



shree Rajasthan Syntex Limited

34th ANNUAL REPORT 2013-14

BOARD OF DIRECTORS

Shri V.K. Ladia, Chairman & Managing Director
Shri Vikas Ladia, Joint Managing Director
Shri Anubhav Ladia, Executive Director
Shri Raj Singh Nirwan
Shri Sunil Goyal
Shri N.N. Agrawala
Shri R.L. Kunawat
Shri R.K. Pandey
Shri Susheel Jain
Shri Ravinder Narain
Mrs Amita Narain

SPECIAL EXECUTIVE

Smt. Monika Ladia

COMPANY SECRETARY

Mrs. Bhanupriya Mehta Jain

AUDITORS

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

TAX CONSULTANT

M/s. Kunawat & Associates, Udaipur

COST AUDITORS

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

BANKERS

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

REGISTERED AND HEAD OFFICE

SRSL House, Pulla-Bhuwana Road
National Highway No. 8
Udaipur

REGISTRAR & TRANSFER AGENTS

Mas Services Ltd.
T-34, 2nd Floor, Okhla Industrial Area
Phase - 2
New Delhi - 110 020

CORPORATE ADVISOR

M/s V.M. & Associates, Jaipur

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NOTICE

Notice is hereby given that the 34th 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 – 313 004 on Wednesday, the 17th day of September, 2014 at 2.30 P.M. to transact the following business:

ORDINARY BUSINESS

Item no. 1 - Adoption of Financial Statements

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date of the Company together with the reports of the Auditors and Board of Directors thereon.

Item no. 2 - Declaration of Dividend

To declare Dividend on Ordinary Shares.

Item no. 3 - Appointment of Director

To appoint a Director in place of Mr. R.L. Kunawat (Holding DIN No. 00196938) who is liable to retire by rotation and being eligible seeks re-appointment.

Item no. 4 - Appointment of Auditors

To re-appoint the Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the 4th consecutive AGM after the commencement of the Companies Act, 2013 and to fix their remuneration and in this regard pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. M.C. Bhandari & Co., Chartered Accountants, Jaipur (Firm Registration No. 303002-E) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 4th consecutive AGM (subject to ratification of the appointment by shareholders at every AGM held after this AGM) and that the Board of Directors be and are hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors plus applicable service tax and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of audit.”

SPECIAL BUSINESS

Item No. 5 - Appointment of Mr. Raj Singh Nirwan (DIN: 00313799) as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in

force) and Clause 49 of the Listing Agreement, Mr. Raj Singh Nirwan (DIN : 00313799) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st March, 2019.”

Item No. 6 - Appointment of Mr. Sunil Goyal (DIN: 00110601) as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sunil Goyal (DIN : 00110601) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st March, 2019.”

Item No. 7 - Appointment of Mr. N. N. Agrawala (DIN: 00168211) as an Independent Director

To appoint consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. N.N. Agrawala (DIN : 00168211) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st March, 2019.”

Item No. 08 - Appointment of Mr. Ravinder Narain (DIN: 00059197) as an Independent Director

To appoint consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ravinder Narain

(DIN 00059197) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st March, 2019."

Item No. 9 - Appointment of Mr. Susheel Jain (DIN: 00378678) as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Susheel Jain (DIN : 00378678) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st March, 2019."

Item No. 10 - Appointment of Mrs. Amita Narain (DIN: 00017703) as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Amita Narain (DIN : 00017703) who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 31st March, 2019."

Item No. 11 - Approval for borrowing powers in terms of Section 180(1)(c) of the Companies Act, 2013

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution passed at the 27th Annual General Meeting of the members of the Company held on 29th September, 2007, the consent of the members of the Company be and is hereby accorded under the provisions of Section 180(1) (c) of the Companies Act, 2013 (corresponding to Section 293(1)(d) of the Companies Act, 1956) and rules made thereunder (including any statutory modifications, amendments or re-enactments thereof for the time being in force), and pursuant to Articles of Association and subject to all other requisite approvals,

permissions and sanctions, to the Board of Directors (hereinafter called "the Board", which term shall be deemed to include any Committee which the Board may constitute for this purpose) to borrow from time to time, such sum or sums of money, as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans including Cash Credit arrangement, Discounting of Bills and other Temporary Loans obtained from Company's bankers in the ordinary course of business) and remaining outstanding at any point of time may exceed the aggregate of the paid-up Share Capital of the Company and its Free Reserves, that is to say, Reserves not set apart for any specific purpose; provided that the total amount upto which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 500 crores (Rupees five Hundred crores only.)"

"FURTHER RESOLVED THAT the Board of Directors and/or Group CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard.

Item No.12 – Transactions with Related Party u/s 188 of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 (1)(a) and (d), and other applicable provisions (if any) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to Articles of Association and subject to compliances of all applicable laws and regulations, consent of Members of the Company be and is hereby accorded to the Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) for execution of a contract with M/s. Shree Shyam Distributors & Marketing Pvt. Ltd in which Mr. V.K. Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia, Directors of the Company are interested, to sell, purchase or supply of any goods or materials and to avail or render any service of any nature whatsoever, upto an amount not exceeding an aggregate of Rs. 125,00,00,000 (Rupees One Hundred & Twenty Five Crores Only) per annum as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the Chairman for the purposes of identification and in such form and manner as the Board in its absolute discretion may deem fit and proper."

"RESOLVED FURTHER THAT Board of the Company be and is hereby authorised to execute the agreement with M/s. Shree Shyam Distributors & 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. 13 - Transactions with Related Party u/s 188 of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 (1)(a) and (d), and other applicable provisions (if any) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to Articles of Association and subject to compliances of all applicable laws and regulations, consent of members of the company be and is hereby accorded to the Board of Directors (hereinafter called “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) for execution of a contract with M/s. Rajasthan Yarn Syndicate, in which Mr. V.K. Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia, Directors of the Company are interested, to sell, purchase or supply of any goods or materials and to avail or render any service of any nature whatsoever, upto an amount not exceeding an aggregate of Rs. 50,00,00,000 (Rupees Fifty Crores Only) per annum as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the Chairman for the purposes of identification and in such form and manner as the Board in its absolute discretion may deem fit and proper.”

“RESOLVED FURTHER THAT Board of the Company be and is hereby authorised 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. 14 - Transactions with Related Party u/s 188 of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 (1)(a) and (d), and other applicable provisions (if any) of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and pursuant to Articles of Association and subject to compliances of all applicable laws and regulations, consent of members of the company be and is hereby accorded to the Board of Directors (hereinafter called “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) for execution of a contract with M/s. V.K. Texchem Pvt. Ltd. in which Mr. V.K. Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia, Directors of the Company are interested, to sell, purchase or supply of any goods or materials and to avail or render any service of any nature whatsoever, upto an amount not exceeding an aggregate of Rs. 50,00,00,000 (Rupees Fifty Crores Only) per annum as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the Chairman for the purposes of identification and in such form and manner as the Board in its absolute discretion may deem fit and proper.”

“RESOLVED FURTHER THAT Board of the Company be and is hereby authorised to execute the agreement with M/s. V.K. Texchem 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. 15 - Transactions with Related Party u/s 188 of the Companies Act, 2013

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 (1)(a) and (d), and other applicable provisions (if any) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to Articles of Association, subject to compliances of all applicable laws and regulations, consent of members of the company be and is hereby accorded to the Board of Directors (hereinafter called “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) for execution of a contract with M/s. Divine Fibres Pvt. Ltd in which Mr. V.K. Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia, Directors of the Company are interested, to sell, purchase or supply of any goods or materials and to avail or render any service of any nature whatsoever, upto an amount not exceeding an aggregate of Rs. 50,00,00,000 (Rupees Fifty Crores Only) per annum as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the Chairman for the purposes of identification and in such form and manner as the Board in its absolute discretion may deem fit and proper.”

“RESOLVED FURTHER 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. 16 - Acceptance of Deposits from members under Section 73 of the Companies Act, 2013.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 73 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to invite/ accept renew/ receive money by way of unsecured deposits, or in any other form, from public and/or members of the Company, in any form or manner, through circular, advertisement or through any other permissible mode, up to permissible limits prescribed under applicable provisions of law and on such terms and conditions as the Board of Directors of the Company in its sole discretion deem fit and necessary.

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors and/or any Committee thereof be and is hereby authorized to do all such acts, deeds, things and

matters as the Board of Directors and/ or any Committee thereof may in its absolute discretion consent, necessary, proper, expedient, desirable or appropriate for such invitation/ acceptance/ renewal/ receipt as aforesaid."

Item No. 17 - Remuneration of the Cost Auditors for the financial year ending March 31, 2015

To consider and pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the

Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. K.G. Goyal & Company the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

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

By order of the Board

Place: Udaipur
Date : 22nd May, 2014

(V.K. LADIA)
CHAIRMAN & MANAGING DIRECTOR
DIN: 00168257

NOTES

An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. **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. Members Proxies attending the meeting should bring their copy of annual report and the attendance slip duly filled to attend the Meeting.
4. Corporate members intending to send their authorized representative to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote at the Meeting on their behalf.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 25th August to 26th August 2014 (both days inclusive) for the purpose of annual general meeting.
7. The Register of Directors and 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 will be available for inspection by the members at AGM.
8. 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.
9. 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, Mas Services Limited, (Registrars & Share Transfer Agents),

T-34, 2nd Floor, Okhla Industrial Area,
Phase - II,
New Delhi - 110 020
Ph:- 26387281/82/83
Fax:- 26387384
email:- info@masserv.com
website : www.masserv.com

10. Non Resident Indian Members are requested to inform Registrar and Share Transfer Agent of the Company in any case 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.
11. The Securities Exchange Board of India (SEBI) mandate 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. 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 2005-06 to Investor Education Protection Fund (IEPF) during the financial year 2013-14. Further, Members wishing to claim their unpaid or unclaimed dividend for the financial year 2006-07 are requested to contact the Company Secretary for revalidation of the dividend warrant/issue of fresh D.D.
13. The Notice of AGM along with the Annual Report 2013-14 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.
14. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting
15. The Members who have not registered their email address are requested to register the same with the Registrar and Share Transfer Agent/Depositories as the same has been mandated under the New Companies Act, 2013.
16. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours 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 'financial result' Section.

18. Shareholders who are yet to encash their earlier dividend warrants for the years from 2006-07 are requested to contact the company secretary for revalidation of the dividend warrant/issue of fresh demand draft.
19. 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.
20. In compliance with the provisions of Section 108, and other applicable provisions (if any) of the Companies Act, 2013 and the rules as applicable in that regard, the Company is pleased to offer E-voting facility for the Members to enable them to cast their votes electronically. The business may be transacted through e-voting services provided by Central Depository Services (India) Ltd.
21. CS Manoj Maheshwari, Practising Company Secretary, Jaipur has been appointed as a scrutinizer for the conduct of e-voting process in a fair and transparent manner.
22. The final results including the E-voting results shall be declared at the AGM of the Company. The final results along with the scrutinizer's report shall be placed on the Company's website www.srsl.in within two days of passing of the resolution at the AGM of the Company.

The instructions for members for voting electronically are as under:

- A. In case of members receiving e-mail from RTA/CDSL (for Members whose e-mail ids are registered with the Company/Depositories):
 - i. If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
 - ii. Log on to the e-voting website www.evotingindia.com.
 - iii. Click on "Shareholders" tab.
 - iv. Now, select the "Electronic Voting Sequence Number (EVSN)- 140813029" along with "Company Name - Shree Rajasthan Syntex Limited" from the drop down menu and click on "Submit".
 - v. Now fillup the following details in the appropriate boxes :

	For members holding shares in Demat Form	For members holding shares in Physical Form
User ID	For NSDL : 8 character DP ID followed by 8 digits Client ID For CDSL : 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	

	<ol style="list-style-type: none"> i. Members holding shares in physical form who have not updated their PAN with the Company are requested to use the first two letters of their name in 'Capital Letter' followed by 8 digit folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. For example: If your name is Suresh Kumar with folio number 1234 then enter SU00001234 in the PAN field. ii. Members holding shares in Demat form who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in 'Capital Letter' followed by 8 digit CDSL/NSDL Client ID. For example: If your name is Suresh Kumar and your CDSL DematA/c. No. is 12058700 00001234 then enter SU00001234 or if your NSDL DPID-CLID is IN300100-10001234 then enter SU10001234 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. - Please enter the DOB or Dividend Bank Details in order to login. If details are not recorded with the Depository or the Company please enter your Folio No. / Demat A/c. No. / DPID-CLID, as the case may be, in the Dividend Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password, in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@#%&* _). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. Click on the EVSN— 140813029 for Shree Rajasthan Syntex Limited to vote.
- ix. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO

implies that you dissent to the Resolution.

- x. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xi. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

B. In case a Members receiving the physical copy of Notice of AGM (for Members whose e-mail ids are not registered with the Company/Depositories):

Please follow all steps from Sl. no. (ii) to Sl. no. (x) above, to cast vote.

C. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

General Instructions for e-voting facility :

- i. The e-voting period shall commence at 9.00 a.m. on Thursday, 11th September, 2014 and shall end at 6.00 p.m. on Saturday, 13th September, 2014. During this period members of the Company, holding shares either in physical or in dematerialised form, as on the record date i.e. Friday, 1st August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- ii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help Section or write an email to helpdesk.evoting@cdslindia.com.
- iii. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the record date i.e. Friday, 1st August, 2014.
- iv. The Company has appointed Mr. Manoj Maheshwari, Practicing Company Secretary (C.P. No. 1971) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- v. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- vi. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.srsi.in and on the website of CDSL within two (2) days of the passing of the resolutions at the 34th AGM of the Company to be held on Wednesday, 17th September, 2014.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102(1) of the Companies act, 2013.

Item No. 5,6,7,8,9 & 10.

The provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) provides that an Independent Director, shall hold office for a term of five consecutive years on the Board of the Company but shall be eligible for reappointment on passing of special resolution by the Company. However, no independent Director shall hold office for more than two consecutive terms on the Board of the Company.

Furthermore, Clause 49 of the Listing Agreement (as amended) states that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the company.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for re-appointment, on completion of his present term, for one more term of up to five years only.

Under the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from members along with requisite deposit, proposing the appointment of Mr. R.S. Nirwan, Mr. Sunil Goyal, Mr. N.N. Agrawala, Mr. Ravinder Narain, Mr. Susheel Jain, Mrs. Amita Narain respectively as Independent Directors of the Company.

Mr. R.S. Nirwan, Mr. Sunil Goyal, Mr. N.N. Agrawala, Mr. Ravinder Narain, Mr. Susheel Jain and Mrs. Amita Narain, has given their (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Disqualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of (Appointment & Disqualification of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In consonance with the aforesaid, it is proposed to appoint Mr. R.S. Nirwan, Mr. Sunil Goyal, Mr. N.N. Agrawala, Mr. Ravinder Narain, Mr. Susheel Jain and Mrs. Amita Narain, as Independent Directors of the Company to hold office for a term up to 31st March, 2019.

