

# **shree Rajasthan Syntex Limited**

36<sup>th</sup> Annual Report 2015 -16

[www.srsl.in](http://www.srsl.in)



## BOARD OF DIRECTORS

Mr. Vinod Kumar Ladia (DIN: 00168257)  
*Chairman and Managing Director*

Mr. Vikas Ladia (DIN: 00256289)  
*Joint Managing Director*

Mr. Anubhav Ladia (DIN: 00168312)  
*Executive Director*

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

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

Mr. Sunil Goyal (DIN: 00110601)  
*Independent Director*

Mr. Narendra Nath Agrawala (DIN: 00168211)  
*Independent Director*

Mr. Susheel Jain (DIN: 00378678)  
*Independent Director*

Mr. Ravinder Narain (DIN: 00059197)  
*Independent Director*

Mrs. Neelima Khetan (DIN: 05113000)  
*Independent Director*

## CHIEF FINANCIAL OFFICER

Mr. Naval Kishor Soni (upto 15<sup>th</sup> July, 2015)  
 Mr. Vinay Punjawat (appointed w.e.f. 8<sup>th</sup> August, 2015)

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Bhanupriya Mehta Jain (upto 1<sup>st</sup> October, 2015)  
 Mr. Manmohan Pareek (appointed w.e.f. 2<sup>nd</sup> November, 2015)

## SPECIAL EXECUTIVE

Mrs. Monika Ladia

## STATUTORY AUDITORS

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

## TAX CONSULTANTS

M/s Kunawat & Associates,  
 Udaipur

## COST AUDITORS

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

## INTERNAL AUDITORS

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

## SECRETARIAL AUDITORS

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

## BANKERS

IDBI Bank Ltd.  
 State Bank of India  
 State Bank of Bikaner & Jaipur  
 Bank of Baroda

## REGISTERED AND HEAD OFFICE AND CIN

'SRSL HOUSE', Pulla Bhuwana Road,  
 National Highway No. 8,  
 Udaipur- 313004.  
 CIN : L24302RJ1979PLC001948

## REGISTRAR AND SHARE TRANSFER AGENT

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

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## NOTICE

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting [AGM] of Shree Rajasthan Syntex Limited will be held at the Registered Office of the Company at 'SRSL HOUSE', Pulla Bhuwana Road, National Highway No. 8, Udaipur- 313004 on Monday, the 26<sup>th</sup> day of September, 2016 at 2:30 P.M. to transact the following businesses:

### **ORDINARY BUSINESS**

#### **Item no. 1 - Adoption of Financial Statements**

To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2016 together with the reports of the Board of Directors and Auditors thereon.

#### **Item no. 2 - Appointment of Director**

To appoint a Director in place of Mr. R. L. Kunawat (DIN: 00196938) who is liable to retire by rotation and, being eligible, offers himself for re-appointment.

#### **Item no. 3 - Ratification of the appointment of Auditors**

To ratify the appointment of M/s. M.C. Bhandari & Co., Chartered Accountants, Jaipur (Firm Registration No. 303002-E) as Statutory Auditors and in this regard, to consider & if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the shareholders in the 34<sup>th</sup> AGM of the Company held on 17<sup>th</sup> September 2014, the appointment of M/s. M.C. Bhandari & Co., Chartered Accountants, Jaipur (Firm Registration No. 303002-E) as Statutory Auditors of the Company to hold office till the conclusion of 37<sup>th</sup> Annual General Meeting to be held in the calendar year 2017 be and is hereby ratified (for the financial year 2016-17) & that the Board of Directors be and are hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

### **SPECIAL BUSINESS**

**Item no. 4 - Ratification of Remuneration of the Cost Auditors for the financial year ending March 31, 2017 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 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s)

thereof, for the time being in force), the payment of remuneration of Rs. 65,000/-(Sixty Five Thousand Rupees only) plus applicable Service Tax and reimbursement of out of pocket expenses (at actual) to M/s. K.G. Goyal & Company, Cost Accountants (Firm Registration No.000017) Jaipur, who were re-appointed by the Board of Directors of the Company, as "Cost Auditors" to conduct the audit of the cost records maintained by the Company for Financial Year commencing on 1<sup>st</sup> April, 2016 and ending on 31<sup>st</sup> March, 2017, 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. 5 - Appointment of Mr. Vinod Kumar Ladia (DIN: 00168257) as an Executive Chairman and Whole Time 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 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Article of Association (as amended from time to time) and all other applicable Laws, Rules and Acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals as may be applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the approval of the shareholders be and is hereby accorded for the appointment of Mr. Vinod Kumar Ladia as an Executive Chairman and Whole Time Director of the Company for the period of 3 (three) years w.e.f. 1<sup>st</sup> June, 2016 to 31<sup>st</sup> May, 2019 as per the terms and conditions mentioned hereunder with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 and / or any statutory modification(s) or re-enactment(s) thereof.

#### **TERMS OF REMUNERATION :-(Tenure 01.06.2016 to 31.05.2019)**

- I. **BASIC SALARY:** Rs. 2,20,000/- p.m. w.e.f. 01.06.2016 with an increase of Rs. 20,000/- per month on completion of each year of service. The first such increase being due w.e.f. 01.06.2017.
- II. **COMMISSION:** The commission may be paid at 1% of the net profits of the company computed in the manner laid down as per Schedule V of the Companies Act, 2013.

**III. PERQUISITES:** In addition to above the following perquisites not exceeding the overall ceiling prescribed under Schedule V, annexed to the Companies Act, 2013 will be provided to the Chairman:-

**Category (A)**

- i. **Housing:** Company shall not provide residential accommodation, he will be paid such housing allowance of Rs. 15,000/- p.m. as the Board may decide from time to time subject to the condition that the same does not exceed 60% of the basic salary and expenses on gas, electricity, water, furnishing and maintenance charges will be borne by the Company.
- ii. **Medical Expenses Reimbursement:** Equal to one month's salary in a year or three months in three years.
- iii. **Club Fees:** Fees of clubs on actual basis excluding admission and life membership fees.
- iv. **Leave Travel Concession:** For self, wife and dependent children, once in a year to and fro charges from any place on actual basis subject to a ceiling of one month's salary in a year.
- v. **Personal Accident Insurance:** Actual premium on personal accident insurance.
- vi. **Ex gratia in lieu of bonus:** @ 8.33% of the basic salary.

**Category (B)**

In addition to the perquisites, Mr. Vinod Kumar Ladia shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration mentioned above, as permissible by law:

- i. **Contribution to Provident Fund / Superannuation Fund:** Will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961
- a. **Company's contribution to Provident Fund:** @ 12% or such other rate as may be applicable to the employees under the Provident Fund Rules adopted by the Company, whichever is higher.
- b. **Company's contribution towards pension / superannuation funds:** Such contribution together with contribution towards Provident Fund shall not exceed the permissible limits as laid down in the Income Tax Rules, 1962.
- ii. **Gratuity:** The gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii. **Leave and Leave Encashment:** As per rules of the company not exceeding one month leave for every year of service and will not be included in the computation of limits.

**Category (C)**

- i. **Conveyance & Telephone:** Provision of use of car and telephone at the residence for the company's business will not be considered as perquisites. Personal calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Vinod Kumar Ladia.
- ii. **Reimbursement of Expenses:** Apart from the remuneration as aforesaid, Mr. Vinod Kumar Ladia shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.
- iii. **Sitting Fee etc.:** No sitting fee shall be paid to Mr. Vinod Kumar Ladia for attending the meetings of Board of Directors or any committee thereof.
- iv. **Payment of Life Insurance Premium:** Life Insurance Premium shall be payable in respect of only insurance of life on the actual basis by the company.

Wherein in any financial year, the Company has no profits or its profits are inadequate, the minimum amount of remuneration and benefits shall be paid to Mr. Vinod Kumar Ladia subject to the applicable provisions of Schedule V of the Companies Act, 2013 or any amendment thereto as may be applicable at relevant time.

**Other Terms & Conditions :**

- i. Mr. Vinod Kumar Ladia will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- ii. Either party giving the other party six-month's prior notice in writing to that effect may terminate the agreement.  
If at any time Mr. Vinod Kumar Ladia ceases to be Director of the company for any reason whatsoever, he shall cease to be the Chairman.
- iii. The terms & conditions as above including remuneration, may be altered / varied from time to time by the Board of Directors as it may, in its absolute discretion, deem fit within the maximum amount payable to the appointee in accordance with Schedule V annexed to the Companies Act, 2013 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard subject to that the same does not exceed the ceiling as provided in the said resolution.
- iv. He shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation to Schedule V of the Companies Act, 2013 the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit subject to that the same does not exceed the



ceiling as provided in the said resolution and the said terms of appointment of Mr. Vinod Kumar Ladia, as Executive Chairman and Whole Time Director of the company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members / shareholders of the Company in the Annual General Meeting.

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

**Item no.6** - Appointment of Mr. Vikas Ladia (DIN: 00256289) as a Managing Director & Chief Executive Officer 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 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Article of Association (as amended from time to time) and all other applicable Laws, Rules and Acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals as may be applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the approval of the shareholders be and is hereby accorded for the appointment of Mr. Vikas Ladia as the Managing Director & Chief Executive Officer of the Company for the period of 3 (three) years w.e.f. 1<sup>st</sup> June, 2016 to 31<sup>st</sup> May, 2019 as per the terms and conditions mentioned hereunder with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 and / or any statutory modification(s) or re-enactment(s) thereof.

**TERMS OF REMUNERATION :- (Tenure 01.06.2016 to 31.05.2019)**

- I. **BASIC SALARY:** Rs. 1,75,000/- p.m. w.e.f. 01.06.2016 with an increase of Rs. 15,000/- per month on completion of each year of service. The first such increase being due w.e.f. 01.06.2017.
- II. **COMMISSION:** The commission may be paid at 1% of the net profits of the company computed in the manner laid down as per Schedule V of the Companies Act, 2013.
- III. **PERQUISITES:** In addition to above the following perquisites not exceeding the overall ceiling prescribed under Schedule V, annexed to the Companies Act, 2013 will be provided to the Managing Director :-

**Category (A)**

- i. **Housing:** The Company shall provide Free furnished residential accommodation and shall bear the actual cost of gas, electricity, water, furnishing and maintenance charges.
- ii. **Medical Expenses Reimbursement:** Equal to one month's salary in a year or three months in three years.
- iii. **Club Fees:** Fees of clubs on actual basis excluding admission and life membership fees.
- iv. **Leave Travel Concession:** For self, wife and dependent children, once in a year to and fro charges from any place on actual basis subject to a ceiling of one month's salary in a year.
- v. **Personal Accident Insurance:** Actual premium on personal accident insurance.
- vi. **Ex gratia in lieu of bonus:** @ 8.33% of the basic salary.

**Category (B)**

In addition to the perquisites, Mr. Vikas Ladia shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration mentioned above, as permissible by law:

- i. **Contribution to Provident Fund / Superannuation Fund:** Will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961
- a. **Company's contribution to Provident Fund:** @ 12% or such other rate as may be applicable to the employees under the Provident Fund Rules adopted by the Company, whichever is higher.
- b. **Company's contribution towards pension / superannuation funds:** Such contribution together with contribution towards Provident Fund shall not exceed the permissible limits as laid down in the Income Tax Rules, 1962.
- ii. **Gratuity:** The gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii. **Leave and Leave Encashment:** As per rules of the company not exceeding one month leave for every year of service and will not be included in the computation of limits.

**Category (C)**

- i. **Conveyance & Telephone:** Provision of use of car and telephone at the residence for the company's business will not be considered as perquisites. Personal calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Vikas Ladia.
- ii. **Reimbursement of Expenses:** Apart from the remuneration as aforesaid, Mr. Vikas Ladia shall also be entitled to reimbursement of such expenses as are genuinely and

actually incurred in efficient discharge of his duties in connection with the business of the Company.

- iii. **Sitting Fee etc.:** No sitting fee shall be paid to Mr. Vikas Ladia for attending the meetings of Board of Directors or any committee thereof.
- iv. **Payment of Life Insurance Premium:** Life Insurance Premium shall be payable in respect of only insurance of life on the actual basis by the company.
- v. **Payment of Premium of the Mediciam Policy:** Premium paid towards Mediciam Policy for self, wife, and dependent children shall be payable on actual basis by the Company.

Wherein in any financial year, the Company has no profits or its profits are inadequate, the minimum amount of remuneration and benefits shall be paid to Mr. Vikas Ladia subject to the applicable provisions of Schedule V of the Companies Act, 2013 or any amendment thereto as may be applicable at relevant time.

**Other Terms & Conditions :**

- i. Mr. Vikas Ladia will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- ii. Either party giving the other party six-month's prior notice in writing to that effect may terminate the agreement.  
  
If at any time Mr. Vikas Ladia ceases to be Director of the company for any reason whatsoever, he shall cease to be the Managing Director and Chief Executive Officer.
- iii. The terms & conditions as above including remuneration, may be altered / varied from time to time by the Board of Directors as it may, in its absolute discretion, deem fit within the maximum amount payable to the appointee in accordance with Schedule V annexed to the Companies Act, 2013 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard subject to that the same does not exceed the ceiling as provided in the said resolution.
- iv. He shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation to Schedule V of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit subject to that the same does not exceed the ceiling as provided in the said resolution and the said terms of appointment of Mr. Vikas Ladia as Managing Director & Chief Executive Officer of the company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members / shareholders of the Company in the Annual General Meeting.

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

**Item no. 7 -** Re-appointment of Mr. Anubhav Ladia (DIN: 00168312) as an Executive 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 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Article of Association (as amended from time to time) and all other applicable Laws, Rules and Acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals as may be applicable (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the approval of the shareholders be and is hereby accorded for the re-appointment of Mr. Anubhav Ladia as an Executive Director of the Company for the period of 3 (three) years w.e.f. 1<sup>st</sup> June, 2016 to 31<sup>st</sup> May, 2019 as per the terms and conditions mentioned hereunder with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 and / or any statutory modification(s) or re-enactment(s) thereof.

**TERMS OF REMUNERATION :-(Tenure 01.06.2016 to 31.05.2019)**

- I. **BASIC SALARY:** Rs. 1,25,000/- p.m. w.e.f. 01.06.2016 with an increase of Rs. 15,000/- per month on completion of each year of service. The first such increase being due w.e.f. 01.06.2017.
- II. **COMMISSION:** The commission may be paid at 1% of the net profits of the company computed in the manner laid down as per Schedule V of the Companies Act, 2013.
- III. **PERQUISITES:** In addition to above the following perquisites not exceeding the overall ceiling prescribed under Schedule V, annexed to the Companies Act, 2013 will be provided to the Executive Director.

**Category (A)**

- i. **Housing:** The Company shall provide Free furnished residential accommodation and shall bear the actual cost of gas, electricity, water, furnishing and maintenance charges.
- ii. **Medical Expenses Reimbursement:** Equal to one month's

salary in a year or three months in three years.

- iii. **Club Fees:** Fees of clubs on actual basis excluding admission and life membership fees.
- iv. **Leave Travel Concession:** For self, wife and dependent children, once in a year to and fro charges from any place on actual basis subject to a ceiling of one month's salary in a year.
- v. **Personal Accident Insurance:** Actual premium on personal accidental insurance.
- vi. **Ex gratia in lieu of bonus:** @ 8.33% of the salary.

#### Category (B)

In addition to the perquisites, Mr. Anubhav Ladia shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration mentioned above, as permissible by law:

- i. **Contribution to Provident Fund / Superannuation Fund:** Will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961
- a. **Company's contribution to Provident Fund:** @ 12% or such other rate as may be applicable to the employees under the Provident Fund Rules adopted by the Company, whichever is higher.
- b. **Company's contribution towards pension / superannuation funds:** Such contribution together with contribution towards Provident Fund shall not exceed the permissible limits as laid down in the Income Tax Rules, 1962.
- ii. **Gratuity:** The gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii. **Leave and Leave Encashment:** As per rules of the company not exceeding one month leave for every year of service and will not be included in the computation of limits.

#### Category (C)

- i. **Conveyance & Telephone:** Provision of use of car and telephone at the residence for the company's business will not be considered as perquisites. Personal calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Anubhav Ladia.
- ii. **Reimbursement of Expenses:** Apart from the remuneration as aforesaid, Mr. Anubhav Ladia shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.
- iii. **Sitting Fee etc.:** No sitting fee shall be paid to Mr. Anubhav Ladia for attending the meetings of Board of Directors or any committee thereof.

iv. **Payment of Life Insurance Premium:** Life Insurance Premium shall be payable in respect of only insurance of life on the actual basis by the company.

v. **Payment of Premium of the Medclaim Policy:** Premium paid towards Medclaim Policy for self, wife, and dependent children shall be payable on actual basis by the Company.

Wherein in any financial year, the Company has no profits or its profits are inadequate, the minimum amount of remuneration and benefits shall be paid to Mr. Anubhav Ladia subject to the applicable provisions of Schedule V of the Companies Act, 2013 or any amendment thereto as may be applicable at relevant time.

#### Other Terms & Conditions :

- i. Mr. Anubhav Ladia will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- ii. Either party giving the other party six-month's prior notice in writing to that effect may terminate the agreement.  
If at any time Mr. Anubhav Ladia ceases to be Director of the company for any reason whatsoever, he shall cease to be the Whole Time Director.
- iii. The terms & conditions as above including remuneration, may be altered / varied from time to time by the Board of Directors as it may, in its absolute discretion, deem fit within the maximum amount payable to the appointee in accordance with Schedule V annexed to the Companies Act, 2013 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard subject to that the same does not exceed the ceiling as provided in the said resolution.
- iv. He shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation to Schedule V of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit subject to that the same does not exceed the ceiling as provided in the said resolution and the said terms of appointment of Mr. Anubhav Ladia, Executive Director of the company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members / shareholders of the Company in the Annual General Meeting.

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

**Item no. 8 - Transactions with Related Party -M/s. Shree Shyam Distributors & Marketing Pvt. Ltd**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements ) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into material contract(s) / arrangement (s) / transaction (s) for a period of 5 (five) financial years i.e. from 26<sup>th</sup> September, 2016 to 31<sup>st</sup> March, 2021, in the ordinary course of business with M/s. Shree Shyam Distributors & Marketing Pvt. Ltd, a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the Listing Regulations, as set out in the Statement setting out the material facts annexed to this Notice for Item No. 8, on such other terms and conditions as may be mutually agreed upon between the Company and M/s. Shree Shyam Distributors & Marketing Pvt. Ltd

**FURTHER RESOLVED THAT** Board of the Company be and is hereby authorized to execute the agreement with M/s. Shree Shyam Distributors and Marketing Pvt. Ltd. and perform all such acts, deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this resolution and for matter connected therewith or incidental thereto in the best interest of the Company."

**Item no. 9 - Transactions with Related Party - M/s. Rajasthan Yarn Syndicate**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into material contract(s) / arrangement (s) / transaction (s) for a period of 5 (five) financial years i.e. from 26<sup>th</sup> September, 2016 to 31<sup>st</sup> March, 2021, in the ordinary course of business with M/s. Rajasthan Yarn Syndicate, a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the Listing Regulations, as set out in the Statement setting out the material facts annexed to this Notice for Item No. 9, on such terms

and conditions as may be mutually agreed upon between the Company and M/s. Rajasthan Yarn Syndicate.

**FURTHER RESOLVED THAT** Board of the Company be and is hereby authorized to execute the agreement with M/s. Rajasthan Yarn Syndicate and perform all such acts, deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this resolution and for matter connected therewith or incidental thereto in the best interest of the Company."

**Item no. 10- Transactions with Related Party - M/s. Divine Fibres Pvt. Ltd.**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements ) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into material contract(s) / arrangement (s) / transaction (s) for a period of 5 (five) financial years i.e. from 26<sup>th</sup> September, 2016 to 31<sup>st</sup> March, 2021, in the ordinary course of business with M/s Divine Fibres Pvt. Ltd., a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the Listing Regulations, as set out in the Statement setting out the material facts annexed to this Notice for Item No. 10, on such terms and conditions as may be mutually agreed upon between the Company and M/s Divine Fibres Pvt. Ltd.

**FURTHER RESOLVED THAT** Board of the Company be and is hereby authorized to execute the agreement with M/s Divine Fibres Pvt. Ltd. and perform all such acts, deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this resolution and for matter connected therewith or incidental thereto in the best interest of the Company."

**Item no. 11- Transactions with Related Party - M/s. PBS Marketing Pvt. Ltd.**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements ) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into



material contract(s) / arrangement (s) / transaction (s) for a period of 5 (five) financial years i.e. from 26<sup>th</sup> September, 2016 to 31<sup>st</sup> March, 2021, in the ordinary course of business with M/s. PBS Marketing Pvt. Ltd., a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the Listing Regulations, as set out in the Statement setting out the material facts annexed to this Notice for Item No. 11, on such terms and conditions as may be mutually agreed upon between the Company and M/s. PBS Marketing Pvt. Ltd.

**FURTHER RESOLVED THAT** Board of the Company be and is hereby authorized to execute the agreement with M/s. PBS Marketing Pvt. Ltd. and perform all such acts, deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this resolution and for matter connected therewith or incidental thereto in the best interest of the Company."

**Item no. 12 - Transactions with Related Party - M/s. V K Texchem Private Limited.**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements ) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into material contract(s) / arrangement (s) / transaction (s) for a period of 5 (five) financial years i.e. from 26<sup>th</sup> September, 2016 to 31<sup>st</sup> March, 2021, in the ordinary course of business with M/s. V K Texchem Private Limited, a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the Listing Regulations, as set out in the Statement setting out the material facts annexed to this Notice for Item No. 12, on such terms and conditions as may be mutually agreed upon between the Company and M/s. V K Texchem Private Limited.

**FURTHER RESOLVED THAT** Board of the Company be and is hereby authorized to execute the agreement with M/s. V K Texchem Private Limited and perform all such acts, deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this resolution and for matter connected therewith or incidental thereto in the best interest of the Company."

**Item no. 13 - Issue of Preference Shares**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 ('Rules') framed thereunder, as may be amended from time to time, and the Memorandum and Articles of Association of the Company and any rules, regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such terms, conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee thereof or any other person(s) for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the members of the Company be and is hereby accorded to authorize the Board to invite/offer, issue and allot 3,70,000 (Three Lakh Seventy Thousand Only) - 11% Cumulative Preference Shares ('CPS') of Rs. 100/- each, aggregating to Rs. 3,70,00,000 (Rupees Three Crore and Seventy Lakhs Only), in one or more tranche(s), for cash at par, to the following persons by way of private placement;

Sr. No.	Name	Address	Category	No. of shares	%age of the Issue
1.	M/s. V K Texchem Pvt. Ltd.	439 Kalbadevi Road 2 <sup>nd</sup> Floor Mumbai MH 400002	Promoter Group	3,35,000	90.55
2.	M/s. Shree Shyam Distributors and Marketing Pvt. Ltd.	'SRSL HOUSE', Pulla Bhuwana, N.H. No. 8, Udaipur (Raj.)	Promoter Group	15,000	4.05
3.	M/s. Divine Fibres Pvt. Ltd.	A-2, Nawlakha Apartment Bharat Mata Path, Jamnalal Bajaj Marg Jaipur RJ 302006	Non - Promoter	5,000	1.35
4.	Mr. Vinod Kumar Ladia	'Shyam Kunj', Modern-Complex, Pulla Bhuwana Road, N.H.No. 8 Udaipur (Raj.)313004	Promoter	5,000	1.35
5.	Mr. Vikas Ladia	A-2 SRSL Staff Colony, Dungarpur, (Raj.)-314001	Promoter Group	5,000	1.35
6.	Vinod Kumar Ladia (HUF)	'SRSL HOUSE', Pulla Bhuwana, N.H. No. 8, Udaipur (Raj.)	Promoter Group	5,000	1.35
			<b>TOTAL</b>	<b>3,70,000</b>	<b>100</b>

**RESOLVED FURTHER THAT** in accordance with the provisions of Section 55 read with rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 (as amended from time to time), of the Act, the each CPS shall:

- a) **carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital;**
- b) **be non-participating in the surplus funds;**
- c) **be non-participating in the surplus funds and profits, on winding up which may remain after the entire capital has been repaid;**
- d) **be paid dividend on cumulative basis;**
- e) **be non-convertible**
- f) **have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Act;**
- g) **CPS will be redeemed after 5 years but within 10 years from the date of allotment.**

**RESOLVED FURTHER THAT**

- a. the Board be and is hereby authorised to decide and approve the other terms and conditions of the issue and also shall be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, subject however to the compliance with the applicable guidelines, notification, rules and regulations, and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders.;
- b. the Board be and is hereby authorised to accept any amendments, modifications, variations and alterations as any regulatory authority may stipulate in that behalf and;
- c. the Board be and is hereby authorised to delegate all or any of its powers to a committee of directors or executives (as it may consider appropriate) to give effect to the aforesaid resolutions including to execute any documents on behalf of the Company before any governmental authority (ies) and to appoint any professional advisers / consultants / lawyers in that regard."

**Item no. 14 -** To issue Convertible Warrants to Promoter /Promoter Group of the Company on preferential basis

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time

being in force) (the "Act") and in accordance with the enabling provisions of the Memorandum of Association and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI (ICDR) Regulations"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as amended and the rules, regulations, notifications and circulars issued thereunder and any other rules / regulations / guidelines, notifications, circulars and clarifications issued thereon from time to time by the Securities and Exchange Board of India ("SEBI") and subject to such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, and subject to such conditions and modifications as might be prescribed while granting such approval, consents, permissions and sanctions and which terms may be agreed to by the Board of Directors of the Company (the "Board", which term includes a duly constituted and authorized committee) and all such other approvals, consent of the Members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, in one or more tranches, upto 13,00,000 (Thirteen Lakh) convertible warrants (the "Warrants") on a preferential basis to the members of the Promoter and/or Promoter Group of the Company ("Warrant Holder(s)" /"Proposed Allottee(s)"), as mentioned in the statement setting out material facts, entitling the Warrant Holder(s) to apply for and get allotted one Equity Share of the face value of Rs.10/- (the "Equity Shares") each fully paid-up against each Warrant within a period of 18 (eighteen) months from the date of allotment of Warrants, in such manner and at such price as may be arrived at in accordance with the SEBI (ICDR) Regulations and upon such terms and conditions as may be deemed appropriate by the Board in accordance with the provisions of SEBI (ICDR) Regulations or other applicable laws in this respect.

