Category wise :

| Category | Number of shareholders | Shareholders (%) | Number of shares held | Shareholding (%) |
|--------------|------------------------|------------------|-----------------------|------------------|
| Electronic | 4,224 | 38.43 | 1,23,32,503 | 90.00 |
| Physical | 6,767 | 61.57 | 13,69,798 | 10.00 |
| Total | 10,991 | 100.00 | 1,37,02,301 | 100.00 |

Note : 38 holders are common in demat and physical

k) Dematerialization of Shares and Liquidity

As on 31st March 2018, 90% 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.

l) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity: The Company had issued 13,00,000 convertible share warrants to promoter & promoter group on preferential basis in the financial year 2016-17. 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. Thereafter, during the year 2017-18, as per option of conversion exercised by the allottees, the Board of Directors in their meeting held on 14th September, 2017 has also allotted remaining 6,50,000 equity shares. Accordingly, the paid up capital increased from Rs. 13,05,23,010 as on 31st March, 2017 to Rs. 13,70,23,010 as on 31st March, 2018. Also, these shares are listed on the BSE Ltd.

Further, the Company does not have any outstanding GDR or ADR or warrants or Convertible instruments as on 31st March, 2018.

m) 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.

n) 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

o) 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. 15th May, 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. 15th May, 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 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 25th May, 2018 which forms part of this Report. 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 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
(Whole Time Director)
DIN: 00168312

Date: 9th August, 2018
Place: Udaipur

Declaration affirming compliance with Code Of Conduct

I hereby confirm & declare that all the Board members, Key Managerial Personnel and Senior Management Personnel have individually affirmed compliance with the Code of Conduct adopted by the Company for the financial year ended 31st March, 2018.

Place : Udaipur
Date : 25th May, 2018


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 2017-2018 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 2017-18 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 2017-18
 - 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.

Place : Udaipur
Date : 25th May, 2018


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

Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of
Shree Rajasthan Syntex Limited

1. The Corporate Governance Report prepared by Shree Rajasthan Syntex Limited ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

Management's responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Auditor's responsibility

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations for the year ended March 31, 2018.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

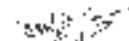
Opinion

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2018.
10. 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.

Restriction on Use

11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Doogar & Associates
Chartered Accountants
Firms Registration No. 000561N



Vardhman Doogar
Partner
Membership No. 517347

Place: - New Delhi
Date: - 9th August, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Shree Rajasthan Syntex Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Shree Rajasthan Syntex Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the IndAS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind-AS Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS Financial Statements based on our audit.

We have taken into account the 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 of the Ind AS Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as 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 Ind AS financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the IndAS, of the state of affairs (financial position) of the

Company as at March 31, 2018, and its loss including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

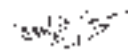
Other Matter

The financial statements of the Company for the year ended March 31, 2017 were audited by predecessor auditor who vide their report dated May 30, 2017 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 A**” to this report.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the 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 Ind AS Financial Statements – Refer note 38 to the Ind AS Financial Statements.
 - ii. the Company did not have any long-term contracts including derivative 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;
2. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Doogar & Associates
Chartered Accountants
Firms Registration No. 000561N



Vardhman Doogar
Partner
Membership No. 517347

Place: - Udaipur
Date: - May 25, 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2018 in conjunction with our audit of the Ind AS 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. 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 (“the Act”).

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('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. 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 controls 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 judgement, 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 accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection

of unauthorized 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 periods 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, to the best of our information and according to the explanations given to us, 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 March 31, 2018, 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.

Place: - Udaipur
Date: - May 25, 2018

For Doogar & Associates
Chartered Accountants
Firms Registration No. 000561N


Vardhman Doogar
Partner
Membership No. 517347

ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 (“the Act”)

- i. In respect of the Company's property, plant & equipment: -
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b. The Company has a program of verification to cover all the items of property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, 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 the 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. According to the information and explanations given to us, the Company has granted unsecured loans, to a company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - c) The Principal and interest are not overdue in respect of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- 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 Companies Act, 2013 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. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacturing activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and Other Statutory Dues applicable to it.
 - (b) According to the information and explanation provided to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Sales Tax, Goods and Services Tax, Duty of

Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they become payable.

- (c) According to the records of the Company, the dues of Income Tax, Duty of Custom, Duty of excise, goods & service tax and Value Added Tax which have not been deposited by the Company on March 31, 2018 on account of any dispute are as follows—

| Sl. No. | Nature of Statute | Nature of dues | Forum where dispute is pending | Period(s) to which the amount relates (F.Y.) | Amount (Rs. in Lacs) | |
|---------|--|-----------------------------|--------------------------------|--|----------------------|--------------------------------|
| | | | | | Gross | Amount deposited under protest |
| 1. | Rajasthan Tax on Entry of Goods into Local Areas Act, 1999 | Entry tax and interest | High Court | 2001-02 to 2005-06 | 252.32 | 252.32 |
| 2. | Rajasthan Tax on Entry of Goods into Local Areas Act, 1999 | Entry tax and interest | High Court | 2006-07 to 2014-15 | 314.52 | 231.06 |
| 3. | Central Excise Act, 1994 | Excise Duty and Custom Duty | Dy Commissioner / Asst | 1997 & onwards | 67.72 | 28.24 |
| 4. | Central Excise Act, 1994 | Excise Duty and Custom Duty | Commissioner Appeals | 1994-95 & 1995-96 | 22.70 | 6.11 |
| 5. | Central Excise Act, 1994 | Excise Duty and Custom Duty | CESTAT | 1995-96, 2001-02 & 2006-07 | 4.25 | 4.25 |
| 6. | Central Excise Act 1994 | Excise Duty and Custom Duty | High Court | 1992-93 | 25.62 | - |
| 7. | Service Tax | Service Tax | Commissioner Appeals | 2007 & onwards | 37.60 | 5.31 |
| 8. | Service Tax | Service Tax | CESTAT | 2004-05 | 1.73 | 1.73 |
| 9. | Service Tax | Service Tax | High Court | 2008-09 | 13.66 | - |
| 10. | Rajasthan Value Added Tax 2003 | Value added tax with RIPS | High Court | 2007-08 to 2011-12 | 282.01 | 60.85 |
| 11. | Rajasthan Value Added Tax 2003 | Value added tax with RIPS | DC (A) | 2012-13 to 2015-16 | 519.82 | - |
| 12. | Income Tax Act, 1961 | Income Tax | CIT (A) | 2009-10, 2010-11, 2013-14 | 61.95 | - |

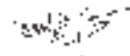
- viii. The Company has made default in repayment of its bank loans and interest due thereon. There was overdue loans amounting to Rs 801.40 lacs including interest of Rs 748.08 lacs on balance sheet date as per revised sanction letters received during the year effective from April 1st, 2017 under the restructuring scheme.

| Name of the lender | Installment | Interest | Period |
|--------------------|-------------|----------|---------------------|
| IDBI | - | 128.32 | June 17 to March 18 |
| BOB | 16.00 | 252.14 | June 17 to March 18 |
| SBI | 37.32 | 367.62 | Apr 17 to March 18 |

- ix. In our opinion and according to the information and explanations provided by the management, the Company has utilized the monies raised by way of term Loan for the purpose of which they are raised. The Company has not raised any money by way of initial public offer / further public offer (including debt instruments) during the current year.
- x. According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations provided by the management, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- xii. The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation provided by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details 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 equity shares, pursuant to conversion of share warrant 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 provided by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with him as referred to in section 192 of the Companies Act, 2013 and hence reporting under 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 Doogar & Associates
Chartered Accountants
Firms Registration No. 000561N



Vardhman Doogar
Partner
Membership No. 517347

Place: - Udaipur
Date: - May 25, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lacs.)

| Particulars | Note No. | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|----------|-------------------------|-------------------------|------------------------|
| I. ASSETS | | | | |
| Non-current Assets | | | | |
| (a) Property, plant and equipment | 3 | 8,282.34 | 8,774.89 | 9,375.40 |
| (b) Capital work-in-progress | - | - | - | - |
| (c) Intangible assets | 4 | 0.68 | 0.01 | 0.01 |
| (d) Financial assets | | | | |
| (i) Investments | 5 | 0.15 | 0.15 | 0.15 |
| (ii) Loans | 6 | 125.46 | 230.52 | 255.83 |
| (e) Deferred Tax Assets (net) | 7 | 314.74 | 32.91 | 5.98 |
| (f) Other non-current assets | 8 | 2.84 | 6.86 | 5.60 |
| Total Non-current assets | | 8,726.21 | 9,045.34 | 9,642.97 |
| Current Assets | | | | |
| (a) Inventories | 9 | 2,592.89 | 5,511.25 | 4,510.88 |
| (b) Financial Assets | | | | |
| (i) Trade receivables | 10 | 990.32 | 728.41 | 1,126.31 |
| (ii) Cash and cash equivalents | 11 | 36.82 | 29.52 | 78.59 |
| (iii) Bank balances other than (ii) above | 12 | 75.17 | 60.27 | 30.76 |
| (iv) Loans | 13 | 78.75 | 5.00 | 5.00 |
| (v) Other financial assets | 14 | 2.72 | 2.82 | 5.49 |
| (c) Other current assets | 15 | 5,975.68 | 4,605.67 | 4,188.31 |
| (d) Current tax assets | 16 | 25.98 | 18.92 | 38.85 |
| Total Current assets | | 9,778.33 | 10,961.86 | 9,984.19 |
| Total Assets | | 18,504.54 | 20,007.20 | 19,627.16 |
| II. EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity share capital | 17 | 1,370.23 | 1,305.23 | 1,240.23 |
| (b) Other equity | 18 | 1,386.87 | 1,932.53 | 1,996.31 |
| (c) Money received against allotment of Share Warrants | 19 | - | 16.25 | - |
| Total Equity | | 2,757.10 | 3,254.01 | 3,236.54 |
| Liabilities | | | | |
| Non-current Liabilities | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 20 | 4,478.93 | 3,501.22 | 4,490.58 |
| (ii) Other financial liabilities | 21 | 163.18 | 152.21 | 150.53 |
| (b) Provisions | 22 | 278.78 | 298.23 | 288.60 |
| Total Non-current liabilities | | 4,920.89 | 3,951.66 | 4,929.71 |
| Current Liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 23 | 4,969.82 | 5,379.63 | 4,441.60 |
| (ii) Trade payables | 24 | 4,272.25 | 5,163.10 | 4,771.86 |
| (iii) Other financial liabilities | 25 | 1,097.88 | 1,718.76 | 1,756.20 |
| (b) Provisions | 26 | 168.17 | 196.02 | 187.51 |
| (d) Other current liabilities | 27 | 318.42 | 344.02 | 303.74 |
| Total Current liabilities | | 10,826.54 | 12,801.53 | 11,460.91 |
| Total Liabilities | | 15,747.43 | 16,753.19 | 16,390.62 |
| TOTAL EQUITY AND LIABILITIES | | 18,504.53 | 20,007.20 | 19,627.16 |

See accompanying notes to the financial statements 1 to 49

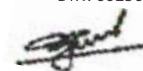
As per our report of even date

For Doogar & Associates
Chartered Accountants
Firms Registration No. 000561N


VARDHMAN DOOGAR
PARTNER
M. NO 517347

Place: - Udaipur
Date: - May 25, 2018


VIKAS LADIA
MANAGING DIRECTOR & CEO
DIN: 00256289


NARENDRA NATH AGRAWALA
INDEPENDENT DIRECTOR
DIN: 00168211

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


ANUBHAV LADIA
WHOLE TIME DIRECTOR
DIN: 00168312


VINAY PUNJAWAT
CHIEF FINANCIAL OFFICER


RAVINA SONI
COMPANY SECRETARY

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lacs.)