Brief resume of Mr. R.S. Nirwan, Mr. Sunil Goyal, Mr. N.N. Agrawala, Mr. Ravinder Narain, Mr. Susheel Jain and Mrs. Amita Narain, nature of their expertise in specific functional areas and names of Companies in which they holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Save and except Mr. R.S. Nirwan, Mr. Sunil Goyal, Mr. N.N. Agrawala, Mr. Ravinder Narain, Mr. Susheel Jain and Mrs. Amita Narain, being

appointee, none of the other 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. 5, 6, 7, 8, 9 & 10 of the Notice.

The Board recommends the resolution no. 5, 6, 7, 8, 9 & 10 for approval of the members.

Item No. 11

Pursuant to Section 180(1) (c) of the Companies Act, 2013 and the rules framed there under, effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business except with the consent of the Company accorded by way of a special resolution.

The Company had previously at their 32nd Annual General meeting held on 22nd September 2012 approved by way of Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 borrowings over and above the aggregate of the paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess 500 crores (rupees five hundred crores).

The Board is therefore requested to consider and re-approve the borrowings limits in excess of the aggregate of the paid up share capital and free reserves of the Company upto the amount of Rs. 500 crores (rupees five hundred crores) in view of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 11.

ITEM NO.12

The provisions of Section 188 of the Companies Act, 2013 and rules made thereunder governs the Related Party Transactions/Contracts, requiring a Company to obtain prior approval of the Board of Directors and/or shareholders of company by way of special resolution based on value of transaction/contract.

The provisions of Section 188(3) also provide that any contract or arrangement entered into u/s 188(1) may be ratified by the board or as the case may be, by the shareholders at a meeting within three months from the date on which such contact or arrangement was entered into.

In line with the Companies Act 1956, our Company was required to seek permission under sec 297 from the Central Government for related party transactions. The Company had received the approval for the same vide Order no RD(NWR)/SEC.297/ 138/2011-12 /6434 dated 26th March 2012 valid upto 28.02.2015. In compliance of The Companies Act 2013, the Company is henceforth required to seek the consent of its shareholders in the Annual general meeting for related party transactions and such consent shall supersede the existing approval from the Central government.

In the light of the provisions of 2013 Act, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its Related Parties for the financial year 2014-15 and beyond.

All the prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Company's (Meetings of Board and its Powers) Rules, 2014 are given herein below in a tabular format for kind perusal of members:

PARTICULARS OF PROPOSED TRANSACTIONS FOR THE PURPOSE OF APPROVALS U/S 188 OF THE COMPANIES ACT, 2013

MAXIMUM VALUE OF CONTRACT/ TRANSACTION

(Rs. in crores)

Name And Nature Of Relationship With Related Parties:	Duration of Contract	Sale, Purchase or Supply of any goods or materials (per Annum)	Availing or rendering of any services (per Annum)
Shree Shyam Distributors & Marketing Pvt. Ltd	17.09.2014 to 31.03.2015	100.00	25.00
(Interested Directors)	01.04.2015 to 31.03.2019	100.00	25.00

- The name of the related party and nature of relationship: As provided in the table above
- The nature, duration of the contract and particulars of the contract or arrangement: The nature and particular of contract are mentioned in the table above. The duration of the contract shall be for five financial years upto 31.3.19 wherein the contract for the first year shall come into effect from the date of passing of the Special resolution at the AGM i.e. dated 17th September 2014 and shall be valid upto 31.3.15. Henceforth, the same shall be valid for further 4 financial years i.e. from 1.4.15 to 31.3.19
- The material terms of the contract or arrangement including the value, if any: As provided in the table above.
- Any advance paid or received for the contract or arrangement, if any: Nil
- 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.
- 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; and
- Any other information relevant or important for the Board to take a decision on the proposed transaction: NIL

Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company,

if such member is a related party.

The Board of Directors of your Company has approved this Item in the Board meeting held on 14th August, 2014 and recommends the resolution as set out in the accompanying notice for the approval of members of the Company as Special Resolutions.

Save and except as mentioned above, none of the other Directors, key managerial personnel and their relatives are deemed to be concerned or interested, financial or otherwise in the proposed special resolution

Item No. 13

The provisions of Section 188 of the Companies Act, 2013 and rules made hereunder governs the Related Party Transactions/Contracts, requiring a Company to obtain prior approval of the Board of Directors and/or shareholders of company by way of special resolution based on value of transaction/contract.

The provisions of Section 188(3) also provide that any contract or arrangement entered into u/s 188(1) may be ratified by the board or as the case may be, by the shareholders at a meeting within three months from the date on which such contact or arrangement was entered into.

In line with the Companies Act 1956, our Company was required to seek permission under sec 297 from the Central Government for related party transactions. The Company had received the approval for the same vide Order no RD(NWR)/SEC.297/ 296/2013/1027 dated 20TH May 2013 valid upto 31.03.2016. In compliance of The Companies Act 2013, the Company is henceforth required to seek the consent of its shareholders in the Annual general meeting for related party transactions and such consent shall supersede the existing approval from the Central government.

In the light of the provisions of 2013 Act, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its Related Parties for the financial year 2014-15 and beyond.

All the prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Company's (Meetings of Board and its Powers) Rules, 2014 are given herein below in a tabular format for kind perusal of members:

PARTICULARS OF PROPOSED TRANSACTIONS FOR THE PURPOSE OF APPROVALS U/S 188 OF THE COMPANIES ACT, 2013.

MAXIMUM VALUE OF CONTRACT/ TRANSACTION

(Rs. in crores)

Name And Nature Of Relationship With Related Parties:	Duration of Contract	Sale, Purchase or Supply of any goods or materials (per Annum)	Availing or rendering of any services (per Annum)
Rajasthan Yarn syndicate Limited	17.09.2014 to 31.03.2015	25.00	25.00
(Interested Directors)	01.04.2015 to 31.03.2019	25.00	25.00

- (a) The name of the related party and nature of relationship: As provided in the table above
- (b) The nature, duration of the contract and particulars of the contract or arrangement: The nature and particular of contract are mentioned in the table above. The duration of the contract shall be for five financial years upto 31.3.2019 wherein the contract for the first year shall come into effect from the date of passing of the Special resolution at the AGM i.e. dated 17th September 2014 and shall be valid upto 31.03.2015. Henceforth, the same shall be valid for further 4 financial years i.e. from 01.04.2015 to 31.03.2019
- (c) The material terms of the contract or arrangement including the value, if any : As provided in the table above.
- (d) Any advance paid or received for the contract or arrangement, if any : Nil
- (e) 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.
- (f) 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; and
- (g) Any other information relevant or important for the Board to take a decision on the proposed transaction: NIL

Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company has approved this Item in the Board meeting held on 14th August, 2014 and recommends the resolution as set out in the accompanying notice for the approval of members of the Company as Special Resolutions.

Save and except as mentioned above None of the Directors, key managerial personnel and their relatives are deemed to be concerned or interested, financial or otherwise in the proposed special resolution except to the extent of their shareholding in the company.

Item No. 14

The provisions of Section 188 of the Companies Act, 2013 and rules made hereunder governs the Related Party Transactions/Contracts, requiring a Company to obtain prior approval of the Board of Directors and/or shareholders of company by way of special resolution based on value of transaction/contract.

The provisions of Section 188(3) also provide that any contract or arrangement entered into u/s 188(1) may be ratified by the board or as the case may be, by the shareholders at a meeting within three months from the date on which such contact or arrangement was entered into..

In line with the Companies Act 1956, our Company was required to seek permission under sec 297 from the Central Government for related party transactions. The Company had received the approval for the same vide Order no RD(NWR)/SEC.297/381/2013/6431 dated 31st March 2014 valid upto 31.12.2016. In compliance of The Companies Act 2013, the Company is henceforth required to seek the consent of its shareholders in the Annual general meeting for related party transactions and such consent shall supersede the existing approval from the Central government.

In the light of the provisions of 2013 Act, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its Related Parties for the financial year 2014-15 and beyond.

All the prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Company's (Meetings of Board and its Powers) Rules, 2014 are given herein below in a tabular format for kind perusal of members:

PARTICULARS OF PROPOSED TRANSACTIONS FOR THE PURPOSE OF APPROVALS U/S 188 OF THE COMPANIES ACT, 2013.

**MAXIMUM VALUE OF CONTRACT/ TRANSACTION
(Rs. in crores)**

Name And Nature Of Relationship With Related Parties:	Duration of Contract	Sale, Purchase or Supply of any goods or materials (per Annum)	Availing or rendering of any services (per Annum)
V.K.Texchem Private Limited	17.09.2014 to 31.03.2015	25.00	25.00
(Interested Directors)	01.04.2015 to 31.03.2019	25.00	25.00

- The name of the related party and nature of relationship: As provided in the table above
- The nature, duration of the contract and particulars of the contract or arrangement: The nature and particular of contract are mentioned in the table above. The duration of the contract shall be for five financial years upto 31.03.2019 wherein the contract for the first year shall come into effect from the date of passing of the Special resolution at the AGM i.e. dated 17th September 2014 and shall be valid upto 31.03.2015. Henceforth, the same shall be valid for further 4 financial years i.e. from 01.04.2015 to 31.03.2019
- The material terms of the contract or arrangement including the value, if any: As provided in the table above.
- Any advance paid or received for the contract or arrangement, if any : Nil
- 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.

- 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 ; and

- Any other information relevant or important for the Board to take a decision on the proposed transaction: NIL

Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company has approved this Item in the Board meeting held on 14th August, 2014 and recommends the resolution as set out in the accompanying notice for the approval of members of the Company as Special Resolutions.

Save and except as mentioned above None of the Directors, key managerial personnel and their relatives are deemed to be concerned or interested, financial or otherwise in the proposed special resolution except to the extent of their shareholding in the company.

Item No. 15

The provisions of Section 188 of the Companies Act, 2013 governs the Related Party Transactions, requiring a Company to obtain prior approval of the Board of Directors and in case the paid up share capital of a Company is Rs.10 Crores or more, the prior approval of shareholders by way of Special Resolution.

Further third proviso of Section 188(1) provides that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

The provisions of Section 188(3) also provide that any contract or arrangement entered into u/s 188(1) may be ratified by the board or as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In the light of the provisions of 2013 Act, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its Related Parties for the financial year 2014-15 and beyond.

All the prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Company's (Meetings of Board and its Powers) Rules, 2014 are given herein below in a tabular format for kind perusal of members:

PARTICULARS OF PROPOSED TRANSACTIONS FOR THE PURPOSE OF APPROVALS U/S 188 OF THE COMPANIES ACT, 2013

**MAXIMUM VALUE OF CONTRACT/ TRANSACTION
(Rs. in crores)**

Name And Nature Of Relationship With Related Parties:	Duration of Contract	Sale, Purchase or Supply of any goods or materials (per annum)	Availing or rendering of any services (per annum)
Divine Fibres Pvt. Ltd. (Interested Directors)	01.04.2014 to 31.03.2019	25.00	25.00

- (a) The name of the related party and nature of relationship: As provided in the table above.
- (b) The nature, duration of the contract and particulars of the contract or arrangement: The nature and particular of contract are mentioned in the table above. Duration of the contract is Five years from 01.04.2014 to 31.03.2019.
- (c) The material terms of the contract or arrangement including the value, if any: As provided in the table above.
- (d) Any advance paid or received for the contract or arrangement, if any : Nil
- (e) 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.
- (f) 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 ; and
- (g) Any other information relevant or important for the Board to take a decision on the proposed transaction: NIL

Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company has approved this Item in the Board meeting held on 14th August, 2014 and recommends the resolution as set out in the accompanying notice for the approval of members of the Company as Special Resolutions.

Save and except as mentioned above None of the Directors, key managerial personnel and their relatives are deemed to be concerned or interested, financial or otherwise in the proposed special resolution except to the extent of their shareholding in the company.

Item No. 16

The members are hereby apprised that the Company had been accepting deposits from its shareholders and other sections as permissible under the provisions of Companies Act, 1956 read with the corresponding Companies (Acceptance of Deposit) Rules, 1975 earlier in force.

However, with the commencement of Companies Act, 2013 ('the 2013 Act'), deposits are now governed by the new law and approval of shareholders is required by way of Special Resolution for inviting, accepting, renewing deposits.

The members may kindly note that under the provisions of the 2013 Act, any company inviting/ accepting/ renewing deposits is required to obtain Credit Rating from a recognized credit rating agency. Your Company have obtained credit rating for its Fixed Deposit programme, from CARE (CREDIT ANALYSIS AND RESEARCH LIMITED).

The Board of Directors of your Company has approved this item in the Board Meeting held on 22nd May, 2014 and recommends the

Resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution except to the extent of their Deposit holding and/ or their shareholding in the Company, if any.

Item No. 17

The Board on the recommendation of the Audit Committee has approved the appointment and remuneration for the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31.03.2015.

In accordance with the provision of the Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No.18 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

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. 17 of the Notice.

The Board recommends the Ordinary Resolution set out at item No.17 of the notice for approval by the shareholders.