**RESOLVED FURTHER THAT** the resultant Equity Shares to be allotted on conversion of Warrants in terms of this Resolution shall rank paripassu in all respects with the existing Equity Shares of the Company and shall be subject to Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue including reduction of the size of the issue, as it may deem expedient, in its discretion.

**RESOLVED FURTHER THAT** the aforesaid Warrants shall be issued on the following terms and conditions:

1. The "relevant date" for the purpose of determining the minimum price of the Warrants under the SEBI (ICDR)

Regulations is August 26, 2016, being the date 30 (thirty) days prior to the date of passing of this Resolution by the Members of the Company at the Annual General Meeting;

2. The price of each equity share to be issued in lieu of the Warrants will be calculated in accordance with the provisions of Regulation 76 of Chapter VII of the SEBI (ICDR) Regulations on the basis of the relevant date being the date i.e. 30 days prior to the date of passing of Special Resolution to approve the proposed preferential issue;
3. In accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, 25% (Twenty Five Per Cent) of the consideration payable against the Warrants, shall be paid by the Warrant Holder(s) to the Company on or before allotment of the Warrants and the balance consideration i.e. 75% (Seventy Five Per Cent) shall be paid at the time of allotment of Equity Shares pursuant to exercise of option of conversion against each such Warrant;
4. The tenure of Warrants shall not exceed 18 (eighteen) months from the date of allotment of the Warrants;
5. The Warrant Holder(s) shall be entitled to exercise the option of conversion of any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant Holder(s);
6. If the entitlement against the Warrants to apply for the Equity Shares is not exercised within the aforesaid period of 18 (eighteen) months, the entitlement of the Warrant holder(s) to apply for Equity Shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited;
7. In the event that the Company completes any form of capital restructuring prior to the conversion of the Warrants, then, the number of Equity Shares that each Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Warrant Holder: (i) receives such number of Equity Shares that Warrant Holder would have been entitled to receive; and (ii) pays such consideration for such Equity Shares to the Company which Warrant Holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring;
8. Upon exercise by Warrant Holder the option of conversion of any or all of the Warrants, the Company shall issue and allot

appropriate number of Equity Shares and perform all such actions as are required to give effect to such issue, including but not limited to delivering to Warrant Holder(s), evidence of the credit of the Equity Shares to the depository account of Warrant Holder(s) and entering the name of Warrant Holder(s) in the records of the Company (including in the Register of Members of the Company) as the registered owner of such Equity Shares;

9. The Warrants by itself until exercise of conversion option and Equity Shares allotted, does not give to the Warrant Holder(s) thereof any rights with respect to that of a shareholder(s) of the Company; and
10. The Warrants and Equity Shares allotted pursuant to conversion of such Warrants shall be subject to lock-in as stipulated under the SEBI (ICDR) Regulations.

**RESOLVED FURTHER THAT** the Warrants shall be issued and allotted by the Company to the Warrants Holders within a period of 15 days from the date of passing of this resolution, provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

**RESOLVED FURTHER THAT** for the purpose of giving effect to above resolution, the Board and such other persons as may be authorized by the Board, on behalf of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable or expedient for the purpose of the issue or allotment of the Warrants and upon conversion of the Warrants into Equity Shares, including but not limiting to making an application with National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) for admitting the newly allotted equity shares, listing of the said Equity Shares with the Stock Exchanges and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Warrants, utilization of issue proceeds, sign all such undertakings and documents as may be required, and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date thereof are hereby ratified, confirmed and approved as the acts and deeds of the Company, as the case may be and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any duly constituted and authorised Committee of Directors or any one or more Directors/officials of the Company to give effect to this Resolution."

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

**Place: New Delhi**

**Date: 6<sup>th</sup> August 2016**

**Sd/-  
(VINOD KUMAR LADIA)  
CHAIRMAN  
DIN: 00168257**

## NOTICE

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company (a copy of the proxy form is attached at the last page of annual report). The instrument appointing a 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. 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 share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
3. Corporate members intending to send their authorized representative to attend the AGM, pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution or Power of Authority authorizing their representative to attend and vote at the AGM on their behalf.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 18<sup>th</sup> September, 2016 to Monday, 19<sup>th</sup> September, 2016 (both days inclusive) for the purpose of Annual General Meeting. The book closure dates have been fixed in consultation with the Stock

Exchange.

6. 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.
7. Members are requested to:
  - a. notify the change in address if any, with Pin Code numbers immediately to the Company (in case of shares held in physical mode).
  - b. bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
  - c. quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.
8. Members are requested to send their demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's Registrar and Transfer Agent (RTA):-
9. Non Resident Indian Members are requested to inform Registrar and Share Transfer Agent 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.
10. In terms of Articles of Association of the Company read with Section 152 of the Companies Act, 2013 Mr. Roshan Lal Kunwat (DIN: 00196938) Director of the company, retires by rotation at the ensuing meeting & being eligible, offers himself for reappointment. The Board of Directors of the Company recommend his re-appointment.

Brief resume of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships & memberships / chairmanships of Board Committees, shareholding & relationships between Directors inter-se as stipulated under



Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, are provided in the Annexure to the notice.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
12. 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.
13. In terms of Section 205A and 205C of the Companies Act, 1956, the company has transferred the unclaimed or unpaid dividend for the financial year 2006-07 to Investor Education Protection Fund (IEPF) during the financial year 2014-15. Further, Members wishing to claim their unpaid or unclaimed dividend warrant for the financial year 2010-11 are requested to contact the Company Secretary for re-validation of the dividend warrant/issue of fresh Demand Draft.
14. The Notice of AGM along with the Annual Report 2015-16 is being sent by electronic mode to those members whose email address is registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies are being sent by the permitted mode.
15. **The Members who have not registered their email address so far, are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.**
16. Relevant documents referred to in the proposed resolutions are available for inspection by members at the Registered Office of the Company between 11.00 a.m. to 5.00 p.m. on all working days upto the date of the Annual General Meeting.
17. Annual Report and AGM Notice is available at the website of the Company at [www.srsl.in](http://www.srsl.in) under 'Corporate Governance' Section and also on the website of the NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
18. 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.
19. The Company has engaged the services of National Securities Depository Limited ("NSDL") as Agency & MAS Services Limited (RTA) to provide e-voting facility.
20. 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.
21. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014 as substituted by The Companies (Management and Administration) Amendment Rules, 2015 & Regulation 44 of Listing Regulations, the Company is offering remote e-voting facility to the members to enable them to cast their votes electronically from a place other than the venue of the AGM ('remote e-voting') provided by NSDL. Please note that remote e-voting is optional and not mandatory.
22. 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. 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.
23. Remote e-voting facility would remain open from Thursday, 22<sup>nd</sup> September, 2016 (9.00 A.M.) to Sunday, 25<sup>th</sup> September, 2016 (5.00 P.M.). During this period, shareholders of the company holding shares either in the physical form or in dematerialised form, as on the cut-off date of 19<sup>th</sup> September, 2016, may cast their vote electronically. The E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder shall not be allowed to change it subsequently.
24. 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 19<sup>th</sup> September, 2016 ('cut-off date').
25. A person who has acquired shares & become a member of the company after the dispatch of notice of AGM & holding shares as of cut-off date, may obtain the login ID & password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if the person is already registered with the NSDL for remote e-voting then the existing user ID & password can be used for casting vote. 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.

**THE PROCEDURE AND INSTRUCTIONS FOR E-VOTING FOR THE 36<sup>TH</sup> ANNUAL GENERAL MEETING ARE PRODUCED HERE UNDER FOR REFERENCE:**

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

- a. 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.
- b. Launch internet browser by typing the following URL:<https://www.evoting.nsdl.com>.
- c. Click on Shareholder-Login.
- d. Put user ID and password as initial password noted in step a above. Click Login.
- e. 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.
- f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- g. Select "EVEN" of "Shree Rajasthan Syntex Ltd."
- h. Now you are ready for remote e-voting as Cast Vote page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Upon confirmation, the message "Vote casted successfully" will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. 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@vmandaonline.com](mailto:cs@vmandaonline.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**II. In case of Members receiving Physical copy of Notice of 36th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**

- (i) Initial password is provided in the box overleaf.
- (ii) Please follow all steps from Sl. No. (b) to Sl. No. (l) 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- B. 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.
- C. 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 2 (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.
26. The final results including the Remote E-voting & poll results of the AGM shall be declared within two days from the conclusion of the AGM. The final results along with the scrutinizer's report shall be placed on the Company's website [www.srsl.in](http://www.srsl.in) immediately after the result is declared by the Chairman & also on the website of NSDL at <https://www.evoting.nsdl.com/> and shall be communicated to the concerned stock exchange.

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")**

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

**Item no. 4**

In accordance with the provisions of Section 148 of the Companies Act 2013 read with rule 14 of The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board in its meeting held on 30<sup>th</sup> May, 2016, on the recommendation of the Audit Committee, has approved the re-appointment and recommended remuneration of Cost Auditor, M/s K.G. Goyal &

Company, Cost Accountants (Firm Registration No.000017) Jaipur to conduct the audit of the cost records maintained by the Company for Financial Year ending March 31, 2017.

Further, the remuneration payable to the cost Auditors is Rs.65,000/- p.m. as recommended by the Audit Committee and approved by the Board of Directors, is subject to the ratification by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Special Business item No. 4 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

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

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

#### **Item no. 5**

Mr. Vinod Kumar Ladia was appointed as Chairman and Managing Director of the Company by the members in Annual General Meeting held on 28<sup>th</sup> September, 2013 to hold office upto 30<sup>th</sup> May, 2016.

The Board of Directors in their meeting held on 30<sup>th</sup> May, 2016 has approved his appointment as an Executive Chairman and Whole Time Director for a period of 3 years with effect from 1<sup>st</sup> June, 2016 on the recommendation of Nomination and Remuneration Committee, subject to the approval of the shareholders.

Mr. Vinod Kumar Ladia satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under Sub - section (3) of Section 196 of the Act except that, he has attained the age of 70 years and hence his appointment as an Executive Chairman and Whole Time Director requires approval of members by way of Special Resolution as provided in the Companies Act, 2013.

Keeping in view that Mr. Vinod Kumar Ladia has rich and varied experience in the industry and has been involved in the operations of the Company over a long period of time, and being a technocrat and expert in textile matters, it would be in the interest of the Company to continue the employment of Mr. Vinod Kumar Ladia as an Executive Chairman and Whole Time Director.

Accordingly, the present proposal is to seek the member's / shareholder's approval for such appointment on such terms and conditions including remuneration (which is within the permissible limit as laid down under Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013) payable to Mr. Vinod Kumar Ladia as mentioned below:-

#### **A. General Information :**

- 1. Nature of Industry :** The Company is in the business of manufacturing of Synthetic Grey Yarn, Dyed Yarn, Cotton Yarn and Polypropylene Multifilament Yarn.
- 2. Date of commencement of commercial production:** Subsequent to the incorporation of the Company on 15<sup>th</sup> November, 1979, the company obtained certificate of commencement of business on 19<sup>th</sup> January, 1980.
- 3. Financial Performance based on the given indicators :** The details of the financial performance of the Company for the year 2014-15 and 2015-16 are duly provided in the Annual Report 2016 which accompanies this notice.
- 4. Foreign investments or collaborators, if any :** No Direct Foreign investments or collaborators.

#### **B. Information about the Appointee :**

##### **1. Background details :**

Mr. Vinod Kumar Ladia, aged 70 years, holds a degree in B.Sc. Tex., MBA- IIM, Ahmedabad. He is an Industrialist with diversified business experience etc. He has been Vice Chairman & Managing Director of the Company since 1993, prior to this he was Managing Director of the Company. He was appointed as Chairman & Managing Director of the Company with effect from 1<sup>st</sup> June 2005. Since his appointment as Chairman & Managing Director, he has successfully overseen the operation of the Company, modernization, expansion and up-gradation of production.

##### **2. Past Remuneration :**

The members of Company in the 33<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> September, 2013 approved the appointment of Mr. Vinod Kumar Ladia at the remuneration as mentioned below:-

- I. **Basic Salary :** Upto a maximum of Rs. 1,75,000/- p.m. w.e.f. 01.06.2013 with an increase of Rs. 15,000/- per month on completion of each year of service, the first such increase being due w.e.f. 01.06.2014.
- II. **Commission :** The commission may be paid at 1% of the net profits of the company computed in the manner laid down as per the Schedule XIII of the Companies Act, 1956.
- III. **Perquisites :** In addition to above, perquisites not exceeding the overall ceiling prescribed under schedule XIII, annexed to the Companies Act, 1956 was provided to the Chairman & Managing Director.

##### **3. Recognition or awards:**

Mr. V.K. Ladia has represented various Chambers of Commerce and Business Federations. He was the past

president of The Synthetic & Rayon Textile Export Promotion Council (SRTEPC). He became the Member of Expert Committee constituted by Govt. of India for formulating National Textile Policy 2013.

**4. Job profile and his suitability :**

Being Chairman & Managing Director upto 30<sup>th</sup> May, 2016, he was looking after the affairs of the Company, subject to superintendence, control and direction of the Board of Directors. Taking into account his qualifications, experience and the responsibilities placed on him as Chairman & Managing Director of the Company and in view of his contribution to the Company since his appointment, the Board considers his remuneration to be in the best interest of the Company.

**5. Remuneration proposed :**

Remuneration is as set out above in the notice. The remuneration to Chairman has the approval of the Board and Nomination and Remuneration Committee.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :**

The remuneration is as per Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V and is comparable to the remuneration of Chairman and Whole Time Director levels of similar sized Textile manufacturing Companies in India. The Company has paid up share capital of nearly Rs.12.40 crores & is presently listed on one Stock Exchange i.e. BSE with approx. 11,700 shareholders. Therefore, as per the profile of Mr. Vinod Kumar Ladia (as mentioned above) and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package respect to industry and size of the Company.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :**

None of the Directors and Key Managerial Personnel (KMP) of the Company, except Mr. Vinod Kumar Ladia (being an appointee), Mr. Vikas Ladia and Mr. Anubhav Ladia (being sons of Mr. Vinod Kumar Ladia) are concerned or interested, financial or otherwise, in the resolution set out in item no. 5 (Special Business) of the Notice.

**C. Other Details**

**1. Reason of loss or inadequate profit**

- The Company suffered due to heavy fluctuation in Raw material prices due to volatility in Crude Oil prices.
- There was a fall in Sales and thus increase in Inventories considering the Selling prices were falling considerably and

the buyers postponed their purchases.

**2. Steps taken or proposed to be taken for improvement**

- The Company intends to diversify its Product range to reduce its dependence on existing raw material suppliers.
- The Company is increasing its Export market and entering into new markets

**3. Expected increase in productivity and profits in measurable terms (approximate values are provided)**

Particulars	Financial Year 2016-17	Financial Year 2017-18
Sales	295	310
Cash/ Profit	5.4	7.6
Net Profit	0.50	3

**D. Disclosures**

As required, the information is provided under Corporate Governance Section of the Annual Report 2016. Further, Mr. Vinod Kumar Ladia is not disqualified from being appointed as Executive Chairman and Whole Time Director in terms of Section 164 of the Act. The Board recommends, the Special Resolution set out at Item No. 5 of the Notice for approval by the Shareholders. Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia, being interested, shall not participate in this Item No. 5 of the Notice.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

**Item no. 6**

Mr. Vikas Ladia was appointed as Joint Managing Director of the Company by the members in the 33<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> September, 2013 to hold office upto 31<sup>st</sup> August, 2016.

The Board of Directors in their meeting held on 30<sup>th</sup> May, 2016 has approved the appointment of Mr. Vikas Ladia as the Managing Director and Chief Executive Officer of the Company for a period of 3 (Three) years w.e.f. 01<sup>st</sup> June, 2016 (3 months earlier from the date of expiry of tenure as Joint Managing Director) on the terms and conditions including Remuneration as recommended by the Nomination and Remuneration Committee of the Company, subject to the approval of the shareholders in the 36<sup>th</sup> AGM.

Accordingly, the present proposal is to seek the member's / shareholder's approval for such appointment on such terms and conditions including remuneration (which is within the permissible limit as laid down under Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013) payable to Mr. Vikas Ladia as mentioned below:-

**A. General Information :**

- 1. Nature of Industry :** The Company is in the business of manufacturing of Synthetic Grey Yarn, Dyed Yarn, Cotton Yarn and Polypropylene Multifilament Yarn.



**2. Date of commencement of commercial production:** Subsequent to the incorporation of the Company on 15<sup>th</sup> November, 1979, the company obtained certificate of commencement of business on 19<sup>th</sup> January, 1980.

**3. Financial Performance based on the given indicators :** The details of the financial performance of the Company for the year 2014-15 and 2015-16 are duly provided in the Annual Report 2015-2016 which accompanies this notice.

**4. Foreign investments or collaborators, if any :** No Direct Foreign investments or collaborators.

**B. Information about the Appointee:**

**1. Background details:**

Mr. Vikas Ladia, aged 42 years, holds a degree in B.Tech in Computer Engineering from Manipal Institute of Technology, Manipal. Under his supervision two divisions have been established, namely, Shree Rajasthan Texchem and Shree Rajasthan Polycot.

In the year 2002 he had been given the entire responsibility of all the Plant operations at Dungarpur. He headed the project execution team of 14 MW captive power plants purchased from M/s. Wartsila, Finland. In 2007 he again headed the team for execution of 1 x 8 MW Thermal Power Plant at Dungarpur using latest DCS technology.

Since his appointment as Joint Managing Director, he has successfully overseen the operation of the Company, modernization, expansion and up-gradation of production & plants.

**2. Past Remuneration:**

The members of Company in the 33<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> September, 2013 approved the appointment of Mr. Vikas Ladia at the remuneration as mentioned below:-

- I. **Basic Salary :** Upto a maximum of Rs. 1,35,000/- p. m. w.e.f. 01<sup>st</sup> September, 2013 with an increase of Rs. 10,000/- per month on completion of each year of service the first such increase being due w.e.f 01.09.2014.
- II. **Commission :** The commission may be paid at 1% of the net profits of the company, subject to overall limit prescribed under the Companies Act, 1956.
- III. **Perquisites :** In addition to above, perquisites not exceeding the overall ceiling prescribed under schedule XIII, annexed to the Companies Act, 1956 was provided to Mr. Vikas Ladia.

**3. Recognition or awards:**

Mr. Vikas Ladia has represented various Associations & Organizations.

He was the chairman of the Young Entrepreneur Group, at

Confederation of Indian Textile Industry, New Delhi from 2005-2007.

**4. Job profile and his suitability:**

Being Joint Managing Director, he was looking after the affairs of the Company & the entire responsibility of all the Plant operations at Dungarpur, subject to superintendence, control and direction of the Management.

Taking into account his qualifications, experience and the responsibilities placed on him as Joint Managing Director of the Company and in view of his contribution to the Company since his appointment, the Board considers his remuneration to be in the best interest of the Company.

**5. Remuneration proposed:**

Remuneration is as set out above in the Notice. The remuneration to Managing Director and Chief Executive Officer has the approval of the Board of Directors and Nomination and Remuneration Committee.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :**

The remuneration is as per Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V and is comparable to the remuneration of MD and CEO levels of similar sized Textile manufacturing Companies in India. The Company has paid up share capital of nearly Rs.12.40 crores & is presently listed on one Stock Exchange i.e. BSE with approx. 11,700 shareholders. Therefore, as per the profile of Mr. Vikas Ladia (as mentioned above) and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package with respect to industry and size of the Company.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :**

None of the Directors and Key Managerial Personnel (KMP) of the Company, except Mr. Vikas Ladia (being an appointee), Mr. Vinod Kumar Ladia (father of Mr. Vikas Ladia) and Mr. Anubhav Ladia (brother of Mr. Vikas Ladia) are concerned or interested, financial or otherwise, in the resolution set out in item no. 6 (Special Business) of the Notice.

**C. Other Details**

**1. Reason of loss or inadequate profit**

- The Company suffered due to heavy fluctuation in Raw material prices due to volatility in Crude Oil prices.
- There was a fall in Sales and thus increase in Inventories considering the Selling prices were falling considerably and the buyers postponed their purchases.

## 2. Steps taken or proposed to be taken for improvement

- The Company intends to diversify its Product range to reduce its dependence on existing raw material suppliers.
- The Company is increasing its Export market and entering into new markets

## 3. Expected increase in productivity and profits in measurable terms (approximate values are provided)

Particulars	Financial Year 2016-17	Financial Year 2017-18
Sales	295	310
Cash/ Profit	5.4	7.6
Net Profit	0.50	3

## D. Disclosures

As required, the information is provided under Corporate Governance Section of the Annual Report 2016. Mr. Vikas Ladia satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under Sub-section (3) of Section 196 of the Act for being eligible for appointment and is not disqualified from being appointed as Managing Director & Chief Executive Officer in terms of Section 164 of the Act. The Board recommends, the Special Resolution set out at Item No. 6 of the Notice for approval by the Shareholders. Mr. Vikas Ladia, Mr. Vinod Kumar Ladia and Mr. Anubhav Ladia, being interested, shall not participate in this Item No. 6 of the Notice.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of Companies Act, 2013.

### Item no. 7

Mr. Anubhav Ladia was appointed as Executive Director of the Company by the members in the Annual General Meeting held on 28<sup>th</sup> September, 2013 to hold office upto 31<sup>st</sup> August, 2016.

The Board of Directors in their meeting held on 30<sup>th</sup> May, 2016 has approved the re-appointment of Mr. Anubhav Ladia as an Executive Director of the Company for a period of 3 (Three) years w.e.f. 1<sup>st</sup> June, 2016 (3 months earlier from the date of expiry as Executive Director) on the terms and conditions including Remuneration as recommended by the Nomination and Remuneration Committee of the Company.

Accordingly, the present proposal is to seek the member's / shareholder's approval for such re-appointment on such terms and conditions including remuneration (which is within the permissible limit as laid down under Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013) payable to Mr. Anubhav Ladia as mentioned below:-

### (A) General Information :

- Nature of Industry : The Company is in the business of manufacturing of Synthetic Grey Yarn, Dyed Yarn, Cotton Yarn

and Polypropylene Multifilament Yarn.

- Date of commencement of commercial production:** Subsequent to the incorporation of the Company on 15<sup>th</sup> November, 1979, the company obtained certificate of commencement of business on 19<sup>th</sup> January, 1980.

- Financial Performance based on the given indicators :** The details of the financial performance of the Company for the year 2014-15 and 2015-16 are duly provided in the Annual Report 2016 which accompanies this notice.

- Foreign investments or collaborators, if any :** No Direct Foreign investments or collaborators.

### (B) Information about the Appointee:

#### 1. Background details :

Mr. Anubhav Ladia, aged 39 years, Graduated with B.Com (Hons) from Shree Ram College of Commerce, New Delhi in 1998. He Completed CA from Institute of Chartered Accountants of India, New Delhi & Articleship from M/s. S.R. Batliboi & Co., New Delhi. He joined the company in January 2002 as Special Executive. Currently he is working as Executive Director of the Company and looking after the financial and commercial aspects of the group.

- Past Remuneration:** The members of Company in the 33<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> September, 2013 approved the appointment of Mr. Anubhav Ladia at the remuneration as mentioned below:-

- Basic Salary :** Upto a maximum of Rs. 95,000/- p. m. w.e.f. 01<sup>st</sup> September, 2013 with an increase of Rs. 8,000/- per month on completion of each year of service the first such increase being due w.e.f. 01.09.2014
- Commission :** The commission may be paid at 1% of the net profits of the company, subject to overall limit prescribed under the Companies Act, 1956.
- Perquisites :** In addition to above, perquisites not exceeding the overall ceiling prescribed under schedule XIII, annexed to the Companies Act, 1956 was provided to the Executive Director.

#### 3. Recognition or awards:

Mr. Anubhav Ladia represents the company in various Textile forums including the Confederation of Indian Textiles Industry (CITI). He is also an active Member of Global Networking Group, Enterprenuer Organization (EO).

#### 4. Job profile and his suitability:

Being Executive Director, he is looking after the financial and commercial aspects of the group including all corporate affairs of the group subject to superintendence, control and direction of the Management. Taking into account his

qualifications, experience and the responsibilities placed on him as Executive Director of the Company and in view of his contribution to the Company since his appointment, the Board considers his remuneration to be in the best interest of the Company.

**5. Remuneration proposed:**

Remuneration is as set out above in the Notice. The remuneration to Executive Director has the approval of the Board and Remuneration Committee.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The remuneration is as per Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V and is comparable to the remuneration of ED levels of similar sized Textile manufacturing Companies in India. The Company has paid up share capital of nearly Rs.12.40 crores & is presently listed on one Stock Exchange i.e. BSE with approx. 11,700 shareholders. Therefore, as per the profile of Mr. Anubhav Ladia (as mentioned above) and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package respect to industry and size of the Company.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :**

None of the Directors and Key Managerial Personnel (KMP) of the Company, except Mr. Anubhav Ladia (being an appointee), Mr. Vinod Kumar Ladia (father of Mr. Anubhav Ladia) and Mr. Vikas Ladia (brother of Mr. Anubhav Ladia) are concerned or interested, financial or otherwise, in the resolution set out in item no. 7 (Special Business) in the Notice.

**(C) Other Details**

**1. Reason of loss or inadequate profit**

- The Company suffered due to heavy fluctuation in Raw material prices due to volatility in Crude Oil prices.
- There was a fall in Sales and thus increase in Inventories considering the Selling prices were falling considerably and the buyers postponed their purchases.

**2. Steps taken or proposed to be taken for improvement**

- The Company intends to diversify its Product range to reduce its dependence on existing raw material suppliers.
- The Company is increasing its Export market and entering into new markets

**3. Expected increase in productivity and profits in measurable terms (approximate values are provided) -**

Particulars	Financial Year 2016-17	Financial Year 2017-18
Sales	295	310
Cash/ Profit	5.4	7.6
Net Profit	0.50	3

**D. Disclosures**

As required, the information is provided under Corporate Governance Section of the Annual Report 2016.

Mr. Anubhav Ladia satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under Sub-section (3) of Section 196 of the Act for being eligible for extension and is not disqualified from being appointed as Executive Director in terms of Section 164 of the Act. The Board recommends, the Special Resolution set out at Item No. 7 of the Notice for approval by the Shareholders. Mr. Anubhav Ladia, Mr. Vinod Kumar Ladia and Mr. Vikas Ladia being interested, shall not participate in this Item No. 7 of the Notice.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of Companies Act, 2013.