| Particulars | Note No. | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|-----------|--------------------------------------|--------------------------------------|
| I. Revenue from operations | 28 | 22,565.38 | 25,791.81 |
| II. Other income | 29 | 771.37 | 254.73 |
| III. Total Income (I+II) | | 23,336.75 | 26,046.54 |
| IV. Expenses : | | | |
| Cost of materials consumed | 30 | 12,499.15 | 16,794.03 |
| Purchases of stock-in-trade | 31 | 25.29 | 66.81 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 32 | 2,849.38 | (1,203.20) |
| Excise Duty | | 47.47 | 277.60 |
| Employee benefits expense | 33 | 2,263.22 | 3,025.14 |
| Finance costs | 34 | 1,422.88 | 1,603.00 |
| Depreciation and amortisation expense | 35 | 472.21 | 492.62 |
| Other expenses | 36 | 4,622.23 | 5,112.43 |
| Total expenses (IV) | | 24,201.83 | 26,168.43 |
| V. Profit before tax (III-IV) | | (865.08) | (121.89) |
| VI. Tax Expense: | | | |
| Current tax | | | |
| Income tax earlier years | | - | 21.16 |
| Deferred tax | | (292.09) | (57.72) |
| Total tax expense (VI) | | (292.09) | (36.56) |
| VII. Profit for the year (V-VI) | | (572.99) | (85.33) |
| VIII. Other Comprehensive Income | | | |
| (i) Re-measurement losses/(gain) on defined benefit plans | | 37.61 | 31.18 |
| (ii) Equity instruments through other comprehensive income | | - | - |
| (iii) Income tax relating to items that will not be reclassified to profit or loss | | (10.28) | (9.63) |
| Total Other comprehensive income (VIII) | | 27.33 | 21.55 |
| IX. Total Comprehensive Income for the year (VII+VIII) | | (545.66) | (63.78) |
| XII. Earnings per equity share of Rs. 10 each | 37 | | |
| - Basic | | (4.27) | (0.67) |
| - Diluted | | (4.27) | (0.67) |

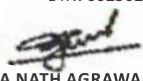
See accompanying notes to the financial statements 1 to 49

As per our report of even date

For Doogar & Associates
Chartered Accountants
Firms Registration No. 000561N


VARDHMAN DOOGAR
PARTNER
M. NO 517347


VIKAS LADIA
MANAGING DIRECTOR & CEO
DIN: 00256289


NARENDRA NATH AGRAWALA
INDEPENDENT DIRECTOR
DIN: 00168211

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


ANUBHAV LADIA
WHOLE TIME DIRECTOR
DIN: 00168312


VINAY PUNJAWAT
CHIEF FINANCIAL OFFICER


RAVINA SONI
COMPANY SECRETARY

Place: - Udaipur
Date: - May 25, 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lacs.)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| A. Cash flow from operating activities | | |
| Net profit before tax | (865.08) | (121.89) |
| Adjustments for Depreciation | 472.21 | 492.62 |
| Sundry balances / Excess Liabilities written back | (10.30) | (31.00) |
| Unrealised Foreign Exchange Fluctuation (Net) (Gain)/Loss | (12.55) | 0.02 |
| Bad Debts | - | - |
| Interest Expense | 1,313.15 | 1,513.94 |
| Loss/(Profit) on sale of fixed assets | 17.19 | (54.88) |
| Interest Income | (198.98) | (27.38) |
| Operating profit before working capital changes | 715.64 | 1,771.43 |
| Adjustments for:- | | |
| Inventories | 2,918.36 | (1,000.38) |
| Trade Receivables | (249.36) | 397.88 |
| Other financial assets | 31.42 | 27.98 |
| Other non-financial assets | (1,366.00) | (418.61) |
| Other non-financial liabilities | (25.60) | 40.28 |
| Trade payables | (880.55) | 422.24 |
| Other financial liabilities | (609.92) | (35.76) |
| Non Current & Current Provisions | (9.68) | 49.32 |
| Cash generated from operations | 524.31 | 1,254.38 |
| Income tax paid | (7.06) | 19.93 |
| Net cash inflow/(outflow) from operating activities | 517.25 | 1,274.31 |
| B. Cash flow from investing activities | | |
| Capital expenditure | (17.51) | (32.31) |
| Sale proceeds of fixed assets | 19.98 | 195.07 |
| Interest Received | 198.98 | 27.38 |
| Net cash inflow / (outflow) from investing activities | 201.45 | 190.14 |
| C. Cash inflow/(outflow) from financing activities | | |
| Increase /(Decrease) in Long-Term Borrowings | 977.70 | (989.36) |
| Increase /(Decrease) in Short-Term Borrowings | (409.81) | 938.03 |
| Issue of Shares | 65.00 | 65.00 |
| Change in Money received against allotment of Share Warrants | (16.25) | 16.25 |
| Interest paid | (1,313.16) | (1,513.94) |
| Net cash inflow / (outflow) used in financing activities | (696.52) | (1,484.02) |
| Net changes in cash and cash equivalents | 22.19 | (19.56) |
| Opening Cash and cash equivalents | 89.79 | 109.35 |
| Closing Cash and cash equivalents | 111.99 | 89.79 |

Note:

- Statement of cash flows has been prepared using Indirect method in accordance with Ind AS-7
- Refer note no. 11 and 12 for components of cash and cash equivalents

See accompanying notes to the financial statements 1 to 49

As per our report of even date

For Doogar & Associates
Chartered Accountants
Firms Registration No. 000561N



VARDHMAN DOOGAR
PARTNER
M. NO 517347


VIKAS LADIA
MANAGING DIRECTOR & CEO
DIN: 00256289

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


ANUBHAV LADIA
WHOLE TIME DIRECTOR
DIN: 00168312

Place: - Udaipur
Date: - May 25, 2018


NARENDRA NATH AGRAWALA
INDEPENDENT DIRECTOR
DIN: 00168211


VINAY PUNJAWAT
CHIEF FINANCIAL OFFICER


RAVINA SONI
COMPANY SECRETARY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH , 2018
A. Equity Share Capital

(Rs. in Lacs)

| Balance as at April 1, 2016 | Movement during the year | Balance as at March 31, 2017 | Movement during the year | Balance as at March 31, 2018 |
|-----------------------------|--------------------------|------------------------------|--------------------------|------------------------------|
| 1,240.23 | 65 | 1,305.23 | 65.00 | 1,370.23 |

B. Other Equity

(Rs. in Lacs)

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | Total |
|--|----------------------|----------------------------|-----------------|--------------------|-------------------|---|-----------------|
| | General Reserve | Capital Redemption Reserve | Share Premium | Securities Premium | Retained Earnings | Re-measurement of the net defined benefit plans | |
| Balance as at 1st April, 2016 | 177.12 | 500.00 | 1,998.42 | 718.82 | (1,405.30) | 7.25 | 1,996.31 |
| Profit for the year | - | - | - | - | (85.33) | - | (85.33) |
| Other comprehensive income (loss) for the year (net of income tax) | - | - | - | - | - | 21.55 | 21.55 |
| Balance as at 31st March 2017 | 177.12 | 500.00 | 1,998.42 | 718.82 | (1,490.63) | 28.80 | 1,932.53 |
| Profit for the year | - | - | - | - | (573.00) | - | (573.00) |
| Other comprehensive income (loss) for the year (net of income tax) | - | - | - | - | - | 27.34 | 27.34 |
| Balance as at 31st March 2018 | 177.12 | 500.00 | 1,998.42 | 718.82 | (2,063.63) | 56.14 | 1,386.87 |


See accompanying notes to the financial statements 1 to 49

As per our report of even date

For Doogar & Associates
Chartered Accountants
Firms Registration No. 000561N

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


VARDHMAN DOOGAR
PARTNER
M. NO 517347


VIKAS LADIA
MANAGING DIRECTOR & CEO
DIN: 00256289


ANUBHAV LADIA
WHOLE TIME DIRECTOR
DIN: 00168312

Place: - Udaipur
Date: - May 25, 2018


NARENDRA NATH AGRAWALA
INDEPENDENT DIRECTOR
DIN: 00168211


VINAY PUNJAWAT
CHIEF FINANCIAL OFFICER


RAVINA SONI
COMPANY SECRETARY

Overview and Notes forming part of the financial statements for the year ended 31st March 2018

Note – 1 – Company overview

Shree Rajasthan Syntex Limited ("The Company") was incorporated on November 15, 1979. We at SRSL have served the Textile Raw Material chain for several years. This has been possible due to our fair and ethical business practices and contribution of all members of staff and workers of the company. Using best available manufacturing practices and technology from our machinery partners, we have always aimed at delivering "Efficient Solutions" to our customers.

Note – 2 – Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all periods up to and including the year ended 31st March 2017 the Company prepared its financial statements in accordance with accounting standards notified under Companies (Accounting Standard) Rule, 2006 (Indian GAAP). These financial statements have been prepared in accordance with Ind-AS 101, "First Time Adoption of Ind-AS", as these are the Company's first Ind-AS compliant Financial Statements for the year ended 31st March, 2018.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the company.

2.1 Summary of significant accounting policies

a. Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is inclusive of excise duty and net of returns, trade discounts.

The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

(i) Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from export sales is recognized on the basis of bill of lading while other sale of goods is recognised on the basis of ex-factory dispatch.

(ii) Export Incentives

Export benefits/incentives are accounted for on accrual basis.

(iii) Insurance and Other Claims

In accordance with the consistent practice, insurance and other claims, to the extent considered recoverable, are accounted for in the year relevant to claim while the balance is accounted for on settlement.

b. Employee benefits

(i) Short term Employee Benefits

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.

(ii) Post Employment Benefits

(a) Defined Contribution Plans

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(b) Defined benefit plans

Gratuity

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried at the year end using the Projected Unit Credit Method, which recognises 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 is measured at the present value of the estimated future cash flows. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
 - The date that the Company recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Compensated absences

Benefits under the Company's leave encashment constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Contributions, including shortfall, if any, to recognise trust under the Company's provident fund scheme are charged to the Statement of Profit and Loss on an accrual basis.

C. Property, plant and equipment

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and others non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

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 All commencement of commercial product on and adjustment arising from exchange rate variations relating to borrowings attributable to the fixed assets are capitalized.

Tangible fixed assets under construction are disclosed as capital work in progress.

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d. Intangible assets

Intangible asset represents computer software acquired by

the Company carried at cost of acquisition less amortisation. The cost of an item of intangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss, unless such expenditure forms part of the carrying value of another asset.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangibles recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangibles.

e. Depreciation and amortisation expenses

Depreciation on tangible fixed assets and amortisation of intangible fixed assets is provided on the straight line method, as per useful life prescribed in Schedule II to the Companies Act, 2013.

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has aligned the depreciation rates based on the useful lives as specified in Part 'C' of Schedule II to the Act, except for certain items (mentioned below) of plant and machinery where the management estimate of the useful life is shorter / higher than that envisaged in the aforesaid schedule and depreciation is provided at based on the management's estimates of the useful life supported by technical advice.

Assets costing Rs.5000/- or less acquired on or after 1.7.1993 are fully depreciated.

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

Freehold land and leasehold land are not depreciated.

Depreciation on additions is provided on a pro-rata basis from the month of acquisition/installation. Depreciation on sale/deduction from fixed assets is provided for upto the date of sale/adjustment, as the case may be.

f. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories includes all costs incurred in bringing the inventories to their present location and condition. Cost of inventories has been determined as under:

| | |
|-------------------|---|
| Raw Material | At Batch cost |
| Work in progress | a) Preparatory stage - at cost b) Yarn stage - at cost or net realisable value, whichever is lower |
| Finished Goods | At cost or net realizable value whichever is lower. |
| Traded stock | At Cost of purchase |
| Stores and Spares | At First In First Out method. |
| Waste and scrap | At Net realisable value |
| Fuel | Monthly weighted average |

g. Borrowing costs

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

h. Leases

Where the Company is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term, unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i. Income taxes

Income tax expense represents the sum of current and deferred tax (including MAT). Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates.