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE - APPOINTMENT AT THE 34TH ANNUAL GENERAL MEETING AS PER CLAUSE 49 OF THE LISTING AGREEMENT

- I. **Mr R.L. Kunawat , Director (DIN No 00196938) is retiring by rotation at the date of ensuing Annual General Meeting and being eligible offers himself for re-appointment.**

Details of Mr R.L. Kunawat , Director (DIN No 00196938) of the Companies are Follows :

Name of the Director	Mr Roshan LaL Kunawat
Date of Birth	5th November, 1942
Date of Appointment	15th January, 2001
Qualification (s)	B.Com. LLB
Name of the Companies in which directorship held as on 31.03.2014	NIL
Member of the Committee of Board of other companies	NIL
No of Shares held in the Company	NIL

- II. Mr R.S. Nirwan, (DIN No 00313799) is proposed to be re-appointed as an Independent Director to hold office for a term up to 31st March, 2019**

Details of Mr R.S. Nirwan, (DIN No 00313799) Director of the Companies are Follows :

Name of the Director	Mr Raj Singh Nirwan
Date of Birth	8th March, 1937
Date of Appointment	17th April, 2000
Qualification (s)	B.A,LLB, MBA (IIM)
Name of the Companies in which directorship held as on 31.03.2014	NIL
Member of the Committee of Board of other Companies	NIL
No of Shares held in the Company	NIL

- III. Mr Sunil Goyal, Director (DIN No 00110601) is proposed to be re-appointed as an Independent Director to hold office for a term up to 31st March, 2019**

Details of Mr Sunil Goyal, Director (DIN No 00110601) of the Companies are Follows :

Name of the Director	Mr Sunil Goyal
Date of Birth	23rd September, 1957
Date of Appointment	19th December, 2006
Qualification (s)	CA
Name of the Companies in which directorship held as on 31.03.2014	United Bank of India
Member of the Committee of Board of other Companies	NIL
No of Shares held in the Company	NIL

- IV. Mr N.N. Agrawala, Director (DIN No 00168211) is proposed to be re-appointed as an Independent Director to hold office for a term up to 31st March, 2019**

Details of Mr N.N. Agrawala, Director (DIN No 00168211) of the Companies are Follows :

Name of the Director	Mr. N.N. Agrawala
Date of Birth	10th April 1940
Date of Appointment	24th October, 1998
Qualification (s)	BSc (Textile), MBA (IIM)
Name of the Companies in which directorship held as on 31.03.2014	NIL
Member of the Committee of Board of other Companies	NIL
No of Shares held in the Company	3334

- V. Mr Ravinder Narain, Director (DIN No 00059197) is proposed to be re-appointed as an Independent Director to hold office for a term up to 31st March, 2019**

Details of Mr Ravinder Narain, Director (DIN No 00059197) of the Companies are Follows :

Name of the Director	Mr. Ravinder Narain
Date of Birth	15. May, 1937
Date of Appointment	6th September 1980
Qualification (s)	LLB

Name of the Companies in which directorship held as on 31.03.2014	Nestle India Ltd. DCM Shriram Industries Ltd Shriram Pistons & Rings Ltd
Member of the Committee of Board of other Companies	NIL
No of Shares held in the Company	6000

- VI. Mr Susheel Jain, Director (DIN No 00378678) is proposed to be re-appointed as an Independent Director to hold office for a term up to 31st March, 2019.**

Details of Mr Susheel Jain, Director (DIN No 00378678) of the Companies are Follows :

Name of the Director	Mr. Susheel Jain
Date of Birth	19 th June 1965
Date of Appointment	19th December, 2006
Qualification (s)	C.A
Name of the Companies in which directorship held as on 31.03.2014	Swan Industries Ltd
Member of the Committee of Board of other Companies	NIL
No of Shares held in the Company	29267

Details of Mrs Amita Narain , Director (DIN No 00017703) of the Companies are Follows :

Name of the Director	Mrs Amita Narain
Date of Birth	6th July, 1959
Date of Appointment	9th November, 2013
Qualification (s)	NIL
Name of the Companies in which directorship - held as on 31.03.2014	Basix Krishi Samrudhi Ltd
Member of the Committee of Board of other - Companies	Indian Grameen Services Ltd
No of Shares held in the Company	NIL

VII. Mrs Amita Narain , Director (DIN No 00017703) is proposed to be re-appointed as an Independent Director to hold office for a term up to 31st March, 2019.

By order of the Board

Place: Udaipur
Date : 22nd May, 2014

(V.K. LADIA)
CHAIRMAN & MANAGING DIRECTOR
DIN: 00168257

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their 34th Annual Report along with the audited statements of Accounts for the year ended 31st March, 2014 and Auditors Report thereon.

FINANCIAL RESULTS

Particulars	Rs in Lacs	
	Year ended 31.03.2014	Year ended 31.03.2013
Sales		
Domestic	26325.54	26866.51
Export	2685.13	2070.11
Total	29010.67	28936.62
Profit Before interest & depreciation	2591.79	2609.30
Less: Finance Cost	1588.70	1560.98
Profit Before depreciation	1003.09	1048.32
Less: Depreciation	927.95	1002.22
Profit/(Loss) Before exceptional item	75.14	46.10
Profit Before Tax	75.14	46.10
Less: Deferred tax liability	13.83	42.90
Profit/Loss (Loss) After Tax	61.31	3.20

OPERATIONS

The operation during the year has been satisfactory as compared to previous year. The Company produced 15954 tonnes of yarn valuing Rs. 29214 lacs during the period under review as against 15282 tonnes of yarn valuing Rs. 27793 lacs produced during the last year. The performance of the Company is analyzed in detail in the Management Discussions and Analysis annexed to this report.

EXPORTS

During the year the Company had export of Rs 2685.13 lacs against export of Rs. 2070.11 lacs during the previous year. The export constituted 9.26% of the total turnover of the Company.

The Company has exported its spun yarn mainly in the established markets in Algeria, Indonesia, Singapore Germany, Egypt, Italy, Belgium, Morocco, Turkey, and Hong Kong.

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.

DIVIDEND

For retention of funds / reserves in the company your directors do not recommend any dividend for the year 2013-14

CAPITAL PROJECTS.

01. Modernisation and expansion of Polycot Division & Spun Yarn Division.

The Company has decided to increase number of spindles in Polycot division (approx. 6048 spindles) by installing longer ring frames. The Company has planned to invest in new machines like autoconer etc.

In the above planning an investment of approx. Rs. 1525 lacs is being made including in the financial year 2014-15.

The term loan for above investment has been sanctioned by the Bank of Baroda under TUFs for Rs. 1150 lacs.

The project is in advance stage of implementation & it is expected to be fully completed within the first quarter of the financial year 2014-15.

02. Normal Capital Expenditure.

In all the divisions of the Company, provisions has been made for capital expenditure of Rs. 25 lacs each unit. These are regular capital expenditure which shall be funded from internal accruals of the Company.

PUBLIC DEPOSITS

At the end of the year 31st March, 2014, the amount of fixed deposits from public and shareholders amounted to Rs 55.63 lacs. Deposit amounting to Rs. 19,000/- has remained unclaimed as on 31.03.2014.

DIRECTORS

Mr. R.L. Kunawat (DIN No 00196938) will retire by rotation in ensuing Annual General Meeting of the Company and are eligible for reappointment.

Further six directors Mr. Raj Singh Nirwan (DIN : 00313799), Mr. Sunil Goyal (DIN:00110601), N.N. Agrawala (DIN: 00168211), Mr. Ravinder Narain (DIN:00059197), Mr. Susheel Jain (DIN : 00378678) & Mrs. Amita Narain (DIN : 00017703) will be appointed as a non executive independent directors for the period of five years from this Annual General Meeting.

PERSONNEL

During the year under Report the relations between the Management and Staff/Workers have generally remained harmonious.

AUDITORS

M/s. M.C. Bhandari & Co, Chartered Accountants, Jaipur, Auditors of the Company, retires at the conclusion of this Annual General Meeting.

Pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. M.C. Bhandari & Co., Chartered Accountants, Jaipur (Firm Registration No. 303002-E) is eligible for re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 4th consecutive AGM (subject to ratification of the appointment by shareholders at every AGM held after this AGM).

He had also given their eligible certificate under Section 141 of Companies Act, 2013 The observations made by the Auditors are self-explanatory and have been dealt with in Schedule No. 14 (notes on accounts) forming part of the accounts and hence do not require any further clarification.

SOCIAL OBLIGATIONS

The Company 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. About 1000 Children are given good quality of education in English medium through trained teachers. During the year Company has undertaken various social work for the benefit of local population of Dungarpur.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, relevant details are annexed in Form A & B (Annexure – I) which forms part of this report.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT.

The operations of the company are reviewed in detail in the Management Discussions and Analysis Report (Annexure-II) and form a part of the Report.

CORPORATE GOVERNANCE

A detailed compliance report on Corporate Governance along with certificate from the Statutory Auditors is given in the Annexure- III which forms a part of this report.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA)

Your Directors confirm that:

- i) in the preparation of the annual accounts applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- ii) appropriate accounting policies have been selected and applied consistently and the judgments and estimates made 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 under review and of the profit of the Company for the year;
- iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors are happy to place on record their sincere appreciation of the dedicated services rendered by officers, staff and workers and their contribution towards successful performance of the Company during the year. Your Directors would also like to express their sincere thanks to the Company's Bankers, Financial Institutions, Shareholders and Fixed Deposit Holders for the continued cooperation and support and confidence reposed by them in the Company.

For and on behalf of the Board

Place: Udaipur
Date : 22nd May, 2014

Sd/-
(V.K. LADIA)
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE I TO DIRECTORS REPORT

FORM - A

I 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 hereunder are self explanatory that steps taken by the Company to conserve energy are giving positive response :-

A Power & Fuel Consumption

	Current Year	Previous Year
1 Electricity		
(a) Units Purchased	66232059	56011635
Total Amount (Rs.in Lacs)	3070	2792
Rate per Unit	4.64	5.23
(b) Own Generation		
(I) Through Diesel Generator		
Units		
HSD Consumed (in Kgs.)		
Units per Kg. Of HSD		
Cost of HSD (Rs.in Lacs)		
Cost per Unit (Rs.)		
(II) Through Furnance Oil Generator		
Units		317177
F.O.Consumed (in kgs.)		77504
Units per Kg. Of F.O.		4.09
Cost of F.O. (Rs.in Lacs)		36
Cost per Unit (Rs.)		11.22
(III) Through Thermal Power Plant 8 MW		
Units		7843000
Coal Consumed (in MT.)		11127
Units per Kg. Of Coal		0.70
Cost of Coal (Rs.in Lacs)		402
Cost per Unit (Rs.)		5.12
(For Cogeneration of Steam & Power)		
2 Steam Generation		
(I) Through Furnance Oil Boiler		
FO (in Kgs.)		
Total Cost (Rs.in Lacs)		
Average Rate		
(II) Through Coal		
Coal (in MT.)	2850	2125
Total Cost (Rs.in Lacs)	90	84
Average Rate (Per MT)	3174	3931
B Consumption per Unit of Production		
Electricity per Kg.of Yarn (Units)	4.06	4.11
Coal per kg.of Yarn (kg.)	-	5.83

FORM - B

II TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form B of the Annexure to the Rules.

1. Research & Development (R & D)

- 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.
- Market of newly developed qualities is better and the Company is receiving continuously repeat orders.
- Development of new qualities is being continued. New process parameters to reduce cost of production are being developed.
- Expenditure on R & D :

(Rs. in lacs)

- Capital 1.34
- Recurring 33.48
- Total 34.81
- Total R & D Expenditure as a % of total turnover : 0.12%

2. Technology Absorption, Adaptation and Innovation:

- 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.

The Company has installed latest autoconers and compressors this years.

- Benefit derived as result of the above:-

Company could achieve higher productivity and improved yarn quality.

- In case of imported technology (imported during last 5 years reckoned from the beginning of the financial Years) - N/A
- Technology Absorption, Adaptation and Innovation

We installed new cots, buffing machine with UV treatment to improve the working in Ring frames.

III. FOREIGN EXCHANGE EARNINGS & OUTGO.

The Company has exported its spun yarn mainly in the established markets in Algeria, Indonesia, Singapore, Germany, Egypt, Italy, Belgium, Morocco, Turkey, and Hong Kong.

	2013-2014 (Rs. in lacs)	2012-2013 (Rs. in lacs)
i) Total Foreign Exchange Used	479.63	64.29
ii) Total Foreign Exchange Earned	2295.69	2797.50

For and on behalf of the Board

Sd/-
(V.K. LADIA)

Place: Udaipur

Date : 22nd May, 2014

CHAIRMAN & MANAGING DIRECTOR

ANNEXURE II TO THE DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of Shree Rajasthan Syntex Ltd. is pleased to present the management Discussion and Analysis Report covering the operations and financial performance of the Company for the year 2013-14. 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 (Spindles)
Syntex - Division	Simalwara Road, Dungarpur	Synthetic yarn	35,904
Texchem -Division	Simalwara Road, Dungarpur	i) Synthetic yarn ii) Polypropylene Multifilament Yarn	31,680 2000 TPA
Polycot -Division	Simalwara Road, Dungarpur	Cotton yarn	14,520

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

INDUSTRY OVERVIEW:

The textiles industry broadly refers to the production (design and manufacture) distribution and consumption of textiles. It includes fiber 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.

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.

Indian produces around 10 million tons of textile fibres including jute, accounting for about 13 percent of world production. It is the largest producer of jute in the world, the second largest producer of silk, cotton, cellulosic fibre/filaments and or synthetic

fibre/filaments. India currently has an annual production of 1.9 million tons of jute, 6.0 million tons of cotton, 22 million kilos of silk, 44 million kilos of wool and 2.63million tons of man-made fibres/filaments. These represent 59% of world production in jute, 24% in cotton, 14% in silk, 4% in wool and around 5% in man made fibres, globally. Indian textiles industry has cotton yarn and fabrics production of around 3500 million kg and 3,700 million kg respectively. It constitutes 16% and 18% of world cotton yarn and cotton fabrics production respectively in 2012. Similarly second largest volume wise production of home textiles, made-ups and garments are in India.

INDUSTRY OPPORTUNITIES:

- The Indian textile industry is amongst the very few in the world that is truly vertically integrated from raw material to finished products and the industry has leveraged its manufacturing position to improve its exports. India is one of the largest exports of readymade garments and made-ups to the world and is considered as second most preferred destination for major retailers to procure, as the industry is vertically and horizontally integrated. Most of leading global apparel brands have given repeat orders and have increased their outsourcing quantities.
- The flagship scheme of the Ministry of Textiles i.e. Technology Upgradation Fund Scheme (TUFS) has facilitated technology upgradation of the textile industry to meet the challenges of the quota free globalised trade which has helped the textile industry on a wide basis. The Union Budget 2013-14 has proposed to continue the TUFS for the textile sector in the 12th Plan with an investment target of Rs 151,000 crore. In this scheme now called RRTUF, the Government has increased the capital subsidy to 15% for investment in weaving looms. The Government has also made a considerably high allocation for technical textiles. This has been done to promote investment in downstream value added textile products.
- The Government has been continually supporting the textiles exports sector through various policy initiatives to enable the Sector to increase market share in the global textiles markets. Government has introduced several export promotion measures in the Union Budget 2013-14 as well as through schemes of Foreign Trade Policy 2009-14, including incentives under Focus Market Scheme and Focus Product Scheme; enhancing the coverage of Market Linked Focus Product Scheme for textile products and extension of Market Linked Focus Product Scheme etc. to increase India's share in various countries.
- India has all the required raw materials for both cotton and man made fibre industry. Thus, there is good availability of raw materials and no dependability on import is required.
- The role of the Textile industry is to provide one of the most basic needs of people and the importance of its sustained growth for improving quality of life. The textile industry recognize its unique position as a self reliant industry, from the production of raw materials to the delivery of finished products, with substantial value addition at each stage of processing; and its major contribution to the country's

economy. The tremendous impetus provided by various textile policies to the economy, resulting over these year in compounded annual growth rates of 7.13% in cloth production, 3.6% in the per capita availability of fabrics and 13.32% in the export of textiles; raising the share of textiles to 13% of value added domestic manufacturing of the country and to one third of the export earning of the country.

INDUSTRIAL CHALLENGES:

1. Lack of global competitiveness

Indian textile industry needs their investments, actual FDI in our industry has been abysmally poor. 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.

2. GST issues for textile industry:

Major tax reforms are initiated in the form of Goods and Service tax (GST) which is going to be introduced next year. Considering the Indian textile industry is pre-dominantly in the decentralized sector, the Govt. of India shall be required to address the specific issues of the industry.