**Item no. 8,9,10,11 and 12**

Pursuant to Regulation 23(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 all existing material related party contracts or arrangements entered into prior to the date of applicability of these regulations and which are continuing beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to applicability of these regulations.

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Regulations, 2015") was notified vide SEBI Circular dated 2<sup>nd</sup> September, 2015 and came into force (effective from) on 1<sup>st</sup> December, 2015.

The Explanation to Regulation 23(1) of SEBI Regulations, 2015 provides that a transaction with a related party shall be material if the transaction(s) to be entered into individually or taken together with previous transactions during the financial year, exceed 10% of annual turnover of the company as per the last audited financial statements of the company.

The Members at their 34<sup>th</sup> and 35<sup>th</sup> Annual General Meeting held on 17<sup>th</sup> September, 2014 and 29<sup>th</sup> September, 2015 respectively had already granted approval for the Company entering into certain material contracts / arrangements / transactions with below mentioned Related Parties.

However, the SEBI Regulations, 2015 has necessitated the Company to once again seek Members approval now by way of an Ordinary Resolutions for entering into the transactions with Related Parties as per the terms and conditions stated below:

Name of the Related Party	M/s. Shree Shyam Distributors & Marketing Pvt. Ltd	M/s Rajasthan Yarn Syndicate	M/s. Divine Fibres Pvt. Ltd.	M/s. PBS Marketing Pvt. Ltd.	M/s. V K Texchem Pvt. Ltd.
Nature of relationship	Directors of the Company are Directors of Related Party also.  <i>Interested Director being Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia</i>	Relative of Director is proprietor of the Firm.  <i>Interested Director being Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia</i>	Directors of the Company are Directors of Related Party also.  <i>Interested Director being Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia</i>	Directors and Relative of Directors have major Share - holding in Related Party.  <i>Interested Director being Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia</i>	Directors of the Company are Directors of Related Party also.  <i>Interested Director being Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia</i>
The nature, particulars of the contract or arrangement and The material terms of the contract or arrangement including the value, if any:	Sale, Purchase or Supply of any goods or materials (p.a.) -Ceiling Limit - Rs. 100 Crore  Availing or rendering of any services (p.a.) -Ceiling Limit - Rs. 25 Crore	Sale, Purchase or Supply of any goods or materials (p.a.) -Ceiling Limit - Rs. 25 Crore  Availing or rendering of any services (p.a.) -Ceiling Limit - Rs. 25 Crore	Sale, Purchase or Supply of any goods or materials (p.a.) -Ceiling Limit - Rs. 25 Crore  Availing or rendering of any services (p.a.) -Ceiling Limit - Rs. 25 Crore	Sale, Purchase or Supply of any goods or materials (p.a.) -Ceiling Limit - Rs. 25 Crore  Availing or rendering of any services (p.a.) -Ceiling Limit - Rs. 25 Crore	Sale, Purchase or Supply of any goods or materials (p.a.) -Ceiling Limit - Rs. 100 Crore  Availing or rendering of any services (p.a.) -Ceiling Limit - Rs. 25 Crore
Duration of the contract	Five Financial Years upto 31.03.2021 wherein the contract for the first year shall come into effect from the date of passing of Ordinary Resolution at the 36 <sup>th</sup> AGM dated 26.09.2016 and valid upto 31.03.2017. Henceforth, the same shall be valid for further 4 financial years i.e. from 01.04.2017 to 31.03.2021.	Five Financial Years upto 31.03.2021 wherein the contract for the first year shall come into effect from the date of passing of Ordinary Resolution at the 36 <sup>th</sup> AGM dated 26.09.2016 and valid upto 31.03.2017. Henceforth, the same shall be valid for further 4 financial years i.e. from 01.04.2017 to 31.03.2021.	Five Financial Years upto 31.03.2021 wherein the contract for the first year shall come into effect from the date of passing of Ordinary Resolution at the 36 <sup>th</sup> AGM dated 26.09.2016 and valid upto 31.03.2017. Henceforth, the same shall be valid for further 4 financial years i.e. from 01.04.2017 to 31.03.2021.	Five Financial Years upto 31.03.2021 wherein the contract for the first year shall come into effect from the date of passing of Ordinary Resolution at the 36 <sup>th</sup> AGM dated 26.09.2016 and valid upto 31.03.2017. Henceforth, the same shall be valid for further 4 financial years i.e. from 01.04.2017 to 31.03.2021.	Five Financial Years upto 31.03.2021 wherein the contract for the first year shall come into effect from the date of passing of Ordinary Resolution at the 36 <sup>th</sup> AGM dated 26.09.2016 and valid upto 31.03.2017. Henceforth, the same shall be valid for further 4 financial years i.e. from 01.04.2017 to 31.03.2021.
Any advance paid or received for the contract or arrangement, if any	N.A.	N.A.	N.A.	N.A.	N.A.
The manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract	All business transactions would be carried out as part of business requirements of the Company. Further the Company is also subject to pricing norms prevailing in the country.	All business transactions would be carried out as part of business requirements of the Company. Further the Company is also subject to pricing norms prevailing in the country.	All business transactions would be carried out as part of business requirements of the Company. Further the Company is also subject to pricing norms prevailing in the country.	All business transactions would be carried out as part of business requirements of the Company. Further the Company is also subject to pricing norms prevailing in the country.	All business transactions would be carried out as part of business requirements of the Company. Further the Company is also subject to pricing norms prevailing in the country.

Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors	Yes	Yes	Yes	Yes	Yes
Any other information relevant or important for the Board to take a decision on the proposed transaction	NIL	NIL	NIL	NIL	NIL

The Board recommends, the Ordinary Resolution set out at Item No. 8,9,10,11 and 12 of the Notice for approval by the Shareholders. None of the Directors and Key Managerial Personnel (KMP) of the Company, except Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia, Directors of the Company, are concerned or interested, financial or otherwise, in the resolution set out in item no. 8, 9, 10, 11 and 12 (Special Business) in the Notice.

#### Item No. 13

The Board considered an issue of 3,70,000 (Three Lakh Seventy Thousand Only) 11% Cumulative Preference Shares of Rs. 100/- at par (all of which are hereinafter collectively referred to as "CPS") of an aggregate amount not exceeding Rs. 3,70,00,000 (Rupees Three Crore Seventy Lakhs Only) to proposed allottees by way of private placement in terms of the Companies Act, 2013, for the purpose of augmenting capital requirement of the Company.

The CPS will bear a dividend of 11% per annum payable from the date of allotment of CPS till the date of redemption. The CPS shall be redeemed after 5 years but before 10 years from the date of allotment of CPS. The CPS will not be listed security. The offer / issue / allotment / redemption would be subject to all regulatory compliances, approvals etc.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the ministry of corporate affairs/stock exchanges and other regulatory bodies, if any as may be required under the provisions of the Companies Act, 2013 and the listing regulations, as in force.

Pursuant to the provisions of Section 55 of the Companies Act, 2013, read with the rules applicable in that behalf approval of the members is required for the proposed allotment of CPS on a preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the applicable provisions of the Companies Act, 2013 read with Rules made thereunder to issue and allot CPS on preferential basis as stated in the resolution. The



proposed preferential issue is subject to the approval of the members of the Company to the Board, without the need of any further approval from the members, to undertake the private placement.

In terms of the provisions of Section 55 read with rules made thereunder of the Companies Act, 2013 the relevant disclosures / details are given below:

a)	the size of the issue and number of preference shares to be issued and nominal value of each share	3,70,000(Three Lakh Seventy Thousand Only) – 11% Cumulative Preference Shares ('CPS') of Rs. 100/- each, aggregating to Rs. 3,70,00,000 (Rupees Three Crore Seventy Lakhs Only) in one or more tranche(s)						
b)	the nature of such shares i.e. cumulative or non - cumulative, participating or non - participating , convertible or non – convertible	Cumulative, Non-participating Non-Convertible Preference shares						
c)	the objectives of the issue;	to augment long term capital requirement of the Company and to ensure ideal debt equity ratio of the Company						
d)	the manner of issue of shares	Private Placement						
e)	the price at which such shares are proposed to be issued;	At par						
f)	the basis on which the price has been arrived at;	Not applicable as shares are being issued at par						
g)	the terms of issue, including terms and rate of dividend on each share, etc.;	The shares shall carry a fixed cumulative dividend at a rate of 11% on the capital for the time being paid-up thereon						
h)	the terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion;	Each CPS shall be redeemed after 5 years but before 10 years from the date of allotment of CPS						
i)	the manner and modes of redemption;	Redemption after 5 years but before 10 years in cash						
j)	the current shareholding pattern of the company;	Equity Shareholding Pattern as on <b>July 29, 2016</b> : <table><tr><td>Category</td><td><b>% to equity Capital</b></td></tr><tr><td>Promoter</td><td><b>41.89</b></td></tr><tr><td>Public</td><td><b>58.11</b></td></tr></table>	Category	<b>% to equity Capital</b>	Promoter	<b>41.89</b>	Public	<b>58.11</b>
Category	<b>% to equity Capital</b>							
Promoter	<b>41.89</b>							
Public	<b>58.11</b>							
k)	the expected dilution in equity share capital upon conversion of preference shares.	NIL						
l)	Transferability of CPS	At the option of allottee.						
m)	Payment Terms	The entire issue price of Rs. 100/- per CPS shall be payable upfront on application.						
n)	Variation in terms of CPS	Any variation in the terms of the CPS after allotment thereof will be valid only if consented to by all holders of the CPS and in accordance with applicable provisions of the Companies Act, 1956, 2013 or any statutory modification thereof and Rules framed thereunder.						

The issue of CPS is in accordance with the provisions of the Articles of Association of the Company. There is no subsisting default in the redemption of preference shares issued by the Company earlier or in the payment of dividend due on those preference shares issued by the Company.

The Board of Directors of the Company believe that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors, therefore, recommend the special resolution for your approval.

Except Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia, being allottees and their relatives, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Memorandum and Articles of Association of the Company will be open for inspection at the registered office of the Company during business hours on all working days between 11:00 A.M. and 1:00 P.M. up to date of declaration of result.

#### Item No. 14

As per Sections 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended and the rules made thereunder (the "Act") and other applicable provisions, if any, and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI (ICDR) Regulations") and such approvals, consents, permissions and sanctions as may be necessary or required from regulatory or other appropriate authorities, approval of shareholders of the Company by way of Special Resolution is required for allotment of Warrants on preferential basis to Promoter / Promoter Group of the Company. The allotment of the Warrants is subject to the Promoter / Promoter Group of the Company not having sold any Equity Shares of the Company during the 6 (six) months preceding the 'relevant date'. The Promoter / Promoter Group of the Company has represented that they have not sold any equity shares of the Company during the 6 (six) months preceding the relevant date. The relevant disclosures as required in terms of the Act and SEBI (ICDR) Regulations are as under:

#### a) Object(s) of the issue through preferential issue:

The object of raising the equity share capital by issuing Warrants to the Promoter and / or Promoter Group is to augment long term capital to meet the needs of its growing business, and other general corporate purposes. This will also improve Company's debt-equity ratio. It is therefore proposed to offer upto 13,00,000 (Thirteen Lakh) Warrants, face value of Rs. 10/- each to entities belonging to the Promoter / Promoter Group of the Company on a preferential basis.

#### b) Proposal of the Promoters and Promoter Group / Directors

**/ Key Managerial Persons of the Company to subscribe to the preferential issue:**

The preferential issue of Warrants is being made to entities belonging to the 'Promoter or Promoter Group' / Directors / Key Managerial Persons / Relatives of Key Managerial Persons of the Company as detailed in point no. (e) below.

**c) Shareholding Pattern of the Company before and after the Preferential Issue:**

The shareholding pattern before and after the Preferential Issue offer would be as under:

Sr. No.	Category of shareholder	Pre-issue as on July 29, 2016		Post-issue#	
		Total number of shares	Percentage of total number of shares	Total number of shares	Percentage of total number of shares
<b>A</b>	<b>Promoters' holding:</b>				
1.	Indian:				
	Individual	1399627	11.29	2549627	18.61
	Bodies Corporate	3795584	30.60	3945584	28.79
	<b>Sub Total (A1)</b>	<b>5195211</b>	<b>41.89</b>	<b>6495211</b>	<b>47.40</b>
2.	Foreign Promoters	0	0	0	0
	<b>Sub Total (A2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Sub Total A(A1+A2)</b>	<b>5195211</b>	<b>41.89</b>	<b>6495211</b>	<b>47.40</b>
<b>B</b>	<b>Non-Promoters' Shareholding</b>				
1.	Institutional Investors	4635	0.04	4635	0.03
	Financial Institutions/ Banks	660	0.01	660	0.00
2.	Non-Institutions				
	Bodies Corporate	1066134	8.60	1066134	7.78
	Individuals	5797227	46.74	5797227	42.32
	NRI / OCB	162415	1.31	162415	1.19
	Clearing Member	8802	0.07	8802	0.06
	Trust	167217	1.35	167217	1.22
	<b>Sub Total B(B1+B2)</b>	<b>7207090</b>	<b>58.11</b>	<b>7207090</b>	<b>52.60</b>
<b>C</b>	<b>GDRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total(A+B+C)</b>	<b>12402301</b>	<b>100</b>	<b>13702301</b>	<b>100</b>

#Assuming exercise by the Proposed Allottees for conversion of all the Warrants over two financial years.

**d) The time within which the preferential allotment shall be completed:**

The Warrants shall be allotted within a period of 15 (fifteen) days from the date of passing of the Resolution by the Shareholders of the Company provided where the allotment is pending on account of any approval from any regulatory authority / Central Government the allotment shall be completed by the Company within a period of 15 days from the date of such approval.

**e) The identity of the natural person(s) who are the ultimate beneficial owner(s) of the shares proposed to be allotted and/or who ultimately control the proposed allottee(s), the percentage of post-preferential issued capital that may be held by the said allottee(s) and change in control, if any, in the Company consequent to the preferential issue:**

Name, PAN and address of allottee	Category	Ultimate beneficial owners of the proposed allottees	Pre holding	No of warrants to be allotted	Post-issue Holding (Assuming full conversion)	% Post-issue holding
NAME- Mr. Vinod Kumar Ladia  PAN- AASPL5332L  ADDRESS- 'Shyam Kunj', Modern Complex, Pulla Bhuwana, N.H. No. 8 Udaipur	Promoter	-	4,66,018	4,00,000	8,66,018	6.32
NAME- Mr. Vikas Ladia  PAN- AANPL9562D  ADDRESS- A-2 SRSL Staff Colony, Dungarpur	Promoter Group	-	3,02,515	2,00,000	5,02,515	3.67
NAME- Mrs. Poonam Ladia  PAN- AADPL8580B  ADDRESS- 'Shyam Kunj', Modern Complex, Pulla Bhuwana, N.H. No. 8 Udaipur	Promoter Group	-	1,40,084	4,00,000	5,40,084	3.94
NAME- M/s. V K Texchem Pvt. Ltd.  PAN- AAACV2021M  ADDRESS- 439 Kalbadevi Road 2 <sup>nd</sup> Floor Mumbai MH 400002	Promoter Group	Mr. Vinod Kumar Ladia Mr. Vikas Ladia Mr. Anubhav Ladia Mrs. Poonam Ladia	4,44,871	3,00,000	7,44,871	5.44

\*Assuming full exercise of Warrants by the proposed allottees The proposed preferential allotment will not result in any change in management control of the Company as the proposed allottees belong to promoter / promoter group.

**f) Pricing of the preferential issue:**

The pricing of the Equity Shares to be allotted on conversion of Warrants to the entities belonging to the Promoter Group of the Company on preferential basis shall be determined in accordance with the Chapter VII of SEBI (ICDR) Regulations.

As the shares are not frequently traded, the price shall be determined by the issuer taking into account valuation

parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies.

**g) Relevant Date:**

The relevant date for the purpose of pricing shall be Friday, August 26, 2016, being the date which is 30 (thirty) days prior to the date of passing of special resolution by the Members of the Company at the Annual General Meeting to approve the proposed preferential issue, in accordance with the SEBI (ICDR) Regulations.

**h) Auditors' Certificate:**

The price at which the Warrants would be issued to companies belonging to Promoter Group of the Company cannot be exactly determined before issue of this Notice to the shareholders as the price shall be determined by the issuer taking into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies as of the 'relevant date' as per Regulation 76 of the SEBI (ICDR) Regulations. Auditors' certificate as required under Regulation 73(2) SEBI (ICDR) Regulations will be available for inspection at the registered office of the Company between 11:00 a.m. and 1:00 p.m. on any working day except Saturday and public holidays from the Relevant Date (i.e. August 26, 2016) upto the date of declaration of results.

**i) Lockin Period:**

The Warrants allotted on a preferential basis and the Equity Shares to be allotted pursuant to exercise of option attached to Warrants shall be subject to lock-in as per SEBI (ICDR) Regulations. As per Regulation 78(6) of the SEBI (ICDR) Regulations, the entire pre-preferential allotment shareholding of the above proposed allottee(s) shall be locked-in from the Relevant Date up to the period of 6

months from the date of Trading Approval.

**j) The time within which the preferential issue shall be completed:**

As required under the SEBI (ICDR) Regulations, the allotment of the Warrants on preferential basis will be completed within a period of 15 (fifteen) days from the date of passing of the resolution by the Shareholders of the Company. Provided that where any approval or permission by any regulatory or statutory authority for allotment is pending, the allotment of the Warrants shall be completed within 15 days from the date of receipt of such approval or permission.

**k) Undertakings**

In terms of SEBI (ICDR) Regulations, 2009, the Company hereby undertakes that:

- a) It shall re-compute the price of the Warrants / Equity Shares issued on conversion of Warrants in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so.
- b) If the amount payable on account of the recomputation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the underlying Warrants / Equity Shares shall continue to be locked-in till the time such amount is paid by the proposed allottees.

The Board recommends the resolution as set out at Item No.14 for approval of the shareholders as a Special Resolution. The Board at its meeting held on August 6, 2016 has approved the issue of Warrants on preferential basis and of Equity Shares on conversion of such Warrants on a Preferential Basis in the manner stated above subject to approval of the shareholders by way of Special Resolution.

Except Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia, being allottees and their relatives, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

## ANNEXURE

### DETAILS/PROFILE OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 36<sup>TH</sup> AGM AS PER REGULATION 36 (3) OF LISTING REGULATIONS

Name of the Director	Mr. Vinod Kumar Ladia	Mr. Vikas Ladia	Mr. Anubhav Ladia	Mr. Roshan Lal Kunawat
DIN	00168257	00256289	00168312	00196938
Date of Birth	16. 12.1945	07.01.1974	11.01.1977	05.11.1942
Date of Appointment	15.11.1979	15.01.2001	01.09.2005	15.01.2001
Qualification (s)	B.Sc. (Tex.), MBA- IIM, Ahmedabad	B. Tech in Computer Engineering from Manipal Institute of Technology, Manipal	B.Com (H), FCA	B.Com., LLB
Relationships between the Directors inter- se	Mr. Vinod Kumar Ladia is father of Mr. Vikas Ladia and Mr. Anubhav Ladia	Mr. Vikas Ladia, son of Mr. Vinod Kumar Ladia and Brother of Mr. Anubhav Ladia	Mr. Anubhav Ladia, son of Mr. Vinod Kumar Ladia and Brother of Mr. Vikas Ladia	-
Nature of expertise in specific functional areas	He is a textile Engineer and management expert having substantial experience in the textile industry.	He is a Computer Engineer and has a rich Plant level working experience. Presently, heading the Dungarpur Plant of the Company.	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 a vast knowledge in the field of Taxation and related matters.
Name of the Companies in which directorship held as on 31.03.2016	M/s. Shree Shyam Industries Pvt. Ltd. M/s. Swan Industries Pvt. Ltd. M/s. V K Texchem Pvt. Ltd. M/s. Synthetic & Rayon Textiles Export Promotion Council M/s. Divine Fibres Pvt. Ltd. M/s. SRSI Securities Ltd. M/s. Shree Shyam Distributors & Marketing Pvt. Ltd. M/s. Rajasthan Textile Industry Association	M/s. V K Texchem Pvt. Ltd.	M/s. SRSI 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
Member of the Committee of Board of other companies	NIL	NIL	NIL	NIL
No. of Shares held in the Company	4,66,018	3,02,515	2,70,032	NIL

By Order of the Board  
For Shree Rajasthan Syntex Limited

Place: New Delhi  
Date: 6<sup>th</sup> August 2016

Sd/-  
(VINOD KUMAR LADIA)  
CHAIRMAN  
DIN: 00168257



## BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting their 36<sup>th</sup> Annual Report on the business and operations of the company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016 and Auditor's Report thereon.

### 1) FINANCIAL SUMMARY /HIGHLIGHTS

The Company's financial highlights for the year ended on 31<sup>st</sup> March, 2016 is summarized below:

Particulars	(Rs. In Lacs)	
	Year ended 31.03.2016	Year ended 31.03.2015
Sales		
Domestic	23308.30	26295.69
Export	2462.75	3234.04
Other Revenue	525.36	669.14
<b>Total</b>	<b>26296.41</b>	<b>30198.87</b>
Profit Before interest & depreciation	1864.55	2137.89
Less: Financial Cost	1606.03	1673.91
Profit Before depreciation	258.52	463.98
Less: Depreciation	531.34	780.46
Profit /(Loss) Before exceptional item	(272.82)	(316.47)
Profit Before tax	(272.82)	(316.47)
Less: Deferred tax liability	(62.99)	(174.71)
Profit / (Loss) After tax	(209.83)	(141.76)

### 2) FINANCIAL PERFORMANCE

During the year under review your Company had a downfall in its performance due to some uncertain market conditions and sudden increase in prices of raw material, power, fuel etc. The total revenue of the company was Rs. 26296.41 lacs as compared to Rs. 30198.87 lacs of previous year. The Profit (before interest, depreciation & tax) amounted to Rs. 1864.55 lacs as compared to Rs. 2137.89 lacs in previous year. There was a loss during the year amounting to Rs. (209.83) lacs as compared to loss of Rs. (141.76) lacs in previous year. Your Directors & Management along with the entire team is taking all possible action to ensure that we are able to sustain our financial growth and business operational developments inspite of all adverse external conditions & competition.

### 3) OPERATIONS

The business operations of the company during the year under review has not been satisfactory as compared to previous year. The Company produced 16395 tonnes of yarn valuing Rs. 26490 lacs during the period under review as against 17098 tonnes of yarn valuing Rs. 29935 lacs 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.

### 4) EXPORTS

During the year the Company had export of Rs. 2462.75 lacs against export of Rs. 3234.04 lacs during the previous year. The export constituted 9.37% of the total turnover of the Company.

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

The Company plans to further increase its exports to the existing markets and also tap potential export markets for which emphasis is being made on new and better quality products.

### 5) FIXED DEPOSITS

Your Company has accepted Unsecured Fixed Deposits from its members during the financial year ended 31<sup>st</sup> March, 2016 under Section 73 of the Companies Act, 2013.

The company has issued DPT- 1, circular or circular in the form of advertisement inviting deposits from the members only by passing Special Resolution in its 35<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> 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 (including any statutory modification or re-enactment(s) thereof for the time being in force).

Further, in order to accept the Unsecured Fixed Deposits for the year 2016-17 from the members of the company, your company have taken all the required steps pursuant to compliance of Section 73 of the Companies Act, 2013 including -:

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

The particulars related to Unsecured Fixed Deposits u/s 73, covered under Chapter V of the Companies Act, 2013 as on 31<sup>st</sup> March 2016 are as under:

- Unsecured Fixed Deposits accepted during the year : Rs. 25,925,000/-
- Outstanding Unsecured Fixed Deposits as on 31<sup>st</sup> March, 2016 : Rs. 17,925,000/-
- Unpaid/ Unclaimed Fixed Deposits as on 31<sup>st</sup> March, 2016 : Nil
- 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

## 6) DIRECTORS AND KEY MANAGERIAL PERSONNEL

### (A) DIRECTORS

#### 1.) Retire by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the rules made thereunder and the Company's Articles of Association, Mr. Roshan Lal Kunawat, Director (DIN: 00196938), retire by rotation at the 36<sup>th</sup> Annual General Meeting and, being eligible has offered himself for re-appointment. The Board recommends his re-appointment for consideration by the Members of the Company at the 36<sup>th</sup> Annual General Meeting.

#### 2.) Appointment /Re-appointment of Executive Directors.

Pursuant to the recommendation of Nomination and Remuneration Committee,

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

by the Board of Directors in their meeting held on 30<sup>th</sup> May, 2016 for the period of three (3) years w.e.f. 1<sup>st</sup> June, 2016 to 31<sup>st</sup> May, 2019, subject to the approval of shareholders in 36<sup>th</sup> Annual General Meeting of the Company.

# The Board of Directors recommends the above appointment/ re-appointment for the consideration by the members of the Company at the 36<sup>th</sup> Annual General Meeting.

#### 3.) Independent Directors

In accordance with the provisions of the Companies Act, 2013 , Independent Directors are required to be appointed for a term of five consecutive years, but shall be eligible for re-appointment on passing of Special Resolution by the Company and shall not be liable to retire by rotation. Keeping in view the above provision, Mrs. Neelima Khetan was appointed as a Non-Executive Independent Director, not liable to retire by rotation in the 35<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2015 to hold office upto 31<sup>st</sup> March, 2020.

### (B) KEY MANAGERIAL PERSONNEL

Due to resignation of Mr. Naval Kishore Soni w.e.f. 15<sup>th</sup> July, 2015, **Mr. Vinay Punjawat** was appointed as Chief Financial Officer, Key Managerial Personnel w.e.f. **8<sup>th</sup> August, 2015**. Also, due to resignation of Mrs. Bhanupriya Mehta Jain w.e.f. 1<sup>st</sup> October, 2015, Mr. Manmohan Pareek was appointed as Company Secretary (KMP) cum Compliance Officer w.e.f. 2<sup>nd</sup> November, 2015.

Further, Mr. Manmohan Pareek resigned from the post of Company Secretary cum Compliance Officer w.e.f. 31<sup>st</sup> May, 2016 and **Ms.**

**Ravina Soni** joined as the Company Secretary cum Compliance Officer w.e.f. **1<sup>st</sup> June, 2016**.

As on 31<sup>st</sup> March, 2016, the Key Managerial Personnel of the Company consists of the following:-

PARTICULARS	DESIGNATION
Mr. Vinod Kumar Ladia	Chairman, Managing Director and Chief Executive Officer
Mr. Vikas Ladia	Joint Managing Director, Whole Time Director
Mr. Anubhav Ladia	Executive Director, Whole Time Director
Mr. Vinay Punjawat	Chief Financial Officer
Mr. Manmohan Pareek	Company Secretary cum Compliance Officer.

