



shree Rajasthan Syntex Limited

33rd ANNUAL REPORT 2012-13

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 Jitender Balakrishnan
 Shri N.N. Agrawala
 Shri R.L. Kunawat
 Shri R.K. Pandey
 Shri Susheel Jain
 Shri Ravinder 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 33rd Annual General Meeting 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 Saturday, the 28th day of September, 2013 at 2.30 P.M. to transact the following business:

ORDINARY BUSINESS

01. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended on that date of the Company together with the reports of the Auditors and Board of Directors thereon.
02. To declare dividend on ordinary shares.
03. To appoint a Director in place of Mr. Raj Singh Nirwan, who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint a Director in place of Mr. Ravinder Narain, who retires by rotation and being eligible offers himself for re-appointment.
05. To appoint a Director in place of Mr. Susheel Jain, who retires by rotation and being eligible offers himself for re-appointment.
06. To appoint M/s. M.C. Bhandari & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

To consider and if thought fit, to pass, with or without modifications, the following resolutions as an Ordinary Resolutions:

“RESOLVED THAT pursuant to Sections 224, 224A and other applicable provisions if any, the Companies Act 1956, the retiring auditors M/s. M.C. Bhandari & Co., Chartered Accountants, Jaipur from whom certificate pursuant to Section 224(1B) of the Companies Act, 1956 has been received be and are hereby reappointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 349 and 350 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and various other laws, rules, regulations as may be applicable including any statutory modification(s) or re-enactment(s), from time to time and subject to the approval of shareholders in the ensuing Annual General Meeting and other applicable authorities, if any, the consent of the Board of directors of the Company be and is hereby accorded to the reappointment of

Mr. Vinod Kumar Ladia as the Chairman & Managing Director of the Company for a period of 3 (Three) years w.e.f. 01st of June, 2013 as per the under mentioned terms and conditions with liberty to the Board of Directors and the Remuneration Committee to alter and vary the terms and conditions and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII of the Companies Act, 1956 and or any statutory modification(s) or re-enactment(s) thereof or the ceiling as provided in the said resolution”.

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

CATAGORY (A)

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

CATEGORY (B)

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

- (i) **Contribution to Provident Fund / Superannuation Fund**: Will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961



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

CATEGORY (C)

- (i) **Conveyance & Telephone :** Provision of car for use of company's business and telephone at the residence will not be considered as perquisites. Personal calls on telephone and use of car for private purpose shall be billed by the Company to the respective Managerial Personnel.
- (ii) **Reimbursement of Expenses:** Apart from the remuneration as aforesaid, Mr. Vinod Kumar Ladia, Chairman & Managing Director shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.
- (iii) **Sitting Fee etc.:** No sitting fee shall be paid to Mr. Vinod Kumar Ladia, Chairman & Managing Director for attending the meetings of Board of Directors or any committee thereof. Wherein in any financial year, the Company has no profits or its profits are inadequate, the minimum amount of remuneration and benefits shall be paid to Mr. Vinod Kumar Ladia, Chairman & Managing Director subject to the applicable provisions of Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be applicable at relevant time.

III Other Terms & Conditions :

- (i) Mr. Vinod Kumar Ladia will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- (ii) Either party giving the other party six-month's prior notice in writing to that effect may terminate the agreement.
If at any time Mr. Vinod Kumar Ladia ceases to be Director of the company for any reason whatsoever, he shall cease to be the Chairman & Managing Director
- (iii) The terms & conditions as above including remuneration, may be altered / varied from time to time by the Board of Directors as it may, in its absolute discretion, deem fit within the maximum amount payable to the appointee in

accordance with Schedule XIII annexed to the Companies Act, 1956 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard subject to that the same does not exceed the ceiling as provided in the said resolution.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation to Schedule XIII of the Companies Act, 1956, the Board of Directors be and are hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit subject to that the same does not exceed the ceiling as provided in the said resolution and the said terms of appointment of Mr. Vinod Kumar Ladia, Chairman & Managing Director of the company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members / shareholders of the Company in the ensuing Annual general meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution".

- 08. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310, 349 and 350 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and various other laws, rules, regulations as may be applicable including any statutory modification(s) or re-enactment(s), from time to time and subject to the approval of shareholders in the ensuing Annual General Meeting and other applicable authorities, if any, the consent of the Board of directors of the Company be and is hereby accorded to the appointment of Mr. Vikas Ladia as the Joint Managing Director of the Company for a period of 3 (Three) years w.e.f. 01st of September, 2013 as per the under mentioned terms and conditions with liberty to the Board of Directors and the Remuneration Committee to alter and vary the terms and conditions and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII of the Companies Act, 1956 and or any statutory modification(s) or re-enactment(s) thereof or the ceiling as provided in the said resolution".