Deferred tax assets and deferred tax liabilities are off set and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

j. Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value.

k. Foreign Currency Transactions

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupee.

Export Sales in foreign currency are accounted for at the exchange rate prevailing on the date of bill of lading, where such sales are not covered by forward contracts. Outstanding export documents pending negotiation when not covered by foreign exchange forward contracts are accounted for at the prevailing conversion rates at the end of each reporting date and difference if any in actual realization of such documents is accounted for in foreign exchange fluctuation account to be credited/charged to the Statement of Profit and Loss account in the year of realization.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange

rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

I. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss. Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

(ii) Subsequent measurement

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

m. Impairment of assets

(i) Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

(ii) Non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Ind AS 36 'Impairment of Assets', to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

n. Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of three months or less from the balance sheet date, which are subject to an insignificant risk of changes in value.

o. Provisions and Contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources in respect of which a reliable estimate can be made. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised.

p. Recent Accounting Pronouncements

i. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

ii. Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new standard will be effective from April 1, 2018.

2.2. Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Contingent Liabilities:

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events

b) Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the company.

c) Taxes:

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

d) Defined benefit plans:

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.



(Rs. in Laacs)

3. Property, plant and equipment

| Particulars | Leasehold Land | Freehold Land | Building | Tube Well | Plant and Machinery | Electric Installation | Water Supply Installations | Material Handling Equipment | Air Conditioner | Furniture and Fixtures | Office Equipment | Vehicles | Total |
|---|----------------|---------------|-----------------|-------------|---------------------|-----------------------|----------------------------|-----------------------------|-----------------|------------------------|------------------|--------------|------------------|
| Deemed cost/ Gross carrying amount | | | | | | | | | | | | | |
| As at April 1, 2016 | 13.76 | 23.88 | 2,874.23 | 8.82 | 19,443.27 | 1,031.78 | 83.58 | 27.02 | 16.94 | 164.58 | 92.04 | 73.42 | 23,853.32 |
| Additions | - | - | 3.53 | 0.49 | 0.66 | - | 11.19 | - | 0.26 | 0.17 | 3.17 | 12.84 | 32.31 |
| Disposal/Adjustments | - | - | 21.64 | - | 1,376.95 | 5.48 | - | 1.38 | - | - | 0.11 | 8.44 | 1,414.00 |
| As at March 31, 2017 | 13.76 | 23.88 | 2,856.12 | 9.31 | 18,066.98 | 1,026.30 | 94.77 | 25.64 | 17.20 | 164.75 | 95.10 | 77.82 | 22,471.63 |
| Additions | - | - | - | - | 4.79 | 0.10 | - | - | 1.49 | 8.37 | 2.02 | - | 16.77 |
| Disposal/Adjustments | - | - | - | - | 474.42 | - | - | - | - | 0.01 | 0.36 | - | 474.79 |
| As at March 31, 2018 | 13.76 | 23.88 | 2,856.12 | 9.31 | 17,597.35 | 1,026.40 | 94.77 | 25.64 | 18.69 | 173.11 | 96.76 | 77.82 | 22,013.61 |
| Accumulated Depreciation | | | | | | | | | | | | | |
| As at April 1, 2016 | - | - | 1,192.03 | 8.40 | 12,217.94 | 722.46 | 29.77 | 18.14 | 14.77 | 142.05 | 80.24 | 52.12 | 14,477.92 |
| Depreciation for the year | - | - | 76.62 | 0.02 | 354.93 | 41.21 | 2.89 | 2.07 | 0.61 | 5.07 | 4.10 | 5.10 | 492.62 |
| Disposal/reversal | - | - | 8.62 | - | 1,251.13 | 4.79 | - | 1.18 | - | - | 0.07 | 8.01 | 1,273.80 |
| As at March 31, 2017 | - | - | 1,260.03 | 8.42 | 11,321.74 | 758.88 | 32.66 | 19.03 | 15.38 | 147.12 | 84.27 | 49.21 | 13,696.74 |
| Depreciation for the year | - | - | 72.60 | 0.09 | 346.21 | 37.85 | 3.58 | 0.37 | 0.45 | 2.77 | 3.20 | 5.03 | 472.15 |
| Disposal/reversal | - | - | - | - | 437.26 | - | - | - | - | 0.01 | 0.35 | - | 437.62 |
| As at March 31, 2018 | - | - | 1,332.63 | 8.51 | 11,230.69 | 796.73 | 36.24 | 19.40 | 15.83 | 149.88 | 87.12 | 54.24 | 13,731.27 |
| Net Carrying amount | | | | | | | | | | | | | |
| As at April 1, 2016 | 13.76 | 23.88 | 1,682.20 | 0.42 | 7,225.33 | 309.32 | 53.81 | 8.88 | 2.17 | 22.53 | 11.80 | 21.30 | 9,375.40 |
| As at March 31, 2017 | 13.76 | 23.88 | 1,596.09 | 0.89 | 6,745.24 | 267.42 | 62.11 | 6.61 | 1.82 | 17.63 | 10.83 | 28.61 | 8,774.89 |
| As at March 31, 2018 | 13.76 | 23.88 | 1,523.49 | 0.80 | 6,366.66 | 229.67 | 58.53 | 6.24 | 2.86 | 23.23 | 9.64 | 23.58 | 8,282.34 |

4 Intangible assets
(Rs. in Lacs)

| Particulars | Computer Softwares |
|---|--------------------|
| Deemed cost/ Gross carrying amount | |
| As at April 1, 2016 | 0.33 |
| Additions | - |
| Disposal/Adjustments | - |
| As at March 31, 2017 | 0.33 |
| Additions | 0.73 |
| Disposal/Adjustments | - |
| As at March 31, 2018 | 1.06 |
| Accumulated amortisation | |
| As at April 1, 2016 | 0.32 |
| Amortisation during the year | - |
| Disposal/Adjustments | - |
| As at March 31, 2017 | 0.32 |
| Amortisation during the year | 0.06 |
| Disposal/Adjustments | - |
| As at March 31, 2018 | 0.38 |
| Net Carrying amount | |
| As at April 1, 2016 | 0.01 |
| As at March 31, 2017 | 0.01 |
| As at March 31, 2018 | 0.68 |

5 Non-current investments
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Investment in equity instruments (Unquoted) | | | |
| National Saving Certificates * | 0.15 | 0.15 | 0.15 |
| Total | 0.15 | 0.15 | 0.15 |

* Pledged with Sales Tax Authorities

6 Loans
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Financial assets at amortized cost | | | |
| Unsecured, considered good | | | |
| Security deposits | 125.46 | 155.27 | 175.33 |
| Loan & Advances to related parties (SRLS Employees Welfare Trust) | - | 75.25 | 80.50 |
| Total | 125.46 | 230.52 | 255.83 |

7 Deferred tax assets (net)
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|------------------------|-------------------------|-------------------------|------------------------|
| Deferred tax assets | 2,037.95 | 1,840.40 | 1,935.31 |
| Deferred tax liability | -2,030.50 | -2,114.77 | -2,257.78 |
| MAT Credit entitlement | 307.29 | 307.28 | 328.45 |
| Total | 314.74 | 32.91 | 5.98 |

8 Other non-current assets
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Non Financial Assets at amortized cost | | | |
| Prepaid expenses | 2.84 | 6.86 | 5.60 |
| Total | 2.84 | 6.86 | 5.60 |

9 Inventories
(at cost or net relisable value, whichever is lower)
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|-------------------------|-------------------------|-------------------------|------------------------|
| Raw materials | | | |
| - Man made fibre | 232.97 | 268.92 | 322.73 |
| - Cotton | - | 50.18 | 148.88 |
| - Fibre Stock in Deptt. | 65.30 | 59.94 | 47.22 |
| - Stock in transit | 146.14 | 99.75 | 117.92 |
| Work-in-progress | 378.54 | 954.50 | 713.31 |
| Finished Goods | 1,507.06 | 3,726.25 | 2,788.17 |
| - Stock in transit | - | 58.16 | 50.64 |
| Stock-in-trade | 4.29 | 4.29 | 6.02 |
| Stores and spares | 225.52 | 248.74 | 282.71 |
| - Stock in transit | 18.24 | 24.25 | 22.43 |
| Others | | | |
| - Waste & Scrap | 14.83 | 16.27 | 10.85 |
| Total | 2,592.89 | 5,511.25 | 4,510.88 |

10 Trade receivables
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Unsecured, considered good | 990.32 | 728.41 | 1,126.31 |
| Doubtful | - | - | - |
| | 990.32 | 728.41 | 1,126.31 |
| Less: Allowances for expected credit loss | - | - | - |
| Total | 990.32 | 728.41 | 1,126.31 |

11 Cash & cash equivalents
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Cash on hand | 3.82 | 2.40 | 3.99 |
| Cheques, Drafts on hand | 3.01 | 14.32 | 39.54 |
| Balances with Banks | | | |
| - In current accounts | 6.51 | 2.11 | 2.29 |
| - In deposit accounts with maturity less than three months | 23.48 | 10.69 | 32.77 |
| Total | 36.82 | 29.52 | 78.59 |

12 Bank balances other than cash and cash equivalents
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Dividend Accounts | 4.43 | 4.44 | 4.44 |
| Bank Deposit (Maturity above 3 to 12 months) | 70.74 | 55.83 | 26.32 |
| Total | 75.17 | 60.27 | 30.76 |

13 Loans
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Financial assets at amortized cost | | | |
| Loans & Advances to related parties (SRSI Employees Welfare Trust) | 78.75 | 5.00 | 5.00 |
| Total | 78.75 | 5.00 | 5.00 |

14 Other current financial assets
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|------------------------------------|-------------------------|-------------------------|------------------------|
| Financial assets at amortized cost | | | |
| Secured considered good | | | |
| Interest accrued but not due | 2.72 | 2.82 | 5.49 |
| Total | 2.72 | 2.82 | 5.49 |

15 Other current assets
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Unsecured considered good | | | |
| Advance recoverable in cash or kind | 482.94 | 398.07 | 375.58 |
| Balance with government authorities | 860.76 | 792.61 | 988.60 |
| Interest Subsidy Recoverable (TUFS) | 342.56 | 344.35 | 422.04 |
| Claims and exports incentives receivables | 4,231.02 | 3,009.27 | 2,352.28 |
| Others | 58.40 | 61.37 | 49.81 |
| Total | 5,975.68 | 4,605.67 | 4,188.31 |

16 Current tax assets (net)
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Advance taxes including TDS receivable (net of provision for tax) | 25.98 | 18.92 | 38.85 |
| Total | 25.98 | 18.92 | 38.85 |

17 Equity share capital

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|----------------------|-----------------|----------------------|-----------------|---------------------|-----------------|
| | No. of shares | (Rs. in Lacs) | No. of shares | (Rs. in Lacs) | No. of shares | (Rs. in Lacs) |
| Authorised Equity shares of ₹ 10 each | 2,60,00,000 | 2,600.00 | 2,60,00,000 | 2,600.00 | 2,60,00,000 | 2,600.00 |
| Total | 2,60,00,000 | 2,600.00 | 2,60,00,000 | 2,600.00 | 2,60,00,000 | 2,600.00 |
| Issued, subscribed and fully paid up Equity shares of ₹ 10 each * | 1,37,02,301 | 1,370.23 | 1,30,52,301 | 1,305.23 | 1,24,02,301 | 1,240.23 |
| Total | 1,37,02,301 | 1,370.23 | 1,30,52,301 | 1,305.23 | 1,24,02,301 | 1,240.23 |

* 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 Hon'ble High Court of Rajasthan, Jodhpur without payment being received in cash.

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :

(Rs. in Lacs)

| Particulars | As at March 31, 2018 Number of shares | As at March 31, 2017 Number of shares | As at April 1, 2016 Number of shares |
|--|--|--|---|
| Shares at the beginning of the year | 1,30,52,301 | 1,24,02,301 | 1,24,02,301 |
| Movement during the year | 6,50,000 | 6,50,000 | - |
| Shares outstanding at the end of the year | 1,37,02,301 | 1,30,52,301 | 1,24,02,301 |

(b) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of ₹10/- each. 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.