## 7) AUDITORS & AUDITOR'S REPORT

### I. Statutory Auditors & Auditor's Report

In the 34<sup>th</sup> Annual General Meeting of the Company held on 17<sup>th</sup> September 2014, the shareholders approved the appointment of M/s. M.C. Bhandari & Co., Chartered Accountants, Jaipur (Firm Registration No. 303002-E), as Statutory Auditors of the Company to hold the office till the conclusion of 37<sup>th</sup> Annual General Meeting to be held in the calendar year 2017.

Further, The Company had ratified the appointment of M/s. M.C. Bhandari & Co, Chartered Accountants, Jaipur (Firm Registration No. 303002-E), as Statutory Auditors of the Company to conduct audit of the Financial Statements for the year ended on March 31, 2016 in the 35<sup>th</sup> Annual General Meeting of the Company.

There are no qualifications, reservations or adverse remarks made by M/s M .C. Bhandari & Co., Statutory Auditors in their report for the Financial Year ended March 31, 2016. The observations made by the Auditors are self explanatory and have been dealt with in Independent Auditors Report & its annexures forming part of 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.

Their term of appointment expires at the conclusion of 37<sup>th</sup> Annual General Meeting, subject to ratification of their re- appointment by Shareholders at every Annual General Meeting.

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

Therefore, being eligible, the Board of Directors have offered for

the ratification of their re- appointment to the Shareholders.

## **II. Cost Auditors & Cost Audit Report**

Pursuant to the orders of the Central Government under Section 148 and all other applicable provisions of the Companies Act, 2013 read with The Companies (Cost Record and Audit) Rules, 2014 (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force), the Board of Directors had appointed M/s. K.G. Goyal & Co, Cost Auditor, Jaipur (Firm Registration No.000017) for conducting the Audit of cost records maintained by the Company for the financial year 2015-16 & passed the ordinary resolution in the 35<sup>th</sup> AGM of the company for the ratification by shareholders for the payment of remuneration to the cost auditors. Your company shall receive the Cost Auditors Report for the year 2015-16 within the prescribed time limits.

Further in line with the aforesaid compliance, the Board of Directors has appointed M/s K.G. Goyal & Co, Cost Auditor, Jaipur (Firm Registration No.000017) in their meeting held on 30<sup>th</sup> May, 2016 for conducting the Audit of cost records maintained by the Company for the financial year 2016-17. The Remuneration proposed to be paid to them requires ratification by the shareholders of the Company. In view of this, your ratification for payment of remuneration for the year 2016-17 to the Cost Auditors is being sought at the 36<sup>th</sup> Annual General Meeting.

## **III. Secretarial Auditor and Secretarial Audit Report**

Pursuant to provision of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force), the Board of Directors had appointed M/s. V.M. & Associates, Company Secretaries, Jaipur (FRN : P1984RJ039200) to conduct Secretarial Audit for the financial year 2015-16.

The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure-1** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, in line with the aforesaid compliance, the Board of Directors has re-appointed M/s V. M. & Associates, Company Secretaries, Jaipur (FRN : P1984RJ039200) in its meeting held on 30<sup>th</sup> May, 2016 for conducting Secretarial Audit for the financial year 2016-17.

## **IV. Internal Auditor and Internal Audit Report**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 & the rules made thereunder (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force), the Board of Directors had appointed M/s K.G. Bhatia & Co., Chartered Accountants, (Firm Registration No.010370C), Udaipur, as Internal Auditor to conduct Internal Audit for the financial year 2015-16.

The Internal Audit Report is received quarterly by the Company and the same is reviewed and approved by the Audit Committee and Board of Directors for every quarter. The quarterly Internal Audit Reports received for the year 2015-16 does not contain any qualification, reservation or adverse remark.

Further, in line with the aforesaid compliance, the Board of Directors has re-appointed M/s K.G. Bhatia & Co., Chartered Accountants, (Firm Registration No.010370C), Udaipur in its meeting held on 30<sup>th</sup> May, 2016 for conducting Internal Audit for the financial year 2016-17.

## **8) EXTRACT OF ANNUAL RETURN**

Extract of Annual Return in Form MGT-9 containing details as on the financial year ended 31<sup>st</sup> March, 2016 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** which forms part of this report.

## **9) MEETINGS OF THE BOARD**

The Board of Directors met four times during the year on 22.05.2015, 08.08.2015, 02.11.2015 & 11.02.2016. Frequency and quorum at these meetings were in conformity with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the listing agreements entered into by the company with the Stock Exchanges. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the Listing Regulations. For further details, please refer report on Corporate Governance of this Annual Report.

## **10) AUDIT COMMITTEE**

The Audit Committee's composition meets with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") Members of the Audit Committee possesses financial /accounting expertise / exposure. As on March 31, 2016 the Audit Committee comprises of 6 Directors :

1. Mr. Raj Singh Nirwan,
2. Mr. Vinod Kumar Ladia,
3. Mr. Sunil Goyal,
4. Mr. Roshan Lal Kunawat,
5. Mr. Narendra Nath Agrawala and
6. Mr. Susheel Jain (inducted as a new member in the Board Meeting held on 2<sup>nd</sup> November, 2015)

5 out of 6 members in the Audit Committee are Non Executive Directors. Mr. Raj Singh Nirwan is the Chairman of the Committee.

Further, during the year, the Board has accepted all the

recommendations made by the Audit Committee from time to time in compliance of Companies Act, 2013 & Listing Regulations.

### 11) DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors (including the new appointments) of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (b) of Listing Regulations.

### 12) CONTRACTS & ARRANGEMENTS WITH THE RELATED PARTY

All Contracts/ arrangements/ transactions that were entered by the Company during the Financial Year 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 attached herewith as **Annexure- 3** which forms part of this report. The policy on related party transaction is available on the website of the company at the link <http://www.srsl.in/documents/RPT.POLICY.pdf>.

### 13) PARTICULARS OF THE EMPLOYEES / PERSONNEL

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 attached as **Annexure-4**.

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

Sl. No.	Name and 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 employee	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 V.P.(Per., Adm & I.R.)	10,66,435.00	Contractual	M.A (Economies), P.G. Diploma in Labour Law, Labour Welfare & Personnel Management Exp.-31 Years	6/18/2015	55 Years	RSWM LTD	0	No
2	Mr. P C Sharma Asstt. Vice President (Mktg)	9,59,700.00	Contractual	B.Com	15/02/2013	56 Years	Modern Threads Ltd.	0	No
3	Mr. Govind Bajpai V.P.(Works)	9,59,370.00	Contractual	B-Text(Textile Technology), Exp.36 Years	5/11/2012	58 Years	Ruby Mills Ltd	0	No
4	Mr. J.L. Vyas G.M. (Per., Adm & I.R.)	8,10,838.00	Contractual	M.A.(Sociology), L.L.B., DLL Exp.-36 Years	9/1/2015	57 Years	SRSL Group	0	No
5	Mr. B.K. Mazumder President (T)	7,60,065.00	Contractual	B-Tech In Textile ,Exp-44 Years	7/16/2015	64 Years	SRSL Group	0	No
6	Mr. Santosh Kumar Pareek A.V.P.(T)	7,03,904.00	Contractual	B-Text(Textile Technology), Exp.34 Years	6/15/2013	56 Years	Birla Cotsyn Ltd.	0	No



7.	Mr. Arvind Sharma Sr.Manager -Unit-4	6,51,078.00	Contractual	B.Tech, Exp. 22 years	12/01/2013	47 years	Star Global Endura Ltd.	0	No
8	Mr. Vinay Punjawat Chief Financial Officer	6,17,153.00	Contractual	MBA(Finance)- 28 yrs	11/7/2015	51 years	Indian Steel Corporation Ltd	0	No
9.	Mr. R. P. Choudhary DGM (Maint.)	6,04,440.00	Contractual	Intermediate	12/12/2012	58 years	Kanchan India Ltd.	0	No
10	Mr. Kameshwar Roy Chief Engineer	5,45,174.00	Contractual	Polotechnic Diploma in Mechanical	8/1/2011	51 Years	SRSL Group	0	No

Further, no employee of the company is drawing salary as specified in the Sub-Clause (i), (ii) and (iii) of Sub-Rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended from time to time.

#### 14) FORMAL ANNUAL EVALUATION

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis to satisfy the requirements of the Companies Act, 2013. The Company has devised a Policy for performance evaluation of Independent Director, Board, Committees & other Individual Directors which includes criteria for performance evaluation of the Board as a whole.

The Company's Nomination & Remuneration policy which includes the Director's appointment & remuneration and criteria for determining qualifications, positive attributes, independence of the Director & other matters is attached as **Annexure-5** to this Report and the same is also available on the website of the Company at the link -

[http://www.srsl.in/documents/NOMINATION\\_AND\\_REMUNERATION\\_POLICY.pdf](http://www.srsl.in/documents/NOMINATION_AND_REMUNERATION_POLICY.pdf)

The Board of Directors in their Board Meeting held on 30<sup>th</sup> May, 2016 has made a formal annual evaluation of its own performance & that of its Committee and individual directors.

#### 15) 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 attached as **Annexure-6** to this Report.

#### 16) MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The operations of the company are reviewed in detail in the

Management Discussions and Analysis Report (**Annexure-7**) and forms part of this Report.

#### 17) CORPORATE GOVERNANCE

Your Company is fully compliant with the norms on Corporate Governance laid out in the notification dated September 2, 2015 of the Securities and Exchange Board of India enacting the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") which have replaced the erstwhile Listing Agreement w.e.f. 1<sup>st</sup> December, 2015. All the Directors and the senior management personnel have affirmed in writing their compliance with and adherence to the Code of Conduct adopted by the Company.

The details of the Code of Conduct are furnished in the Corporate Governance Report attached as **Annexure- 8** to this Report. The Chief Executive Officer has given a certificate of compliance with the Code of Conduct which forms part of **Annexure-8**, as required under Regulation 34 read with Schedule V of Listing Regulations.

#### 18) 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. The Securities and Exchange Board of India (SEBI) under Clause 49 of the former Listing Agreement required that all listed Companies shall lay down the procedure towards risk assessment. It also requires that the company must frame, implement and monitor the risk management plan of the Company. To overcome this and as per the requirement of Section 134(3)(n) of the Companies Act, 2013 read with the rules made thereunder, if any and Clause 49 of the former listing agreement and, Board has framed a very 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 objective 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 is reviewed quarterly by Senior Management and Audit Committee of the Company. For a detailed discussion, please refer to Corporate Governance Report annexed to this report.

## 19) SOCIAL OBLIGATIONS

Company has generally taken corporate social responsibility initiatives. However, the present financial position of the company does not mandate the implementation of corporate social responsibility activities pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013. The company will constitute CSR Committee, develop CSR policy and implement the CSR initiatives whenever it is applicable to the Company. It has continued its efforts for the betterment and upliftment of the living standards of Scheduled Castes and Scheduled Tribes dwelling in the adjoining areas of Dungarpur by providing them training and employment. The Company through its Charitable Trust and Educational Society is providing education to the Children of people of Dungarpur at Dungarpur Public School. During the year Company has undertaken various social works for the benefit of local population of Dungarpur.

## 20) WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company promotes ethical behaviors in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. 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 the link <http://www.srl.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 Corporate Governance annexed to this report.

## 21) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE BY THE COMPANY UNDER SECTION 186;

There are no Loans, Guarantees or Investments made by the

Company under Section 186 of the Companies Act, 2013.

## 22) TRANSFER TO RESERVES

Due to inadequacy of profits, no amount is proposed to be transferred to the Reserves account for the year 2015-16.

## 23) DIVIDEND

For retention of funds / reserves in the company your directors do not recommend any dividend for the year 2015-16.

## 24) CAPITAL PROJECTS

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

## 25) OTHER COMPLIANCES

➤ **Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:** There were no material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

➤ **Details in respect of adequacy of internal financial controls.**

For detail discussion with reference to adequacy of internal financial controls, please refer to Management Discussions and Analysis Report annexed to this report.

➤ **Disclosure of Accounting Treatment in preparation of Financial Statements.**

The Company follows the guidelines of Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

➤ **Details of Subsidiary/Joint Ventures/Associate Companies/ & its Performance.**

Your company has no Subsidiary/Joint Ventures/Associate Companies.

## 26) SEXUAL HARASSMENT

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules 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 harassments at the work place.

The following is a summary of Sexual Harassment Complaints received and disposed off during the year 2015-16

- a. Number of Complaints of Sexual Harassment received in the year: **NIL**
- b. Number of Complaints disposed off during the year : **NA**
- c. Number of cases pending for more than ninety days : **NIL**
- d. Number of workshops or awareness programme against Sexual Harassment carried out : **THREE**
- e. Nature of action taken by the SRS� Group : **NA**

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

Your Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with explanation proper relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with

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

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate & were operating effectively; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **28) ACKNOWLEDGEMENT**

Your Directors wish to take this opportunity to place on record their gratitude and sincere appreciation for the timely and valuable assistance and support received from Bankers, Share Transfer Agents, Auditor, Customers, Suppliers and Regulatory Authorities. The Directors place on record their deep appreciation of the dedication of your company's employees at all levels & look forward to their continued support in the future as well. Your Directors are thankful to the shareholders for their continued patronage.

**For and on behalf of the Board**

**For Shree Rajasthan Syntex Limited**

**(VINOD KUMAR LADIA)**

**CHAIRMAN**

**DIN: 00168257**

**Place: New Delhi**

**Date: 6<sup>th</sup> August, 2016**

## ANNEXURE-1

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2016**

[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 Limited

SRTL House, Pulla Bhuwana Road,

N.H. 8, Udaipur (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 Limited** (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, 2016 ('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, 2016 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, 1992; (repealed w.e.f. 15<sup>th</sup> May, 2015)
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- 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)**
- i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and
- j) 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 Agreements entered into by the Company with BSE Ltd.

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

### **We further report that**

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

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

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

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

**We further report that** during the audit period the company has not undertaken any event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**Place: Udaipur**

**Date: 30<sup>th</sup> May, 2016**

**For V.M. & Associates  
Company Secretaries**

**Sd/-**

**CS Manoj Maheshwari  
Partner**

**FCS 3355**

**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 Limited  
SRSL House, Pulla Bhuwana Road,  
N.H. 8, Udaipur (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.

**Place: Udaipur**

**Date: 30<sup>th</sup> May, 2016**

**For V.M. & Associates  
Company Secretaries**

**Sd/-**

**CS Manoj Maheshwari  
Partner  
FCS 3355**

**C P No. : 1971**

### **ANNEXURE - 2**

**Form No. MGT-9**

#### **EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on March 31, 2016**

[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 : 15/11/1979
3. Name of the Company : SHREE RAJASTHAN SYNTEX LTD.
4. Category / Sub-Category : Public Company / Limited by of the Company Shares
5. Address of the Registered : SRSL House', office and contact details Pulla Bhuwana, Road, N.H. 8 Udaipur (Raj.) - 313004 Phone No.- 0294-2440334
6. Whether listed company : Yes
7. Name, Address and : MAS Services Limited, Contact details of Registrar T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi - 110020 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)	91.11%



**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associates	% of share held	Applicable Section.
01			N.A.		
02					
03					

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**1. Category-wise Share Holding**

Category of Shareholders	No. of shares held at the beginning of the year (01.04.2015)				No. of shares held at the end of the year (31.03.2016)				%age change during the year.
	Demat	Physical	Total	%age of total shares	Demat	Physical	Total	%age of total shares	
A. Promoters									
<b>1) Indian</b>									
a) Individual/ HUF	1548242	0	1548242	12.48	1399627	0	1399627	11.29	(1.19)
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	3795584	0	3795584	30.6	3795584	0	3795584	30.6	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1)</b>	<b>5343826</b>	<b>0</b>	<b>5343826</b>	<b>43.08</b>	<b>5195211</b>	<b>0</b>	<b>5195211</b>	<b>41.89</b>	<b>(1.19)</b>
<b>2) Foreign</b>									
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 Corp.	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
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of promoters (A) [(A)(1)+(A)(2)]</b>	<b>5343826</b>	<b>0</b>	<b>5343826</b>	<b>43.08</b>	<b>5195211</b>	<b>0</b>	<b>5195211</b>	<b>41.89</b>	<b>(1.19)</b>
B. Public shareholding									
(1) Institutions									
a) Mutual Funds	2334	2151	4485	0.04	2334	2151	4485	0.04	0
b) Banks / Financial Inst.	330134	660	330794	2.67	0	660	660	0.01	(2.66)
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(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) FIIs	0	150	150	0.00	0	150	150	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B) (1)</b>	<b>332468</b>	<b>2961</b>	<b>335429</b>	<b>2.71</b>	<b>2334</b>	<b>2961</b>	<b>5295</b>	<b>0.05</b>	<b>(2.66)</b>
2. Non Institutions									
a) Bodies Corp.	1027702	256220	1283922	10.35	765231	256220	1021451	8.24	(2.11)
<i>I) Indian</i>									
<i>II) Overseas</i>									
b) Individual									

I) Individuals shareholder holding nominal share capital upto Rs. 1 Lac	2131758	997938	3129696	25.24	2103269	986614	3089883	24.91	(0.33)
II) Individual shareholder holding nominal share capital in excess of Rs. 1 lac	1871901	100600	1972501	15.9	2648730	100200	2748930	22.16	6.26
c) Others (specify) Non Resident Indian/ OCB	90404	72011	162415	1.31	90404	72011	162415	1.31	0
d) Others (specify) Clearing Member	7295	0	7295	0.06	11899	0	11899	0.10	(0.04)
e) Others (specify) Trust	167217	0	167217	1.35	167217	0	167217	1.35	0
<b>Sub Total (B) (2) :</b>	<b>5296277</b>	<b>1426769</b>	<b>6723046</b>	<b>54.21</b>	<b>5786750</b>	<b>1415045</b>	<b>7201795</b>	<b>58.07</b>	<b>3.86</b>
<b>Total Public Shareholding (B) [(B)(1) + (B)(2)]</b>	<b>5628745</b>	<b>1429730</b>	<b>7058475</b>	<b>56.91</b>	<b>5789084</b>	<b>1418006</b>	<b>7207090</b>	<b>58.11</b>	<b>1.2</b>
C.Shares held by custodian for GDRs and ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>10972571</b>	<b>1429730</b>	<b>12402301</b>	<b>100</b>	<b>10984295</b>	<b>1418006</b>	<b>12402301</b>	<b>100</b>	<b>0</b>

## 2. Shareholding of Promoters

Sl. No.	Shareholder's name	Shareholding at the beginning of the year (01.04.2015)			Share holding at the end of the year (31.03.2016)			% change in share holding 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.	
1	VINOD KUMAR LADIA	466018	3.76	0	466018	3.76	0	0
2	VIKAS LADIA	302515	2.44	0	302515	2.44	0	0
3	ANUBHAV LADIA	270032	2.18	0	270032	2.18	0	0
4	POONAM LADIA	140084	1.13	0	140084	1.13	0	0
5	PUJA LADIA	25101	0.20	0	25101	0.20	0	0
6	POOJA TOSHNIWAL	25982	0.21	0	25982	0.21	0	0
7	VINOD KUMAR LADIA (HUF)	87400	0.70	0	87400	0.70	0	0
8	VIKAS LADIA(HUF)	47495	0.38	0	47495	0.38	0	0
9	ANUBHAV LADIA(HUF)	35000	0.28	0	35000	0.28	0	0
10	SHREE SHYAM DISTRIBUTORS AND MARKETING PRIVATE LTD.	817324	6.59	0	817324	6.59	0	0
11	SRLS SECURITIES LTD.	2092455	16.87	0	2092455	16.87	0	0
12	RAJASTHAN STATE INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATION LTD.	440934	3.56	0	440934	3.56	0	0
13	V.K. TEXCHEM PVT. LTD.	444871	3.59	0	444871	3.59	0	0
14	SUNIL KUMAR JAIN*	46067	0.37	0	167	0.00	0	0.37
* MOVED TO PUBLIC CATEGORY								
15	SHRADHA JAIN*	6934	0.06	0	6934	0.06	0	0
* MOVED TO PUBLIC CATEGORY								
16	SUBHASH JAIN*	6918	0.06	0	6918	0.06	0	0
* MOVED TO PUBLIC CATEGORY								
17	ROSHAN LAL GARG*	4	0.00	0	4	0.00	0	0
* MOVED TO PUBLIC CATEGORY								

18	MAMTA JAIN*	30067	0.24	0	30067	0.24	0	0
* MOVED TO PUBLIC CATEGORY								
19	HIRAMANI DEVI JAIN*	58625	0.47	0	58625	0.47	0	0
* MOVED TO PUBLIC CATEGORY								
	Total	5343826	43.09	0	5195211*	41.89	0	0.37
*PROMOTER'S MOVED TO PUBLIC CATEGORY ARE NOT INCLUDED								

### 3. Change in Promoter's Shareholding (please specify, if there is no change)-

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
01	At the beginning of the year	5343826	43.08	5343826	43.08
02	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus/ sweat equity/ moved to public category etc):	##			
03	At the End of the year	5195211	41.89	5195211	41.89

##Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus/ sweat equity/ moved to public category, etc) is given below :

SL. NO.	NAME	SHAREHOLDING		DATE	INCREASE/ DECREASE IN SHAREHOLDING	REASON	CUMULATIVE SHAREHOLDING DURING THE YEAR (01.04.2015-31.03.2016)	
		No. of shares at the beginning 01.04.2015	% of total shares of the Company				No. of Shares	% of total shares of the Company
01	Sunil Kumar Jain	Mr. Sunil Kumar Jain's shares are moved to Public Category.						
02	Shradha Jain	Mrs. Shradha Jain's shares are moved to Public Category.						
03	Subhash Jain	Mr. Subhash Jain's shares are moved to Public Category.						
04	Roshan Lal Garg	Mr. Roshan Lal Garg's shares are moved to Public Category.						
05	Mamta Jain	Mrs. Mamta Jain's shares are moved to Public Category.						
06	Hiramani Devi Jain	Mrs. Hiramani Devi Jain's shares are moved to Public Category.						

### 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 (01.04.2015) /end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of total shares of the company
1	ICICI Bank Ltd.	330134	2.66	01.04.2015				
				05.06.2015	-105000	Transfer	225134	1.82
				12.06.2015	225134	Transfer	0	0
Ceased to be in top ten shareholders w.e.f. 12.06.2015								
2	Rai Investments Ltd.	263756	2.13	01.04.2015				
				05.06.2015	-13900	Transfer	249856	2.01
				10.07.2015	-61056	Transfer	188800	1.52
				17.07.2015	-93763	Transfer	95037	0.77
				24.07.2015	-33190	Transfer	61847	0.50
Ceased to be in top ten shareholders w.e.f. 24.07.2015								

<b>3</b>	Shree Rajasthan Syntex Ltd. (Trust)	167067	1.34	01.04.2015				
		167067	1.34	31.03.2016	-	-	167067	1.34
<b>4.</b>	BJD Securities Pvt. Ltd.	247248	1.99	01.04.2015				
				24.04.2015	45529	Transfer	292777	2.36
				22.05.2015	9000	Transfer	301777	2.43
				12.06.2015	23203	Transfer	324980	2.62
				28.08.2015	12914	Transfer	337894	2.72
				23.10.2015	2219	Transfer	340113	2.74
				06.11.2015	7968	Transfer	348081	2.81
				20.11.2015	4836	Transfer	352917	2.85
				11.12.2015	43113	Transfer	396030	3.19
				25.12.2015	7486	Transfer	403516	3.25
				31.12.2015	14579	Transfer	418095	3.37
				08.01.2016	12478	Transfer	430573	3.47
				22.01.2016	15926	Transfer	446499	3.60
				05.02.2016	150	Transfer	446649	3.60
		446649	3.60	31.03.2016	-	-	446649	3.60
<b>5</b>	Bharati Bharat Dattani	154087	1.24	01.04.2015	-	-		
				17.04.2015	-48800	Transfer	105287	0.85
				24.04.2015	-62000	Transfer	43287	0.35
				12.06.2015	25000	Transfer	68287	0.55
				26.06.2015	8500	Transfer	76787	0.62
				17.07.2015	62696	Transfer	139483	1.12
				20.11.2015	200	Transfer	139683	1.13
				18.03.2016	10000	Transfer	149683	1.21
		166445	1.34	31.03.2016	16762	Transfer	166445	1.34
<b>6</b>	Bharat Jamnadas Dattani	117367	0.94	01.04.2015	-	-		
				24.04.2015	20000	Transfer	137367	1.11
				08.05.2015	41349	Transfer	178716	1.44
				22.05.2015	7999	Transfer	186715	1.51
				12.06.2015	23400	Transfer	210115	1.69
				26.06.2015	53999	Transfer	264114	2.13
				03.07.2015	25046	Transfer	289160	2.33
				17.07.2015	9270	Transfer	298430	2.41
		298430	2.41	31.03.2016	-	-	298430	2.41
<b>7</b>	Lakhpatri Rai Jain	109017	0.88	01.04.2015	-	-		
		109017	0.88	31.03.2016	-	-	109017	0.88
<b>8</b>	Swan Industries Ltd.	89734	0.72	01.04.2015	-	-		
		89734	0.72	31.03.2016	-	-	89734	0.72
<b>9</b>	Bharat Jamnadas	89030	0.72	01.04.2015	-	-		
				10.04.2015	-9000	Transfer	80030	0.65
				24.04.2015	37994	Transfer	118024	0.95
				12.06.2015	25000	Transfer	143024	1.15
		143024	1.15	31.03.2016	-	-	143024	1.15
<b>10</b>	Bharat Jamnadas Dattani	81466	0.66	01.04.2015	-	-		
		81466	0.66	31.03.2016	-	-	81466	0.66
<b>11</b>	Ramesh Kumar Mantri	70252	0.57	01.04.2015	-	-		
		70252	0.57	26.06.2015	-	-	70252	0.57

**Ceased to be in top ten shareholders w.e.f. 26.06.2015**

12	Bansuri Bharat Dattani			12.06.2015	-	-	113649	0.92
				10.07.2015	9000	Transfer	122649	0.99
				17.07.2015	10000	Transfer	132649	1.07
				24.07.2015	17750	Transfer	150399	1.21
		150399	1.21	31.03.2016	-	-	150399	1.21
13	Jai Bharat Dattani			17.07.2015	-	-	84662	0.68
				24.07.2015	33700	Transfer	118362	0.95
				31.07.2015	2120	Transfer	120482	0.97
				07.08.2015	18800	Transfer	139282	1.12
				21.08.2015	46867	Transfer	186149	1.50
				04.09.2015	3300	Transfer	189449	1.53
		189449	1.53	31.03.2016	-	-	189449	1.53