(I) Basic Salary :

- (a) Upto a maximum of Rs. 1, 35,000/- p. m. w.e.f. 01st September, 2013 with an increase of Rs. 10,000/- per month on completion of each year of service the first such increase being due w.e.f. 01.09.2014

- (II) **Commission:** The commission may be paid at 1% of the net profits of the company, subject to overall limit prescribed under the Companies Act, 1956.

- (III) **Perquisites:** In addition to above the following perquisites not exceeding the overall ceiling prescribed under schedule XIII, annexed to the Companies Act, 1956 will be provided to the Joint Managing Director.

CATEGORY (A)

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

CATEGORY (B)

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

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

CATEGORY (C)

- (i) **Conveyance & Telephone :** Provision of car for use of company's business and telephone at the residence will not be considered as perquisites. Personal calls on telephone and use of car for private purpose shall be billed by the Company to the respective Managerial Personnel.
- (ii) **Reimbursement of Expenses:** Apart from the remuneration

as aforesaid, Mr. Vikas Ladia, Joint Managing Director shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.

- (iii) **Sitting Fee etc.:** No sitting fee shall be paid to Mr. Vikas Ladia, for attending the meetings of Board of Directors or any committee thereof.
- (iv) **Payment of Life Insurance Premium:** Life insurance Premium shall be payable on actual Basis by the company.

Wherein in any financial year, the Company has no profits or its profits are inadequate, the minimum amount of remuneration and benefits shall be paid to Mr. Vikas Ladia, Joint Managing Director, subject to the applicable provisions of Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be applicable at relevant time.

III Other Terms & Conditions :

- (i) Mr. Vikas Ladia will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- (ii) Either party giving the other party six-month's prior notice in writing to that effect may terminate the agreement.
If at any time Mr. Vikas Ladia ceases to be Director of the company for any reason whatsoever, he shall cease to be the Joint Managing Director
- (iii) The terms & conditions as above including remuneration, may be altered / varied from time to time by the Board of Directors as it may, in its absolute discretion, deem fit within the maximum amount payable to the appointee in accordance with Schedule XIII annexed to the Companies Act, 1956 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard subject to that the same does not exceed the ceiling as provided in the said resolution.

"Resolved further that in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956, the Board of Directors be and are hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit subject to that the same does not exceed the ceiling as provided in the said resolution and the said terms of appointment of Mr. Vikas Ladia, Joint Managing Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members/shareholders of the Company in ensuing Annual general meeting".

"Resolved further that the board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.



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

“RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310, 349 and 350 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and various other laws, rules, regulations as may be applicable including any statutory modification(s) or re-enactment(s), from time to time and subject to the approval of shareholders in the ensuing Annual General Meeting and other applicable authorities, if any the consent of the Board of Directors be and is hereby accorded to the appointment of Mr. Anubhav Ladia as the Executive Director of the Company for a period of 3 (Three) years w.e.f. 01st of September, 2013 as per the under mentioned terms and conditions with liberty to the Board of Directors and the Remuneration Committee to alter and vary the terms and conditions and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII of the Companies Act, 1956 and or any statutory modification(s) or re-enactment(s) thereof or the ceiling as provided in the said resolution”.

(I) Basic Salary :

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

CATEGORY (A)

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

CATEGORY (B)

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

(i) **Contribution to Provident Fund / Superannuation Fund:**

Will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

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

CATEGORY (C)

- (i) **Conveyance & Telephone :** Provision of car for use of company's business and telephone at the residence will not be considered as perquisites. Personal calls on telephone and use of car for private purpose shall be billed by the Company to the respective Managerial Personnel.
- (ii) **Reimbursement of Expenses:** Apart from the remuneration as aforesaid, Mr. Anubhav Ladia, Executive Director shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.
- (iii) **Sitting Fee etc. :** No sitting fee shall be paid to Mr. Anubhav Ladia, Executive Director for attending the meetings of Board of Directors or any committee thereof. He shall be liable to retire by rotation.
- (iv) **Payment of Life Insurance Premium:** Life insurance Premium shall be payable on actual Basis by the company
- Wherein in any financial year, the Company has no profits or its profits are inadequate, the minimum amount of remuneration and benefits shall be paid to Mr. Anubhav Ladia, Executive Director, subject to the applicable provisions of Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be applicable at relevant time.
- III Other Terms & Conditions:**
- (i) Mr. Anubhav Ladia will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- (ii) Either party giving the other party six-month's prior notice in

writing to that effect may terminate the agreement.