3. 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 large capital investments needs to be made at a very high rate of interest.

4. 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.

5. 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

1. Rising imports :

FTA's, especially with Asian countries (BIMSTEC, Indo - ASEAN, SAFTA, Singapore and Thailand) should have adequate safeguards in terms of stringent adherence to Rules of Origin (to prevent countries outside the FTA from diverting trade through partner

countries) and suspension of concessionary tariffs in event of damage to local industry. Without adequate safeguards in terms of rules of origin would make the domestic industry to suffer in competition.

2. 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.

3. 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.

4. Currency risk :

Since the textile industry has a major portion of its revenue from exports, Indian rupee relation ship with foreign currencies such as US Dollar is important. The industry hedges currency risks by forward currency cover against sale contracts. Hence movement is 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.

5. 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 breakup of sales between the domestic and export markets for the last 3 years :

(Rs. in Lacs)

Revenue from operations	2011 - 12	2012 - 13	2013 - 14
Export	1892.75	2070.11	2685.13
Domestic	26649.87	26866.51	26325.54

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

- I **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.

- I **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.

- I **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.
- I **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's operations showed a significant improvement in its performance and were able to handle the various market conditions in both the domestic and export market. The sales turnover of the company was Rs 29010.67 lacs as compared to Rs. 28936.62 lacs of previous year. The Profit (before interest, depreciation & tax) amounted to Rs. 2591.79 lacs and the Profit/after tax (PAT) amounted to Rs 61.31 lacs as compared to profit of Rs 3.20 lacs in previous year.

FINANCIAL PERFORMANCE FOR THE YEAR ENDED

31.03.2014

(Rs in Lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Sales		
Domestic	26325.54	26866.51
Export	2685.13	2070.11
Total	29010.67	28936.62
Profit Before interest & depreciation	2591.79	2609.30
Less: Finance Cost	1588.70	1560.98
Profit Before depreciation	1003.09	1048.32
Less: Depreciation	927.95	1002.22
Profit/(Loss) Before exceptional item	75.14	46.10
Profit Before Tax	75.14	46.10
Less: Deferred tax liability	13.83	42.90
Profit/Loss (Loss) After Tax	61.31	3.20

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 implemented the expansion cum modernization project wherein the State of art machinery including auto doffing system on ring frames has been added to ensure its global competitiveness.

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:

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 employed 2294 persons as on 31.03.2014. 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

The Company has adequate internal control system commensurate with its size and nature of business. Sound financial and commercial practices continued to be an integral part of the Company. 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 unauthorised 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.

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 III TO DIRECTORS REPORT

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Code of Corporate Governance

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.

We believe, Corporate Governance is not just 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.

II. Board of Directors

A. Board Composition and category of Directors

The present strength of the Board is eleven Directors comprising of three Executive Directors including the Chairman & Managing Director and remaining eight Non- Executive Directors. A majority of the Board, 7 (seven) out of 11 are independent directors including a women director. 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 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
Independent
Directors - | Reimbursement of expenses and payment of sitting fees for the Board /Committee meetings attended by them. |

PROFILE OF DIRECTORS RETIRING BY ROTATION & APPOINTMENT OF NON EXECUTIVE INDEPENDENT DIRECTORS AS PER THE NOTICE OF THE AGM

Mr. R.S. Nirwan

R.S. Nirwan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2000.

He had done his MBA from IIM, Ahmedabad and has had a long career with National Textile Corporation (NTC). He has remained the Chairman of NTC also. Besides he has remained a member of Rajasthan Planning Commissioner and is active towards welfare of Rajasthan State.

In the opinion of the Board Mr. R.S. Nirwan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. R.S. Nirwan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the company during normal business hours on any working day, excluding Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. R.S. Nirwan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. R.S. Nirwan as an Independent Director, for the approval by the shareholder of the Company.

Under the Companies Act, 2013 independent directors can only receive fees under the provision of Section 197(5) as may be approved by the members. Accordingly, approval of the members is also being sought for the purpose of payment of fee as may be decided by the Board from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the rules that are passed or may be passed from time to time.

Except Mr. R.S. Nirwan being an appointee none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at item No. 5. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Mr. Sunil Goyal

Mr. Sunil Goyal is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2006.

He is a leading Chartered Accountant and has remained the President of Indian Chartered Accountant of India. He is an expert on accounting, finance, taxation and related laws.

In the opinion of the Board Mr. Sunil Goyal fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Sunil Goyal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the company during normal business hours on any working day,

excluding Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sunil Goyal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sunil Goyal as an Independent Director, for the approval by the shareholder of the Company.

Under the Companies Act, 2013 independent directors can only receive fees under the provision of Section 197(5) as may be approved by the members. Accordingly, approval of the members is also being sought for the purpose of payment of fee as may be decided by the Board from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the rules that are passed or may be passed from time to time.

Except Mr. Sunil Goyal being an appointee none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at item No. 6. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Mr. N.N. Agrawala

Mr. N.N. Agrawala is a Non-Executive Independent Director of the Company. He has acquired MBA Degree from IIM, Ahmedabad and has experience of over 40 years in the textile industry.

He has a technocrat and has deep knowledge of spinning industry.

In the opinion of the Board Mr. N.N. Agrawala fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. N.N. Agrawala as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the company during normal business hours on any working day, excluding Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. N.N. Agrawala as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. N.N. Agrawala as an Independent Director, for the approval by the shareholder of the Company.

Under the Companies Act, 2013 independent directors can only receive fees under the provision of Section 197(5) as may be approved by the members. Accordingly, approval of the members is also being sought for the purpose of payment of fee as may be decided by the Board from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the rules that are passed or may be passed from time to time.

Except Mr. N.N. Agrawala being an appointee none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at item No. 7. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Mr. Ravinder Narain

Mr. Ravinder Narain is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 1980.

He is a leading solicitor and advocate of our Country. He is a partner of M/s. J.B. Dadachand ji & Co., at New Delhi. He has vast knowledge in the field of legal affairs and advocate in Supreme Court of India.

In the opinion of the Board Mr. Ravinder Narain fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Ravinder Narain as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the company during normal business hours on any working day, excluding Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ravinder Narain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ravinder Narain as an Independent Director, for the approval by the shareholder of the Company.

Under the Companies Act, 2013 independent directors can only receive fees under the provision of Section 197(5) as may be approved by the members. Accordingly, approval of the members is also being sought for the purpose of payment of fee as may be decided by the Board from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the rules that are passed or may be passed from time to time.

Except Mr. Ravinder Narain being an appointee none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at item No. 8. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Mr. Susheel Jain

Mr. Susheel Jain is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 2006.

He is a leading Chartered Accountant and having expertise knowledge on accounting, finance, taxation and related laws. He has interest in marble and transport business.

In the opinion of the Board Mr. Susheel Jain fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Susheel Jain as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the company during normal business hours on any working day, excluding Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to

avail services of Mr. Susheel Jain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Susheel Jain as an Independent Director, for the approval by the shareholder of the Company.

Under the Companies Act, 2013 independent directors can only receive fees under the provision of Section 197(5) as may be approved by the members. Accordingly, approval of the members is also being sought for the purpose of payment of fee as may be decided by the Board from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the rules that are passed or may be passed from time to time.

Except Mr. Susheel Jain being an appointee none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at item No. 9. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Mrs Amita Narain

Mrs. Amita Narain is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company in 2013.

She has remained an eminent banker wherein she was a Chief General Manager of IDBI Bank Ltd. She has remained an independent Director on the board of various large corporate and has deep knowledge on corporate banking.

In the opinion of the Board Mrs. Amita Narain fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mrs. Amita Narain as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the company during normal business hours on any working day, excluding Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Amita Narain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Amita Narain as an Independent Director, for the approval by the shareholder of the Company.

Under the Companies Act, 2013 independent directors can only receive fees under the provision of Section 197(5) as may be approved by the members. Accordingly, approval of the members is also being sought for the purpose of payment of fee as may be decided by the Board from time to time, subject to the limits prescribed under the Companies Act, 2013 and as may be prescribed under the rules that are passed or may be passed from time to time.

Except Mrs. Amita Narain being an appointee none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at item No. 10. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

B. 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.

C. Meetings of Independent Directors.

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.

D. Scheduling and Selection of agenda items for Board Meetings.

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

- | Annual operating plans of business and budgets including capital budgets and any updates.
- | Quarterly results of the Company and its operating divisions or business segments.
- | Company's annual Financial Results, Financial Statements Auditors Report and Boards Report Minutes of meetings of the Audit Committee and other Committees of the Board.
- | Fatal or serious accidents, dangerous occurrences and any material effluent or pollution problems.
- | Non compliance of any regulatory, statutory or listing requirements and shareholder's service, such as dividend non-payment, share transfer delay (if any) among others.
- | Appointment, remuneration and resignation of Directors
- | Formation/reconstitution of Board Committees
- | Terms of reference of Board Committees
- | Declaration of independent directors at the time of appointment / annually.
- | Disclosures of Director's interest and their shareholding
- | Appointment or removal of the Key Managerial Personnel (KMP) and officer's one level below KMP.
- | Quarterly / annual Secretarial Audit Reports submitted by Secretarial Auditors.
- | Dividend declaration
- | Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made

- | Significant changes in accounting policies and internal controls
- | Takeover of a company or acquisition of a controlling or substantial stake in another company.
- | Statement of significant transactions, related party transactions and arrangements entered by unutilized subsidiary companies.
- | Issue of securities
- | Appointment of and fixing of remuneration of the auditors as recommended by the Audit Committee.
- | Internal Audit findings and External Audit Reports (through the Audit Committees)
- | Status of business risk exposures, its management and related action plans.
- | Making of loans and investment of surplus funds
- | Borrowing of monies, giving guarantees or providing security in respect of loans
- | Brief on statutory developments, changes in government policies, among others with impact thereof, Director's Responsibilities arising out of any such developments.
- | Compliance Certificate certifying compliances with all laws as applicable to the Company.
- | Reconciliation of share capital audit report under SEBI (Depositories and Participants) Regulations, 1996.

E. Board Meeting attendance

The Board met four times on 25th May 2013, 8th August 2013, 9th November 2013 and 14th February 2014. Notices of the meetings with agenda along with necessary details were sent to the Directors on time.

Attendance of each Director at the Board Meetings and the Annual General Meeting.

Name of the Director	Attendance in the AGM	No. of Board Meetings attended	Category of Director	No. of directors -hips in other Public Limited Companies	No. of other Board Committees of which Member/ Chairman	
					Member	Chairman
Mr. V.K. Ladia (Chairman & Managing Director) DIN : 00168257	Yes	3	CMD	3	--	-
Mr. Vikas Ladia (Joint Managing Director) DIN : 00256289	Yes	3	JMD	-	1	-
Mr. Anubhav Ladia (Executive Director) DIN : 00168312	Yes	4	ED	1	-	-
Mr. Raj Singh Nirwan DIN : 00313799	Yes	4	NEID	-	-	-
Mr. Sunil Goyal DIN : 00110601	No	1	NEID	1	-	-
Mr. R.K. Pandey DIN: 00190017	No	4	NEID	13	7	2
Mr. Ravinder Narain DIN : 00059197	No	1	NEID	3	-	-
Mr. N.N. Agrawala DIN : 00168211	Yes	1	NEID	-	-	-
Mr. R.L. Kunawat DIN : 00196938	Yes	1	NED	-	-	-
Mr. Susheel Jain DIN: 00378678	No	-	NEID	1	-	-
Mrs. Amita Narain DIN : 00017703	No	1	NEID	2	1	-

F. Audit Committee

The Audit Committee's composition meets with requirement of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. A member of the Audit Committee possesses financial/accounting expertise/exposure. It comprises of 5 Directors, Mr. V.K. Ladia, Mr. R.S. Nirwan, Mr. Sunil Goyal, Mr. R.L. Kunawat, Mr. N.N. Agrawala out of which 4 are Non Executive Directors:

Powers & Role of the Audit Committee inter alia includes the following :

- | To investigate any activity within its terms of reference.
- | To seek information from any employee
- | To obtain outside legal or other professional advise
- | To secure attendance of outsiders with relevant expertise, if it considers necessary.
- | 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 director's report in terms of sub section (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, 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 statements
 - Disclosure of related party transactions
 - 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.
- | 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, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems.
- | To review the functioning of the whistle blower mechanism
- | Reviewing the following information:
 - The management discussions and analysis of financial

condition and results of operations.

- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors.
- Internal auditor reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of internal auditors/chief internal auditor.

The Audit Committee met on 25th May 2013, 8th August 2013, 9th November 2013 and 14th February 2014 for perusal of financial position and unaudited quarterly results. The accounts and financial positions were perused by the Audit Committee and thereafter placed before the Board for their consideration.

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

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

G. Nomination and Remuneration Committee.

The Nomination and Remuneration Committee was re-constituted and renamed by the Board on May 22nd, 2014 in accordance with Section 178 of the Companies Act, 2013 consequent to the dissolution of the '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 Listing Agreement. Members of this Committee possess sound expertise knowledge/exposure. It comprises of 3 Directors, as follows:

- i) Mr. R.S. Nirwan - NEID
- ii) Mr. R.L. Kunawat - NED
- iii) Mr. N.N. Agrawala - NEID

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

- I To perform such other functions as may be necessary or appropriate for the performance of its duties. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- I 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.
- I To recommend/review remuneration of the Management Director(s) and Whole-Time Directors(s) based on their

performance and defined assessment criteria

- I To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification as may be applicable.
- I To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel and other employees.

The Committee shall, while formulating the policy, ensure that:-

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

For the purpose of this section the expression "Senior Management" mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

The remuneration to be paid to the Executive/ Whole-time Directors is recommended by the Remuneration Committee to the Board of Directors and shareholders of the Company for their approval.

Meeting details: Two meeting of the nomination & remuneration committee was held during Year. The details of meeting and attendance are duly minutised.

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

H. Stakeholders Relationship Committee.

The 'Stakeholders Relationship Committee' (SR Committee) was re-constituted and renamed by the Board on May 22nd, 2014 in accordance with Section 178 of the Companies Act, 2013 consequent to the dissolution of the 'Shareholders'/Investors' Grievance Committee' (SIG Committee). The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading. The SR Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013. It comprises of 3 Directors, as follows:

- i) Mr. N.N. Agrawala- Non Executive Independent Director
- ii) Mr. V.K. Ladia - Whole Time Director

iii) Mr. R.L. Kunawat- Non Executive Director

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

- i) Oversee and review all matters connected with the transfer of the Company's Securities.
- i) Approve issue of the Company's duplicate share debenture certificates.
- i) Monitors redressal of investor's/shareholders/security holder's grievances.
- i) Oversee the performance of the Company's Registrars and Transfer Agents.
- i) Monitor implementation of the Company's code of conduct for prohibition of insider trading
- i) Carry out any other functions as is referred by the Board from time to time or enforced by any statutory notification / amendment or modifications as may be applicable.