**5. Shareholding of Director & Key Managerial Personnel:-**

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning (01.04.2015) /end of the year (31.03.2016)	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Vinod Kumar Ladia (CMD)	466018	3.76	01.04.2015	0	Nil Movement during the year		
		466018	3.76	31.03.2016			466018	3.76
2	Mr. Vikas Ladia (JMD)	302515	2.44	01.04.2015	0	Nil Movement during the year		
		302515	2.44	31.03.2016			302515	2.44
3	Mr. Anubhav Ladia (ED)	270032	2.18	01.04.2015	0	Nil Movement during the year		
		270032	2.18	31.03.2016			270032	2.18
4	Mr. Narendra Nath Agrawala (NEID)	3384	0.03	01.04.2015	0	Nil Movement during the year		
		3384	0.03	31.03.2016			3384	0.03
5	Mr. Susheel Jain (NEID)	29567	0.24	01.04.2015	0	Nil Movement during the year		
		29567	0.24	31.03.2016			29567	0.24
6	Mr. Ravinder Narain (NEID)	6000	0.05	01.04.2015	0	Nil Movement during the year		
		6000	0.05	31.03.2016			6000	0.05
7	Mr. Sunil Goyal (NEID)	-	-	01.04.2015	0	Nil Shareholding	-	-
		-	-	31.03.2016			-	-
8	Mr. Roshan Lal Kunawat (NED)	-	-	01.04.2015	0	Nil Shareholding	-	-
		-	-	31.03.2016			-	-
9	Mr. Raj Singh Nirwan (NEID)	-	-	01.04.2015	0	Nil Shareholding	-	-
		-	-	31.03.2016			-	-
10	Ms. Neelima Khetan (NEID)	-	-	01.04.2015	0	Nil Shareholding	-	-
		-	-	31.03.2016			-	-
11	Mr. N. K. Soni (CFO)	10	0.00	01.04.2015	0	Nil Movement during the year	-	-
		10	0.00	15.07.2015			10	0.00
*Ceased to be Chief Financial Officer w.e.f. 15.07.2015								
12	Mr. Vinay Punjawat (CFO)	0	-	08.08.2015	0	Purchase	-	-
		-	-	31.03.2016	10		10	0.00
*Appointed as Chief Financial Officer w.e.f. 08.08.2015								
13	Mrs. Bhanupriya Mehta Jain (CS)	-	-	01.04.2015	0	Nil Shareholding	-	-
		-	-	01.10.2015			-	-
*Ceased to be Company Secretary w.e.f. 01.10.2015								
14	Mr. Manmohan Pareek (CS)	-	-	02.11.2015	0	Nil Shareholding	-	-
		-	-	31.03.2016			-	-
*Appointed as Company Secretary w.e.f. 02.11.2015								



**V. INDEBTEDNESS**

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

(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	1160648405.10	-	4902000.00	1165550405.10
II. Interest due but not paid	0	-	6555.00	6555.00
III. Interest accrued but not due.	7457318.00	-	144265.00	7601583.00
<b>Total (i+ii+iii)</b>	<b>1168105723.10</b>	<b>-</b>	<b>5052820.00</b>	<b>1173158543.10</b>
Change in Indebtedness during the financial year:				
* Addition	-	-	26369978.00	26369978.00
* Reduction	(126198186.88)	-	(13051622.00)	(139249808.88)
<b>Net change</b>	<b>(126198186.88)</b>	<b>-</b>	<b>13318356</b>	<b>(112879830.88)</b>
Indebtedness at the end of the financial year				
I. Principal Amount	1035889738.22	-	17925000.00	1053814738.22
II. Interest due but not paid	0	-	7845.00	7845.00
III. Interest accrued but not due	6017798.00	-	438331.00	6456129.00
<b>Total (i+ii+iii)</b>	<b>1041907536.22</b>	<b>-</b>	<b>18371176.00</b>	<b>1060278712.22</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD / WTD/Manager			Total amount
		Mr. Vinod Kumar Ladia (Chairman & Managing Director)	Mr. Vikas Ladia (Joint Managing Director)	Mr. Anubhav Ladia (Executive Director)	
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	24,30,000	18,10,000	12,92,000	55,32,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	9,57,450	6,71,774	3,40,680	19,69,904
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweet Equity	-	-	-	-
4	Commission -as % of profit -others, specify.	- - -	- - -	- - -	- - -
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>33,87,450</b>	<b>24,81,774</b>	<b>16,32,680</b>	<b>75,01,904</b>
Ceiling as per the Act.		Ceiling limit as per the section 197 of the Act & schedule V is Rs.84 Lakhs*			

\* Due to inadequacy of the profit for the year 2015-16 & pursuant to section 197 of the Act & Schedule-V, the ceiling limit is being calculated amounting to Rs.84 lakhs(42\*2) on the basis of effective capital as given in the Part-II of schedule V, Section-II.

**B. Remuneration to other director-**

(in Rs.)

Sl. No.	Particulars of remuneration	Name of the Directors							Total amount
		Mr. R.S. Nirwan	Mr. Sunil Goyal	Mr. N.N. Agrawala	Mr. R.L. Kunawat (Non-Executive Director)	Mr. Susheel Jain	Mr. Ravinder Narain	Mrs. Neelima Khetan	
1	Independent Directors * Fee for attending Board, Committee meetings. * Commission * Others, please specify.	42000	28000	42000	-	21000	7000	14000	154000
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
	Total (1)	42000	28000	42000	-	21000	7000	14000	154000
2	Other Non-Executive Directors. * Fee for attending Board, Committee meetings. * Commission * Others, please specify.	-	-	-	14000	-	-	-	14000
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
	Total (2)	-	-	-	14000	-	-	-	14000
<b>Total (B) = (1+2)</b>		<b>42000</b>	<b>28000</b>	<b>42000</b>	<b>14000</b>	<b>21000</b>	<b>7000</b>	<b>14000</b>	<b>168000</b>
Total Management remuneration									
Overall ceiling as per the Act.		1% of profit after tax.*							

\* Due to inadequacy of the profit for the year 2015-16 the Profit/(loss) is (209.83) lacs. The other Directors have received the remuneration by way of sitting fees only pursuant to section 197(5) of the Companies Act 2013 & the same is within the ceiling limit of Rs.1Lacs

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

(in Rs.)

Sl. No.	Particulars of remuneration	Key Managerial Personnel					
		Chief Executive Officer	Company Secretary		Chief Financial Officer		Total
		Mr. Vinod Kumar Ladia	Mrs. Bhanupriya Mehta Jain (01.04.2015 to 01.10.2015)	Mr. Manmohan Pareek (02.11.2015 to 31.03.2016)	Mr. N. K. Soni (01.04.2015 to 15.07.2015)	Mr. Vinay Punjawat (08.08.2015 to 31.03.2016)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,30,000	1,26,000	89,400	1,63,742	3,63,870	31,73,012
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9,57,450	53,820	42,380	61,616	1,59,020	12,74,286
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commissioner -%age of profit -Others, specify	- -	- -	- -	- -	- -	- -
5	Others, please specify	-	-	-	-	-	-
	<b>Total</b>	<b>33,87,450</b>	<b>1,79,820</b>	<b>1,31,780</b>	<b>2,25,358</b>	<b>5,22,890</b>	<b>44,47,298</b>

**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)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

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

Place: New Delhi  
Date: 6<sup>th</sup> August, 2016

Sd/-  
(VINOD KUMAR LADIA)  
CHAIRMAN  
DIN: 00168257

### 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 material contracts or arrangement or transactions not at arm's length basis :

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2016 which were not at arms' length basis

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

Particulars	Related Parties				
Name(s) of the related party and Nature of Relationship	<b>M/s. Shree Shyam Distributors &amp; Marketing Pvt. Ltd</b> (Director is the Director in the said Company)	<b>M/s. Rajasthan Yarn Syndicate</b> Relative of Director is proprietor in the said company	<b>M/s. Divine Fibres Pvt. Ltd.</b> (Director is the Director in the said Company)	<b>M/s. V K Texchem Pvt. Ltd.</b> (Director is the Director in the said Company)	<b>M/s. PBS Marketing Pvt. Ltd.</b> (Director is the Director in the said Company)
Nature of contracts/ arrangements/transactions	1. Sale, purchase or supply of any goods or materials 2. Availing or rendering of any services	1. Sale, purchase or supply of any goods or materials 2. Availing or rendering of any services	1. Sale, purchase or supply of any goods or materials 2. Availing or rendering of any services	1. Sale, purchase or supply of any goods or materials 2. Availing or rendering of any services	1. Sale, purchase or supply of any goods or materials 2. Availing or rendering of any services
Duration of the contracts / arrangements /transactions	17.09.2014 To 31.03.2019	17.09.2014 To 31.03.2019	01.04.2014 To 31.03.2019	17.09.2014 To 31.03.2019	29.09.2015 To 31.03.2020
Salient terms of the contracts or arrangements or transactions including the value, if any	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 100 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 25 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 25 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 25 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 25 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.
Justification for entering into such contracts or arrangements or transactions	All business transactions were carried out as a part of business requirements of the company. Further, the company is also subject to pricing norms prevailing in the country.	All business transactions were carried out as a part of business requirements of the company. Further, the company is also subject to pricing norms prevailing in the country.	All business transactions were carried out as a part of business requirements of the company. Further, the company is also subject to pricing norms prevailing in the country.	All business transactions were carried out as a part of business requirements of the company. Further, the company is also subject to pricing norms prevailing in the country.	All business transactions were carried out as a part of business requirements of the company. Further, the company is also subject to pricing norms prevailing in the country.
Date(s) of approval by the Board	22 <sup>nd</sup> May, 2014	22 <sup>nd</sup> May, 2014	22 <sup>nd</sup> May, 2014	22 <sup>nd</sup> May, 2014	8 <sup>th</sup> August, 2015
Amount paid as advances, if any	NIL	NIL	NIL	NIL	NIL
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	17 <sup>th</sup> September, 2014	17 <sup>th</sup> September, 2014	17 <sup>th</sup> September, 2014	17 <sup>th</sup> September, 2014	29 <sup>th</sup> September, 2015

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

Sd/-  
(VINOD KUMAR LADIA)  
CHAIRMAN  
DIN: 00168257

Place: New Delhi  
Date: 6<sup>th</sup> August, 2016

## 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, 2016

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

Directors-

1. Mr. Vinod Kumar Ladia	:	0.059
2. Mr. Vikas Ladia	:	0.077
3. Mr. Anubhav Ladia	:	0.108

\*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 (Director and CEO)	:	0.79%
2) Mr. Vikas Ladia(Director)	:	0.69%
3) Mr. Anubhav Ladia(Director)	:	0.79%
4) Mr. Vinay Punjawat (CFO)	:	N.A.
5) Mr. Manmohan Pareek (CS)	:	N.A.

\*Other Directors receives Sitting Fees only

# The CFO and CS were appointed on 8th August, 2015 and 2nd November, 2015 respectively. Further, there is no increase in their remuneration upto 31st March, 2016.

- iii. the percentage increase in the median remuneration of employees in the financial year; - -0.294%
- iv. the number of permanent employees on the rolls of Company; - 1989
- 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: -12.66%
  - Average increase in the remuneration of KMPs: 0
  - Justification: KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.
- vi. affirmation that the remuneration is as per the remuneration policy of the Company. - Yes

## ANNEXURE - 5

### NOMINATION AND REMUNERATION POLICY

#### INTRODUCTION.

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

#### CONSTITUTION OF COMMITTEE.

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

#### OBJECTIVE

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

The Key Objectives of the Committee would be:

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

#### APPLICABILITY

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

### POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT.

#### **1.Appointment Criteria and Qualifications**

The Committee shall identify and ascertain the integrity,



qualification, expertise and experience of the person for appointment as Director or KMP and recommend to the Board his /her appointment.

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

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

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

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

## **2. Term / Tenure.**

### **a) Managing Director / Whole Time Director/ Independent Director.**

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

### **b) Criteria for evaluation.**

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

#### **Participation:**

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

#### **Knowledge & Skill**

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

#### **Others**

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

#### **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

## **3. POLICY FOR REMUNERATION TO DIRECTORS / KMP.**

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

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

### **2. Remuneration to Non- Executive / Independent Director:**

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

Further, traveling expenses & out of Pocket Expenses shall be reimbursed.

## **ANNEXURE - 6**

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

#### **A. CONSERVATION OF ENERGY**

In order to save cost of energy, the company has taken various steps to reduce consumption of energy like use of synthetic tapes, light weight bobbins, soft starters, energy efficient motors, energy saving spindles etc.

Figures given here under are self explanatory that steps taken by the Company to conserve energy are giving positive response: Particulars with respect to conservation of energy are given as below:

#### **1) Power & Fuel Consumption**

	Current Year	Previous Year
<b>1 Electricity</b>		
(a) Units Purchased	<b>66530748</b>	69801592
Total Amount (Rs. in Lacs)	<b>3323.76</b>	3626.54
Rate per Unit	<b>5.00</b>	5.20
(b) Own Generation		
Through Diesel Generator		
Units	<b>57640</b>	53660
HSD Consumed (in kgs)	<b>14567</b>	12079
Units per Kg. of HSD	<b>3.96</b>	4.44
<b>2. Steam Generation</b>		
(I) Through Furnance Oil Boiler	-	-
FO (in Kgs.)		
Total Cost (Rs.in Lacs)		
Average Rate		
(II) Through Coal		

Coal (in MT.)	2305	2236
Total Cost (Rs.in Lacs)	93	93
Average Rate (Per MT)	4045	4151
<b>(B) Consumption per Unit of Production</b>		
Electricity per kg of yarn (Units)	4.03	4.04
Coal per kg of yarn (kg)		

## B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are as follows:

### 1. Research & Development (R & D)

(a) The Company developed yarns which gave new look in the fabric and reduced the cost as well. Other regular R&D activities for improvement in quality of existing products and productions process for better productivity are also being carried out.

(b) Market of newly developed qualities is better and the Company is receiving continuously repeat orders.

(c) Development of new qualities is being continued. New process parameters to reduce cost of production are being developed.

(d) Expenditure on R & D:

	(Rs. in Lacs)
1. Capital	0.50
2. Recurring	30.95
3. Total	31.45
4. Total R & D Expenditure as a % of total turnover :	0.12%

### 2. Technology Absorption, Adaptation and Innovation:

a. Efforts, in brief, made towards technology absorption, adaptation and innovation:

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.

b. Benefit derived as result of the above:

Company could achieve higher productivity and improved yarn quality.

c. In case of imported technology (imported during last 3 years reckoned from the beginning of the financial Years) N/A

### C. FOREIGN EXCHANGE EARNINGS & OUTGO.

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

Particulars	2015-16 (Rs.in Lacs)	2014-15 (Rs.in Lacs)
1. Total foreign exchange used	271.76	293.02
2. Total foreign exchange earned	2288.88	3001.01

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

Place: New Delhi  
Date: 6<sup>th</sup> August, 2016

Sd/-  
(VINOD KUMAR LADIA)  
CHAIRMAN  
DIN: 00168257

## ANNEXURE -7

### MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The management of Shree Rajasthan Syntex Ltd. is presenting the Management Discussion and Analysis Report covering the operations and financial performance of the Company for the year 2015-16. 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 Multi filament Yarn	31,488 spindles 1800 MT/annum
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 OVERVIEW

1. The Indian textile industry plays an important role in the country's economic growth. The industry is important in terms of output, foreign exchange earnings and employment. One of the key trends seen in the liberalised post-quota period is that India emerged a major sourcing destination for new players. With growing interest in the Indian textiles and clothing sector, a number of buyers opened their sourcing/laison office in India. The recent couple of years were challenging for the Indian Textiles Industry as a result of the global economic slowdown. Back home, the Industry faced challenges of strong demand side pressures due to inflationary trends and volatility in commodity prices.

2. The Textiles industry broadly refers to the production (design and manufacture), distribution and consumption of textiles. It includes fibre and yarns, threads, broad woven, narrow, non-woven and knit fabrics, textiles machinery, linen and uniform supplies, carpet and rugs, canvas mills, textiles finishing etc. Some of the main sources from which textile can be manufactured include, polyester, viscose, wool, silk, cotton, jute and polymers.

3. The textile industry can be segmented into Natural fibres and man made fibres (MMFs) based on the use of basic raw material, cotton or crude derivate respectively. Among the various MMF product in the synthetic and cellulosic segments, polyester and viscose forms about 80% of total domestic consumption. Globally man-made fibre is the most dominantly consumed textile fibre.

#### ► INDUSTRY OPPORTUNITIES

1) India's Textile & Clothing sector is considered as the backbone of the country due to its significant contribution to Indian economy, fulfilling the second most important need of the masses

i.e. Clothes. Currently it contributes around 5% share in GDP, 13% share in India's commodity exports and 14% share in India's Industrial production. It is the second largest employer after agriculture, employing over 45 million people indirectly. It is the 3rd largest foreign exchange earning commodity after petroleum products and gems and jewelry amongst 21 major principle commodity group exported by India to world. And, unlike gem and jewelry, the import content in textiles export is negligible

2) Under the Scheme for Integrated Textile Parks(SITP), the Government of India provides assistance for creation of infrastructure in the parks to the extent of 40 percent with a limit up to Rs 40 crore (US\$ 6 million). Under this scheme the textile unit can also avail its benefits.

3) India had abundance of all raw materials, cotton VSF, PSF and other fibres. In fact we have so much of raw materials that almost 30% of the US \$ 40 billion worth of exports of textiles from India, that is around \$ 12 billion US \$ worth are in the form of fibres and yarns.

4) The Indian government has come up with a number of Export Promotion Policies for the Textiles Sector. It has allowed 100 percent FDI in the Indian Textiles sector under the automatic route.

5) Some of initiatives taken by the government to further promote the industry are as under:

- a. The Government of India is expected to soon announce a new National Textiles Policy. The new policy aims at creating 35 million new jobs by way of increased investments by foreign companies.
- b. The Ministry of Textiles has approved a 'Scheme for promoting usage of geotechnical textiles in North East Region(NER)' in order to capitalise on the benefits of geotechnical textiles. The scheme has been approved with a financial outlay of Rs 427 crore(US\$ 64.1 million) for five years from 2014-2015.

#### ► INDUSTRIAL CHALLENGES

##### 1. 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.

##### 2. 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.

##### 3. Lack of global competitiveness

It is well known that India has an extremely low ranking in the area of ease of doing business. This has been preventing potential investors of these countries from investing in India's Textile Industry. The most important reform required for attracting FDI in the textiles industry is in the area of labour laws where State and Central Governments will have to develop a coordinated approach.

##### 4. 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.

##### 5. High transaction cost

The Indian industries including textile industry are faced with huge transaction cost burden in comparison with exporters in competing countries. The un-neutralized taxes such as CST, VAT, Octroi etc. contribute to higher transaction cost. A long term solution is required with respect to strengthening of physical infrastructure and introduction of tax reforms.

##### 6. Others

- A. Fragmented Industry restricts the scope of enlarging base and emergence as global leaders.
- B. Lack of desirable levels of Technological Development affects the productivity and other activities in whole value chain.
- C. Continuous Quality improvement is need of the hour as there are different demand patterns all over the world.

#### ► 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. Because of increase in cost of coal the cost of generation of power is increasing which may effect 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-a-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. The high tax rate of Central Excise duty and Customs Duty is another hindrance.

#### PRODUCT WISE PERFORMANCE OF THE COMPANY

Chart given below gives the break up of sales between the domestic and export markets for the last 3 years -

Revenue from operations	2013-14	2014-15	2015-16
Export	2685.13	3234.04	<b>2462.75</b>
Domestic	26325.54	26295.69	<b>23308.30</b>

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. Specialty fibre yarns were developed for industrial and home textile applications.

**Dyed yarns:** Dyed yarn is produced at Syntex division of the Company. These yarns are relatively higher value added products and made according to customers specifications of blend, counts and shades. The Company has specialty in producing home textile dyed yarns for end use such as carpets, tapestry and upholstery. Further efforts are being made to develop mélange yarn for weaving and knitting applications.

**Cotton Yarn:** It is produced at Polycot division. These yarns are mainly consumed for woven fabrics terry towel application. The Company produces high quality cotton yarn and has recently started exports of the same.

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

#### ► OPERATIONS

During the year under review the Company was able to handle the various market conditions in both the domestic and export market. The sales turnover of the company was Rs.26296.41 lacs as compared to Rs. 30198.87 lacs of previous year. The Profit (before interest, depreciation & tax) amounted to Rs. 1864.55 lacs and the Profit / (loss ) after tax (PAT) amounted to Rs.(209.83) lacs as compared to profit of Rs.(141.77) lacs in previous year.

#### FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.03.2016

(Rs. In Lacs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Sales		
Domestic	23308.30	26295.69
Export	2462.75	3234.04
Other Revenue	525.36	669.14
<b>Total</b>	<b>26296.41</b>	<b>30198.87</b>
Profit Before interest & depreciation	1864.55	2137.89
Less: Financial Cost	1606.03	1673.91
Profit Before depreciation	258.52	463.98
Less: Depreciation	531.34	780.46
Profit / (Loss) Before exceptional item	(272.82)	(316.47)
Profit Before tax	<b>(272.82)</b>	<b>(316.47)</b>
Less: Deferred tax liability	(62.99)	(174.71)
Profit / (Loss) After tax	<b>(209.83)</b>	<b>(141.76)</b>

#### ► 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 modernising 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 the maximum quantity of yarn produced in the country are converted into the finished products domestically in order to meet the increasing requirements of the garment industry. The sufficient supply of yarn and fabrics internally would reduce the dependence of garment industry on imported yarn and fabrics and promote significant value addition.

#### ► 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. With the philosophy of inclusive growth, the Company has further redefined its performance management system. The new system focuses on progression of individual employees together with organizational goals. Under the new system increased thrust will be on job rotation and multi-skilling. 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 present their important observations to the Audit Committee which 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 ensures the quality and adequacy of the control systems.

The Company has appointed internal auditors for all the 4 units. The internal control ensured 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 ensured compliance with their areas, internal auditors carried out audit test on randomly selected samples and reported on non-compliance or weakness if any through internal audit reports of the respective unit/areas. These reports were 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 - 8

#### REPORT ON CORPORATE GOVERNANCE

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

The Company strongly believes that sound and unambiguous system of the Corporate Governance practices go a long way in retaining investors trust & preserving the interest of all Stakeholders. We believe that it is imperative for us to manage our business affairs in the most fair and transparent manner with a firm commitment to our values.

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

The Company's complete internal control structure seeks to integrate management control over Company operations ensuring compliance with legal requirements and ensuring reliability of financial reporting. It makes the management responsible for implementing and maintaining effective business controls, including internal financial controls whose effectiveness is monitored by self assessment and by audits performed by Independent Internal and Statutory Auditors.

The Company wishes to be a responsible partner in society, acting with integrity towards its shareholders, customers, employees and the Government.

In India, Corporate Governance standards for listed companies are regulated by the Securities & Exchange Board of India (SEBI) through erstwhile Listing Agreement (upto 30<sup>th</sup> November, 2015) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 i.e. "Listing Regulations" (effective from 1<sup>st</sup> December, 2015).

We believe, Corporate Governance is just not a destination, but a journey to constantly improve sustainable value creation. It is an



upward moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in the following pages.

### Best Corporate Governance Practices

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

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

### Ethics / Governance Policies

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

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

### 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

### A. Board Composition and Category of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. As on March 31, 2016 the Company's Board consist of ten Directors comprising of

#### a) Three Executive Directors

- \* Mr. V.K. Ladia, Chairman & Managing Director,
- \* Mr. Vikas Ladia, Joint Managing Director
- \* Mr. Anubhav Ladia, Executive Director

#### b) Seven Non-Executive Directors

- \* Mr. R.L. Kunawat,
- \* Mr. Raj Singh Nirwan,
- \* Mr. N.N. Agrawala,
- \* Mr. Susheel Jain ,
- \* Mr. Sunil Goyal,
- \* Mr. Ravinder Narain &
- \* Mrs. Neelima Khetan (inducted as additional director w.e.f. 22<sup>nd</sup> May, 2015 and regularized as Independent Director in the AGM held on 29<sup>th</sup> September, 2015).

A majority of the Board i.e. 6 (six) out of 10 are Independent Directors. Mr. V.K. Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia are related to each other. Mr. V.K. Ladia being father of Mr. Vikas Ladia and Mr. Anubhav Ladia.

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

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

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

### B. Number of Board Meetings

The Board of Directors met four times during the financial year on 22<sup>nd</sup> May 2015, 8<sup>th</sup> August 2015, 2<sup>nd</sup> November 2015 & 11<sup>th</sup> February 2016. Notices of the meetings & Agenda along with explanatory notes, wherever required, for each meeting were sent to the Directors on time. The maximum time gap between any two consecutive meetings was less than one hundred and twenty days as prescribed in the Listing Regulations and the Companies Act, 2013. The details are also placed in Table 1 below.

### C. 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 are also placed in Table 1.

**Table 1-** The names & 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.

Name of the Director	Category	No. of Board Meetings held	No. of Board Meetings Attended	Attendance in Last AGM	#No. of outside Directorships	*No. of Committee Membership(s)	*No. of Committee Chairmanship(s)	No. Of Shares & Convertible Instruments held
Mr. V.K. Ladia (DIN: 00168257)	CMD	4	4	Yes	3	-	-	466018
Mr. Vikas Ladia (DIN: 00256289)	JMD	4	3	No	-	-	-	302515
Mr. Anubhav Ladia (DIN: 00168312)	ED	4	4	Yes	1	-	-	270032
Mr. R.L. Kunawat (DIN: 00196938)	NED	4	1	Yes	-	-	-	-
Mr. Raj Singh Nirwan (DIN: 00313799)	NEID	4	3	No	-	-	-	-
Mr. N.N. Agrawala (DIN: 00168211)	NEID	4	3	Yes	-	-	-	3384
Mr. Sunil Goyal (DIN: 00110601)	NEID	4	2	No	-	-	-	-
Mr. Susheel Jain (DIN: 00378678)	NEID	4	2	No	-	-	-	29567
Mr. Ravinder Narain (DIN: 00059197)	NEID	4	1	No	3	4	1	6000
Mrs. Neelima Khetan (DIN: 05113000) @	NEID	3	2	No	-	-	-	-

#### Notes:

CMD - Chairman & Managing Director  
JMD - Joint Managing Director  
ED - Executive Director  
NED - Non- Executive Director  
NEID - Non- Executive Independent Director

\*Only Audit Committee & Stakeholder Relationship Committee

#Excluding Pvt Ltd. Co., Foreign Company, Sec-8 Company & Alternate Directorship.