C Detail of shareholders holding more than 5% shares in the Company

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|--|----------------------|-----------|----------------------|-----------|---------------------|-----------|
| | Number | % holding | Number | % holding | Number | % holding |
| Equity shares of ₹ 10 each fully paid | | | | | | |
| SRSI Securities Ltd. | 21,07,855 | 15.38 | 20,92,455 | 16.03 | 20,92,455 | 16.87 |
| Shree Shyam Distributors & Maktg. (P) Ltd. | 8,01,924 | 5.85 | 8,17,324 | 6.26 | 8,17,324 | 6.59 |
| V.K. Ladia | 8,66,018 | 6.32 | 6,66,018 | 5.10 | | |
| V.K. Texchem Private Limited | 7,44,871 | 5.44 | | | | |

18 Other equity

(Rs. in Lacs)

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | Total |
|---|----------------------|----------------------------|---------------|--------------------|-------------------|---|-----------------|
| | General Reserve | Capital Redemption Reserve | Share Premium | Securities Premium | Retained Earnings | Re-measurement of the net defined benefit plans | |
| Balance as at April 1, 2016 | 177.12 | 500.00 | 1,998.42 | 718.82 | (1,405.30) | 7.25 | 1,996.31 |
| Profit for the year | - | - | - | - | (85.33) | - | (85.33) |
| Other comprehensive income (expense) (net of tax) | - | - | - | - | - | 21.55 | 21.55 |

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | Total |
|---|----------------------|----------------------------|-----------------|--------------------|-------------------|---|-----------------|
| | General Reserve | Capital Redemption Reserve | Share Premium | Securities Premium | Retained Earnings | Re-measurement of the net defined benefit plans | |
| Balance as at March 31, 2017 | 177.12 | 500.00 | 1,998.42 | 718.82 | (1,490.63) | 28.80 | 1,932.53 |
| Profit for the year | - | - | - | - | (573.00) | - | (573.00) |
| Other comprehensive income (expense) (net of tax) | - | - | - | - | - | 27.34 | 27.34 |
| Balance as at March 31, 2018 | 177.12 | 500.00 | 1,998.42 | 718.82 | (2,063.63) | 56.14 | 1,386.87 |

19 Money Received Against Allotment of Share Warrants

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Opening Balance | 16.25 | - | - |
| Money Received against allotment of 13,00,000 share warrants issued | 48.75 | 81.25 | - |
| Less :- 6,50,000 warrants converted in to equity shares of Rs. 10/- each (6,50,000 warrants , at the rate Rs. 2.5 per warrant) | (65.00) | (65.00) | - |
| Total | - | 16.25 | - |

20 Non-current borrowings

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| A. Term loans (Secured) | | | |
| From banks | 4,173.55 | 4,404.30 | 5,917.30 |
| Less : Current maturities of long term debt | (231.92) | (1,466.00) | (1,513.00) |
| Less : Unamortised processing fee | (1.86) | (4.90) | (9.60) |
| | 3,939.77 | 2,933.40 | 4,394.70 |
| B. Redeemable preference share capital | 178.48 | - | - |
| | 178.48 | - | - |
| C. Fixed Deposits(Unsecured) | | | |
| - From Directors | 10.17 | 33.81 | 58.17 |
| - From Related Parties | 364.69 | 555.19 | 121.08 |
| Less : Current maturities of long term debt | (14.18) | (21.18) | (83.37) |
| | 360.68 | 567.82 | 95.88 |
| Total | 4,478.93 | 3,501.22 | 4,490.58 |

a) Details of security for term loan

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.1010.00 Lacs respectively, (March 31, 2017 Rs. 1020.00 lacs and April 1, 2016 Rs. 1060.00 lacs) present and future subject to prior charges on specified movables created in favour of company's Bankers and personal land of one director along with personal guarantee of three directors. The mortgage and charges created shall rank pari-passu inter-se amongst the financial Institution and Banks.

The term loans of the company have been restructured by all the banks with effect from 1st April 2017. The Company has received the sanction letters for the same. The implementation of the package is under process and shall be executed in the year 2018-19. The impact of the above sanctions have been taken in the financial statements. During the current year, the Company has accounted for the various terms and conditions of the sanction with effect from 1st April 2017. Further few conditions are under negotiations with the banks.

b) Terms and conditions for preference shares

1.7 Lacs (March 31, 2017: Nil and April 1, 2016: Nil) 11% non convertible cumulative redeemable preference shares are redeemable at par on or before September 05, 2027.

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

(Rs. in Lacs)

| Repayment Due in Financial Years | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|----------------------------------|-------------------------|-------------------------|------------------------|
| 2017-2018 | - | - | 1,466.00 |
| 2018-2019 | - | 1,508.30 | 1,508.30 |
| 2019-2020 | 332.08 | 680.00 | 680.00 |
| 2020-2021 | 624.32 | 435.00 | 435.00 |
| 2021-2022 | 876.96 | 315.00 | 315.00 |
| 2022-2023 | 581.04 | | |
| 2023-2024 | 609.04 | | |
| 2024-2025 | 425.58 | | |
| 2025-2026 | 329.61 | | |
| 2026-2027 | 163.00 | | |
| Total | 3,941.63 | 2,938.30 | 4,404.30 |

d) Maturity Profile of Unsecured Deposits are as set out below :

(Rs. in Lacs)

| Repayment Due in Financial Years | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|----------------------------------|-------------------------|-------------------------|------------------------|
| 2017-2018 | - | - | 5.75 |
| 2018-2019 | - | 37.99 | 90.13 |
| 2019-2020 | 40.38 | 529.83 | - |
| 2020-2021 | 320.30 | 0.00 | - |
| Total | 360.68 | 567.82 | 95.88 |

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

21 Other non-current financial liabilities

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Non Financial liabilities at amortized cost | | | |
| Deposit & Advances | 163.18 | 152.21 | 150.53 |
| Total | 163.18 | 152.21 | 150.53 |

22 Non-current provisions

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Provison for employee benefits (refer note no.40) | 278.78 | 298.23 | 288.60 |
| Total | 278.78 | 298.23 | 288.60 |

23 Current borrowings
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Secured | | | |
| Working capital loans from banks # | | | |
| -Foreign Currency Loan | 263.90 | 88.98 | 249.20 |
| -Rupee Loan | 4,705.92 | 5,190.65 | 4,192.40 |
| Unsecured | | | |
| Loans and advances from Corporate Bodies | - | 100.00 | - |
| Total | 4,969.82 | 5,379.63 | 4,441.60 |

Details of security for working capital loans

Borrowings for Working Capital from State Bank of India, Bank of Baroda, State Bank of India (erstwhile SBBJ) 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 land of one director along with personal guarantee of three directors.

The term loans of the company have been restructured by all the banks with effect from 1st April 2017. The Company has received the sanction letters for the same. The implementation of the package is under process and shall be executed in the year 2018-19. The impact of the above sanctions have been taken in the financial statements. During the current year, the Company has accounted for the various terms and conditions of the sanction with effect from 1st April 2017. Further few conditions are under negotiations with the banks.

24 Trade payables
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| (i) Due to micro and small enterprises | 2.89 | 7.99 | 2.39 |
| (ii) Due to others | 4,269.36 | 5,155.11 | 4,769.47 |
| Total | 4,272.25 | 5,163.10 | 4,771.86 |

25 Other current financial liabilities
(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Financial liabilities at amortized cost | | | |
| (i) Current Maturities of Long Term Borrowings # | 231.92 | 1,466.00 | 1,513.00 |
| (ii) Interest accrued and due on borrowing | 748.07 | 70.01 | - |
| (iii) Deposit & Advances | 69.42 | 98.83 | 83.08 |
| (iv) Interest accrued but not due on borrowing | 29.78 | 58.23 | 64.56 |
| (v) Current Maturities of Deposits from Related parties | 11.49 | 16.52 | 68.95 |
| (vi) Current Maturities of Deposits from Directors | 2.69 | 4.66 | 14.42 |
| (vii) Unclaimed dividend | 4.43 | 4.43 | 4.44 |
| (viii) Unclaimed Interest on PFD | 0.08 | 0.08 | 0.08 |
| (viii) Others | - | - | 7.67 |
| Total | 1,097.88 | 1,718.76 | 1,756.20 |

Refer note no. 20 for security and other terms related to borrowings

26 Current provisions

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Provision for employee benefits (refer note no.40) | 168.17 | 196.02 | 187.51 |
| Total | 168.17 | 196.02 | 187.51 |

27 Other current liabilities

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|-------------------|-------------------------|-------------------------|------------------------|
| Other liabilities | 318.42 | 344.02 | 303.74 |
| Total | 318.42 | 344.02 | 303.74 |

28 Revenue from operations

(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Sale of products | | |
| - Domestic | 19,843.34 | 21,929.60 |
| - Export | 2,675.52 | 3,700.73 |
| Other operating revenues | | |
| - Insurance Charges Recovered on despatches | 24.50 | 84.48 |
| - Depot Charges on sales | 21.85 | 75.10 |
| - Insurance Claims of damaged goods | - | 1.89 |
| - Miscellaneous Income | 0.17 | 0.01 |
| Total revenue from operations | 22,565.38 | 25,791.81 |

29 Other income

(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Interest income :- | | |
| - Interest Recovered from customers | 30.09 | 39.66 |
| - Interest received on Bank FDR's, loans & others | 198.98 | 27.38 |
| Income Related to Previous year | 498.66 | 0.02 |
| Interest subsidy received (TUFs) | - | 95.38 |
| Profit on sale of fixed assets (net) | - | 55.08 |
| Gain on Foreign currency transactions | 12.55 | - |
| Insurance claims | 1.03 | 0.83 |
| Sundry balances / excess liability written back | 29.70 | 32.78 |
| Rental income / Lease rent Received | 0.36 | 0.09 |
| Miscellaneous Income | - | 3.51 |
| Total other income | 771.37 | 254.73 |

30 Cost of material consumed
(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Fibre Consumption | 11,958.41 | 16,125.90 |
| Dyes & Chemical Consumption | 241.79 | 288.30 |
| Packing Material Consumption | 295.63 | 365.23 |
| Others | 3.32 | 14.60 |
| Total cost of material consumed | 12,499.15 | 16,794.03 |

31 Purchases of Stock-in-trade
(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Yarn | 25.29 | 66.81 |
| Total purchases of stock-in-trade | 25.29 | 66.81 |

32 Changes in inventories
(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year | | |
| Yarn | 3,784.41 | 2,838.81 |
| Work in process | 1,014.44 | 760.53 |
| Waste & Scrap | 16.27 | 10.85 |
| Fabrics | 4.29 | 6.02 |
| | 4,819.41 | 3,616.21 |
| Inventories at the end of the year | | |
| Yarn | 1,507.06 | 3,784.41 |
| Work in process | 443.85 | 1,014.44 |
| Waste & Scrap | 14.83 | 16.27 |
| Fabrics | 4.29 | 4.29 |
| | 1,970.03 | 4,819.41 |
| Total changes in inventories | 2,849.38 | (1,203.20) |

33 Employee benefits expense
(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Salaries & wages including bonus | 1,997.66 | 2,707.12 |
| Contribution to provident and other funds | 246.78 | 293.63 |
| Staff welfare expenses | 18.78 | 24.39 |
| Total employee benefit expenses | 2,263.22 | 3,025.14 |

34 Finance cost
(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Interest expenses | | |
| - Term Loans | 410.68 | 538.52 |
| - Other Bank Borrowings | 893.99 | 975.42 |
| Dividend on redeemable preference shares | 8.48 | - |
| Other borrowing costs | | |
| - Bank and finance charges | 109.73 | 89.04 |
| Loss on Foreign currency transactions & translation | - | 0.02 |
| Total finance cost | 1,422.88 | 1,603.00 |