Meeting details: Two meeting of the Stakeholders Relationship Committee was held during Year. The details of meeting and attendance are duly minutised.

Sl.No.	Name of the Directors	Position held in the committee and category	No. of meetings held	No .of meetings attended
01	Mr. R.L.Kunawat (NED)	Chairman	2	2
02	Mr. V.K. Ladia (WTD)	member	2	2
03	Mr. N.N. Agrawala (NEID)	member	2	2

I. Share Transfer Committee

The Share Transfer Committee looks into the shareholders' requests for transfer of shares, transmission of shares, etc. held in physical form.

The Committee's primarily focus is:

- i) To scrutinize the share transfer application forms received by the Company and, if found in order in all respects, to register transfers of shares in the Register of Members of the Company,
- i) To register various documents as mentioned above in the Register of Documents maintained by the Company,
- i) To approve the issue of split share certificates and new share certificates in place of defaced, torn, damaged and soiled share certificates on receipt of proper applications and other required papers and documents from the shareholders,
- i) To sign the share certificates and to affix the Company's Common Seal on them in accordance with the provisions of the Companies Act, 1956/2013, the Companies (Issue of Share Certificates) Rules, 1960 and those of the Articles of Association of the Company, and
- i) To take all other consequential and incidental actions and measures.

COMPOSITION:

The Share Transfer Committee comprises of 5 members, viz. Shri V. K. Ladia, Shri Vikas Ladia, Shri Anubhav Ladia, Shri N.N. Agrawala , Shri R. L. Kunawat .

Meeting details: During the year 2013-14, 24 meetings of Share Transfer Committee were held. Three members constitute the quorum for each meeting. The meetings were held on 15th April 2013, 30th April 2013, 15th May 2013, 31st May 2013, 3rd June 2013, 29th June 2013, 31st July 2013, 31st August 2013, 11th September 2013, 29th September 2013, 5th October 2013, 14th October 2013, 28th October 2013, 30th November 2013, 14th December 2013, 27th January 2014, 31st January 2014, 10th February 2014, 17th February 2014, 21st February 2014, 24th February 2014, 28th February 2014, 3rd March 2014 & 31st March 2014.

J. Sub Committee of the Board

The Sub-Committee of the Board consisting of Mr. V.K. Ladia as Chairman and Mr. Vikas Ladia, Mr. Anubhav Ladia Mr. N.N. Agrawala & Mr. R.L. Kunawat as members deals with various matters including transmission of shares, issue of duplicate share certificates, approving the split, consolidation requests, demat requests and other matters relating to transfer, registration of shares etc. This committee has been authorized to take on record unaudited financial results and review report of the auditor as per clause 49 of the Listing Agreements.

Meeting details: During the year 2013-14, 27 meetings of Sub-Committee of the Board were held. Three members constitute the quorum for each meeting. The meetings were held on 15th April 2013, 30th April 2013, 6th May 2013, 15th May 2013, 31st May 2013, 3rd June 2013, 29th June 2013, 31st July 2013, 19th August 2013, 31st August 2013, 11th September 2013, 29th September 2013, 5th October 2013, 14th October 2013, 28th October 2013, 30th November 2013, 14th December 2013, 31st December 2013, 27th January 2014, 31st January 2014, 10th February 2014, 17th February 2014, 21st February 2014, 24th February 2014, 28th February 2014, 3rd March 2014 & 31st March 2014

III. ANNUAL GENERAL MEETINGS

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

Financial Year	Date	Time	Venue
2010-11	19 th September, 2011	2.30 PM	Regd. Office : "SRSL House" Pulla, Bhuwana Road, N.H. no. 8 , Udaipur -(Raj)- 313004
2011-12	22 nd September, 2012	2.30 PM	Regd. Office : "SRSL House" Pulla, Bhuwana Road, N.H. no. 8 , Udaipur -(Raj)- 313004
2012-13	28 th September, 2013	2.30 PM	Regd. Office : "SRSL House" Pulla, Bhuwana Road, N.H. no. 8 , Udaipur -(Raj)- 313004

The details of special resolutions passed at AGMs during last 3 years i.e. 2011, 2012 & 2013 are as under:-

Sr. No.	AGM held on	Special Resolution Passed
1.	19 th September, 2011	01. Approval from shareholder for allotment of 4,75,000 Convertible share warrants to the promoters and its associates on preferential basis. 02. Appointment of Shri Jitender Balakrishnan under section 257(1) of the Companies Act, 1956 for the office of Director
2.	22 nd September, 2012	01. Approval from Shareholders under Section 293 1 (A) to specify the overall limit up to which money may be borrowed from the Lenders by Board of Directors. 02. Approval from Shareholders for allotment of 650,000 Convertible Share warrants to the promoters and its associates on preferential basis in Extra ordinary General Meeting (EOGM) held on 15th April, 2012
3.	28 th September, 2013	01. Reappointment of Shri V.K. Ladia u/s 198, 269, 309, 349, and 350. with Schedule XIII. of Companies Act, 1956. 02. Reappointment of Shri Vikas Ladia u/s 198, 269, 309, 349, and 350. with Schedule XIII. of Companies Act, 1956. 03. Reappointment of Shri Anubhav Ladia u/s 198, 269, 309, 349, and 350. with Schedule XIII of Companies Act, 1956.

IV. Remuneration of Directors

Details of remuneration / sitting fees to Directors for the year ended 31st March, 2014

Name of Director	Period of Service Contract	Salary (Rs.)	Allowances (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Sh.V.K.Ladia (Chairman & Managing Director)	3	2040000	568076	-	217235	-	2825311
Sh.N.N.Agrawala (Director)	-	-	-	-	-	14000	14000
Sh.Raj Singh Nirwan (Director)	-	-	-	-	-	56000	56000
Sh.Ravinder Narain (Director)	-	-	-	-	-	-	-
Sh.Susheel Jain (Director)	-	-	-	-	-	-	-
Sh.Vikas Ladia (Jt. Mg.Director)	3	1525000	295622	-	217186	-	2037808
Sh.R.L.Kunawat (Director)	-	-	-	-	-	14000	14000
Sh.Anubhav Ladia (Executive Director)	3	1105000	217858	-	47295	-	1370153
Sh. R.K. Pandey (Director)	-	-	-	-	-	28000	28000
Sh. Sunil Goyal (Director)	-	-	-	-	-	14000	14000
Mrs. Amita Narain (Director)	-	-	-	-	-	7000	7000

Details of remuneration paid to Managing Directors & Executive Director for the year 2013-14:

- 1) Appointment, and the terms thereof, of Mr. V.K. Ladia, Chairman & Managing Director, has been approved for 3 (three) years from 1st June 2013 to 31st May 2016.
- 2) Appointment, and the terms thereof, of Mr. Vikas Ladia, Joint Managing Director, has been approved for 3 (three) years from 1st September 2013, to 31st August, 2016.
- 3) Appointment, and the terms thereof, of Mr. Anubhav Ladia, Joint Managing Director, has been approved for 3 (three) years from 1st September 2013, to 31st August, 2016.

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. The remuneration paid to each Director during the period from 1st April, 2013 to 31st March, 2014 is as under:-

(i) Executive Directors

(Rs. in Lacs)

Sr. No.	Name of Director	Salary	Contribution to PF Perquisites & other payments
1.	Shri V. K. Ladia	20.40	7.85
2.	Shri Vikas Ladia	15.25	5.13
3.	Shri Anubhav . Ladia	11.05	2.65
	Total	46.70	15.63

(ii) Non-Executive Independent Directors

Sr. No.	Name of Director	Amount
1.	Shri R.S Nirwan (NEID)	0.56
2.	Shri Sunil Goyal (NEID)	0.14
3.	Shri N.N.Agrawala (NEID)	0.14
4.	Shri R. L. Kunawat (NED)	0.14
5.	Smt Amita Narain (NEID)	0.07
6.	Shri R.K. Pandey (NEID)	0.28

(iii) Details of fixed components and performance linked incentive along with the performance criteria, salary has fixed component only and no performance linked incentive.

(iv) Service contracts, notice period, severance fees -

- a) Mr. V.K. Ladia - 3 years with 6 months notice period
- b) Mr. Vikas Ladia - 3 years with 6 months notice period
- c) Mr. Anubhav Ladia - 3 years with 6 months notice period

Disclosure of shareholding of above mentioned directors as on 31st March 2014 are as follows:

Sr. No.	Name of Directors	Total No. of Shares	% of shareholding
1.	Shri V. K. Ladia	466018	3.7%
2.	Shri Vikas Ladia	302515	2.43%
3.	Shri Anubhav .Ladia	270032	2.17%
	Total	1038565	8.37%

V. Disclosures

a) Related party transactions.

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

Disclosure on materially significant related party transactions i.e. transactions of the Company of a material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

The Company has entered into certain transactions with its Promoters, Directors and the Management related parties in the ordinary course of business, but these transactions do not have any potential conflict with the interests of the Company at large. The Company has complied with mandatory requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

All related party transactions are negotiated on arms length basis and are intended to further the company's interests.

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.

VI Code of Conduct and ethics

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 of compliance with code of conduct for the year 2013-14. A declaration to this effect is attached to this report.

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.

We strive to conduct our business and strengthen our relationship in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are :

- 1 Code for Board of Directors and Board Committees.
- 1 Code of Business Conduct and Ethics for Directors / Management Personnel
- 1 Code of conduct for prohibition of insider trading
- 1 Code of Ethics and Business Policies.
- 1 Code of financial Reporting, Disclosure & Transparency

VII. 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 employees are free to report violations of law, rules, regulations or unethical conduct to their immediate supervisor or such other persons as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

VIII Insider Trading

The Company has adopted 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.

IX Compliance Officer

Mrs. Bhanupriya Mehta Jain, Company Secretary and Compliance Officer, is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges has been designated by the Board as the Compliance Officer as per listing agreement.

X Risk Management

The Company has a well defined risk management framework in place. Under this framework, the management identifies and monitor business risks on continuous basis and initiated appropriate risk mitigation steps as and when deemed necessary.

The Company has established 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.

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

As per requirement of Clause 49 of the Listing Agreement, a certificate duly signed by CEO and CFO of the Company was placed at the Board meeting of the Company held on 22nd May, 2014 and forms a part of this annual report.

XII Means of Communication.

Quarterly Results: The Company's quarterly results are published in Financial Express and Nafanuksan and are displayed on its website (www.srsl.in).

News releases, presentations amount others : Official news releases and official media releases are sent to Stock Exchanges.

Website: The Company's website www.srsl.in contains a separate dedicated section 'financial results' where shareholders; information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

Annual Report: The Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Director'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 of the Annual Report and is displayed on the Company's website (www.srsl.in)

Chairman's Communiqué: The printed copy of the Chairman's speech is distributed to shareholders at Annual General Meetings. The document is also placed on the Company's website : www.srsl.in

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, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress 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.

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

For queries on Annual Report: cs@srsl.in.

For queries in respect of shares in physical mode : mas_serve@yahoo.com

Shareholder's feedback survey: The Company had sent feedback forms seeking shareholder's views on various matters relating to investor services and Annual Report 2012-13. The feedback received from shareholders was placed before the shareholders/Investor's Grievance Committee.

XIII Shareholder Information:

		Month	Highest(Rs.)	Lowest(Rs.)
a) Annual General Meeting	: 17th September, 2014 at 2.30 P.M. at the Registered Office of the Company at 'SRSL House', Pulla -Bhuwana Road, N.H.No.8, Udaipur – 313 004	April 2013	7.94	6.37
Date, time and venue of the Annual General Meeting		May 2013	8.17	6.30
		June 2013	7.41	6.75
		July 2013	6.50	5.46
		August 2013	5.44	5.17
		September 2013	7.35	5.42
b) Financial Calendar Particulars	: The Financial Results were announced for: Quarter ended June 30, 2013-August 2013 (2nd week)	October 2013	8.09	6.35
April 01, 2013 to March 31, 2014	Half Year ended September 30, 2013- November 2013 (2nd week)	November 2013	8.67	6.99
	Third Quarter ended December 31, 2013- February 2014 (2nd week)	December 2013	10.00	7.40
	Financial Results for the year ending March 2014 --May 2014 (last week)	January, 2014	8.40	7.35
		February 2014	7.70	6.30
		March 2014	6.90	5.81
c) Financial Calendar Particulars :	: The Financial Results will be announced for: Quarter ended June 30, 2014-August 2014 (2nd week)	j) Stock performance	: As mentioned above	
April 01, 2014 to March 31, 2015 (Tentative schedule)	Half Year ended September 30, 2014- November 2014 (2nd week)	k) Registrar and Transfer Agent	: M/s. Mas Service Ltd. T-34, 2nd Floor, Okhla Industrial Area Phase - II New Delhi - 110 024 Phone : 011 26387281-83 Fax : 011 26387384	
	Third Quarter ended December 31, 2014- February (2nd week)	l) Share Transfer System	Share transfer is normally effected within a maximum 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 24 times during the financial year 2013-2014 for consideration of share transfer and similar matters.	
	Financial Results for the year ending March 2015 --May 2015 (last week)	m) Distribution of Shareholding as on 31st March, 2014.		
Annual General Meeting	: Last week of September 2015 (Tentative schedule)			
d) Date of Book Closure	: 25th August 2014 to 26th August 2014			
e) Dividend payment date	: Within 30 days from the date of AGM			
f) Registered Office	: 'SRSL House', Pulla - Bhuwana Road, N.H 8, Udaipur, Rajasthan - 313 004			
g) Stock Code	: 503837 with Bombay Stock Exchange Ltd.			
h) Listing on Stock Exchanges	: Bombay Stock Exchange Ltd			
i) Stock Price Data	: Bombay Stock Exchange Ltd, Mumbai			

Shareholding of Nominal value (Rs.)	No. of -share Holders	Total No. of Shares	% of share holding
1 - 5000	10887	1468719	11.842
5001 - 10000	579	456207	3.678
10001 - 20000	268	402220	3.243
20001 - 30000	97	241818	1.950
30001 - 40000	70	245772	1.982
40001 - 50000	39	183874	1.483
50001 - 100000	73	512078	4.129
100001 & above	106	8891613	71.693
Total	12119	12402301	100.00

n) Categories of shareholding as on 31st March, 2014

Shareholders	No. of Shares held	% of total shares held
Promoters & promoter group	5381540	43.392
Foreign Institutional Investors	150	0.001
Mutual Funds/UTI	4485	0.036
Banks	330794	2.667
Corporate Bodies	1253896	10.110
Non-Resident Indian / OCB's	161294	1.301
Public	5270142	42.493
Total	12402301	100.00

o) Category-wise

Category	Number of shareholders	Shareholders (%)	Number of Shares held	Shareholding (%)
Physical	7158	58.69	1456237	11.74
Electronic	5037	41.31	10946064	88.26
Total	12195	100.00	12402301	100.00

Note :-76 holders are Common in demat and physical

p) Dematerialization of Shares and Liquidity

As on 31st March 2014, 88.26 % 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.

q) Plant Locations

- Shree Rajasthan Syntex
Village-Udaipura, Simalwara Road,
Dungarpur - 314 001(Rajasthan)
Tel: 02964 - 302400
Fax: 02964 - 302500
- Shree Rajasthan Polycot
(A Div. of Shree Rajasthan Syntex Ltd)
Simalwara Road
Dungarpur - 314 001 (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
- Investor Correspondence Address:
M/s. Mas Services Ltd
T-34, 2nd Floor,
Okhla Industrial Area, Phase – II,
NEW DELHI - 110 024.
- Non Mandatory Requirements – The Company has not adopted any non mandatory requirements.