@(inducted as Additional Independent Director w.e.f. 22<sup>nd</sup> May, 2015 and regularized as Independent Director in the AGM held on 29<sup>th</sup> September, 2015).

### 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 participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

#### II. Meetings of Independent Directors

As per provision of Regulation 25 of Listing Regulations and Section 149 of the Companies Act 2013, read with Schedule IV mentioned therein, the Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put for the views to the Board of Directors. A meeting of Independent Director was held on 11<sup>th</sup> February, 2016 during the year in which the following matters were duly taken on record as per the Listing Regulations and Schedule IV of the Companies Act, 2013:

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

### III. Familiarization Programme for Directors

Pursuant to Clause 49(II)(B)(7) of the erstwhile Listing Agreement and Regulation 25(7) of Listing Regulations, the Company shall familiarize the newly appointed Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. The company vide its meeting held on 12<sup>th</sup> February, 2015 duly adopted the Familiarization Programme for directors. The details of such programmes for familiarization of Independent Directors & related matters are available on the website of the company at the link <http://www.srsl.in/documents/Familiarization-Programme-ID.pdf>.

During the year 2015-16, Mrs. Neelima Khetan was appointed as Additional Independent Director w.e.f. 22<sup>nd</sup> May, 2015 and regularized as Independent Director in the AGM held on 29<sup>th</sup> September, 2015. An **orientation programme** was conducted in the Board Meeting held on 2<sup>nd</sup> November, 2015 wherein, Mrs. Neelima Khetan and other Directors were familiarised with the business, operation, financial performance and working position of the company. Further, the Directors were uprised with Industry overview and Business Model of the Company and an outline of Corporate plan and Annual targets was also provided.

### E. Information supplied to the Board

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

1. Annual operating plans of business and budgets including capital budgets and any updates.
2. Quarterly results of the Company and its operating divisions or business segments
3. Company's Annual Financial Results, Financial Statements, Auditors Report & Board's Report.
4. Minutes of meetings of the Audit Committee and other Committees of the Board.
5. 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.
6. Appointment, remuneration and resignation of Directors
7. Formation/reconstitution of Board Committees
8. Terms of reference of Board Committees
9. Declaration by independent directors at the time of appointment/ annually.
10. Disclosures of Director's interest and their shareholding
11. 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.

12. Show cause, demand, prosecution notices and penalty notices, which are materially important.
13. Fatal or serious accidents, dangerous occurrences and any material effluent or pollution problems.
14. Any material default in financial obligations to and by the Company or substantial non payment for goods sold by the Company.
15. 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.
16. Details of any joint venture or collaboration agreement.
17. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
18. 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.
19. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
20. Details of Foreign Exchange Exposures and the steps taken by management to limit the risks of adverse exchange rate, if material.
21. Annual Secretarial Audit Reports submitted by Secretarial Auditors.
22. Dividend declaration, if any.
23. Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made.
24. Significant changes in accounting policies and internal control system.
25. Takeover of a company or acquisition of a controlling or substantial stake in another company.
26. Statement of significant transactions, related party transactions and arrangements entered by unutilized subsidiary companies.
27. Issue of securities
28. Appointment of and fixing of remuneration of the auditors as recommended by the Audit committee.
29. Internal Audit findings and External Audit Reports (through the Audit Committees)
30. Status of business risk exposures, its management and related action plans.
31. Making of loans and investment of surplus funds.

32. Borrowing of monies, giving guarantees or providing security in respect of loans
33. Brief on statutory developments, changes in government policies, among others with impact thereof,
34. Director's Responsibilities arising out of any such developments.
35. Compliance Certificate certifying compliances with all laws as applicable to the Company.
36. 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.
  - 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".
  - Compliance Certificate ensuring maintenance of physical and electronic transfer facility as per Regulation 7(3) 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 and Senior Management Personnel for avoidance of conflict of interest. The Directors and Senior Management Personnel have confirmed compliance with Code of Conduct for the year 2015-16.

A copy of the Code is also available on the Company's website <http://www.srsl.in/documents/CODE.pdf>.

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

#### 3. Audit Committee

The Audit Committee's composition meets with the requirement of Section 177 of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement and Regulation 18 of "Listing Regulations". Members of the Audit Committee possesses financial/accounting expertise/exposure.

As on March 31, 2016 the Audit Committee comprises of 6 Directors, Mr. R.S. Nirwan, Mr. V.K. Ladia, Mr. Sunil Goyal, Mr. R.L. Kunawat Mr. N.N. Agrawala and Mr. Susheel Jain (Mr. Susheel Jain was inducted as a new member of the Audit Committee in the Board Meeting held on 2nd November, 2015)

All the members of the committee except Mr. Vinod Kumar Ladia,

are Non Executive Directors. Mr. R.S. Nirwan, Independent Director, is the Chairman of the Committee.

**Meeting details:** Four meetings of the Audit Committee were held during the financial year on 22<sup>nd</sup> May 2015, 8<sup>th</sup> August 2015, 2<sup>nd</sup> November 2015 & 11<sup>th</sup> February 2016. The accounts and financial positions were perused by the Audit Committee and thereafter placed before the Board for their consideration. The details of meeting and attendance were duly minutised. The Composition and attendance record of the members of the Audit Committee

Sl. No.	Name of the Directors	Position held in the committee and category	Status	No. of meetings held	No. of meetings attended
01	Mr. R.S. Nirwan	Chairman	NEID	4	3
02	Mr. V.K. Ladia	Member	WTD	4	4
03	Mr. R.L. Kunawat	Member	NED	4	1
04	Mr. Sunil Goyal	Member	NEID	4	2
05	Mr. N.N. Agrawala	Member	NEID	4	3
06	Mr. Susheel Jain	Member	NEID	1	1

The Chief Financial Officer and Internal Auditors are invitees to the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. Mr. Raj Singh Nirwan, Chairman, authorised Mr. Narendra Nath Agrawala (member of the Audit Committee) to attend the 35<sup>th</sup> Annual General Meeting (AGM,) on his behalf, which was held on September 29, 2015.

#### 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 judgement 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 Clause 49 of the erstwhile Listing Agreement and Regulation 19 of Listing Regulations. Members of this Committee possess sound expertise / knowledge / exposure. As on March 31, 2016 the Nomination and Remuneration Committee comprises of 3 Directors, Mr. R.S. Nirwan, Mr. R.L. Kunawat, and Mr. N.N. Agrawala. All the members of committee are Non-Executive Directors. Mr. N.N. Agrawala is the Chairman of the Committee. The Company Secretary is the Secretary to the Committee.

**Meeting details:** Three meetings of the Nomination & Remuneration Committee were held during the financial year on 21<sup>st</sup> May 2015, 21<sup>st</sup> July, 2015 & 23<sup>rd</sup> October, 2015. The details of meeting and attendance are duly minuted. The Composition and attendance record of the members of the Nomination and Remuneration Committee meetings are as follows:

Sl. No.	Name of the Directors	Status	Position held in the committee and category	No. of meetings held	No. of meetings attended
01	Mr. N.N. Agrawala	NEID	Chairman	3	3
02	Mr. R.S. Nirwan	NEID	Member	3	1
03	Mr. R.L. Kunawat	NED	Member	3	2

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

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

The Company has duly formulated the **Nomination & Remuneration Policy** which is also available at Company's website [http://www.srsl.in/documents/NOMINATION\\_AND\\_REMUNERATION\\_POLICY.pdf](http://www.srsl.in/documents/NOMINATION_AND_REMUNERATION_POLICY.pdf) which includes :

- 1) Appointment Criteria and Qualifications of Director, KMP and Senior Management & their Removal.
- 2) Term / Tenure of Managing Director / Whole Time Director/



Independent Director.

- 3) Criteria for evaluation.
  - 4) Policy for Remuneration to Managing Director / Whole-Time Director / Key Managerial Personnel & Non-Executive / Independent Director
- ✧ Details of Remuneration / Sitting fees paid to Directors for the year 2015-16 on the basis of Nomination & Remuneration Policy is given below:

Name of Director	Period of service contract	Salary (Rs.)	Allowances (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Sitting fee (Rs.)	Total (Rs.)
Mr.V. K. Ladia (CMD)	3	24,30,000	6,59,025	-	2,98,425	-	33,87,450
Mr.Vikas Ladia (JMD)	3	18,10,000	3,57,977	-	3,13,797	-	24,81,774
Mr. Anubhav Ladia (ED)	3	12,92,000	2,54,667	-	86,013	-	16,32,680
Mr. R.S. Nirwan (NEID)	5	-	-	-	-	42000	42000
Mr. N. N. Agrawala (NEID)	5	-	-	-	-	42000	42000
Mr. R.L. Kunawat (NED)	5	-	-	-	-	14000	14000
Mr. Susheel Jain (NEID)	5	-	-	-	-	21000	21000
Mr.Ravinder Narain (NEID)	5	-	-	-	-	7000	7000
Mr. Sunil Goyal (NEID)	5	-	-	-	-	28000	28000
Mrs. Neelima Khetan (NEID)	5	-	-	-	-	14000	14000

CMD : Chairman & Managing Director  
JMD : Joint Managing Director  
ED : Executive Director  
NED : Non Executive Director  
NEID : Non Executive Independent Director

# Details of Appointment and Notice period of Managing Director and Executive Director for the year 2015-16:

1. Appointment, and the terms thereof, of Mr. V.K. Ladia, Chairman & Managing Director, has been approved for 3 (three) years from 1<sup>st</sup> June, 2013 to 31<sup>st</sup> May, 2016 with 6 months notice period.
2. Appointment, and the terms thereof, of Mr. Vikas Ladia, Joint Managing Director, has been approved for 3 (three) years from 1<sup>st</sup> September, 2013 to 31<sup>st</sup> August, 2016 with 6 months notice period.
3. Appointment, and the terms thereof, of Mr. Anubhav Ladia, Executive Director, has been approved for 3 (three) years from 1<sup>st</sup> September, 2013 to 31<sup>st</sup> August, 2016 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. Non-Executive Independent Directors are being paid Sitting fee of Rs. 7,000/- for each meeting of the Board of Directors and Audit Committee.

# Details of fixed component and performance linked incentive along with the performance criteria : Salary has fixed component only and no performance linked incentive.

# Disclosure of shareholding of above the directors of the Company as on 31<sup>st</sup> March, 2016 are as follows:

Sr. No.	Name of Director	Total No. of shares	% of shareholding
01	Shri V.K. Ladia	4,66,018	3.76%
02	Shri Vikas Ladia	3,02,515	2.44%
03	Shri Anubhav Ladia	2,70,032	2.18%
04	Shri Narendra Nath Agrawala	3,384	0.03%
05	Shri Sushil Jain	29,567	0.24%
06	Shri Ravinder Narain	6,000	0.05%
07	Shri Sunil Goyal	0	0
08	Shri Raj Singh Nirwan	0	0
09	Smt Neelima Khetan	0	0
10	Shri Roshan Lal Kunawat	0	0
	Total	10,77,516	8.69%

## 5. Stakeholders Relationship Committee

The Stakeholders Relationship (SR) Committee composition meets with requirement of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations. The SR Committee is primarily responsible to review all grievances connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. As on March 31, 2016 the Stakeholders Relationship Committee comprises of 3 Directors : Mr. R.L. Kunawat, Mr. V.K. Ladia and Mr. N. N. Agrawala, out of which majority are Non-Executive Directors.

Mr. R.L. Kunawat is the Chairman of the Committee. The Company Secretary is the Secretary and Compliance Officer of the Committee.

**Meeting details:** Four meetings of the Stakeholders Relationship Committee were held during the financial year on 21<sup>st</sup> May 2015, 21<sup>st</sup> July, 2015, 23<sup>rd</sup> October, 2015 & 11<sup>th</sup> February 2016. The details of meeting and attendance are duly minuted. The Composition and attendance record of the members of the Stakeholders Relationship Committee meetings are as follows:

Sl. No.	Name of the Directors	Status	Position held in the committee and category	No. of meetings held	No. of meetings attended
01	Mr. R.L. Kunawat	NED	Chairman	4	3
02	Mr. V.K. Ladia	WTD	Member	4	3
03	Mr. N.N. Agrawala	NEID	Member	4	4

## Number of Shareholder's complaints received and resolved during the year

Details of queries and grievances received and addressed by the Company during FY 2015-2016 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	NIL
Number of complaints resolved	NIL
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2016	NIL
Complaints pending as on March 31, 2016	NIL
Number of Share transfers pending for approval, as on March 31, 2016	NIL

## 6. Sub-Committee of the Board

The Sub-Committee of the Board consisting of Mr. V.K. Ladia, Mr. Vikas Ladia, Mr. Anubhav Ladia, Mr. N.N. Agrawala & Mr. R.L. Kunawat

It deals with various matters including transfer of shares, transmission of shares, issue of duplicate share certificates, approving the split, consolidation requests, demat requests and other matters relating to Securities, etc.

**Meeting details:** During the year 2015-16, Twenty One (21) meetings of Sub-Committee of the Board were held. Three members constitute the quorum for each meeting. The meetings were held on 10<sup>th</sup> April 2015, 30<sup>th</sup> April 2015, 30<sup>th</sup> May 2015, 29<sup>th</sup> June 2015, 27<sup>th</sup> July 2015, 18<sup>th</sup> August 2015, 31<sup>st</sup> August 2015, 7<sup>th</sup> September 2015, 16<sup>th</sup> September 2015, 21<sup>st</sup> September 2015, 7<sup>th</sup> October 2015, 19<sup>th</sup> October 2015, 4<sup>th</sup> November 2015, 25<sup>th</sup> November 2015, 4<sup>th</sup> December 2015, 4<sup>th</sup> January, 2016, 1<sup>st</sup> February 2016, 13<sup>th</sup> February 2016, 20<sup>th</sup> February 2016, 26<sup>th</sup> February, 2016 and 28<sup>th</sup> March 2016.

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

- 1) The Sub-Committee of the Board of Directors is authorised to delegate the below authority in part or in full, with or without modification, to the officers of the Company - Authorization to represent / to appear on behalf of the Company including all the divisions of the Company viz. Shree Rajasthan Syntex, Shree Rajasthan Texchem & Shree Rajasthan Polycot before any Court, any State/Central Government Office, any Executive, Quasi Judiciary, Judiciary and/or other Government authorities including Ajmer Vidyut Vitran Nigam Ltd, Pollution Control Board, P.F., E.S.I., Telephone, C.E.S.T.A.T / Tribunal, Sales Tax, Income Tax, Central Excise & Customs, Coal suppliers, Lignite suppliers etc. and to sign, verify, submit any writ, civil suit application, labour suit application, criminal suit application, affidavit, agreement, petition,

documents, appeals, returns, bonds, challan, invoices, legal undertakings, bank guarantees, registers, letters & other papers on behalf of the Company including all the divisions before any such Court, department/authorities, companies, etc. and to do all other acts and things necessary in connection with any of the said matters.

- 2) The Sub-Committee is authorised to approve and take on record the below matters related to shares-
  - Share Transfer
  - Share Transmission
  - Demat/Remat Request
  - Splitting of Shares
  - Consolidation of Shares
  - Conversion of Shares
  - Issue of Duplicate Share Certificate.
- 3) The Sub-Committee is authorised to approve and take on record the following registers received by the Company from Registrar and Transfer Agent (RTA), M/s Mas Services Ltd.-
  - Share Transfer Register
  - Share Transmission Register
  - Demat/Remat Request Register
  - Renewed and Duplicate Share Certificate Register
  - Any other related registers.
- 4) The Sub-Committee is authorised to approve the below transaction related to financial assistance taken by the Company -
  - Execution of Revival Letter for revival of documents executed by the Company for availment of various credit facilities.
  - Review of existing Credit Facilities with various banks.
  - Renewal and enhancement of working capital facilities
  - Renewal of Financial Assistance provided by various banks.
- 5) Miscellaneous Facilities provided by banks-
  - Increase or decrease in LC limit.
  - Overdraft Facilities
- 6) The Sub-Committee is authorised to approve the below matters related to banking facilities taken by the Company -
  - a. Opening of various bank accounts such as-
    - Current Account
    - Cash Credit Account
    - Demat Account
  - b. Closure of various bank accounts such as -
    - Current Account
    - Cash Credit Account
    - Demat Account
  - c. Internet Banking and Online Banking Facilities.
  - d. Delegation of Authority for operation of bank account.

## 7. General Body Meetings

### ANNUAL GENERAL MEETINGS

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

Financial Year	Date	Time	Venue
2012-13	28 <sup>th</sup> September 2013	2.30PM	Regd. Office : SRSL House, Pulla Bhuwana Road, NH 8, Udaipur-313 004 (Raj.)
2013-14	17 <sup>th</sup> September 2014	2.30PM	Regd. Office : SRSL House, Pulla Bhuwana Road, NH 8, Udaipur-313 004 (Raj.)
2014-15	29 <sup>th</sup> September 2015	2.30PM	Regd. Office : SRSL House, Pulla Bhuwana Road, NH 8, Udaipur-313 004 (Raj.)

The details of Special Resolutions passed at AGMs during last 3 years i.e. 2015, 2014 & 2013 are as under:-

Sl. No.	AGM held on	Special Resolution passed
01	29 <sup>th</sup> September 2015	i. Approval for Related Party Transactions with M/s PBS Marketing Pvt. Ltd. u/s 188 of the Companies Act, 2013. ii. Acceptance of deposits from members u/s 73 of the Companies Act, 2013.
02	17 <sup>th</sup> September 2014	i. Approval of borrowing powers in terms of Section 180(1) (c) of the Companies Act, 2013. ii. Approval for Related Party Transactions with M/s Shree Shyam Distributors & Marketing Pvt. Ltd. u/s 188 of the Companies Act, 2013. iii. Approval for Related Party Transactions with M/s Rajasthan Yarn Syndicate u/s 188 of the Companies Act, 2013. iv. Approval for Related Party Transactions with M/s V. K. Texchem u/s 188 of the Companies Act, 2013. v. Approval for Related Party Transactions with M/s Divine Fibres Pvt. Ltd. u/s 188 of the Companies Act, 2013. vi. Acceptance of deposits from members u/s 73 of the Companies Act, 2013.
03	28 <sup>th</sup> September 2013	i. Reappointment of Shri V.K. Ladia u/s 198, 269, 309, 349, and 350 with Schedule XIII of Companies Act, 1956. ii. Reappointment of Shri Vikas Ladia u/s 198, 269, 309, 349, and 350 with Schedule XIII of Companies Act, 1956. iii. Reappointment of Shri Anubhav Ladia u/s 198, 269, 309, 349, and 350 with Schedule XIII of Companies Act, 1956.

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

### POSTAL BALLOT

During the year, no resolutions have been passed through postal ballot. Also, no special resolution is proposed to be conducted

through postal ballot. Further, none of the business proposed to be transacted in the ensuing Annual General Meeting requires passing through postal ballot.

### 8. Means of Communication

**(a) Quarterly Results:-** The Company's quarterly, half yearly & yearly results in the form prescribed under Listing Regulations were sent to the Stock Exchange, where the shares are listed.

**(b) Newspaper wherein results are published:-** As stipulated under Regulation 47 of the Listing Regulations, the Quarterly Results are published in one English National Newspaper and one Hindi Newspaper within 48 hours of the conclusion of the Board meeting in which the results are 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](http://www.srsl.in) contains a separate dedicated section 'Corporate Governance' where shareholders information is available. The Company's Annual Report is also available in a user friendly and downloadable form.

**(d) Annual Report:-** The Annual Report containing, inter alia, Audited Financial Statements, Board's Report, Auditor's Report and other important information is circulated to members and others entitled thereto. The Management's Discussions and Analysis (MD&A) Report forms part as **Annexure -6** of the Annual Report. Annual Report is displayed on the Company's website ([www.srsl.in](http://www.srsl.in)) also.

**(e.) News releases, presentations, among others:-** Official news releases and official media releases, if any, are sent to Stock Exchanges.

**(f.) Chairman's Communique:-** The printed copy of the Chairman's speech is distributed to shareholders at Annual General Meeting.

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

**For queries on Annual Report:** [cs@srsl.in](mailto:cs@srsl.in)

**For queries in respect of shares in physical mode:** [mas\\_serve@yahoo.com](mailto:mas_serve@yahoo.com)

### 9. General Shareholder Information:

#### a) Annual General Meeting

Day and Date : Monday, 26<sup>th</sup> September, 2016

Time : 2.30 P.M.

Venue : At the Registered Office of the Company at 'SRSL House', Pulla Bhuwana Road, N.H.No.8, Udaipur - 313004

**b) Financial year : 1<sup>st</sup> April, 2015 - 31<sup>st</sup> March, 2016**

**\*Financial Calendar Particulars April 01, 2015 to March 31, 2016**

Unaudited Financial Results for

Quarter ended June 30, 2015 : 08.08.2015

Unaudited Financial Results for

Half Year ended September 30, 2015 : 02.11.2015

**Unaudited Financial Results for**

Third Qtr. ended December 31, 2015 : 11.02.2016

**Audited Financial Results for**

the year ending March 31, 2016 : 30.5.2016

As per Regulation 33 of the Listing Regulations Quarterly Results to be submitted to Stock Exchange within 45 days of end of each Quarter and year to date standalone Financial Results within 60 days of end of last quarter. The below mentioned Tentative Financial Calendar is as per the Listing Regulations:-

**\*Financial Calendar Particulars April 01, 2016 to March 31, 2017 (Tentative)**

1. First Quarter Results : In or before the 2<sup>nd</sup> week of August 2016.
2. Second Quarter & Half Yearly Results : In or before the 2<sup>nd</sup> week of November 2016.
3. Third Quarter & Nine-months Results : In or before the 2<sup>nd</sup> week of February 2016.
4. Fourth Quarter & Annual Results : In or before the 4<sup>th</sup> week of May 2017.

Annual General Meeting 2016-17 : Second week of September, 2017 (Tentative schedule)

**\*Date of Book Closure** : Sunday, 18<sup>th</sup> September, 2016 to Monday, 19<sup>th</sup> September, 2016

**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 Ltd. (BSE). The **Annual Listing fees** for the financial year 2016-17 to BSE has been paid.

**e) Payment of Depository Fees** : Annual Custody/Issuer fee for the year 2016-17 has been paid by the Company to NSDL & CDSL on receipt of the invoices.

**f) Stock Code** : 503837 with BSE Ltd.

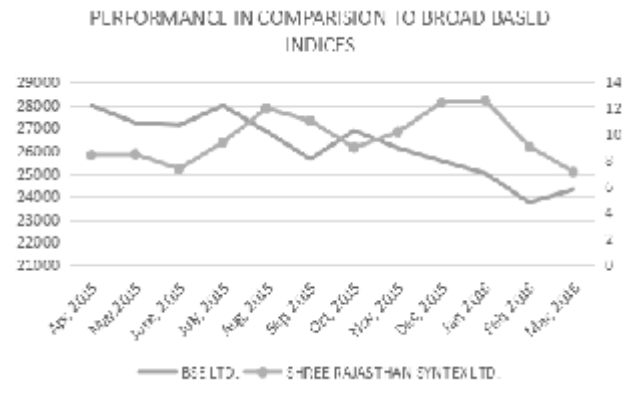
**g) Market price data**

Month	High (Rs.)	Low(Rs.)	Volume
April, 2015	10.10	6.79	1,95,462
May, 2015	10.44	6.60	35,916
June, 2015	8.50	6.25	4,07,181
July, 2015	11.69	7.15	3,18,789
August, 2015	14.01	10.05	1,41,739
September, 2015	12.70	9.49	2,569

October, 2015	9.70	8.32	27,284
November, 2015	11.70	8.72	59,116
December, 2015	13.98	11.00	96,648
January, 2016	14.97	10.30	36,691
February, 2016	11.40	6.84	42,990
March, 2016	7.83	6.50	49,069

**h) Performance in comparison to broad based indices:**

Month	Shree Rajasthan Syntex Ltd.		BSE Ltd.	
	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)
April, 2015	10.10	6.79	29094.61	26897.54
May, 2015	10.44	6.60	28071.16	26423.99
June, 2015	8.50	6.25	27968.75	26307.07
July, 2015	11.69	7.15	28578.33	27416.39
August, 2015	14.01	10.05	28417.59	25298.42
September, 2015	12.70	9.49	26471.82	24833.54
October, 2015	9.70	8.32	27618.14	26168.71
November, 2015	11.70	8.72	26824.30	25451.42
December, 2015	13.98	11.00	26256.42	24867.73
January, 2016	14.97	10.30	26197.27	23839.76
February, 2016	11.40	6.84	25002.32	22494.61
March, 2016	7.83	6.50	25479.62	23133.18



**i) Registrar and 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

**j) 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. All share transfers are approved by the Sub-Committee of the Board of Directors. The Committee met 21 times during the financial year 2015-2016 for consideration of share transfer and similar matters. The Company obtains from a

Company Secretary in Practice Half-yearly Certificate of compliance with the share transfer formalities as required under Clause 47(c) of the former Listing Agreement & Regulation 40 of Listing Regulations and file a copy of the said certificate with Stock Exchange.

**k) Distribution of Shareholding as on 31<sup>st</sup> March, 2016**

**Table k.i Shareholding pattern by size :**

Shareholding of Nominal value (Rs)	No. of shareholders	Total No. of shares	% of share holding
1 - 5000	10560	1396230	11.26
5001 - 10000	560	442862	3.57
10001 - 20000	255	382529	3.08
20001 - 30000	93	230548	1.86
30001 - 40000	52	180825	1.46
40001 - 50000	36	169138	1.36
50001 - 100000	69	478857	3.86
100001 & above	109	9121312	73.55
Total	11734	12402301	100.00

**Table k. ii Shareholding pattern by ownership**

Shareholders	No. of shares held	% of total shares held
Promoters & promoter group	5195211	41.89
Foreign Institutional Investors	150	0.00
Mutual Funds /UTI	4485	0.04
Banks	660	0.00
Corporate Bodies	1021451	8.24
Non -Resident Indian / OCB's	162415	1.31
Public	6017929	48.52
Total	12402301	100.00

**Table- k. iii Shareholding Pattern Category wise**

Category	Number of shareholders	Shareholders (%)	Number of shares held	Shareholding (%)
Electronic	4753	40.51	10984295	88.57
Physical	6981	59.49	1418006	11.43
Total	11734	100	12402301	100.00

**I) Dematerialization of Shares and Liquidity**

As on 31<sup>st</sup> March 2016, 88.57 % of the Company's equity shares have been dematerialized. The Company has entered into an agreement with both National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) whereby shareholders have the option to dematerialize their shares with the Depositories.