35 Depreciation and amortisation expenses
(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Depreciation on tangible assets | 472.15 | 492.62 |
| Amortisation of intangible assets | 0.06 | - |
| Total depreciation and amortisation expense | 472.21 | 492.62 |

36 Other expenses
(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Manufacturing Expenses: | | |
| Stores & Spares | 75.28 | 98.48 |
| Packing Expenses | 25.42 | 28.70 |
| Power & Fuel | 3,104.38 | 3,485.03 |
| Repairs & Maintenance : | | |
| Plant & Machinery | 348.31 | 549.67 |
| Building | 15.19 | 26.04 |
| General | 6.89 | 8.05 |
| Sundry Manufacturing Expenses | 142.21 | 163.79 |
| Job charges | 19.52 | 21.73 |
| Administrative & Other Expenses: | | |
| Directors Sitting Fees | 2.87 | 2.24 |
| Directors Remuneration | 67.40 | 61.42 |
| Rent, Rates & Taxes | 39.10 | 37.39 |
| Travelling (including Directors Travelling) | 52.32 | 55.87 |
| Insurance Charges | 22.21 | 23.06 |
| Vehicle Upkeep | 14.55 | 15.21 |
| Misc.Expenses | 134.72 | 123.30 |
| Telephone Expenses | 9.60 | 12.82 |
| Fees & Cess | 7.82 | 10.67 |
| Printing & Stationery | 11.66 | 13.95 |
| Loss on sale of fixed assets | 17.19 | 0.20 |
| Postage Expenses | 4.14 | 4.61 |

| | (Rs. in Lacs) | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Fixed Assets written off | - | 3.07 |
| Sundry Balances Written off / Claim settlement | 19.40 | 1.78 |
| Auditors Remuneration: | | |
| Audit Fee | 3.30 | 3.08 |
| Tax Audit Fee | 0.93 | 0.55 |
| Other Services | 1.10 | 0.83 |
| Audit Expenses | 2.50 | 1.31 |
| Internal Audit Fee & Expenses | 2.05 | 2.07 |
| Cost Audit Fee & Expenses | 1.06 | 0.68 |
| Selling Expenses : | | |
| Commission & Brokerage | 187.92 | 139.72 |
| Freight & Forwarding (Net of recoveries) | 280.95 | 212.21 |
| Rebate & Claim | 1.59 | 3.81 |
| Others | 0.65 | 1.09 |
| Total other expenses | 4,622.23 | 5,112.43 |

| | (Rs. in Lacs) | |
|---|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| (i) Auditors' remuneration | | |
| a) Audit fee | 3.30 | 3.08 |
| b) Tax audit fee | 0.93 | 0.55 |
| c) Limited review fee | 0.98 | 0.72 |
| d) In other capacities | - | - |
| Certification services | 0.12 | 0.11 |
| Reimbursement of expenses | 2.50 | 1.31 |
| (ii) Internal audit fee & Expenses | 2.05 | 2.07 |
| (iii) Cost audit fee & Expenses | 1.06 | 0.68 |
| Total payment to auditors | 10.94 | 8.52 |

37 Earnings per share

The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share" given as under: -

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Profit/(Loss) attributable to equity shareholders (₹) (A) | (572.99) | (85.33) |
| Weighted average number of outstanding equity shares (B) | 1,34,06,685 | 1,27,17,506 |
| Nominal value per equity share (₹) | 10.00 | 10.00 |
| Basic EPS (₹ in Lacs) (A/B) | (4.27) | (0.67) |
| Diluted EPS (₹ in Lacs) (A/B) | (4.27) | (0.67) |

38 Contingent liabilities and commitments

(i) Contingent liabilities

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| a) Bills discounted with banks | 462.94 | 409.11 | 97.34 |
| b) Guarantees issued by bank on behalf of the Company | 225.27 | 303.77 | 447.12 |
| c) Disputed demands under excise, customs & service tax | 173.28 | 119.83 | 142.25 |
| d) Claims against the company not acknowledged as debt | 5.69 | 17.79 | 90.35 |

- e) The Apex Income tax authorities have decided cases for the assessment year from 1998-99 to 2015-16 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).

Assessment of Income Tax has been completed up to the assessment year 2015-16.

In view of carry forward losses no provision is required towards Income Tax.

- f) Assessment of Sales Tax for the assessment years 2016-17 and 2017-18 are pending, liabilities if any, arising thereon shall be accounted for in the year of assessment.

Legal Cases

- g) 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. 0.93 Lacs).
- h) 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.
- 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.

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 and penalty of Rs. 0.17 Lacs.

The aggrieved State Governments including Government of Rajasthan filed appeals with Hon'ble Supreme Court of India.

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. 231.06 Lacs against principal demand of Rs. 233.73 Lacs up to 2014-15 (From February 2015 the company is regularly paying Entry Tax).

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 has filed writ before Hon'ble High Court of Jodhpur, Rajasthan.

- j) 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.801.83 Lacs upto the assessment year 2007-08 to 2015-16 inclusive of interest Rs. 243.46 Lacs. As per legal opinion obtained by the company, it is accounting these 6 benefits in its books of account. It has also filed appeal before respective authority and deposited under protest Rs. 60.85 Lacs (Previous year Rs.60.85 Lacs).

The Company is eligible for subsidy under Rajasthan Investment Promotion Scheme 2010 and has adjusted Rs. 97.86 Lacs under Investment and Employment Subsidy for its modernization and expansion project (Previous year Rs. 46.64 lacs). The commissioner of industries & state level screening committee rejected the revision and the company has filed writ before Hon'ble High Court of Rajasthan.

- k) 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 of Rs.245.95 lacs paid upto 31.03.2012 was charged to profit and loss account has become recoverable. The company has accounted this amount of Rs.245.95 lacs under the head demand deposited under Protest recoverable Account in current year. A sum of Rs. 1171.77 lacs paid from financial Year 2010-11 to 2017-18 stands recoverable under the head Urban Cess / Water Cess deposited under Protest recoverable Account (Previous year Rs. 808.33 lacs). During the current year the company has also accounted the interest recoverable of Rs. 268.43 lacs based on the legal opinion obtained. The company has filed SLP in Supreme Court for the recovery of entire amount.
- l) The company has filed a writ petition with Hon'ble High Court of Rajasthan towards the payment of cross subsidy surcharge to AVVNL for the period April 2014 to November 2016. The disputed amount paid so far is Rs.247.33 lacs up to 31.03.2018 including of interest amount of Rs.78.11 lacs.
- m) 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 for the entire amount.
- n) 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 . The Company disputes this levy and has deposited Rs 471.97 lacs under protest up to this financial year (Previous year Rs. 407.44 Lacs). During the current year the company has also accounted the interest recoverable of Rs. 50.67 lacs based on the legal opinion obtained.
- o) 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. 508.06 Lacs under protest up to this financial year (Previous year Rs. 379 Lacs). During the current year the company has also accounted the interest recoverable of Rs. 37.43 lacs based on the legal opinion obtained.

- p) 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.
- q) The company is entitle to receive pending Rebate Claim of Rs 71.79 Lacs towards Excise Duty recoverable on export clearance, out of which claims of Rs. 28.48 Lacs were rejected by Jt. Secretary (RA) against which company has filed writ petition in Hon'ble High Court of Jodhpur, The Hon'ble High Court, Jodhpur rejected the writ petition filed by the company. As per the advise of our advocate Revision Application to be filed in Hon'ble High Court of Jodhpur. Further claims of Rs. 43.31 Lacs pending before the Commissioner (A), Jodhpur, wherein hearing granted and order awaited.
- r) The company received Rs 64.94 Lacs and 57.09 Lacs against excise duty recoverable on export clearance from Central Excise Department. However the Department has deducted a sum of Rs 43.97 Lacs and 28.18 Lacs respectively from claims payable to company on account of interest and other liability in the matter of sales tax incentive case. The company does not agree with above deductions made by Central Excise Department and has filed appeal before the Commissioner (Appeal), Central Excise, Jodhpur presently known as Commissioner (Appeal), CGST and Central Excise Appeals.
- s) 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.

(ii) Commitments

| Particulars | (Rs. in Lacs) | | |
|--|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | - | - | - |
| (ii) Export commitments against import of capital goods and stores & spares under EPCG scheme (Duty saved amount) | - | 55.00 | 49.83 |

39 Disclosures required under Micro, Small and Medium Enterprises Development Act, 2006

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below: -

| Particulars | (Rs. in Lacs) | | |
|---|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Principal amount due outstanding | 2.89 | 7.99 | 2.39 |
| Interest due on (1) above and unpaid | - | - | - |
| Interest paid to the supplier | - | - | - |
| Payments made to the supplier beyond the appointed day during the year. | - | - | - |
| Interest due and payable for the period of delay | - | - | - |
| Interest accrued and remaining unpaid | - | - | - |
| Amount of further interest remaining due and payable in succeeding year | - | - | - |

40 Employee benefits

a) Defined contribution plans: -

The Company has recognized following expense in respect of the defined contribution plans : -

| | (Rs. in Lacs) | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Contribution to provident fund | 172.88 | 204.96 |
| Contribution to employee state insurance | 73.90 | 88.67 |
| Total | 246.78 | 293.63 |

b) Defined benefit plans: -

Below tables sets forth the changes in the projected benefit obligation and amounts recognised in the balance sheet as at March 31, 2018 and March 31, 2017, being the respective measurement dates: -

(i) Movement in present value of obligations

| | (Rs. in Lacs) | |
|---|------------------------|--------------------------------|
| Particulars | Gratuity (unfunded) | Leave encashment (unfunded) |
| Present value of obligation as at April 1, 2016 | 326.18 | 37.28 |
| Current service cost | 48.71 | 7.87 |
| Interest cost | 23.61 | 2.64 |
| Benefits paid | (31.69) | (5.18) |
| Remeasurement- Actuarial loss/(gains) on obligation | (34.30) | 4.78 |
| Present value of obligation as at March 31, 2017 | 332.51 | 47.39 |
| Current service cost | 57.39 | -0.03 |
| Interest cost | 22.01 | 2.96 |
| Benefits paid | (28.28) | (5.10) |
| Remeasurement- Actuarial loss/(gains) on obligation | (38.68) | 0.42 |
| Present value of obligation as at March 31, 2018 | 344.95 | 45.64 |

(ii) Expenses recognised in the Statement of profit & loss

| | (Rs. in Lacs) | |
|--|------------------------|--------------------------------|
| Particulars | Gratuity (unfunded) | Leave encashment (unfunded) |
| Current service cost | 48.71 | 7.87 |
| Interest cost | 23.27 | 2.64 |
| Remeasurement - Actuarial loss/(gain) | - | 4.78 |
| For the year ended March 31, 2017 | 71.98 | 15.29 |
| Current service cost | 57.39 | -0.03 |
| Interest cost | 21.13 | 2.96 |
| Administrative Exp | 3.23 | - |
| Remeasurement - Actuarial loss/(gain) | - | 0.42 |
| For the year ended March 31, 2018 | 81.75 | 3.35 |

(iii) Expenses recognised in the Other Comprehensive Income
(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| Remeasurement - actuarial gain/(loss) on gratuity | (37.61) | (31.18) |

(iv) The principal actuarial assumptions used are set out below: -
(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|--|--|
| Mortality rate | 100% of India Assured Lives 2006-08 Mod Ult | 100% of India Assured Lives 2006-08 Mod Ult |
| Discount rate | 7.70% | 7.00% |
| Expected rate of increase in compensation | 3.50% | 3.50% |
| Expected average remaining service | 19.90 | 19.90 |
| Employee attrition rate | 11.10% | 11.10% |