XIV. CEO/CFO certificate under Clause 49(V)

To:

The Board of Directors,

Shree Rajasthan Syntex Ltd

- We have reviewed financial statements and the cash flow statement of Shree Rajasthan Syntex Ltd for the year ended 31st March 2014 and to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are to the best of our knowledge and belief non transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting.

We have not come across any reportable deficiencies in the design or operation of such internal controls.
- We have indicated to the Auditors and the Audit Committee:
 - that there are no significant changes in internal control over financial reporting during the year.
 - That there are no significant changes in accounting policies during the year; and
 - That there are no instances of significant fraud of which we have become aware.

V.K. LADIA
(CHAIRMAN &
MANAGING DIRECTOR)
DIN: 00168257

N.K. SONI
(CHIEF FINANCIAL
OFFICER)

M.C. BHANDARI & CO.
CHARTERED ACCOUNTANTS

To

The Board of Directors
Shree Rajasthan Syntex Ltd
'SRSL House',
Pulla-Bhuwana Road
National Highway No. 8
UDAIPUR - 313 004 (Raj.)

We have examined the compliance of conditions of Corporate Governance by Shree Rajasthan Syntex Ltd, for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with 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 based on the representations made by directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned Listing Agreement.

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

For and on behalf of
M/s. M.C. Bhandari & Co.
Chartered Accountants,
(Firm Reg. No. 303002-E)

Place : Udaipur
Date : 22.05.2014

(CA V. CHATURVEDI)
PARTNER
M. No.13296

Confirmation of compliance of Code of Conduct.

I declare that all Board members and Senior Management Personnel have individually affirmed compliance with the Code of Conduct adopted by the Company for the financial year ended 31st March, 2014.

Sd/-
(V.K. Ladia)
Chairman & Managing Director (CEO)

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. ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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 Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2014;
- b) in the case of the Profit and Loss Account, of the profit/ 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act 2013.
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

CA V. CHATURVEDI
Partner
Membership No. 13296

Place : Udaipur
Date : 22nd May 2014

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. b) The fixed assets have been physically verified by the management during the year. There is regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification. c) The company has not sold substantial part of plant and machinery , during the year , which effect the going concern status of the company. | <ul style="list-style-type: none"> (iii) a) The Company has granted loans to a Trust in earlier year covered in the register maintained under section 301 of the Companies Act, 1956 Maximum amount of loan during the year was Rs.102.24 Lacs and the year-end balance of loans granted to such party was Rs. 97.80 Lacs. b) In our opinion, the rate of interest and other term and conditions of above loan granted by the Company are not prima facie, prejudicial to the interest of the company c) According to the information and explanations given to us, the parties to whom loan and advance in the nature of loan have been given are repaying the principal amount as stipulated and are also regular in payment of interest. d) The company has taken loans from Directors and other parties covered in the register maintained under section 301 of the Companies Act, 1956 aggregating to Rs 41.13 lacs during the year and total outstanding was Rs. 41.13 Lacs at the close of the year . e) In our opinion, the rate of interest and other terms and conditions of above loans taken by the company are not prima facie prejudicial to the interest of the company. f) The company is regular in payment of Principal amount and interest as per stipulations. |
| <ul style="list-style-type: none"> (ii) a) As explained to us, the inventory had been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the inventory records, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records are not material and have been properly dealt with in the books of account. | <ul style="list-style-type: none"> (iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and with regard to the sale of goods and |

services. During the course of our audit, no major weakness has been noticed in the internal controls.

- (v) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
- a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us we are of the opinion that the contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under section 301, and ;
- b) According to information and explanations given to us each of such transactions made in pursuance of such contracts or arrangements have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us the Company has complied with the Directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Act or any other relevant provisions of the Act and the rules framed there under wherever applicable.
- (vii) In our opinion the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company relating to the manufacture of the spun yarn pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not however made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax ,Customs duty, Excise Duty , Cess and other statutory dues with the appropriate authorities.
- b) According to the records of the Company and information and explanations given to us following disputed demands have not been deposited since –
- (i) Excise duty demands amounting to Rs. 349.65 lacs pending with CSTAT (Rs.256.55 Lacs), Commissioner (Appeals) (Rs. 59.35 Lacs), Asstt. Commissioner (Rs. 11.55 Lacs) and Joint secretary

(Rs.22.22 Lacs). Against these demands, Company has deposited Rs. 92.03 Lacs under protest

- (ii) Sales tax demands amounting to Rs. 392.36 Lacs pending with Rajasthan Tax Board, Ajmer Against these demands company has deposited under Protest Rs. 74.54 Lacs.
- (iii) Entry tax demand amount to Rs.306.11 Lacs pending with High court of Rajasthan against these demand company has deposited under protest Rs.108.34 Lacs.
- (iv) ESI Demand amounting to Rs.24.44 lacs pending with appellate authorities against these demands company has deposited Rs. 0.93 lacs under protest.
- (v) T.C. Cess amounting to Rs. 10.14 Lacs not deposited as same is disputed and pending with Textile Committee Cess Tribunal, Mumbai.
- (x) The Company does not have accumulated losses as at the end of the year, Company has not incurred cash losses in the current year. There were cash losses in immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debentures holders
- (xii) According to the information and explanations given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other from banks and financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us term loans availed by the Company were prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- (xvii) According to the Cash Flow Statement and records examined by us and according to the information and explanations given

to us, on overall basis, funds raised on short term basis have prima facie, not been used during the year for long term investment and vice versa.

(xviii) The company has made preferential allotment of shares on conversion of warrants to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. The issue price is not prejudicial to the interest of the Company.

(xix) According to the information and explanations given to us and

the records examined by us no debentures have been issued hence creation of security does not arise.

(xx) The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us no fraud on or by the Company was noticed or reported during the year,

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

CA V. CHATURVEDI
Partner
Membership No. 13296

Place : Udaipur
Date : 22nd May 2014

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	2	1240.23	1233.23
(b) Reserves & Surplus	3	2477.94	2413.83
(c) Money received against Share Warrants	4	-	9.80
		3718.17	3656.86
(2) Non- current liabilities			
(a) Long-term Borrowings	5	6966.29	7550.63
(b) Deferred Tax Liabilities (Net)	6	557.20	543.37
(c) Other Long Term Liabilities	7	137.87	121.02
(d) Long Term Provisions	8	343.09	342.51
		8004.45	8557.53
(3) Current liabilities			
(a) Short-term Borrowings	9	4137.46	3416.31
(b) Trade Payables	10	3536.57	2375.16
(c) Other Current Liabilities	11	1896.57	1828.42
(d) Short Term Provisions	12	83.74	95.53
		9654.34	7715.42
Total		21376.96	19929.81
II. ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	13	10669.73	10500.48
(ii) Intangible Assets	13	0.26	0.32
(iii) Capital Work-in-progress	13	396.35	189.56
(b) Non-current Investments	14	40.15	40.15
(c) Long-term Loans And Advances	15	316.92	369.52
		11423.41	11100.03
(2) Current assets			
(a) Inventories	16	4580.26	3676.62
(b) Trade Receivables	17	1496.54	1785.15
(c) Cash And Cash Equivalents	18	156.31	158.95
(d) Short-term Loans And Advances	19	380.79	253.97
(e) Other Current Assets	20	3339.65	2955.09
		9953.55	8829.78
Total		21376.96	19929.81
Significant Accounting Policies	1		
Note on Financial Statements	2 to 48		

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/-
V.K. LADIA
CHAIRMAN &
MANAGING DIRECTOR

Sd/-
R.L. KUNAWAT
DIRECTOR

(CA V. CHATURVEDI)
Membership. No. 13296
Partner

Date : 22/05/2014
Place : Udaipur

Sd/-
BHANUPRIYA MEHTA JAIN
COMPANY SECRETARY

Sd/-
N.K. SONI
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	2013-2014 Rs. (in lacs)	2012-2013 Rs. (in lacs)
Revenue from operations	21	28805.01	28484.79
Other Income	22	205.66	451.83
Total Revenue		<u>29010.67</u>	<u>28936.62</u>
Expenses :			
Cost of materials consumed	23	19228.40	18,331.90
Purchases of Stock -in-Trade		105.01	-
Changes in inventories of finished goods- work-in-progress and stock-in-trade	24	(408.76)	691.90
Employee benefits expenses	25	2697.94	2454.86
Finance costs	26	1588.70	1560.98
Depreciation and amortisation Expenses		927.95	1002.22
Other Expenses	27	4796.29	4848.66
Total expenses		<u>28935.53</u>	<u>28890.52</u>
Profit before tax		75.14	46.10
Tax Expenses:			
(1) Current tax (MAT)		14.32	8.78
Less : MAT credit entitlement		<u>14.32</u>	<u>8.78</u>
Net current tax		-	-
(2) Deferred Tax		13.83	42.90
Profit/(Loss) for the period		<u>61.31</u>	<u>3.20</u>
Earning per equity share :	28		
Basic & Diluted		0.50	0.03
Significant Accounting Policies	1		
Note on Financial Statements	2 to 48		

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/-
V.K. LADIA
CHAIRMAN &
MANAGING DIRECTOR

Sd/-
R.L. KUNAWAT
DIRECTOR

(CA V. CHATURVEDI)
Membership. No. 13296
Partner

Date : 22/05/2014
Place : Udaipur

Sd/-
BHANUPRIYA MEHTA JAIN
COMPANY SECRETARY

Sd/-
N.K. SONI
CHIEF FINANCIAL OFFICER

Cash Flow Statement for the year ended 31st March 2014 Pursuant to clause 32 of the Listing Agreement

	2013-14	2012-13
A	Cash Flow from Operating Activities	
	Net Profit before tax and extraordinary items	46.10
	Adjustments for	
	Depreciation	1,000.30
	Amortisation of Expenses	1.92
	Provision for Leave Encashment/Gratuity	(109.29)
	Loss on Sale of Assets/Investments (Net)	(170.76)
	Interest Income	(141.75)
	Interest Expenses	1,502.63
	Exchange Fluctuation	58.35
	Operating Profit before Working Capital Changes	2,187.50
	Adjustments for	
	Trade And Other Receivables	(106.29)
	Inventories	687.47
	Trade And Other Payable	(1,172.98)
	Cash Generation from Operations	1,595.70
	Less:Taxes paid (Net of Refunds)	0.94
	Net Cash from Operating Activities	1,594.76
B.	Cash Flow from Investing Activities	
	Purchase of Fixed Assets/Capital Expenditure	(182.03)
	Sale of Fixed Assets	1,178.89
	Cash used in Investing Activities	996.86
C	Cash flow from Financing Activities	
	Proceeds from issuance of Share warrants	68.25
	Share Premium	-
	Proceeds from Term Borrowings	950.00
	Repayment of Loans	(1,304.98)
	Proceeds of Fixed Deposits/ICD	(14.63)
	Intercompany and Other Loans	4.46
	Change in Short Term Borrowings	(945.94)
	Interest Expenses	(1,502.63)
	Interest Income	141.75
	Foreign Exchange Fluctuation	(58.35)
	Dividends (including corporate dividend tax)	-
	Net Cash Realised from Financing Activities	(2,662.07)
	Add: Cash and Cash Equivalent as at 31.03.2013	229.40
	Cash and Cash Equivalent as at 31.03.2014	158.95

V. K. LADIA
Chairman &
Managing Director

R.L.KUNAWAT
Director

N. K. SONI
Chief Financial Officer

BHANUPRIYA MEHTA JAIN
Company Secretary

Auditor's Certificate

We have verified the above Cash Flow Statement of M/s Shree Rajasthan Syntex Limited with reference to the Audited Annual Accounts for the year ended March 31, 2014 and we found the same to be in agreement therewith.

M/s. M. C. BHANDARI & CO.
Chartered Accountants
Firm Reg. No. 303002E

CA V. CHATURVEDI
Membership. No. 13296
Partner
Date: 22.05.2014
Place: Udaipur

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 and Wartsila Power Plant are 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 at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 as amended except 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 moving weighted average cost.
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 except consignment agents.
- (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 and Service tax cenvat on plant & machinery of Wartsila Power 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 incase of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

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

xii) PROVISIONS AND CONTINGENT LIABILITIES –

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

xiii) TAXATION :

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

xiv) EXCISE DUTY :

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

Notes on financial Statements for the Year ended 31st March, 2014

1 Share Capital

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
AUTHORISED :		
(i) 2,60,00,000 (Previous year 2,60,00,000) Equity Shares of Rs.10/- each	2600.00	2600.00
(ii) 6,00,000 (Previous year 6,00,000) Cumulative Redeemable Preference Shares of Rs.100/- each	600.00	600.00
	3200.00	3200.00
ISSUED,SUBSCRIBED AND FULLY PAID UP:		
1,24,02,301 (Previous year 1,23,32,301) Equity Shares of Rs.10/-each	1240.23	1233.23
	1240.23	1233.23

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

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

Name of the Share holders	No. of Shares	As at 31.03.2014 % held	No. of Shares	As at 31.03.2013 % held
SRL Securities Ltd.	2092455	16.87	2092455	16.97
Shree Shyam Distributors & Maktg. (P) Ltd.	817324	6.59	817324	6.63

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

	As at 31.03.2014 No. of Shares	As at 31.03.2013 No. of Shares
Equity share at the beginning of the year	12332301	11752301
Equity shares allotted on conversion of warrants	70000	580,000
Equity share at the closing of the year	12402301	12332301

1.4 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.

2 Reserves & Surplus

	As at 31.03.2013 Rs. (in lacs)	Addition/ Transfer Rs. (in lacs)	Deduction/ Transfer Rs. (in lacs)	As at 31.03.2014 Rs. (in lacs)
Reserves				
Capital Reserves	75.00	-	-	75.00
Share Premium	1995.62	2.80	-	1998.42
Securities Premium	718.82	-	-	718.82
Capital Redemption Reserve	500.00	-	-	500.00
Capital Subsidy	17.28	-	-	17.28
General Reserve	177.12	-	-	177.12
Total	3483.84	2.80	-	3486.64
Profit & Loss Account				
As per Last Balance Sheet	(1,073.21)			(1,070.01)
Add : Profit / (Loss) for the year	3.20			61.31
Total	(1,070.01)			(1,008.70)
Grand Total	2413.83			2477.94

3 Money Received Against Share Warrants

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Money Received against Warrants	0.00	9.80

3.1 The company issued and allotted 6,50,000 warrants of Rs.14/- each on 21st March, 2012 convertible into one equity share of Rs.10/- each at the option of the holder at any time on or before 20th September 2013, The Company converted 5,80,000 warrants into equity shares in the previous year and balance 70,000 warrants in the current year.