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

**m) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity : NIL**

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

The nature of business of the Company does not involve any risks/require hedging activities.

**o) Plant Locations**

- Shree Rajasthan Syntex Ltd., Village - Udaipura, Simalwara Road, Dungarpur - 314 001 (Raj.) Tel: 02964 - 302400 Fax: 02964 - 302500
- Shree Rajasthan Polycot (A Div. of Shree Rajasthan Syntex Ltd) Simalwara Road Dungarpur- 314001 (Raj.) Tel: 02964 -302400 Fax: 02964- 302503
- Shree Rajasthan Texchem (A Div. of Shree Rajasthan Syntex Ltd) Village - Patapura, Simalwara Road Dungarpur - 314 001 (Raj.) Tel: 02964 - 302400, Fax: 02964- 302502

**p) Address for correspondence** 'SRSL House', Pulla  
**/Registered office :** Bhuwana Road, N.H 8, Udaipur, (Raj.) -313 004

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

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

- Code of Practices And Procedures For Fair Disclosure of Unpublished Price Sensitive Information.
- 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. Mrs. Bhanupriya Mehta Jain (upto 30<sup>th</sup> September, 2015) and Mr. Manmohan Pareek w.e.f. 2<sup>nd</sup> November, 2015, 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/he 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

As per requirement of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 49 of the Erstwhile Listing Agreement, a certificate duly signed by CEO and CFO of the Company was placed at the Board meeting of the Company held on 30<sup>th</sup> May, 2016 and forms a part of this Report on Corporate Governance.

**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 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 Clause 49 of the erstwhile Listing Agreement, the Vigil Mechanism / Whistle Blower Policy was formulated to provide an opportunity to employees and an avenue to raise concerns about the unethical behaviour actual or suspected fraud or violation of the Company's code or ethics policy and to access in good faith the Audit Committee, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against those employees.

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

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

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

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

**d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

The Company complies with all the requirements of the Listing Regulations. Your Company has complied with the mandatory

requirements and has not adopted the non-mandatory requirements of the Listing Regulations.

**16. Non-compliance of any requirement of Corporate Governance Report of sub-paras (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.**

**Declaration affirming compliance with Code Of Conduct**

I hereby confirm & declare that all the Board members and Senior Management Personnel have individually affirmed compliance with the Code of Conduct adopted by the Company for the financial year ended 31<sup>st</sup> March, 2016.

Place : Udaipur

Date : 30<sup>th</sup> May, 2016

Sd/-

**VINOD KUMAR LADIA**

(Chief Executive Officer)

DIN: 00168257

**Compliance Certificate from Statutory Auditors regarding compliance of conditions of Corporate Governance**

Certificate from the Company's Auditors, M.C. Bhandari & Co. Chartered Accountants, confirming compliance with conditions of Corporate Governance as stipulated under Regulation 34 read with Schedule V of the Listing Regulations, is as mentioned below.

**M.C.BHANDARI & CO.**

CHARTERED ACCOUNTANTS

**To**

**The Members of Shree Rajasthan Syntex Ltd**

We have examined the compliance of conditions of Corporate Governance by Shree Rajasthan Syntex Ltd, for the year ended on 31<sup>st</sup> March, 2016 as stipulated in Clause 49 of the former Listing Agreement and Schedule V(E) of Listing Regulations of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement and Listing Regulations with relevant Stock Exchange.

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

**Place : New Delhi**  
**Date : 06<sup>th</sup> August, 2016**

**For M.C. Bhandari & Co**  
**Chartered Accountants,**  
**Firm Reg. No. 303002E**

**Sd/-**  
**C.A. V. CHATURVEDI**  
**PARTNER**  
**M. No.13296**

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**M. C. BHANDARI & CO.**  
**CHARTERED ACCOUNTANTS**  
**22 GAURAV NAGAR, HAWA SADAK, CIVIL LINES, JAIPUR 302001**

**Independent Auditor's Report**

To the Members of Shree Rajasthan Syntex Ltd.

**Report on the Financial Statements**

We have audited the accompanying financial statements of Shree Rajasthan Syntex Ltd., which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2016, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
- 2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for

the purposes of our audit;

- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in Annexure "B", and
- g) with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, in our opinion and to best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29(e) & 32 to the financial statements.
  - ii. The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor and Education and Protection Fund by the Company.

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

**Place: Udaipur**  
**Date: May 30<sup>th</sup>, 2016**

**Sd/-**  
**CA V. Chaturvedi**  
**Partner**  
**Membership No. : 013296**

### ANNEXURE "A" REFERRED TO THE AUDITORS REPORT

( Referred to in our report of even date)

Annexure referred to in Point 1 of the Auditor's Report of even date to the members of  
 Shree Rajasthan Syntex Ltd for the year ended as on March 31, 2016.

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

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situations of Fixed Assets.
- b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased program of verification adopted by the company and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of Company.
- (ii) The company has conducted physical verification of its inventories (excluding materials in transit and stock lying with third parties) at reasonable intervals. No material discrepancies were noticed during physical verification.
- (iii) The Company has granted loan to a party covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') in earlier years.
  - a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the parties listed in the register maintained under Section 189 of the Act was not, *prima facie*, prejudicial to the interest of the Company,
  - b) In the case of loan granted to the party listed in the register maintained under section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.



- (v) The Company has accepted deposits, to the best of our knowledge & belief, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with.
- (vi) The Central Government has prescribed maintenance of the cost records U/S 148(1) of the Companies Act, 2013 in respect to the company's products. We have broadly reviewed the books of account & records maintained by the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, ESI, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, ESI, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are not material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, sales tax and value added tax have not been deposited by the Company on account of disputes:

S. No.	Name of the Statute	Nature of the dues	Amount (Rs. In lacs)		Period to which the amount relates (F.Y.)	Forum where dispute is pending
			Gross.	Amount deposited under protest		
1	Rajasthan Stamps Act	Stamp Duty	2.70	0.90	2012-13	Tax Board, Ajmer
2	Rajasthan Tax into entry of goods into local area Act, 1999	Entry tax and interest	303.40	121.31	2006-07 to 2012-13	Supreme court of India
3	Central Excise Act 1994	Excise Duty and Custom Duty	0.27	0.27	1996-97	Dy Commissioner / Asst
4	Central Excise Act 1994	Excise Duty and Custom Duty	1.53	1.53	2007-08 to 2008-09	Dy Commissioner / Asst
5	Central Excise Act 1994	Excise Duty and Custom Duty	29.69	5.87	1994-95 to 2007-08	Commissioner Appeals
6	Central Excise Act 1994	Excise Duty and Custom Duty	64.27	35.03	1995-96 to 2009-10	CESTAT
7	Service Tax	Service Tax	30.86	5.88	2004-05 to 2009-10	CESTAT
8	Service Tax	Service Tax	15.63	7.63	2004-05 to 2008-09	Commissioner (Appeals)
9	Rajasthan Value Added Tax 2003	Value added tax with RIPS	451.79	60.85	2007-08 to 2012-13	Rajasthan Tax Board, Ajmer

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

**For M C Bhandari & Co.**  
**Chartered Accountants**  
**Firm Reg.no.303002E**

**Place : Udaipur**  
**Date : 30<sup>th</sup> May 2016**

**Sd/-**  
**CA V. CHATURVEDI**  
**Partner**  
**Membership No. 13296**

**ANNEXURE - B TO THE AUDITOR'S REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Shree Rajasthan Syntex Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M C Bhandari & Co.  
Chartered Accountants  
Firm Reg.no.303002E**

**Place : Udaipur  
Date : 30<sup>th</sup> May 2016**

**Sd/-  
CA V. CHATURVEDI  
Partner  
Membership No. 13296**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

Particulars	Note No.	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	2	1240.23	1240.23
(b) Reserves & Surplus	3	1990.09	2199.92
		3230.32	3440.15
<b>(2) Non- current liabilities</b>			
(a) Long-term borrowings	4	4500.18	5923.05
(b) Deferred tax liabilities (Net)	5	319.48	382.49
(c) Other Long term liabilities	6	151.17	127.92
(d) Long term provisions	7	288.60	290.11
		5259.43	6723.57
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	8	4441.60	4506.43
(b) Trade payables	9	4771.86	4158.22
(c) Other current liabilities	10	2059.30	1609.36
(d) Short term provisions	11	187.51	143.22
		11460.27	10417.23
Total		19950.02	20580.95
<b>II. ASSETS</b>			
<b>(1) Non- current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	9375.39	10232.69
(ii) Intangible assets	12	0.02	0.12
(iii) Capital work-in-progress	12	0.00	2.88
(b) Non-current investments	13	0.15	40.15
(c) Long-term loans and advances	14	263.64	231.08
		9639.20	10506.92
<b>(2) Current assets</b>			
(a) Inventories	15	4510.88	4510.22
(b) Trade receivables	16	1126.31	1443.52
(c) Cash and cash equivalents	17	109.35	178.47
(d) Short-term loans and advances	18	380.58	365.34
(e) Other current assets	19	4183.70	3576.48
		10310.82	10074.03
Total		19950.02	20580.95
Significant Accounting Policies	1		
Note on Financial Statements	2 to 41		

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

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

Sd/-  
VINOD KUMAR LADIA  
CHAIRMAN,  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
(DIN :00168257)

Sd/-  
ROSHAN LAL KUNAWAT  
DIRECTOR  
(DIN :00196938)

Sd/-  
CA V. CHATURVEDI  
Membership. No. 13296  
Partner  
Date: 30.05.2016  
Place: Udaipur

Sd/-  
MANMOHAN PAREEK  
COMPANY SECRETARY

Sd/-  
VINAY PUNJAWAT  
CHIEF FINANCIAL OFFICER



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

Particulars	Note No.	2015-2016 Rs. (in lacs)	2014-2015 Rs. (in lacs)
<b>Revenue from operations</b>	20	<b>25956.71</b>	29734.32
<b>Other Income</b>	21	<b>339.70</b>	464.55
<b>Total Revenue</b>		<b>26296.41</b>	30198.87
<b>Expenses :</b>			
Cost of materials consumed	22	<b>16968.41</b>	19,626.24
Purchases of Stock -in-Trade		<b>1.62</b>	186.62
Changes in inventories of finished goods- work-in-progress and stock-in-trade	23	<b>(532.98)</b>	(200.63)
Employee benefits expenses	24	<b>2831.16</b>	2903.61
Finance costs	25	<b>1606.03</b>	1673.91
Depreciation and amortisation Expenses		<b>531.34</b>	780.46
Other Expenses	26	<b>5163.65</b>	5545.13
<b>Total expenses</b>		<b>26569.23</b>	30515.35
<b>Profit before tax</b>		<b>(272.82)</b>	(316.47)
<b>Tax Expenses:</b>			
(1) Income Tax (Earlier year's)		<b>0.02</b>	-
(2) Deferred Tax written back		<b>63.01</b>	174.71
<b>Profit/(Loss) for the period</b>		<b>(209.83)</b>	(141.76)
<b>Earning per equity share :</b>	28		
Basic & Diluted		<b>(1.69)</b>	(1.14)
Significant Accounting Policies	1		
Note on Financial Statements	2 to 41		

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Sd/-  
VINAY PUNJAWAT  
CHIEF FINANCIAL OFFICER

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT

	2015-16	2014-15
<b>A Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary items	(272.82)	(316.48)
<b>Adjustments for</b>		
Depreciation	531.34	780.46
Provision for Leave Encashment/Gratuity	7.74	6.50
Loss on Sale of Assets/Investments (Net)	(125.90)	(323.85)
Interest Income	(164.06)	(81.51)
Interest Expenses	1,535.08	1,635.90
Exchange Fluctuation	70.94	38.01
Operating Profit before Working Capital Changes	1,582.32	1,739.03
<b>Adjustments for</b>		
Trade and other Receivables	(348.90)	(99.02)
Inventories	(0.67)	70.04
Trade and other payable	751.33	665.37
Cash Generation from Operations	1,984.08	2,375.42
Less: Taxes paid (Net of Refunds)	(5.38)	(9.90)
Net Cash from Operating Activities	1,989.46	2,385.32
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets/Capital Expenditure	(10.75)	(190.23)
Sale of Fixed Assets	457.50	428.01
Sale of Investment	48.10	-
Cash used in Investing Activities	494.85	237.78
<b>C Cash flow from Financing Activities</b>		
Proceeds from Term Borrowings	-	163.76
Repayment of Loans	(1,182.76)	(1,541.26)
Proceeds of Fixed Deposits/ICD	130.42	(6.61)
Intercompany and Other Loans	5.70	6.60
Change in Short Term Borrowings	(64.83)	368.97
Interest Expenses	(1,535.08)	(1,635.90)
Interest Income	164.06	81.51
Foreign Exchange Fluctuation	(70.94)	(38.01)
Net Cash Realised from Financing Activities	(2,553.43)	(2,600.94)
Add: Cash and Cash Equivalent as at 31.03.2015	178.47	156.31
Cash and Cash Equivalent as at 31.03.2016	109.35	178.47

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

For and on behalf of  
**M/s M.C. BHANDARI & CO.**  
Chartered Accountants  
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Date: 30.05.2016  
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Sd/-  
**MANMOHAN PAREEK**  
COMPANY SECRETARY

Sd/-  
**VINAY PUNJAWAT**  
CHIEF FINANCIAL OFFICER

## 1. SIGNIFICANT ACCOUNTING POLICIES

### i) FIXED ASSETS AND DEPRECIATION:

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

### ii) INVENTORIES:

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

A	Raw Materials	At Batch cost.
B	Stores, Spares	At First In First Out method.
C	Fuel	Monthly weighted average
D	Work-in-progress	(i) Preparatory Stage - at cost (ii) Yarn Stage-at cost or net realizable value whichever is lower.
E	Finished goods	at cost or net realizable value whichever is lower. [Cost formula used in clause (D) &

(E): - Conversion cost and other cost in bringing the inventories to their present location and condition.]

F Waste and Scrap

at net realisable value.

G Trading stocks

at cost of purchase

### iii) INVESTMENTS :

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

### iv) Raw Material consumption is net of Export benefits.

### v) RESEARCH AND DEVELOPMENT:

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

### vi) EMPLOYEE BENEFITS:

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

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

The costs of providing leave encashment and gratuity, defined benefit plans, are determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The leave encashment and gratuity benefit obligation recognized in the Balance Sheet represents the present value of the obligations as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

### vii) PRELIMINARY, CAPITAL ISSUES AND DEFERRED REVENUE EXPENSES :

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

period of five years.

**viii) REVENUE RECOGNITION:**

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

**ix) CENVAT**

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

**x) FOREIGN CURRENCY TRANSACTION :**

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on

forward contracts is recognized over the life of the contract.

- c. Non monetary foreign currency items are carried at cost.
- d. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**xi) EXPORT BENEFITS:**

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

**xii) PROVISIONS AND CONTINGENT LIABILITIES :**

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

**xiii) TAXATION :**

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

**xiv) EXCISE DUTY :**

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

**Notes on Financial Statements for the Year ended 31<sup>st</sup> March, 2016**
**2 Share Capital**

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
<b>AUTHORISED :</b>		
(i) 2,60,00,000 (Previous year 2,60,00,000) Equity Shares of Rs.10/- each	2600.00	2600.00
(ii) 6,00,000 (Previous year 6,00,000) Cumulative Redeemable Preference Shares of Rs.100/- each	600.00	600.00
	<b>3200.00</b>	<b>3200.00</b>
<b>ISSUED,SUBSCRIBED AND FULLY PAID UP:</b>		
1,24,02,301 (Previous year 1,24,02,301) Equity Shares of Rs.10/-each	1240.23	1240.23
	<b>1240.23</b>	<b>1240.23</b>

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

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

Name of the Share holders	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	% held	No. of Shares	% held
SBSL Securities Ltd.	2092455	16.87	2092455	16.87
Shree Shyam Distributors & Maktg. (P) Ltd.	817324	6.59	817324	6.59

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

	As at 31.03.2016 No. of Shares	As at 31.03.2015 No. of Shares
Equity share at the beginning of the year	12402301	12402301
Equity shares allotted on conversion of warrants	-	-
Equity share at the closing of the year	<b>12402301</b>	<b>12402301</b>

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

**3 Reserves & Surplus**

	As at 01.04.2015 Rs. (in lacs)	Addition/ Transfer Rs. (in lacs)	Deduction/ Transfer Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)
<b>Reserves</b>				
Capital Reserves	75.00	-	-	<b>75.00</b>
Share Premium	1998.42	-	-	<b>1998.42</b>
Securities Premium	718.82	-	-	<b>718.82</b>
Capital Redemption Reserve	500.00	-	-	<b>500.00</b>
Capital Subsidy	17.28	-	-	<b>17.28</b>
Total (A)	<b>3309.52</b>	-	-	<b>3309.52</b>
<b>General Reserve</b>	177.12	-	-	<b>177.12</b>
<b>Profit &amp; Loss Account</b>				
Opening balance	(1,286.72)	(209.83)	-	<b>(1,496.55)</b>
Total (B)	<b>(1,109.60)</b>	<b>(209.83)</b>	-	<b>(1,319.43)</b>
Grand Total (A+B)	2199.92	(209.83)	-	<b>1990.09</b>



#### 4 Long Term Borrowings

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
<b>(i) Term Loans from Banks (Secured)</b>		
IDBI	1745.78	2420.78
BOB	1725.00	2103.00
SBI	933.52	1393.52
	<u>4404.30</u>	<u>5917.30</u>
<b>(ii) Deposits (Unsecured)</b>		
- From Directors	43.75	-
- From Related Parties	52.13	5.75
	<u>95.88</u>	<u>5.75</u>
<b>Total</b>	<b>4500.18</b>	<b>5923.05</b>

4.1 Term Loans from IDBI Bank Ltd. (IDBI), State Bank of India (SBI), and Bank of Baroda (BOB) are secured by a joint equitable mortgage, by deposit of title deeds, over the company's immovable assets and a charge by way of hypothecation of all movable assets (except Plant & Machinery exclusively charged in favour of BOB for Loan of Rs.1060.00 Lacs respectively, (Previous year Rs. 1100.00 lacs) present and future subject to prior charges on specified movables created in favour of company's Bankers and personal guarantee of two directors. The mortgage and charges created shall rank pari-passu inter-se amongst the financial Institution and Banks.

Repayment Due in Financial Years	IDBI	BOB	SBI	Total Rs. (in lacs)
2017-2018	686.00	320.00	460.00	1466.00
2018-2019	899.78	135.00	473.52	1508.30
2019-2020	160.00	520.00	-	680.00
2020-2021	-	435.00	-	435.00
2021-2022	-	315.00	-	315.00
<b>Total</b>	<b>1745.78</b>	<b>1725.00</b>	<b>933.52</b>	<b>4404.30</b>

4.3 Interest Rates are lending Bank's Base Rates + 3 to 4.50%.

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

Repayment Due in Financial Years	Amount Rs. In lacs
2017-2018	5.75
2018-2019	90.13
<b>Total</b>	<b>95.88</b>

#### 5 Deferred Tax Liabilities (Net)

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
<b>Deferred tax liabilities (Net)</b>	<b>319.48</b>	<b>382.49</b>
	<u>319.48</u>	<u>382.49</u>

5.1 The Company has estimated the deferred tax charge using the applicable rate of taxation based on the impact of timing difference between financial Statements and estimated taxable income for the current year. The component of the deferred tax balance as on 31.03.2016 and 31.03.2015 are as follows :-

	31.03.2016 Rs. In Lacs	31.03.2015 Rs. In Lacs
<b>Deferred Tax Assets</b>		
Brought Forward Losses	1790.20	1746.88
Gratuity / Leave encashment	148.10	131.04
<b>Total Assets</b>	<b>1938.30</b>	<b>1877.92</b>
<b>Deferred Tax Liability</b>		
Depreciation	2257.78	2260.41
	<u>2257.78</u>	<u>2260.41</u>
<b>Net Deferred Tax ( Assets ) / Liability</b>	<b>319.48</b>	<b>382.49</b>

#### 6 Other Long Term Liabilities

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
Deposit & Advances	151.17	127.92
	<u>151.17</u>	<u>127.92</u>

#### 7 Long Term Provisions

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
Provision for Employees benefits	288.60	290.11
	<u>288.60</u>	<u>290.11</u>

## 8 Short Term Borrowings

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
Working Capital Loans (Banks)		
Foreign Currency Loan	249.20	732.62
Rupee Loan	4192.40	3773.81
	<u>4441.60</u>	<u>4506.43</u>

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

## 9 Trade Payables

	Rs. (in lacs)	As at 31.03.2016 Rs. (in lacs)	Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
<b>Acceptances</b>		<b>1484.56</b>		<b>1499.71</b>
<b>Trade Payables</b>				
a) Micro Small and Medium Enterprises	2.39		7.35	
b) Others	<u>3284.91</u>	<u>3287.30</u>	<u>2651.16</u>	<u>2658.51</u>
		<u>4771.86</u>		<u>4158.22</u>

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

Particulars	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
1. Principal amount due outstanding	2.39	7.35
2. Interest due on (1) above and unpaid	-	-
3. Interest paid to the suppliers during the year	-	-
4. Payments made to the supplier beyond the appointed day during the year	-	-
5. Interest due and payable for the period of delay	-	-
6. Interest accrued and remaining unpaid	-	-
7. Amount of further interest remaining due and payable in succeeding year	-	-

## 10 Other Current Liabilities

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
Unclaimed dividend (*)	4.44	4.46
Unclaimed Public Fixed Deposit (*)	-	0.19
Interest accrued and due on unclaimed deposits (*)	-	0.07
Other Liabilities (*)	303.74	195.14
Unclaimed Interest on PFD (*)	0.08	-
Deposit & Advances	82.44	97.80
Deposits due within one year from Related parties	68.95	31.52
Creditors for Capital Expenditures	7.67	9.85
Deposits due within one year from Directors	14.42	11.56
Interest accrued but not due on borrowing	64.56	76.01
Term Loan Instalment due within one year	<u>1513.00</u>	<u>1182.76</u>
	<u>2059.30</u>	<u>1609.36</u>

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

## 11 Short Term Provisions

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
Provision for Employees benefits	<u>187.51</u>	<u>143.22</u>
	<u>187.51</u>	<u>143.22</u>

Note :

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

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

**13 Non-Current Investments**

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
<b>Other Investments (Unquoted)</b>		
<b>Corporate Bodies</b>		
300000 Equity Share of SRSL Securities Ltd. - - of Rs. 10/- each (Associate Company)	-	30.00
10,000 Equity shares of Shyam Texchem (P) Ltd. of Rs. 100/- each.	-	10.00
<b>Others</b>		
National Saving Certificates (Pledged with Sales Tax Authorities)	0.15	0.15
	<u>0.15</u>	<u>40.15</u>

**14 Long-Term Loans and Advances**

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
(i) Capital Advances	0.00	19.59
(ii) Security Deposits (Others)	178.98	121.46
(iii) Loan & Advances to related parties (SRSL Employees Welfare Trust )	80.50	86.20
(iv) Others (Prepaid Expenses)	4.16	3.83
	<u>263.64</u>	<u>231.08</u>

**15 Inventories**

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
<b>Raw Materials</b>		
- Man made fibre	322.73	523.51
- Cotton	148.88	232.20
- Fibre Stock in Deptt.	47.22	46.74
- Stock in transit	117.92	256.31
	<u>636.75</u>	<u>1058.76</u>
<b>Work-in-Process</b>	713.31	831.40
<b>Finished Goods</b>		
- Stock in transit	2788.17	2131.20
	<u>50.64</u>	<u>52.73</u>
<b>Stock in trade</b>	6.02	2183.93
<b>Stores &amp; Spares</b>	282.71	6.40
- Stock in transit	22.43	347.57
		<u>67.40</u>
<b>Others</b>		
Waste & Scrap	10.85	14.76
	<u>4510.88</u>	<u>4510.22</u>

**16 Trade Receivables**

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
<b>Trade receivables</b> (Unsecured & Considered Good)		
Over six months	42.13	40.39
Others	1084.18	1403.13
	<u>1126.31</u>	<u>1443.52</u>

**17 Cash and Cash Equivalents**

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
<b>Cash and Bank Balances</b>		
Cheques, Drafts on hand	39.54	111.11
Cash -on- Hand	3.99	4.07
Balance in Current account with Banks	2.29	1.05
Bank Deposit (Maturity within 3 months)	32.77	6.39
	<u>78.59</u>	<u>122.62</u>
<b>Balances with Banks</b>		
(i) Dividend Accounts	4.44	4.46
(ii) Bank Deposit (Maturity above 3 to12 months)	26.32	51.39
	<u>30.76</u>	<u>55.85</u>
	<u>109.35</u>	<u>178.47</u>

**18 Short-Term Loans and Advances**

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
Loans & Advances to related parties (SRSL Employees Welfare Trust )	5.00	5.00
Others		
Advance recoverable in cash or kind	375.58	360.34
	<b>380.58</b>	<b>365.34</b>

**19 Other Current Assets**

	As at 31.03.2016 Rs. (in lacs)	As at 31.03.2015 Rs. (in lacs)
Claims and Export Incentives Recoverable	2325.75	1694.09
Interest accrued on trade receivables	5.49	6.67
Interest Subsidy Recoverable (TUFs)	422.04	281.11
Advance Income Tax	367.30	372.70
Balance with Excise Deptt.	1015.13	1170.12
Others	47.99	51.79
	<b>4183.70</b>	<b>3576.48</b>

**20 Revenue From Operations**

	Rs. (in lacs)	This Year Rs. (in lacs)	Rs. (in lacs)	Previous Year Rs. (in lacs)
a). Sale of Products				
- Domestic	23601.92		26555.27	
- Export	2462.75		3234.04	
	<b>26064.67</b>		<b>29789.31</b>	
Less :- Sales Return of Previous year	-	26064.67	1.04	29788.27
b) Other Operating Revenues				
-Miscellaneous Income	0.51		0.45	
- Insurance Charges Recovered on despatches	90.18		97.68	
- Insurance Claims of damaged goods	1.57		2.53	
- Depot Charges on sales	93.40	185.66	103.93	204.59
		<b>26250.33</b>		<b>29992.86</b>
c) Less : Excise Duty		293.62		258.54
		<b>25956.71</b>		<b>29734.32</b>

**21 Other Income**

		This Year Rs. (in lacs)		Previous Year Rs. (in lacs)
a) Interest Income				
Interest Recovered from customers	65.92		64.66	
Interest received on Bank FDR's, loans & others	98.13	164.05	16.85	81.51
b) Other Non-Operating Income				
Miscellaneous Income	32.96		32.06	
Rent / Lease rent Received	-		0.58	
Profit on disposal of Fixed Assets (*)	119.81		323.85	
Profit on sale of Investments	8.10		-	
Income Related to Previous year	0.58		0.10	
Insurance claim received	2.04		9.27	
Sundry balances / Liabilities written Back	12.16	175.65	17.18	383.04
		<b>339.70</b>		<b>464.55</b>

(\*) Note :- Refer Note No. 37.