(v) Sensitivity Analysis
(Rs. in Lacs)

| Particulars | Change in assumption | Effect on gratuity | Effect on Leave encashment |
|----------------------------|-------------------------|-----------------------|-------------------------------|
| Discount Rate | + 1% | (1,383.00) | (143.00) |
| Discount Rate | - 1% | 1,519.00 | 157.00 |
| Salary growth rate | +1% | 1,630.00 | 187.00 |
| Salary growth rate | - 1% | (1,517.00) | (173.00) |
| Attrition rates up 10.0% | +10% | 267.00 | 32.00 |
| Attrition rates down 10.0% | -10% | (304.00) | (34.00) |

(vi) Estimate of expected benefit payments (in absolute terms i.e. undiscounted)
(Rs. in Lacs)

| Particulars | Gratuity (unfunded) | Leave encashment (unfunded) |
|-------------------------------|------------------------|--------------------------------|
| 1 April 2018 to 31 March 2019 | 92.86 | 18.95 |

41 a) Income tax expense
(Rs. in Lacs)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---------------------------|--------------------------------------|--------------------------------------|
| Current tax | - | - |
| Income tax earlier years | - | 21.16 |
| Deferred tax | (292.09) | (57.72) |
| Total tax expenses | (292.09) | (36.56) |

b) Reconciliation of estimated income tax to income tax expense

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

| | (Rs. in Lacs) | |
|---|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
| Accounting profit before tax (A) | (865.08) | (121.89) |
| Enacted tax rate in India (B) | 30.90% | 30.90% |
| Expected income tax expense at statutory tax rate (A*B) | (267.31) | (37.66) |
| Tax effect of the amount not deductible for computing taxable income | | |
| Expenses not deductible in determining taxable profits | 287.37 | 39.89 |
| Earlier Year Adjustments | - | 21.16 |
| Changes in recognised temporary differences | (292.09) | (57.72) |
| Effect of brought forward business losses | (20.06) | (2.23) |
| Tax expense reported | (292.09) | (36.56) |

c) Deferred tax

The significant component of deferred tax assets / (liabilities) and movement during the year are as under:

| | (Rs. in Lacs) | | | |
|--|---|--|-------------------------------------|--|
| Particulars | Deferred tax liability/ (asset) as at March 31, 2017 | Recognised/(reversed) in statement of profit & loss | Recognised/ (reversed) in OCI | Deferred tax Liability/ (Asset) as at March 31, 2018 |
| Gross deferred tax liabilities | | | | |
| Property, plant and equipment | 2,114.77 | (84.27) | - | 2,030.50 |
| Upfront amortisation on borrowings | 1.51 | (0.94) | - | 0.57 |
| | 2,116.28 | (85.21) | - | 2,031.07 |
| Gross deferred tax assets | | | | |
| Provision for gratuity / leave encashment | 146.29 | 2.09 | (10.28) | 138.10 |
| Disallowances under Income tax | - | 231.15 | - | 231.15 |
| Brought forward losses | 1,695.57 | (26.37) | - | 1,669.20 |
| Discounting of security deposits | 0.05 | 0.03 | - | 0.08 |
| | 1,841.91 | 206.90 | (10.28) | 2,038.53 |
| Deferred Tax (Assets) / Liability | 274.37 | (292.11) | 10.28 | (7.46) |

| | (Rs. in Lacs) | | | |
|--|--|--|-------------------------------------|--|
| Particulars | Deferred tax liability/ (asset) as at April 1, 2016 | Recognised/(reversed) in statement of profit & loss | Recognised/ (reversed) in OCI | Deferred tax Liability/ (Asset) as at March 31, 2017 |
| Gross deferred tax liabilities | | | | |
| Property, plant and equipment | 2,257.78 | (143.01) | - | 2,114.77 |
| Upfront amortisation on borrowings | 3.11 | (1.60) | - | 1.51 |
| | 2,260.89 | (144.61) | - | 2,116.28 |
| Gross deferred tax assets | | | | |
| Provision for gratuity / leave encashment | 148.10 | 7.82 | (9.63) | 146.29 |
| Brought forward losses | 1,790.20 | (94.63) | - | 1,695.57 |
| Discounting of security deposits | 0.13 | (0.08) | - | 0.05 |
| | 1,938.43 | (86.89) | (9.63) | 1,841.91 |
| Deferred Tax (Assets) / Liability | 322.47 | (57.72) | 9.63 | 274.37 |

42 Leases

The Company has leased facilities under cancellable operating lease arrangements with a lease term ranging from 11 months to 108 months, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice for 1 to 3 months and initial lock in period of 36 months. The lease rent expenses recognised during the year amounts to Rs. 39.10 Lacs (March 31, 2017: Rs. 37.39 Lacs).

43 Expenditure towards Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Companies Act, 2013, the company is not required to contribute any amount towards Corporate Social Responsibility, due to losses during the three immediately preceding financial years

44 Related party disclosures

The related party disclosures in accordance with the requirements of Ind AS - 24 "Related Party Disclosures" has been given below: -

(a) Name and nature of related party relationships

(i) Directors

Mr. Vinod Kumar Ladia (Chairman and Whole Time Director)
 Mr. Vikas Ladia (Managing Director and Chief Executive Officer)
 Mr. Anubhav Ladia (Whole Time Director)
 Mr. Roshan Lal Kunawat (Non Executive Director)
 Mr. Raj Singh Nirwan (Independent Director)
 Mr. Narendra Nath Agrawala (Independent Director)
 Mrs. Neelima Khetan (Independent Director)
 Mr. Sunil Goyal (Independent Director)
 Mr. Susheel Jain (Independent Director)
 Mr. Ravinder Narain (Independent Director)

(ii) Key Managerial Personnel

Mr. Vinod Kumar Ladia (Chairman and Whole Time Director)
 Mr. Vikas Ladia (Managing Director and Chief Executive Officer)
 Mr. Anubhav Ladia (Whole Time Director)
 Mr. Vinay Punjawat (Chief Financial Officer)
 Ms. Ravina Soni (Company Secretary)

(iii) Relatives of Directors and Key Managerial Personnel

Mrs. Poonam Ladia
 Mrs. Monika Ladia
 Mrs. Puja Ladia
 Master Aman Ladia
 Vinod Kumar Ladia (HUF)
 Vikas Ladia (HUF)
 Anubhav Ladia (HUF)

(iv) Other Related Parties

M/s. Kunawat & Associates
 M/s. A. M. Traders
 M/s. Madan Chand & Sons
 M/s. Shree Shyam Distributors and Marketing Private Limited

M/s. V K Texchem Private Limited
 M/s. PBS Marketing Private Limited
 M/s. Divine Fibres Private Limited
 M/s. Shree Shyam Industries Private Limited
 M/s. SRSL Employees Welfare Trust
 M/s. SRSL Educational Society
 M/s. SRSL Charitable Trust

(b) Description of the nature of transactions with the related parties

(Rs. in Lacs)

| Details of transactions | Financial Year ended March 31, 2018 | | | Financial Year ended March 31, 2017 | | |
|--|--|-----------------------------------|--------|--|-----------------------------------|----------|
| | Related to KMP | Transactions with Directors | Total | Related to KMP | Transactions with Directors | Total |
| a. Loan taken | 332.86 | 5.03 | 337.89 | 848.06 | 27.20 | 875.26 |
| b. Loan repayment | 523.36 | 28.67 | 552.03 | 413.95 | 51.56 | 465.51 |
| c. Raw material purchase | 698.94 | - | 698.94 | 3,738.18 | | 3,738.18 |
| d. Repayment received - SRSL welfare trust | 1.50 | - | 1.50 | 5.25 | | 5.25 |
| e. Interest expenses | 31.00 | 1.52 | 32.52 | 37.27 | 5.58 | 42.85 |
| f. Remuneration | 21.41 | 87.14 | 108.55 | 5.34 | 78.11 | 83.45 |
| g. Professional charges | 1.11 | - | 1.11 | 0.87 | | 0.87 |
| h. Lease rent paid | 8.30 | - | 8.30 | 6.63 | | 6.63 |
| i. Sale of assets | - | - | - | 150.00 | | 150.00 |
| j. MEIS License Sale | 16.43 | - | 16.43 | 65.31 | | 65.31 |
| k. Issue of Equity shares | 35.00 | 30.00 | 65.00 | 35.00 | 30.00 | 65.00 |
| l. Issue of Equity warrants | - | - | - | 8.75 | 7.50 | 16.25 |
| m. Board meeting fees | - | 2.87 | 2.87 | - | 2.24 | 2.24 |
| n. Issue of Preference Shares | 170.00 | - | 170.00 | - | - | - |

(c) Amount due to/ from related parties

(Rs. in Lacs)

| Details of transactions | As at March 31, 2018 | | | As at March 31, 2017 | | | As at April 1, 2016 | | |
|--|-------------------------|-----------------------------------|--------|-------------------------|-----------------------------------|--------|------------------------|-----------------------------------|--------|
| | Related to KMP | Transactions with Directors | Total | Related to KMP | Transactions with Directors | Total | Related to KMP | Transactions with Directors | Total |
| a. Trade payable | | | | | | | | | |
| i. Fixed deposits payable | 364.69 | - | 364.69 | 555.19 | - | 555.19 | 121.08 | - | 121.08 |
| ii. loan payables - fixed deposits | - | 10.17 | 10.17 | | 33.81 | 33.81 | - | 58.17 | 58.17 |
| iii. Fees payable | 1.77 | - | 1.77 | 0.85 | - | 0.85 | 0.27 | - | 0.27 |
| iv. Rent payable | 4.77 | - | 4.77 | 5.40 | - | 5.40 | - | - | - |
| b. Trade receivables | | | | | | | | | |
| i. Loan receivables | 78.75 | - | 78.75 | 80.25 | - | 80.25 | 85.50 | - | 85.50 |
| ii. Security deposits refundable | 62.00 | - | 62.00 | 52.00 | - | 52.00 | 52.00 | - | 52.00 |
| iii. Receivables from sale of property | - | - | - | 40.00 | - | 40.00 | - | - | - |
| iv. Security deposits recoverables | 10.00 | - | 10.00 | 10.00 | - | 10.00 | 10.00 | - | 10.00 |

45 Segment reporting

The Company is primarily engaged in Production of Textile products having similar economic characteristics, Revenue from other segment is less than 10% of total revenue.

The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind-AS 108 'Operating Segments'. The entity wide disclosures required by Ind-AS 108 are made as follows: -

A. Entity Wide Disclosures:

Geographical Information:

(i) Revenue from external customers (outside India)

| Particulars | Within India | Outside India | (Rs. in Lacs) |
|-------------------------------------|--------------|---------------|------------------|
| | | | Total |
| Financial Year ended March 31, 2018 | 19,948.57 | 2,675.52 | 22,624.09 |
| Financial Year ended March 31, 2017 | 22,041.40 | 3,700.73 | 25,742.13 |

(ii) Non Current assets

The Company has common non- current operating assets located in India for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

B. Revenue from major products and services

| Particulars | (Rs. in Lacs) | |
|------------------------|--|--|
| | Financial Year ended March 31, 2018 | Financial Year ended March 31, 2017 |
| Synthetic Blended Yarn | 20,267.60 | 22,904.02 |
| Filament Yarn | 2,356.49 | 2,838.12 |
| Total | 22,624.09 | 25,742.14 |

46 Impairment of assets

In accordance with Ind AS-36 on "Impairment of Assets" the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account

47 Financial instruments

a) Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, opitimisation of working capital requirements and deployment of surplus funds into various investment options.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from borrowings from banks and financial institutions.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents while equity includes all capital and reserves of the Company.