4 Long Term Borrowings

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
(i) Term Loans from Banks (Secured)		
IDBI	2956.04	3254.30
BOB	2372.49	2231.20
SBI	1613.52	2040.52
	<u>6942.05</u>	<u>7526.02</u>
(ii) Deposits (Unsecured)		
- From Directors	2.27	2.04
- From Related Parties	10.96	15.53
- From Public & Others	11.01	7.04
	<u>24.24</u>	<u>24.61</u>
Total	<u>6966.29</u>	<u>7550.63</u>

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 SBI and BOB for Loan of Rs.218.00 Lacs & Rs.976.24 Lacs respectively, (Previous year Rs. 350.20 Lacs & Rs. 150.00 lacs respectively) 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.

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

Rs. (in lacs)

Repayment Due in Financial Years	IDBI	BOB	SBI	Total
2015-2016	535.26	421.75	220.00	1177.01
2016-2017	675.00	372.25	460.00	1507.25
2017-2018	686.00	314.25	460.00	1460.25
2018-2019	899.78	129.25	473.52	1502.55
2019-2020	160.00	476.91	-	636.91
2020-2021	-	388.31	-	388.31
2021-2022	-	269.77	-	269.77
Total	2956.04	2372.49	1613.52	6942.05

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
2015-2016	8.43
2016-2017	15.81
Total	24.24

5 Deferred Tax Liabilities (Net)

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Deferred tax liabilities (Net)	557.20	543.37
	<u>557.20</u>	<u>543.37</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 31.03.2014 and 31.03.2013 are as follows :-

	31.03.2014	Rs. In Lacs 31.03.2013
Deferred Tax Assets		
Brought Forward Losses	1615.74	1721.37
Gratuity / Leave encashment	129.63	133.76
Total Assets	<u>1745.37</u>	<u>1855.13</u>
Deferred Tax Liability		
Depreciation	2302.57	2398.50
Deffered revenue exp.	-	-
	<u>2302.57</u>	<u>2398.50</u>
Net Deferred Tax (Assets) / Liability	<u>557.20</u>	<u>543.37</u>

6 Other Long Term Liabilities

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Deposit & Advances	137.87	121.02
	<u>137.87</u>	<u>121.02</u>

7 Long Term Provisions

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Provision for Employees benefits	343.09	342.51
	<u>343.09</u>	<u>342.51</u>

8 Short Term Borrowings

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Working Capital Loans (Banks)		
Foreign Currency Loan	-	1000.05
Rupee Loan	<u>4137.46</u>	<u>2416.26</u>
	<u>4137.46</u>	<u>3416.31</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 31.03.2014 Rs. (in lacs)	Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Acceptances		1494.04		225.54
Trade Payables				
a) Micro Small and Medium Enterprises	8.79		5.99	
b) Others	<u>2033.74</u>	<u>2042.53</u>	<u>2143.63</u>	<u>2149.62</u>
		<u>3536.57</u>		<u>2375.16</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 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
1. Principal amount due outstanding	8.79	5.99
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 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Unclaimed dividend (*)	8.94	11.82
Unclaimed Public Fixed Deposit (*)	0.19	0.59
Interest accrued and due on unclaimed deposits (*)	0.07	0.20
Other Liabilities (*)	149.32	196.67
Unearned Income	0.01	-
Deposit & Advances	71.41	67.43
Deposits due within one year from Public & others	3.30	23.06
Deposits due within one year from Related parties	24.75	16.49
Creditors for Capital Expenditures	5.94	7.63
Deposits due within one year from Directors	3.15	8.45
Interest accrued but not due on borrowing	93.98	61.70
Interest accrued and due on borrowing	-	-
Term Loan Instalment due within one year	1535.51	1434.38
	<u>1896.57</u>	<u>1828.42</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 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Provision for Employees benefits	83.74	95.47
Others :-		
Provision for Taxation	-	0.06
	<u>83.74</u>	<u>95.53</u>


12 FIXED ASSETS

Description of Assets		GROSS BLOCK AT COST				DEPRECIATION		NET BLOCK				
		As at 01.04.2013 Rs. in Lacs		As at 31.03.2014 Rs. in Lacs		As at 01.04.2013 Rs. in Lacs		As at 31.03.2014 Rs. in Lacs		As at 31.03.2013 Rs. in Lacs		
		Additions/ Adjustments Rs. in Lacs	Deductions/ Transfers Rs. in Lacs	Additions/ Adjustments Rs. in Lacs	Deductions/ Transfers Rs. in Lacs	Additions/ Adjustments Rs. in Lacs	Deductions/ Transfers Rs. in Lacs	Additions/ Adjustments Rs. in Lacs	Deductions/ Transfers Rs. in Lacs	Additions/ Adjustments Rs. in Lacs	Deductions/ Transfers Rs. in Lacs	
(i) Tangible Assets												
Land (Leasehold and freehold) & site Development		37.64	0.00	0.00	37.64	0.00	0.00	0.00	0.00	37.64		37.64
Buildings *		2710.81	140.13	0.00	2850.94	980.40	72.85	0.00	1053.25	1797.69		1730.41
Tube Well		6.02	0.00	0.00	6.02	1.56	0.10	0.00	1.66	4.36		4.47
Plant & Machinery		21150.42	1004.85	221.04	21934.23	13130.78	789.95	130.22	13790.51	8143.72		8019.65
Electrical Installations		994.16	36.97	3.44	1027.69	472.81	40.79	1.00	512.60	515.09		521.34
Water Supply Installations		91.78	0.22	5.67	86.33	26.09	3.77	3.83	26.03	60.30		65.69
Material Handling Equipment		33.21	0.00	0.00	33.21	16.72	1.75	0.00	18.47	14.74		16.49
Air Conditioner		18.04	0.68	0.00	18.72	11.89	0.74	0.00	12.63	6.09		6.14
Furniture & Fixture		143.05	7.59	10.38	140.26	132.55	8.41	10.21	130.75	9.51		10.50
Office Equipments		116.84	4.35	11.91	109.28	69.41	3.28	10.92	61.77	47.51		47.43
Vehides		96.90	0.00	11.52	85.38	56.18	6.25	10.13	52.30	33.08		40.72
(ii) Intangible Assets												
Software		0.33	0.00	0.00	0.33	0.01	0.06	0.00	0.07	0.26		0.32
Total This Year		25399.20	1194.79	263.96	26330.03	14898.40	927.95	166.31	15660.04	10669.99		10500.80
Previous Year		27524.31	110.70	2235.81	25399.20	15125.78	1000.30	1227.68				
(iii) Capital Work-in-Progress												
Plant & Machinery										188.61		-
Building										24.86		-
Unit -4 Upgradation / Modernisation Expenses										51.80		-
- Pre-operative & Trial Run Exp.										83.71		22.50
-Others										47.37		167.06
										11066.34		10690.36

Note :

- 13.1 (*) Includes cost of land of corporate office, being composite cost of land and building, value of land could not be ascertained separately.
- 13.2 There is no addition on account of any Business combination during the year.
- 13.3 The Company has relocated one set of POY and BCF Plant & equipment alongwith other accessories from Bagru to Dungarpur during the year. These expenditures incurred on upgradation/modernization of Plant & equipment will increase the future benefits of the existing Plant and equipment beyond their previously assessed standard of performance. The expenditure on such upgradation/modernization aggregating to Rs.314.96 lacs including trial Run expenses on re-commissioning aggregating to Rs.54.83 lacs upto the date of Commissioning i.e. 01.04.2014 are to be capitalized and added to the cost of POY & BCF line relocated to Dungarpur
- 13.4 Plant and machineries include (i) plant aggregating to Rs.2274.23 lacs (Gross Block) transferred from Bagru to Dungarpur but not installed and (ii) power plant and other plant and machineries aggregating to Rs.1816.12 lacs remaining at Bagru and The Company does not intend to put these to use. Depreciation of Rs.4.06 lacs and Rs.26.43 lacs respectively also not provided on these Plant and Machineries.

13 Non-Current Investments

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Other Investments (Unquoted)		
Corporate Bodies		
300000 Equity Share of SRSI Securities Ltd. - - of Rs. 10/- each (Associate Company)	30.00	30.00
10,000 Equity shares of Shyam Texchem (P) Ltd. of Rs. 100/- each.	10.00	10.00
Others		
National Saving Certificates (Pledged with Sales Tax Authorities)	0.15	0.15
	<u>40.15</u>	<u>40.15</u>

14 Long-Term Loans and Advances

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
(i) Capital Advances	36.19	70.18
(ii) Security Deposits		
To Director	8.97	8.97
To Others	<u>176.69</u>	<u>190.17</u>
	185.66	199.14
(iii) Loan & Advances to related parties (SRSI Employees Welfare Trust)	92.80	97.24
(iv) Others (Prepaid Expenses)	<u>2.27</u>	<u>2.96</u>
	<u>316.92</u>	<u>369.52</u>

15 Inventories

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Raw Materials		
- Man made fibre	611.98	454.64
- Cotton	484.48	406.00
- Fibre Stock in Deptt.	72.64	103.18
- Stock in transit	<u>121.43</u>	<u>99.96</u>
	1290.53	1063.78
Work-in-Process	932.53	944.77
Finished Goods	1744.17	1121.25
- Stock in transit	<u>117.38</u>	<u>96.27</u>
	1861.55	1217.52
Stores & Spares	445.62	427.75
- Stock in transit	34.14	10.28
Others		
Waste & Scrap	15.89	12.52
	<u>4580.26</u>	<u>3676.62</u>

16 Trade Receivables

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Trade receivables		
(Unsecured & Considered Good)		
Over six months	33.87	38.37
Others	<u>1462.67</u>	<u>1746.78</u>
	1496.54	1785.15

17 Cash and Cash Equivalents

	As at 31.03.2014		As at 31.03.2013	
	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)
Cash and Bank Balances				
Cheques, Drafts on hand	83.71		77.48	
Cash -on- Hand	2.98		3.58	
Balance in Current account with Banks	1.59		2.26	
Bank Deposit (Maturity within 3 months)	9.53	97.81	8.34	91.66
Balances with Banks				
(i) Dividend Accounts	8.94		11.81	
(ii) Bank Deposit (Maturity above 3 to12 months)	5.59		38.80	
(iii) Bank deposit (Maturity after 12 months)	43.97	58.50	16.68	67.29
		156.31		158.95

18 Short-Term Loans and Advances

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Loans & Advances to related parties (SRL Employees Welfare Trust)	5.00	5.00
Others		
Advance recoverable in cash or kind	375.79	248.97
	380.79	253.97

19 Other Current Assets

	As at 31.03.2014 Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Claims and Export Incentives Recoverable	1507.72	1209.56
Interest accrued on trade receivables	5.65	12.85
Interest Subsidy Recoverable (TUFs)	232.92	174.75
Advance Income Tax	382.60	348.85
Balance with Excise Deptt.	1156.32	1176.62
Others	54.44	32.46
	3339.65	2955.09

20 Revenue From Operations

	This Year		Previous Year	
	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)
a). Sale of Products				
- Domestic	25936.16		26377.64	
- Export	2685.13		2070.11	
	28621.29		28447.75	
Less :- Sales Return of Previous year	13.65	28607.64	2.94	28444.81
b) Other Operating Revenues				
-Miscellaneous Income	0.51		4.41	
- Insurance Charges Recovered on despatches	84.48		90.11	
- Insurance Claims of damaged goods	9.79		-	
- Depot Charges on sales	131.82	226.60	103.58	198.10
		28834.24		28642.91
c) Less : Excise Duty		29.23		158.12
		28805.01		28484.79

21 Other Income

	This Year		Previous Year	
	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)
a) Interest Income				
Interest Recovered from customers	91.35		125.08	
Interest received on Bank FDR's,loans & others	31.51	122.86	16.67	141.75
b) Other Non-Operating Income				
Miscellaneous Income	51.87		27.55	
Rent / Lease rent Received	1.94		2.48	
Profit on disposal of Fixed Assets	3.61		170.76	
Income Related to Previous year	0.40		58.26	
Insurance claim received	0.11		1.06	
Sundry balances / Liabilities written Back	24.87	82.80	49.97	310.08
		205.66		451.83

22 Cost of Material Consumed

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Fibre Consumption	18513.27	17739.44
Dyes & Chemical Consumption	343.16	295.58
Packing Material Consumption	315.70	264.62
Others	56.27	32.26
	<u>19228.40</u>	<u>18331.90</u>

	This Year		Previous Year	
	Rs. (in lacs)	(% of Consumption)	Rs. (in lacs)	(% of Consumption)
22.1 Value of Raw material Consumed				
- Imported	-	-	-	-
- Indigenous	19228.40	100.00	18331.90	100.00
Total	<u>19228.40</u>	<u>100.00</u>	<u>18331.90</u>	<u>100.00</u>
22.2 Particulars of Material Consumed				
Cellulosic and non Cellulosic	16941.39		16591.27	
Cotton	1889.72		1247.70	
Others	397.29		492.93	
Total	<u>19228.40</u>		<u>18331.90</u>	

23 Increase/ Decrease In Stocks

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Opening Stock :		
Yarn	1217.52	2211.93
Fabrics	-	0.04
Waste & Scrap	12.52	11.48
Work in process	1047.95	746.44
	<u>2277.99</u>	<u>2969.89</u>
Less :- Transfer for Trial Run	13.03	-
	<u>2264.96</u>	<u>2969.89</u>
Closing stock:		
Yarn	1687.83	1217.52
Waste & Scrap	13.93	12.52
Work in process	971.96	1047.95
	<u>2673.72</u>	<u>2277.99</u>
(INCREASE)/ DECREASE IN STOCKS	(408.76)	691.90

24 Employee Benefits Expenses

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Payment & Provision for Employees:		
Salaries, Wages, Bonus & Allowances	2343.51	2089.54
Contribution to Provident Fund & ESI	276.72	261.75
Welfare Expenses	36.22	22.68
Gratuity	41.49	80.89
	<u>2697.94</u>	<u>2454.86</u>