**22 Cost of Material Consumed**

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Fibre Consumption	16258.13	18812.85
Dyes & Chemical Consumption	288.45	310.63
Packing Material Consumption	379.37	436.46
Others	42.46	66.30
	<b>16968.41</b>	<b>19626.24</b>



	This Year Rs. (in lacs)	(% of Consumption)	Previous Year Rs. (in lacs)	(% of Consumption)
22.1 Value of Raw material Consumed				
- Imported	195.29	1.15	141.46	0.72
- Indigenous	16773.12	98.85	19484.78	99.28
Total	16968.41	100.00	19626.24	100.00
22.2 Particulars of Material Consumed				
Cellulosic and non Cellulosic	15219.19		17297.69	
Cotton	1327.39		1825.79	
Others	421.83		502.76	
Total	16968.41		19626.24	

### 23 Increase/ Decrease In Stocks

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
<b>Opening Stock :</b>		
Yarn	2183.93	1861.55
Fabrics	6.40	0.00
Waste & Scrap	14.76	15.88
Work in process	878.14	1005.17
	3083.23	2882.60
<b>Closing stock:</b>		
Yarn	2838.81	2183.93
Fabrics	6.02	6.40
Waste & Scrap	10.85	14.76
Work in process	760.53	878.14
	3616.21	3083.23
<b>(INCREASE)/ DECREASE IN STOCKS</b>	<b>(532.98)</b>	<b>(200.63)</b>

### 24 Employee Benefits Expenses

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
<b>Payment &amp; Provision for Employees:</b>		
Salaries, Wages, Bonus & Allowances	2475.32	2508.95
Contribution to Provident Fund & ESI	280.30	289.98
Welfare Expenses	24.74	27.74
Gratuity	50.80	76.94
	2831.16	2903.61

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

Particulars	Gratuity (Funded) Rs. In Lacs	Leave Encashment (Unfunded) Rs. In lacs
<b>EXHIBIT A.1: AMOUNT RECOGNISED IN BALANCE SHEET</b>		
Defined Benefit Obligation	326.18	37.28
Fair value of plan assets	(2.19)	-
Funded status - (surplus)/deficit	323.99	37.28
Unrecognised past service (cost)/credit	-	-
Para 59(b) limit	-	-
Liability/(asset) recognised in balance sheet	323.99	37.28
<b>EXHIBIT A.2: AMOUNT RECOGNISED IN STATEMENT OF PROFIT &amp; LOSS</b>		
Current service cost	45.27	9.31
Interest cost	23.74	2.17
Expected return on plan assets	(0.47)	-
Employee contributions	-	-
Past service cost - vested benefits	-	-
Past service cost - non-vested benefits	-	-
Effect of limit in para 59(b)	-	-
Settlement/curtailment cost/(credit)	-	-
Actuarial loss/(gains)	(10.74)	1.16
Total employer expense	57.79	12.64

Particulars	Gratuity (Funded) Rs. In Lacs	Leave Encashment (Unfunded) Rs. In lacs
<b>EXHIBIT A.3: ACTUAL RETURN ON PLAN ASSETS</b>		
Expected return on plan assets	0.47	-
Actuarial gain/(loss) on plan assets	(2.93)	-
Actual return on plan assets	(2.45)	-
	-	-
<b>EXHIBIT A.4: RECONCILIATION OF DEFINED BENEFIT OBLIGATION</b>		
Defined Benefit Obligation as at 31 March 2015	329.09	30.29
Current service cost	45.27	9.31
Interest cost	23.74	2.17
Employee contributions	-	-
Past service cost - vested benefits	-	-
Past service cost - non-vested benefits	-	-
Amalgamations	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Actual benefit payments	(58.25)	(5.66)
Actuarial loss/(gains) due to change in assumptions	4.59	0.45
Actuarial loss/(gains) due to plan experience	(18.26)	0.71
Defined Benefit Obligation as at 31 March 2016	326.18	37.28
<b>EXHIBIT A.5: RECONCILIATION OF FAIR VALUE OF PLAN ASSETS</b>		
Fair value of assets as at 31 March 2015	5.87	-
Expected return on plan assets	0.47	-
Contributions by sponsor	57.03	-
Employee contributions	-	-
Actual benefit payments from fund	(58.25)	-
Amalgamations	-	-
Settlements	-	-
Actuarial gains/(loss)	(2.93)	-
Fair value of assets as at 31 March 2016	2.19	-
<b>EXHIBIT A.6: RECONCILIATION OF BALANCE SHEET AMOUNT</b>		
Net liability as at 31 March 2015	323.22	30.29
Employer expense for the period	57.79	12.64
Benefit payments made directly by Sponsor	-	(5.66)
Actual contributions by sponsor	(57.03)	-
Net liability as at 31 March 2016	323.99	37.28
<b>EXHIBIT A.7: RECOGNITION OF ACTUARIAL GAIN/LOSS</b>		
Actuarial loss/(gain) arising on DBO	(13.67)	1.16
Actuarial loss/(gain) arising on plan assets	2.93	-
Total loss/(gain) for the period	(10.74)	1.16
(Loss)/gain recognised during the period	10.74	(1.16)
Unrecognised actuarial loss/(gain)	-	-
<b>EXHIBIT A.8: RECOGNITION OF PAST SERVICE COST</b>		
Past service cost - non-vested benefits as at 31 March 2015	-	-
Past service cost - non-vested benefits arising during the period	-	-
Past service cost - non-vested benefits recognised during the period	-	-
Past service cost - non-vested benefits as at 31 March 2016	-	-
<b>EXHIBIT A.9: EXPERIENCE HISTORY</b>		
Defined Benefit Obligation	326.18	37.28
Fair value of plan assets	(2.19)	-
(Surplus)/deficit	323.99	37.28
Experience adjustment on liabilities: gain/(loss)	18.26	(0.71)
Experience adjustment on plan assets: gain/(loss)	(2.93)	-

**EXHIBIT A.10: MAJOR CATEGORIES OF PLAN ASSETS**

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

**EXHIBIT A.11: DETAILS OF SELF-INVESTMENT**

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

**EXHIBIT A.12: CURRENT AND NON- CURRENT LIABILITY**

Current liability	59.75	12.91
Non-current liability	264.24	24.37
Total	323.99	37.28

**25 Finance Costs**

	This year Rs. (in lacs)	Previous Year Rs. (in lacs)
<b>INTEREST ON:</b>		
Term Loans	596.88	729.09
Bank Borrowings & Others	857.49	828.33
Loss on Foreign currency transactions & translation	70.94	38.01
Other Financial Charges	80.72	78.48
	<u>1606.03</u>	<u>1673.91</u>

**26 Other Expenses**

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
<b>Manufacturing Expenses:</b>		
Stores & Spares	100.08	112.08
Packing Expenses	26.10	26.15
Power & Fuel	3389.57	3711.37
Repairs & Maintenance :		
Plant & Machinery	558.59	562.78
Building	22.66	32.68
General	8.07	8.10
Sundry Manufacturing Expenses	162.29	172.67
Job charges	34.22	35.12
	<u>4301.58</u>	<u>4660.95</u>
<b>Administrative &amp; Other Expenses:</b>		
Directors Sitting Fees	1.68	1.89
Directors Remuneration	55.32	51.36
Rent, Rates & Taxes	26.74	26.37
Travelling (including Directors Travelling- -Expenses Rs.18.75 lacs (Previous Year Rs.32.96 lacs)	52.90	66.26
Insurance Charges	25.54	23.40
Vehicle Upkeep	11.55	12.01
Misc.Expenses	122.54	115.61
Add : Previous year expenses	<u>1.88</u>	<u>17.77</u>
Telephone Expenses	11.68	13.42
Fees	6.56	6.04
Printing & Stationery	13.27	13.45
Loss on sale of Stores	6.68	0.00
Postage Expenses	4.75	6.65
	<u>341.09</u>	<u>354.23</u>
<b>Fixed Assets written off</b>	<u>2.01</u>	<u>-</u>

<b>Sundry Balances Written off / Claim settlement</b>	<b>36.57</b>	<b>2.72</b>
<b>Auditors Remuneration:</b>		
Audit Fee	2.80	2.80
Tax Audit Fee	0.50	0.50
Other Services	0.76	0.75
Audit Expenses	1.75	1.99
	<b>5.81</b>	<b>6.04</b>
Internal Audit Fee & Expenses	2.12	2.06
Cost Audit Fee & Expenses	0.52	0.60
	<b>2.64</b>	<b>2.66</b>
<b>Selling Expenses :</b>		
Commission & Brokerage	171.82	193.36
Discount	100.14	63.97
Freight & Forwarding (Net of recoveries)	193.94	251.45
Rebate & Claim	5.46	6.33
Research & Development Exp.	0.00	0.02
Others	2.60	3.40
	<b>473.96</b>	<b>518.53</b>
Grand Total :	<b>5163.65</b>	<b>5545.13</b>

## 27.1. Value of Stores & Spares Consumed

	<u>This Year</u>		<u>Previous Year</u>	
	Rs. (in lacs)	(% of Consumption)	Rs. (in lacs)	(% of Consumption)
- Imported	36.13	36.10	13.36	11.92
- Indigenous	63.95	63.90	98.72	88.08
Total	100.08	100.00	112.08	100.00

## 28. Earning Per Equity Share

	<u>This Year</u> Rs. (in lacs)	<u>Previous Year</u> Rs. (in lacs)
Profit attributable to the Equity Share holders	(209.83)	(141.77)
Weighted average number of equity shares outstanding during the year	12402301	12402301
Weighted average number of equity shares outstanding during the year for diluted EPS	12402301	12402301
Nominal value of equity Share (Rs.)	10	10
Basic earning per Share (Rs.)	(1.69)	(1.14)
Diluted earning per Share (Rs.)	(1.69)	(1.14)

## 29. CONTINGENT LIABILITIES AND COMMITMENTS :

- a. Claims not acknowledged as debts by the Company Rs.90.35 Lacs (Previous Year Rs 88.25 Lacs)
  - b. Bills discounted with Banks and outstanding Rs. 97.34 lacs (Previous Year Rs. 657.22 Lacs)
  - c. Counter guarantees given by the Company in respect of guarantees and Letter of Credits given by the Bankers on behalf of the Company Rs. 1645.45 Lacs (Previous year Rs. 1590.64 Lacs)
  - d. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances Rs. Nil (Previous Year Rs.159.53 lacs).
  - e. Demands issued by the Excise/Custom Authorities amounting to Rs. 142.25 Lacs ( Previous Year Rs. 205.43 Lacs) besides other penalties in law. The company is contesting the issues under legal advice. The company has however deposited Rs.56.22 Lacs (Previous year 89.93 lacs ) under protest.
30. Assessment of Sales Tax for the assessment years 2013-14, 2014-15 & 2015-16 are pending, liabilities if any, arising thereon shall be accounted for in the year of assessment.
31. a. Assessment of Income Tax has been completed up to the assessment year 2013-14.
- b. In view of carry forward losses no provision is required towards Income Tax.

## 32. LEGAL CASES:

- a. The Company has received various demands of ESI aggregating to Rs.25.01 Lacs. (Previous year Rs.24.44 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. 0.64 lacs. (Previous year Rs. 0.93 Lacs).
- b. The Company suffered losses due to breaches/non-fulfillment of the terms and conditions of the Contract with M/s. Kirloskar Oil Engines Ltd. in respect of 2 Nos. DG set of 2.5 MW supplied by them. These losses have been partly recovered by the Company by encashment of Bank Guarantee taken under the Contract with the party. For balance recovery of Rs. 234.23 lacs suit against KOEL is filed. M/s Kirloskar Oil Engines Ltd has also filed a counter claim of Rs. 603.57 lacs for recovery of invoked bank guarantees including Rs.53.56 lacs as interest and Rs.50 lacs compensation.
- c (i) The Hon'ble Supreme Court in the case of Jindal Stainless Ltd. Has held levy of Entry Tax unconstitutional.

It has also directed all the High Courts to look in to the constitutional validity of respective Entry Tax Consequent to that 5 High Courts namely Allahabad, Punjab, Haryana, Jharkhand and Kerala has held the respective Entry Tax to be constitutionally invalid . The Hon'ble High Court of Rajasthan in the case of Dinesh Pouches has also held the levy of Entry Tax by the Government of Rajasthan as unconstitutional. As per legal opinion obtained amount paid by the company towards Entry Tax pursuant to Rajasthan Entry Tax Act 1999 has become refundable since inception.It filed refund claim of Entry Tax aggregating to Rs. 252.32 Lacs , for the year 2001-02 to 2005-06.

- (ii) The Company is not liable to pay Entry Tax pursuant to the above said decision of Supreme Court, as such the Company has not provided for Entry Tax for the year 2006-2007 to 2014-15 aggregating to Rs. 233.73 Lacs & interest Rs. 80.62 Lacs.
- (iii) The aggrieved State Governments including Government of Rajasthan filed appeals with Hon'ble Supreme Court of India.
- (iv) Various High Courts, including the Hon'ble High Court of Rajasthan rejected all the cases relating to Entry Tax. Aggrieved by the judgement of Hon'ble High Court of Rajasthan, the "Trade" had filed SLP with Hon'ble Supreme Court of India with Stay Application, While disposing off stay petition Hon'ble Supreme Court has given Interim Order for deposit of 50% of principal demand and for balance 50% Bank Guarantee to be submitted to Govt through assessing authorities. The company has deposited Rs. 121.31 Lacs against principal demand of Rs. 233.74 Lacs upto 2014-15 and has given bank guarantee of Rs. 98.34 Lacs. From February 2015 the company is regularly paying Entry Tax.
- d. (i) The company has filed writ petitions with Hon'ble High Court of Rajasthan against disallowances of benefits receivable by it under Rajasthan Investment Promotion Scheme 2003 (RIPS) for expansion and modernization towards interest subsidy and wage and employment subsidy aggregating to Rs.451.79 Lacs for the assessment year 2007-08 to 2012-13 inclusive of interest Rs. 117.62 Lacs. As per legal opinion obtained by the company, it is accounting these benefits in its books of account it has also filed appeal before appellate authority and deposited under protest Rs. 60.85 Lacs

(Previous year Rs.60.85 Lacs).

- (ii) The Company is eligible for subsidy under Rajasthan Investment Promotion Scheme 2010 and has adjusted Rs. 46.64 lacs under Investment and Employment Subsidy for its modernization and expansion project. The matter has been principally accepted by the State Level Screening Committee and has recommended the same to the State Finance Department for confirmation.
- e. As per legal opinion Urban Cess and Water Cess levied by State of Rajasthan is not leviable on the company being established at RIICO Industrial land. The entire amount Rs.245.95 lacs paid upto 31.03.2012 has become recoverable. The company has charged Rs.245.95 lacs paid upto 31.03.2012 to Profit & Loss Account. However Rs. 645.73 lacs paid during 2012-13, 2013-14, 2014-15 & 2015-16 stands recoverable under the head Urban Cess / Water Cess deposited under Protest recoverable Account. The company has filed SLP in Supreme Court for the recovery of entire amount.
- f. AVVNL has recovered Rs.23.84 lacs towards Late Payment Surcharge (LPS) on incentive disallowed towards power factor. The Company has deposited the same under protest and is taking legal action.
- g. As legally opined, the electricity duty levied by AVVNL on electricity supplied by Tata Power Trading Co.Ltd is unconstitutional and hence illegal and not leviable. The Company has filed a writ petition against this levy with Hon'ble High Court of Rajasthan during the year. The Company disputes this levy and has deposited Rs. 202.29 lacs under protest during the year.
- h. 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.
- i. The Company has filed a writ petition with Hon'ble High Court of Rajasthan against Union of India, Ministry of Textile, The Textile Commissioner and SBI Mumbai for recovery of interest subsidy due on one of loan from State Bank of India towards Technology Upgradation Fund. A sum of Rs. 243.82 lacs is recoverable towards this subsidy.
- j. In view of judgment passed by the Supreme Court in the case of M/s. Spentex Industries Ltd, the company has received pending rebate claims of excise duty receivable on input and finished goods for exports. The Company has also claimed Rs. 65.63 lacs as interest on delayed payment towards these claims.

- k. The Company has received Rs. 64.94 lacs against excise rebate claims. However the department has deducted a sum of Rs.43.97 lacs from the claims payable to the company on account of interest on other demands. The Company does not agreed to this deduction made by the Excise Department and has filed an appeal before the Hon'ble Commissioner of Central Excise (Appeals) after close of the year.
- l. 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.
33. Since the company is upgrading its main Plant & Machinery under Technology Up gradation Fund scheme regularly, it is not carrying any asset of which carrying cost is more than its recoverable amount / value in use on the Balance Sheet date. Hence there is no impairment loss.
34. Balances appearing under the head Creditors, Debtors, Advances and Deposits are subject to confirmations yet to be received by the company.
35. The company has fulfilled its export obligation under all EPCG Licenses. Hence no obligation is pending.
- 36. PRIMARY SEGMENT INFORMATION :** As per Accounting Standard 17, the requirement of Segment reporting is not applicable to the Company both in respect of Geographical Segment and Product Segment. The Company is engaged in Production of Textile products, Revenue from other segment is less than 10% of total revenue.

### 37. EXCEPTIONAL ITEM.

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

	(Rs in Lacs)
Profit on sale of Fixed Assets	302.23
Loss on sale of Fixed Assets	182.42
Net Profit on sale of Fixed Assets	<u>119.81</u>

### 38. RELATED PARTY TRANSACTIONS :

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

Associate Company : Nil

Related to the Key Management Personnel :



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

(Rs in Lacs)

	Related to Key Management Personnel
Loans-PFD Taken	161.08
Loans-PFD Repayment	77.46
Raw Material Purchase	2944.92
Repayment received SRS� Employee Welfare Trust	5.70
Interest-Expenses (other than Director)	7.58
Remuneration	4.95
Professional Charges	0.60
Lease rent Paid	0.69
Sale of Assets	320.59
Sale of Investment	42.10
Sale of Yarn	64.96
FMS/FPS License Sale	42.75
Security Deposit Received	28.00
Loans Receivables	85.50
Fixed Deposit Payable	121.08
Security Deposit Recoverable	10.00
Security Deposit Refundable	52.00

#### Name of Directors :

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

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

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

Sd/-  
CA V. CHATURVEDI  
Membership. No. 13296  
Partner  
Date: 30.05.2016  
Place: Udaipur

Sd/-  
VINOD KUMAR LADIA  
CHAIRMAN,  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
(DIN :00168257)

Sd/-  
MANMOHAN PAREEK  
COMPANY SECRETARY

#### Transaction with Directors: (Rs in Lacs)

Remuneration including perquisites	75.02
Loans – Taken/(Fixed Deposit)	98.17
Loans – Refunded	51.56
Interest Expenses – on Fixed Deposit	3.49
Loans Payable - Fixed Deposit	58.17
Board Meeting Fees	1.68
Sale of investment	6.00

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

		2015-16		2014-15	
		Quantity M.T.	Amount Rs. In Lacs	Quantity M.T.	Amount Rs. In Lacs
a)	C.I.F. VALUE OF IMPORTS:				
	Raw Materials	194.75	217.05	218.95	247.98
	Capital Goods , Spares	-	34.92	-	12.99

(Rs. in Lacs)

b)	EXPENDITURE IN FOREIGN CURRENCY:				
	Travelling Expenses	-	2.15	-	8.84
	Commission/Claims	-	11.53	-	16.07
	Foreign Bank Charges	-	6.11	-	5.66
	Sales Promotion Charges	-	-	-	1.48
c)	EARNING IN FOREIGN CURRENCY :				
	F.O.B. Value of Export Sales.	-	2288.88	-	3001.01

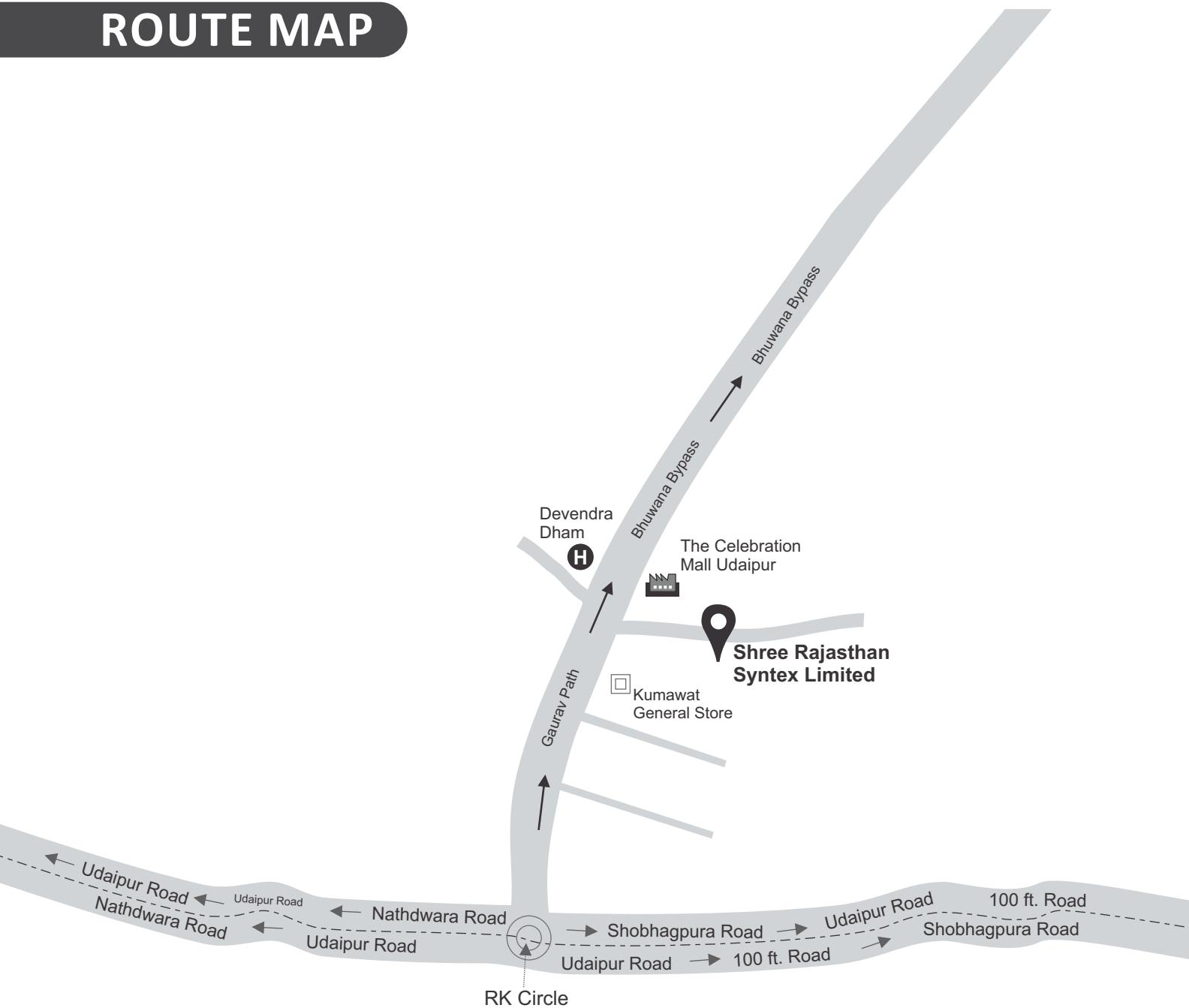
40. Figures have been rounded off to the nearest rupees in Lacs.

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

Sd/-  
ROSHAN LAL KUNAWAT  
DIRECTOR  
(DIN :00196938)

Sd/-  
VINAY PUNJAWAT  
CHIEF FINANCIAL OFFICER

## ROUTE MAP



**FORM NO. MGT 11**  
**PROXY FORM**

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36<sup>th</sup> Annual General Meeting of the Company, to be held on the 26<sup>th</sup> day of September, 2016 at 2.30 p.m. at 'SRSL HOUSE', Pulla Bhuwana Road, N.H. 8 Udaipur and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution
<b>ORDINARY BUSINESS</b>	
1	Adoption of Financial Statements
2	Appointment of Director
3	Ratification of the Appointment of Auditors
<b>SPECIAL BUSINESS</b>	
4	Ratification of Remuneration of the Cost Auditors for the financial year ending March 31, 2017
5	Appointment of Mr. Vinod Kumar Ladia (DIN: 00168257) as an Executive Chairman and Whole Time Director
6	Appointment of Mr. Vikas Ladia (DIN: 00256289) as a Managing Director & Chief Executive Officer
7	Re-appointment of Mr. Anubhav Ladia (DIN: 00168312) as an Executive Director
8	Transactions with Related Party (M/s. Shree Shyam Distributors & Marketing Pvt. Ltd.) u/s 188 of the Companies Act, 2013
9	Transactions with Related Party (M/s. Rajasthan Yarn Syndicate) u/s 188 of the Companies Act, 2013
10	Transactions with Related Party (M/s. Divine Fibres Pvt. Ltd.) u/s 188 of the Companies Act, 2013
11	Transactions with Related Party (M/s. PBS Marketing Pvt. Ltd.) u/s 188 of the Companies Act, 2013
12	Transactions with Related Party (M/s. V K Texchem Private Limited) u/s 188 of the Companies Act, 2013
13	Issue of 3,70,000- 11% Cumulative Preference Share of Rs. 100/- each.
14	Issue of Convertible Warrants to Promoter/Promoter Group of the Company on preferential basis.

Signed this.....day of..... 2016

Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix  
revenue  
Stamp Rs.1/-

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