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Long term borrowings | 4,478.93 | 3,501.22 | 4,490.58 |
| Current maturities of long term debt | 246.10 | 1,487.18 | 1,596.37 |
| Short term borrowings | 4,969.82 | 5,379.63 | 4,441.60 |
| Less: Cash and cash equivalent | -36.82 | -29.52 | -78.59 |
| Less: Bank balances other than cash and cash equivalents | -75.17 | -60.27 | -30.76 |
| Net debt | 9,582.86 | 10,278.25 | 10,419.20 |
| Total equity | 2,757.10 | 3,254.01 | 3,236.54 |
| Gearing ratio | 3.48 | 3.16 | 3.22 |

b) Fair value measurement
(a) Financial assets

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at March 31, 2016 | |
|--|----------------------|-----------------|----------------------|-----------------|----------------------|-----------------|
| | Carrying value | Fair value | Carrying value | Fair value | Carrying value | Fair value |
| (i) Measured at amortised cost | | | | | | |
| Non-current investments | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 |
| Non-current Loans | 125.46 | 125.46 | 230.52 | 230.52 | 255.83 | 255.83 |
| Trade receivables | 990.32 | 990.32 | 728.41 | 728.41 | 1,126.31 | 1,126.31 |
| Cash and cash equivalents | 36.82 | 36.82 | 29.52 | 29.52 | 78.59 | 78.59 |
| Bank balances other than cash and cash equivalents | 75.17 | 75.17 | 60.27 | 60.27 | 30.76 | 30.76 |
| Loans | 78.75 | 78.75 | 5.00 | 5.00 | 5.00 | 5.00 |
| Other financial assets | 2.72 | 2.72 | 2.82 | 2.82 | 5.49 | 5.49 |
| Total financial assets at amortised costs | 1,309.38 | 1,309.38 | 1,056.69 | 1,056.69 | 1,502.13 | 1,502.13 |

b) Financial liabilities

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at March 31, 2016 | |
|---|----------------------|------------------|----------------------|------------------|----------------------|------------------|
| | Carrying value | Fair value | Carrying value | Fair value | Carrying value | Fair value |
| (i) Measured at amortised cost | | | | | | |
| Long term borrowings | 4,478.93 | 4,478.93 | 3,501.22 | 3,501.22 | 4,490.58 | 4,490.58 |
| Other financial liabilities - Non Current | 163.18 | 163.18 | 152.21 | 152.21 | 150.53 | 150.53 |
| Short term Borrowings | 4,969.82 | 4,969.82 | 5,379.63 | 5,379.63 | 4,441.60 | 4,441.60 |
| Trade payables | 4,272.25 | 4,272.25 | 5,163.10 | 5,163.10 | 4,771.86 | 4,771.86 |
| Other financial liabilities | 1,097.88 | 1,097.88 | 1,718.76 | 1,718.76 | 1,756.20 | 1,756.20 |
| Total financial liabilities | 14,982.06 | 14,982.06 | 15,914.92 | 15,914.92 | 15,610.77 | 15,610.77 |

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties in an orderly market transaction, other than in a forced or liquidation sale.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

c) Financial risk management

The company has a risk management committee which has the responsibility to identify the risk and suggest the management the mitigation plan for the identified risks in accordance with the risk management policy of the Company. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency.

These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks by using derivative financial instruments, credit limit to exposures, etc., to hedge risk exposures.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

Foreign currency risk management

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD, GBP and EURO. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign currency exposure

| Particulars | Amount in USD \$ |
|--|---------------------|
| As at March 31, 2018 | |
| Trade Receivables | 5.30 |
| Amount hedged through forward contracts | - |
| Foreign currency loans and other credit facilities | - |
| Total as at March 31, 2018 | 5.30 |
| As at March 31, 2017 | |
| Trade receivables | 2.34 |
| Amount hedged through forward contracts | - |
| Foreign currency loans and other credit facilities | - |
| Total as at March 31, 2017 | 2.34 |
| As at April 1, 2016 | |
| Trade Receivables | 3.54 |
| Amount hedged through forward contracts | - |
| Foreign currency loans and other credit facilities | - |
| Total as at April 1, 2016 | 3.54 |

Foreign currency sensitivity

The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities on account of reasonably possible change in USD, GBP and EURO exchange rates (with all other variables held constant) will be as under:

(Rs. in Lacs)

| Particulars | Increase/ (decrease) | USD |
|--|----------------------|---------|
| For the year ended March 31, 2018 | | |
| Net impact on profit before tax | 5% | 17.24 |
| | -5% | (17.24) |
| For the year ended March 31, 2017 | | |
| Net impact on profit before tax | 5% | 7.58 |
| | -5% | (7.58) |
| For the year ended April 1, 2016 | | |
| Net impact on profit before tax | 5% | 11.69 |
| | -5% | (11.69) |

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like demand loans and working capital loans.

The following table provides a break-up of the Company's fixed and floating rate borrowings: -

(Rs. in Lacs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--------------------------|-------------------------|-------------------------|------------------------|
| Fixed rate borrowings* | 178.48 | - | - |
| Floating rate borrowings | 9,516.37 | 10,368.03 | 10,528.55 |
| Total borrowings | 9,694.85 | 10,368.03 | 10,528.55 |

* adjusted with unamortised processing fee

(iii) Liquidity risk management

Liquidity risk refers to the risk of financial distress or high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date.

| (Rs. in Lacs) | | | | |
|--------------------------------------|------------------|---------------|-----------------|------------------|
| As at March 31, 2018 | Upto 1 year | 1-2 years | > 2 years | Total |
| Financial liabilities | | | | |
| Long term borrowings | - | 372.46 | 4,106.47 | 4,478.93 |
| Current maturities of long term debt | 246.10 | - | - | 246.10 |
| Short term borrowings | 4,969.82 | | | 4,969.82 |
| Trade payables | 4,272.25 | - | - | 4,272.25 |
| Other financial liabilities | 1,014.96 | - | - | 1,014.96 |
| Total financial liabilities | 10,503.13 | 372.46 | 4,106.47 | 14,982.06 |

| (Rs. in Lacs) | | | | |
|--------------------------------------|------------------|-----------------|-----------------|------------------|
| As at March 31, 2017 | Upto 1 year | 1-2 years | > 2 years | Total |
| Financial liabilities | | | | |
| Long term borrowings | - | 1,546.29 | 1,954.93 | 3,501.22 |
| Current maturities of long term debt | 1,487.18 | - | - | 1,487.18 |
| Short term borrowings | 5,379.63 | | | 5,379.63 |
| Trade payables | 5,163.10 | - | - | 5,163.10 |
| Other financial liabilities | 383.79 | - | - | 383.79 |
| Total financial liabilities | 12,413.70 | 1,546.29 | 1,954.93 | 15,914.92 |

(iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

| (Rs. in Lacs) | | | |
|-----------------------------|--------------------------|--------------|---------------|
| Particulars | Neither impaired nor due | Upto 1 years | Total |
| As at March 31, 2018 | | | |
| Trade receivables | 691.26 | 299.06 | 990.32 |
| As at March 31, 2017 | | | |
| Trade receivables | 476.61 | 251.80 | 728.41 |

Note : Trade receivables are net of provision for doubtful debt and bills discounted.

48 First time adoption of Ind-AS

These financial statements, for the year ended March 31, 2018, are the first financial statement that has been prepared in accordance with Ind-AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

(i) Exemptions applied :

Deemed cost - Previous GAAP carrying amount: (PPE and Intangible Assets) Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its PPE and intangible assets as recognised in its Indian GAAP financial as deemed cost at the transition date after making necessary adjustments for de-commissioning liabilities (if any).

Business Combination: Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements. The Company has not applied Ind AS 21, The Effects of Changes in Foreign Exchange Rates retrospectively to fair value adjustments that occurred before the date of transition to Ind AS. Such fair value adjustments are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

(ii) Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017

(Rs. in Lacs)

| Particulars | As at April 1, 2016 | | | As at March 31, 2017 | | |
|-----------------------------------|--------------------------|-------------|------------------|--------------------------|--------------|------------------|
| | As per Indian GAAP | Adjustments | As per Ind AS | As per Indian GAAP | Adjustments | As per Ind AS |
| ASSETS | | | | | | |
| (1) Non-current assets | | | | | | |
| (a) Property, plant and equipment | 9,375.39 | 0.01 | 9,375.40 | 8,774.89 | - | 8,774.89 |
| (b) Capital work-in-progress | - | - | - | - | - | - |
| (c) Other intangible assets | 0.02 | -0.01 | 0.01 | 0.01 | - | 0.01 |
| (d) Financial assets | | | | | | |
| (i) Investments | 0.15 | - | 0.15 | 0.15 | - | 0.15 |
| (ii) Loans | 259.48 | -3.65 | 255.83 | 235.12 | -4.59 | 230.52 |
| (e) Deferred Tax Assets (net) | - | 5.98 | 5.98 | - | 32.91 | 32.91 |
| (f) Other non-current assets | 4.16 | 1.44 | 5.60 | 4.36 | 2.49 | 6.86 |
| | 9,639.20 | 3.77 | 9,642.97 | 9,014.53 | 30.81 | 9,045.33 |

(Rs. in Lacs)

| Particulars | As at April 1, 2016 | | | As at March 31, 2017 | | |
|---|--------------------------|-----------------|------------------|--------------------------|-----------------|------------------|
| | As per Indian GAAP | Adjustments | As per Ind AS | As per Indian GAAP | Adjustments | As per Ind AS |
| (2) Current assets | | | | | | |
| (a) Inventories | 4,510.88 | -0.00 | 4,510.88 | 5,511.25 | - | 5,511.25 |
| (b) Financial Assets | | | | | | |
| (i) Trade receivables | 1,126.31 | - | 1,126.31 | 728.41 | - | 728.41 |
| (ii) Cash and cash equivalents | 78.59 | - | 78.59 | 29.52 | - | 29.52 |
| (iii) Bank balances other than (ii) above | 30.76 | - | 30.76 | 60.27 | - | 60.27 |
| (iv) Loans | 5.00 | - | 5.00 | 5.00 | - | 5.00 |
| (v) Other financial assets | 5.49 | - | 5.49 | 2.82 | - | 2.82 |
| (c) Other current assets | 4,514.94 | -326.63 | 4,188.31 | 4,911.14 | -305.47 | 4,605.67 |
| (d) Current tax assets | 38.85 | - | 38.85 | 18.92 | - | 18.92 |
| | 10,310.82 | (326.63) | 9,984.19 | 11,267.33 | (305.47) | 10,961.86 |
| TOTAL ASSETS | 19,950.02 | (322.86) | 19,627.16 | 20,281.86 | (274.67) | 20,007.19 |
| EQUITY AND LIABILITIES | | | | | | |
| Equity | | | | | | |
| (a) Equity Share capital | 1,240.23 | - | 1,240.23 | 1,305.23 | - | 1,305.23 |
| (b) Other Equity | 1,990.09 | 6.22 | 1,996.31 | 1,929.38 | 3.15 | 1,932.53 |
| (c) Money received agaisnt allotment of Share Warrants | | | - | 16.25 | | 16.25 |
| | 3,230.32 | 6.22 | 3,236.54 | 3,250.86 | 3.15 | 3,254.01 |
| Liabilities | | | | | | |
| Non-current liabilities | | | | | | |
| (a) Financial Liabilities | | | | | | |
| (i) Borrowings | 4,500.18 | -9.60 | 4,490.58 | 3,506.12 | -4.90 | 3,501.22 |
| (ii) Other financial liabilities | 151.17 | -0.64 | 150.53 | 153.91 | -1.70 | 152.21 |
| (b) Provisions | 288.60 | - | 288.60 | 298.23 | - | 298.23 |
| (c) Deferred Tax Liabilities (Net) | 319.48 | -319.48 | - | 272.91 | -272.91 | |
| | 5,259.43 | (329.72) | 4,929.71 | 4,231.17 | (279.51) | 3,951.66 |
| Current liabilities | | | | | | |
| (a) Financial Liabilities | | | | | | |
| (i) Borrowings | 4,441.60 | - | 4,441.60 | 5,379.63 | - | 5,379.63 |
| (ii) Trade payables | 4,771.86 | - | 4,771.86 | 5,163.10 | - | 5,163.10 |
| (iii) Other financial liabilities | 1,755.56 | 0.64 | 1,756.20 | 1,717.06 | 1.70 | 1,718.76 |
| (b) Provisions | 187.51 | - | 187.51 | 196.02 | - | 196.02 |
| (c) Other current liabilities | 303.74 | - | 303.74 | 344.02 | - | 344.02 |
| | 11,460.27 | 0.64 | 11,460.91 | 12,799.83 | 1.70 | 12,801.53 |
| TOTAL LIABILITIES | 19,950.02 | (322.86) | 19,627.16 | 20,281.86 | (274.66) | 20,007.20 |

Note :

The figures of Indian GAAP have been reclassified to confirm to presentation requirements of Division II of Schedule III of Companies Act, 2013 as applicable to a company whose financial statements are required to be drawn up in compliance of the (Indian Accounting Standards) Rules, 2015.