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
EXHIBIT A.1: AMOUNT RECOGNISED IN BALANCE SHEET		
Defined Benefit Obligation	317.15	37.43
Fair value of plan assets	(5.87)	-
Funded status - (surplus)/deficit	311.28	37.43
Unrecognised past service (cost)/credit	-	-
Para 59(b) limit	-	-
Liability/(asset) recognised in balance sheet	311.28	37.43
EXHIBIT A.2: AMOUNT RECOGNISED IN STATEMENT OF PROFIT & LOSS		
Current service cost	46.30	0.11
Interest cost	24.47	3.04
Expected return on plan assets	(0.60)	-
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)	(32.83)	-3.43
Total employer expense	37.34	-0.29

Particulars	Gratuity (Funded) Rs. In Lacs	Leave Encashment (Unfunded) Rs. In lacs
EXHIBIT A.3: ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	0.60	-
Actuarial gain/(loss) on plan assets	0.47	-
Actual return on plan assets	1.08	-
EXHIBIT A.4: RECONCILIATION OF DEFINED BENEFIT OBLIGATION		
Defined Benefit Obligation as at 31 March 2013	328.35	37.72
Current service cost	46.30	0.11
Interest cost	24.47	3.04
Employee contributions	-	-
Past service cost - vested benefits	-	-
Past service cost - non-vested benefits	-	-
Amalgamations	-	-
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Actual benefit payments	(49.63)	-
Actuarial loss/(gains) due to change in assumptions	(14.97)	-1.67
Actuarial loss/(gains) due to plan experience	(17.39)	-1.76
Defined Benefit Obligation as at 31 March 2014	317.15	37.43
EXHIBIT A.5: RECONCILIATION OF FAIR VALUE OF PLAN ASSETS		
Fair value of assets as at 31 March 2013	8.57	-
Expected return on plan assets	0.60	-
Contributions by sponsor	45.85	-
Employee contributions	-	-
Actual benefit payments from fund	(49.63)	-
Amalgamations	-	-
Settlements	-	-
Actuarial gains/(loss)	0.47	-
Fair value of assets as at 31 March 2014	5.87	-
EXHIBIT A.6: RECONCILIATION OF BALANCE SHEET AMOUNT		
Net liability as at 31 March 2013	319.79	37.72
Employer expense for the period	37.34	-0.29
Benefit payments made directly by Sponsor	-	-
Actual contributions by sponsor	(45.85)	-
Net liability as at 31 March 2014	311.28	37.43
EXHIBIT A.7: RECOGNITION OF ACTUARIAL GAIN/LOSS		
Actuarial loss/(gain) arising on DBO	(32.35)	-3.43
Actuarial loss/(gain) arising on plan assets	(0.47)	-
Total loss/(gain) for the period	(32.83)	-3.43
(Loss)/gain recognised during the period	32.83	3.43
Unrecognised actuarial loss/(gain)	-	-
EXHIBIT A.8: RECOGNITION OF PAST SERVICE COST		
Past service cost - non-vested benefits as at 31 March 2013	-	-
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 2014	-	-
EXHIBIT A.9: EXPERIENCE HISTORY		
Defined Benefit Obligation	317.15	37.43
Fair value of plan assets	(5.87)	-
(Surplus)/deficit	311.28	37.43
Experience adjustment on liabilities: gain/(loss)	17.39	1.76
Experience adjustment on plan assets: gain/(loss)	0.47	-
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	52.96	10.49
Nov-current liability	258.32	26.94
Total	311.28	37.43

25 Finance Costs

	This year	Previous Year
	Rs. (in lacs)	Rs. (in lacs)
INTEREST ON:		
Term Loans	753.62	705.31
Bank Borrowings & Others	627.82	717.19
Loss on Foreign currency transactions & translation	139.09	58.35
Other Financial Charges	68.17	80.13
	1588.70	1560.98

26 Other Expenses

	This Year	Previous Year
	Rs. (in lacs)	Rs. (in lacs)
Manufacturing Expenses:		
Stores & Spares	105.24	106.45
Packing Expenses	24.87	19.75
Power & Fuel	3108.05	3318.09
Repairs & Maintenance :		
Plant & Machinery	586.54	516.17
Building	20.77	22.10
General	7.10	8.71
Sundry Manufacturing Expenses	138.05	128.28
Job charges	37.19	25.18
	4027.81	4144.73
Administrative & Other Expenses:		
Directors Sitting Fees	1.33	1.30
Directors Remuneration	46.70	40.96
Rent, Rates & Taxes	18.56	15.28
Travelling (including Directors Travelling- -Expenses Rs.26.50 lacs (Previous Year Rs.17.57 lacs)	50.12	64.14
Insurance Charges	21.33	21.30
Vehicle Upkeep	12.80	13.94
Wealth Tax	-	0.06
Misc.Expenses	139.80	126.72
Add : Previous year expenses	2.89	0.49
Telephone Expenses	13.95	13.96
Fees	7.15	9.83
Foreign Exchange Fluctuation on Fixed Assets Sales	0.00	27.73
Donation	0.45	-
Printing & Stationery	14.38	12.49
Postage Expenses	4.26	3.72
	333.72	351.92
Write Off /Loss on disposal of Fixed Assets	5.66	-
Sundry Balances Written off	2.32	0.45
Auditors Remuneration:		
Audit Fee	2.80	2.80
Tax Audit Fee	0.50	0.50
Other Services	0.77	0.76
Reimbursement of Expenses	1.34	1.09
	5.41	5.15
Internal Audit Fee & Expenses	2.05	1.97
Cost Audit Fee & Expenses	0.61	0.53
	2.66	2.50
Selling Expenses :		
Commission & Brokerage	175.60	169.01
Discount	58.29	67.21
Freight & Forwarding (Net of recoveries)	171.54	97.82
Rebate & Claim	9.44	7.35
Research & Development Exp.	0.03	0.04
Others	3.81	2.48
	418.71	343.91
Grand Total :	4796.29	4848.66

27. Value of Stores & Spares Consumed

	This Year		Previous Year	
	Rs. (in lacs)	(% of Consumption)	Rs. (in lacs)	(% of Consumption)
- Imported	45.17	42.92	45.60	42.84
- Indigenous	60.07	57.08	60.85	57.16
Total	105.24	100.00	106.45	100

28. Earning Per Equity Share

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Profit attributable to the Equity Share holders (Rs. in lacs)	61.31	3.20
Weighted average number of equity shares outstanding during the year	12371041	12332301
Weighted average number of equity shares outstanding during the year for diluted EPS	12371041	12332301
Nominal value of equity Share (Rs.)	10	10
Basic earning per Share (Rs.)	0.50	0.03
Diluted earning per Share (Rs.)	0.50	0.03

29. CONTINGENT LIABILITIES AND COMMITMENTS:

- a. Claims not acknowledged as debts by the Company Rs. 215.97 Lacs (Previous Year Rs 645.15 Lacs)
- b. Bills discounted with Banks and outstanding Rs. 486.37 lacs (Previous Year Rs.225.53 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. 1358.06 Lacs (Previous year Rs. 1826.97 Lacs)
- d. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances Rs. 319.67 lacs (Previous Year Rs.835.48 lacs).
- e. (I) Demands issued by the Excise/Custom Authorities amounting to Rs. 349.65 Lacs (Previous Year 232.63 Lacs) besides other penalties in law. The company is contesting the issues under legal advice. The company has however deposited Rs.92.03 Lacs (Previous year 84.88 lacs) under protest.
- (II) The company has not provided for various sales tax demands for the assessment years 2003-04, 2004-05 aggregating to Rs. 34.11 lacs (Previous year Rs 32.63 lacs) as these are disputed and are pending under appeal/reconsideration with appropriate authorities. Rs. 13.69 lacs (Previous Year Rs. 13.69 lacs) deposited under protest.
30. Assessment of Sales Tax for the assessment years 2012-13 & 2013-14 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 2011-12
- b. In view of carry forward losses no provision is required towards Income Tax.
32. The Company has received various demands of ESI aggregating to Rs. 24.44 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. 0.93 lacs. (Previous year Rs. 0.93 Lacs).

33. 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.

34. Since the company is upgrading its main Plant & Machinery under Technology Up gradation Fund scheme regularly, it is not carrying any asset of which carrying cost is more than its recoverable amount / value in use on the Balance Sheet date. Hence there is no impairment loss.

35. Balances appearing under the head Creditors, Debtors, Advances and Deposits are subject to confirmations yet to be received by the company..

36. All the investments of the company have been considered by its management to be of long term nature.

No provision for decline in the carrying amount of investment is made in this year's accounts as in the management's considered opinion, such decline is not of a permanent nature.

37. The company has fulfilled its Export obligation under all EPCG licenses. In respect of current Licences for which the obligation comes to Rs. 1487.76 Lacs (USD 24.83 Lacs) to be fulfilled within 6 Years commencing from 10.05.2013 onwards towards Custom Duty saved to the extent of Rs.265.70 Lacs. Against these Licences, export obligation has been fulfilled to the extent of Rs. 359.52 Lacs (USD 6.00 lacs)

38. (a) The Hon'ble Supreme court in the case of Jindal Stainless Ltd. Has hold 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 Kerla 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. The aggrieved State Governments including Government of Rajasthan filed appeals with larger bench of Hon'ble Supreme Court of India. The Hon'ble Supreme Court has recommended to constitute a bigger bench to decide the matter as it involves huge amount of Government funds.

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.

(b) The Company is not liable to pay Entry Tax pursuant to the decision of Supreme Court, as such the Company has not provided for Entry Tax for the year 2006-2007 to 2013-14 aggregating to Rs.227.16 Lacs & interest Rs. 78.95 Lacs.

(c) The Hon'ble High Court has given interim order to deposit 50% of original entry tax liability and for remaining tax, interest & penalty a solvent security be provided accordingly company has deposited Rs. 1,08,34,422/- under protest & provided solvent security for Rs. 2,01,67,021/- for the year from 2006-07 to 2011-12. The assessment for the year 2012-13 & 2013-14 are pending.

(d) The company has filed refund claim of Entry Tax aggregating to Rs.252.32 Lacs, for the year 2001-02 to 2005-06.

39. (a) 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.358.25 Lacs for the assessment year 2007-08 to 2011-12 inclusive of interest Rs. 115.14 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. 26.84 Lacs).

40. 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.310.01 lacs paid during 2012-13 and 2013-14 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.

41. The company has paid Rs. 18,69,956/- 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.

42. Assessments of TC Cess from 1996 for Shree Rajasthan Texchem Division is pending. The TC Cess is not payable and appeals are pending before Hon'ble TC Cess Tribunal Mumbai. The demand so created by TC Cess office for Rs.10.14 lacs are not payable.

43. **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.

44. 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 & Marketing Pvt Ltd.
2	SRLS Employees Welfare Trust
3	Kunawat & Associates
4	Sh. Vikas Ladia
5	V.K. Texchem Pvt. Ltd.
6	Sh. Anubhav Ladia
7	Shanti Trading Corporation.

8	Smt Monika Ladia
9	Sh Aman Ladia
10	Sh. V.K. Ladia
11	Sh. Pranav Ladia
12	Mrs. Puja Ladia
13	Mrs. Poonam Ladia
14	Shree Shyam Industries Pvt. Ltd.
15	M/s A.M. Traders
16	M/s A.P. Enterprises

Rs. in Lacs

	Related to Key Management Personnel
Loans - PFD Taken	35.71
Loans - PFD Repayment	28.90
Raw Material Purchase	791.24
Repayment received - SRLS Employee Welfare Trust	4.46
Interest - Expenses (other than Director)	2.90
Remuneration	4.49
Professional Charges	0.60
Loans Receivables	97.80
Fixed Deposit Payable	35.71

Name of Directors :

V.K. Ladia	Vikas Ladia	Anubhav Ladia
Amita Narain	R.S. Nirwan	R.L. Kunawat
N.N. Agarwala	Sunil Goyal	R.K. Pandey

Transaction with Directors:

Remuneration including perquisites	62.33
Loans – Taken/(Fixed Deposit)	5.42
Loans – Refunded	9.52
Interest Expenses – on Fixed Deposit	0.65
Loans Payable - Fixed Deposit	5.42
Board Meeting Fees	1.33
Lease Rent Paid	0.01
Deposit Receivable	8.97

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

46. The Company has acquired industrial lease of 7800 Sq. Meters at Bagru Ravan, Jaipur, Legal formalities are under way.

2013-14				2012-13	
		Quantity M.T.	Amount Rs. In Lacs	Quantity M.T.	Amount Rs. In Lacs
a)	C.I.F. VALUE OF IMPORTS:				
	Raw Materials	-	-	-	-
	Capital Goods , Spares		465.96	-	45.60
b)	EXPENDITURE IN FOREIGN CURRENCY:				
	Travelling Expenses	-	6.08	-	4.37
	Commission/Claims	-	2.65	-	10.70
	Foreign Bank Charges	-	4.94	-	3.62
c)	EARNING IN FOREIGN CURRENCY:				
	(i) F.O.B. Value of Export Sales	-	2295.69	-	1985.71
	(ii) F.O.B. Value – Export Capital Goods.	-	-	-	811.79

47. Figures have been rounded off to the nearest rupees in Lacs.
48. Figures for previous year have been regrouped/reclassified, wherever necessary to confirm to this year's classification.

Signed in terms of our report
of even date annexed hereto.
For and on behalf of
M/s M.C. BHANDARI & CO.
Chartered Accountants
Firm Reg. No. 303002E

Sd/-
V.K. LADIA
CHAIRMAN &
MANAGING DIRECTOR

Sd/-
R.L. KUNAWAT
DIRECTOR

(CA V. CHATURVEDI)
Membership. No. 13296
Partner

Date : 22/05/2014
Place : Udaipur

Sd/-
BHANUPRIYA MEHTA JAIN
COMPANY SECRETARY

Sd/-
N.K. SONI
CHIEF FINANCIAL OFFICER



Shree Rajasthan Syntex Limited

'SRS� House', Pulla, Bhuwana Road,
National Highway No. 8, UDAIPUR - 313 004

DP-ID* :

Client ID* :

PROXY

Regd. Folio No. :

I/we of
..... being a member / members of Shree Rajasthan Syntex Ltd. hereby appoint
..... of or
failing him of as
my/our proxy in my / our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be
held on Wednesday the 17th september, 2014 and at any adjournment thereof.

Signed this day
of 2014

Signature (s)

Affix
Revenue
Stamp of
Re. 1

* Applicable for investors holding shares in electronic form

Note : Proxies in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hour before the Meeting.



Shree Rajasthan Syntex Limited

'SRS� House', Pulla, Bhuwana Road,
National Highway No. 8, UDAIPUR - 313 004

DP-ID* :

Client ID* :

ATTENDANCE SLIP

Regd. Folio No. :

34th Annual General Meeting 17th September, 2014 at 2.30 P.M.

Name and address of member : I certify that I am registered shareholder of the Company
and hold Shares. (Please indicate whether Member / Proxy)

.....
Member's/proxy's signature

Name of the member

Name of the proxy :

*Applicable for investors holding shares in electronic form.

Note : Shareholder/proxy must bring the Attendance slip to the meeting and hand over at the entrance of the meeting hall duly completed and signed.