(iii) Reconciliation of Other equity
(Rs. in Lacs)

| Particulars | As per Indian GAAP | Adjustments | As per Ind AS |
|--|-----------------------|----------------|------------------|
| I Revenue From Operations | 25,626.01 | 165.80 | 25,791.81 |
| II Other Income | 252.80 | 1.93 | 254.73 |
| III Total Income (I+II) | 25,878.81 | 167.73 | 26,046.54 |
| IV EXPENSES | | | |
| Cost of materials consumed | 16,794.03 | 0.00 | 16,794.03 |
| Purchases of Stock-in-trade | 66.81 | - | 66.81 |
| Changes in inventories of finished goods, work-inprogress and stock-in-trade | (1,203.20) | (0.00) | (1,203.20) |
| Excise duty | - | 277.60 | 277.60 |
| Employee benefit expenses | 2,993.96 | 31.18 | 3,025.14 |
| Finance costs | 1,598.30 | 4.71 | 1,603.00 |
| Depreciation and amortisation expense | 492.62 | - | 492.62 |
| Other expenses | 5,222.41 | (109.97) | 5,112.43 |
| Total expenses | 25,964.93 | 203.52 | 26,168.43 |
| V Profit/(loss) before tax (III-IV) | (86.11) | (35.79) | (121.89) |
| VI Tax expense: | | | |
| Current tax | - | - | - |
| Income tax earlier years | 21.16 | - | 21.16 |
| Deferred tax | (46.56) | (11.16) | (57.72) |
| Total Tax expense | (25.40) | (11.16) | (36.56) |
| VII Profit/(loss) for the year (V-VI) | (60.71) | (24.63) | (85.33) |
| VIII Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement losses/(gain) on defined benefit plans | - | 31.18 | 31.18 |
| Equity instruments through other comprehensive income | - | - | - |
| Income tax relating to items that will not be reclassified to profit or loss | - | (9.63) | (9.63) |
| Other Comprehensive Income/(Loss) for the year | - | 21.55 | 21.55 |
| IX Total Comprehensive Income for the year (VII+VIII) | (60.71) | (3.08) | (63.78) |

Notes to the reconciliation of equity as at 1st April 2016 and 31st March 2017 and Total comprehensive income for the year ended 31st March 2017
(i) Long term security deposits paid

Under Indian GAAP, such security deposits paid have been recorded at its transaction value. Under Ind AS, such security deposits have been recorded at its fair value. Difference between fair value and carrying value under Indian GAAP, have been treated as prepaid expenses. At transition date, impact of amortisation of prepaid expenses and finance income, adjusted through retained earnings.

Subsequently, interest income has been recorded in profit and loss on effective rate of interest basis and Prepaid expenses has been amortised over the period of lease. Prepaid expenses have been disclosed as current and non-current accordingly.

(ii) Borrowings

Under Indian GAAP, borrowings paid have been recorded at its transaction value and upfront fee paid, has been charged off to profit and loss in the same year. Subsequently, finance cost has been recorded on these borrowings at contractual rate of interest. Under Ind AS, such borrowings have been recorded at its fair value. Under Ind AS, since, such borrowings have been classified and measured at amortised cost. Initially, borrowings have been recorded at its fair value i.e. net of upfront fees. Subsequently, finance cost been recorded in profit and loss on effective rate of interest. At transition date, due to this, impact has been adjusted in retained earnings and subsequently, impact has been adjusted through finance cost in statement of profit and loss.

(iii) Excise duty:

Under previous GAAP, revenue from sale of goods was presented net of excise duty whereas under IND AS the revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the Statement of Profit and Loss as part of expenses.

(iv) Employee Benefit Expenses

Under Indian GAAP, defined benefit expenses (actuarial gain or loss, interest cost, services cost etc.) was required to be recognised in statement of profit and loss. Whereas under Ind AS, actuarial gain or loss on defined benefits is required to be recognised in Other comprehensive Income. Accordingly, For the year ended March 2017, actuarial gain or loss on defined benefits has been reclassified from employee benefits expenses and recognised in other comprehensive income.

Further, corresponding tax impact also reclassified to other comprehensive income.

(v) Defined benefit liabilities

Under Indian GAAP, deferred tax liabilities was required to be computed on income statement approach. Whereas, under Ind AS, deferred tax is required to be computed on balance sheet approach. Accordingly, to compute deferred tax on balance sheet, at transition date, deferred tax has been recorded on all Ind AS adjustments and the corresponding impact adjusted through retained earnings. Subsequently, deferred tax has been adjusted through statement of profit and loss.

Further, deferred tax pertains to items which has been recognised in other comprehensive income, corresponding deferred tax also adjusted through other comprehensive income.

Deferred tax assets include MAT paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with the assets will be realised.

(vi) Capital Subsidy

Under the Indian GAAP, certain grant received from the Government is shown under the head 'Capital Subsidy'. Under the Ind AS, such grant is treated as deferred income and is recognised as income over the useful life of the assets for which grant is received.

Accordingly, For the year ended March 2016, this has resulted in decrease in capital reserve with a corresponding adjustment in retained earnings.

49 Previous year figures have been regrouped/rearranged, wherever considered necessary to conform to current year's classification.

See accompanying notes to the financial statements 1 to 49

As per our report of even date

For Doogar & Associates
Chartered Accountants
Firms Registration No. 000561N



VARDHMAN DOOGAR
PARTNER
M. NO 517347


VIKAS LADIA
MANAGING DIRECTOR & CEO
DIN: 00256289

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


ANUBHAV LADIA
WHOLE TIME DIRECTOR
DIN: 00168312

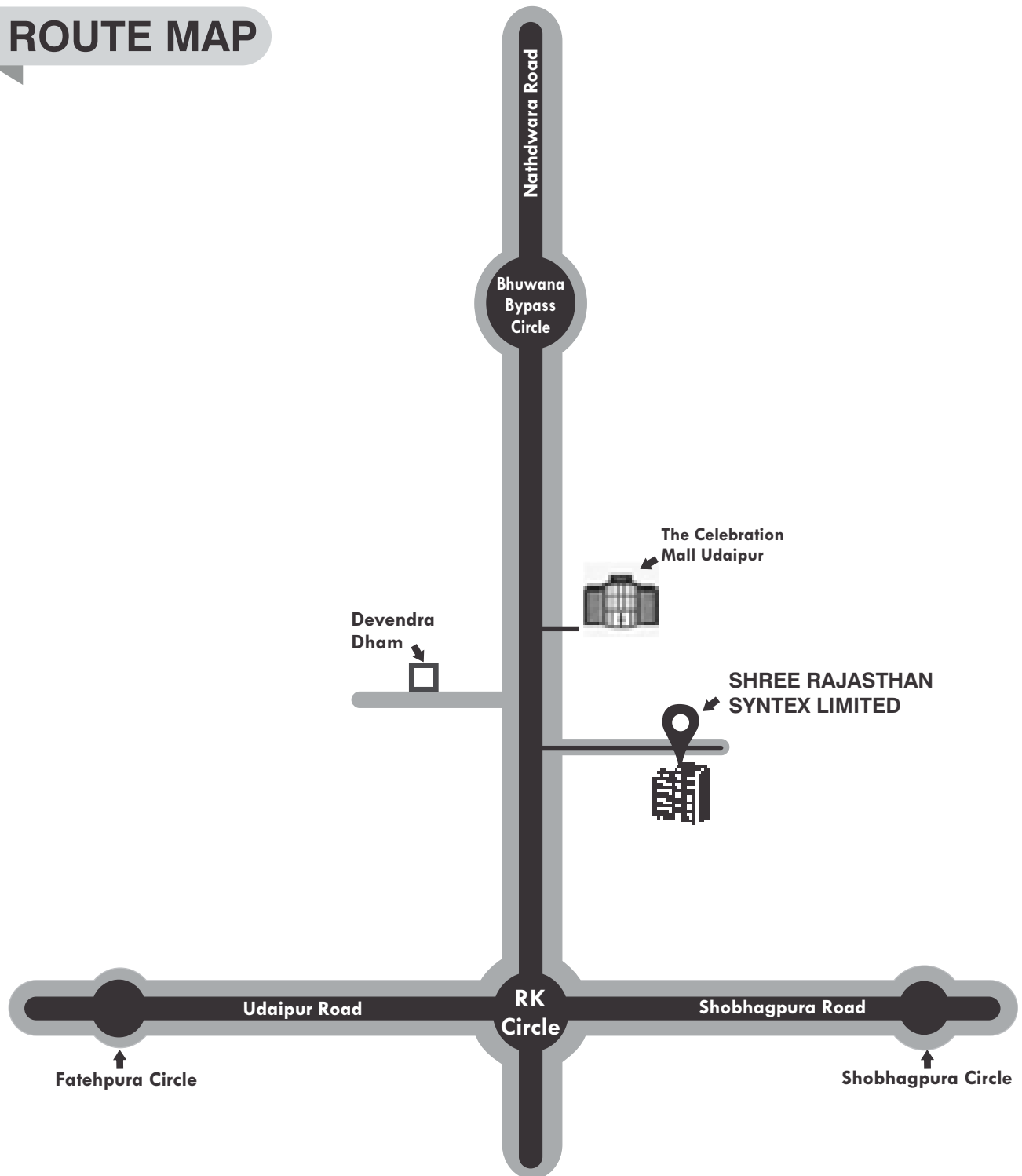
Place: - Udaipur
Date: - May 25, 2018


NARENDRA NATH AGRAWALA
INDEPENDENT DIRECTOR
DIN: 00168211


VINAY PUNJAWAT
CHIEF FINANCIAL OFFICER


RAVINA SONI
COMPANY SECRETARY

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 :
 DP ID/ Client 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 38th Annual General Meeting of the Company, to be held on Wednesday, the 26th day of September, 2018 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 (DIN: 00168312) as a director liable to retire by rotation |
| SPECIAL BUSINESS | |
| 3 | Ratification of Remuneration of the Cost Auditors for the financial year ending on 31st March, 2019 |
| 4 | Re-appointment of Mr. Narendra Nath Agrawala (DIN: 00168211) as an Independent Director |
| 5 | Re-appointment of Mr. Raj Singh Nirwan (DIN: 00313799) as an Independent Director |
| 6 | Re-appointment of Mr. Sunil Goyal (DIN: 00110601) as an Independent Director |
| 7 | Re-appointment of Mr. Susheel Jain (DIN: 00378678) as an Independent Director |
| 8 | Revision in terms of appointment of Mr. Vinod Kumar Ladia, Executive Chairman and Whole Time Director of the Company |

Signed this day of.....2018

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 hrs. before the commencement of the meeting.

PRODUCTION MACHINES AT FACTORY



CORPORATE OFFICE AT UDAIPUR



MEMBERS ARE REQUESTED TO PLEASE UPDATE THEIR PAN, BANK DETAILS, ADDRESS AND MAIL ID TO THE DEPOSITORY PARTICIPANT OR REGISTRAR AND SHARE TRANSFER AGENT AS APPLICABLE

PLEASE DOWNLOAD THE FORMAT FROM FOLLOWING WEBLINK OF COMPANY :

<http://www.srsl.in/documents/E-COMMUNICATION.pdf>