If at any time Mr. Anubhav Ladia ceases to be Director of the company for any reason whatsoever, he shall cease to be the Executive Director.

- (iii) The terms & conditions as above including remuneration, may be altered / varied from time to time by the Board of Directors as it may, in its absolute discretion, deem fit within the maximum amount payable to the appointee in accordance with Schedule XIII annexed to the Companies Act, 1956 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard subject to that the same does not exceed the ceiling as provided in the said resolution.

RESOLVED FURTHER THAT in the event of any statutory

amendment, modification or relaxation to Schedule XIII of the Companies Act, 1956, the Board of Directors be and are hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit subject to that the same does not exceed the ceiling as provided in the said resolution and the said terms of appointment of Mr. Anubhav Ladia, Executive Director of the company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members / shareholders of the Company in the ensuing Annual general meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution".

By order of the Board of Directors
For M/s. Shree Rajasthan Syntex Ltd

S/d

V.K. Ladia

Chairman & Managing Director

Place : Udaipur

Date : 08th August, 2013

NOTES

01. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies to be valid shall be lodged duly stamped and completed with the Company not less than 48 hrs. before commencement of the meeting. (A copy of the proxy form is attached at last page of the Annual Report)
02. In term of Article 102 of the Article of Association of the company, Mr. Raj Singh Nirwan, Mr. Ravinder Narain and Mr. Susheel Jain will retire by Rotation at the ensuing Annual General Meeting & being eligible, offer themselves for reappointment.
03. Annual Report and AGM Notice is available at the website of the Company at www.srsi.in in the Financial Results section.
04. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 25th September 2013 to Saturday, the 28th September, 2013 (both days inclusive).
05. Pursuant to the provisions of Section 205A of the Companies Act, 1956, Company has transferred unclaimed dividend for the financial year 2004-05 to the Investor Education and Protection Fund (IEPF) due to expiry of seven years from the date it became due for payment. Shareholders are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
06. Upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies Act (Amendment) 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education & Protection Fund (IEPF). The Company will be transferring the unclaimed dividends during the financial year ended 31st March, 2013 is as given below :

Financial Year ended	Date of declaration of dividend	Rate of dividend	Due date for transfer of IEP Fund.
2005-06	29 th Sept. 2006	@ 9%	05 th Dec. 2013

It may also be noted that once the unclaimed dividend is transferred to the Investor Education & Protection Fund as above, no claim can be made by the respective shareholders for the same.

07. Members are requested to notify immediately change, if any, in their registered address to the Registrar & Transfer Agents.
08. Members attending the Annual General Meeting are requested to bring their copies of Annual Report at the meeting.

09. Members can avail of the nomination facility by filing form 2-B, as prescribed under the Companies (Central Government's) General Rules & Forms, 1956 with the Company.
10. Members who hold shares in dematerialised form are requested to bring their client ID and DPID numbers for easy identification and attendance at the meeting.
11. Pursuant to SEBI and Stock Exchanges requirements, the Company has appointed M/s. Mas Services Ltd, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi - 110024 as Registrar and Transfer Agents. Shareholders are requested to direct all correspondence to the Registrar and Transfer Agents only.
12. The Company's shares are listed at the following Stock Exchange :
Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
The listing fees of the Exchange has been paid in time.

Details of Directors seeking retiring by rotation & seeking re-appointment (In pursuance of Clause 49 of the Listing Agreement).

Name of Director	Mr. Raj Singh Nirwan	Mr. Ravinder Narain	Mr. Susheel Jain
Date of Birth	08.03.1937	15.05.1937	19.06.1965
Date of appointment	17.04.2000	06.09.1980	19.12.2006
Qualification	B.A., L.L.B., MBA(IIM)	L.L.B.	C.A.
Expertise in specific Functional area	Professional having expertise in Textile Sector	Advocate in Supreme Court having expertise in Legal field.	Finance
Chairman/Director or of other Companies	-	i) Nestle India Ltd. ii) DCM Shriram Industries Ltd iii) Shriram Piston & Rings Ltd	i) Swan Industries Ltd. ii) Kashliwal Marbles Pvt. Ltd. iii) Green Valley Real Mart Pvt. Ltd.
Chairman/Member of Committee of the Boards of which he is a Director	i) Member of Audit Committee and Remuneration Committee of Shree Rajasthan Syntex Ltd	-	-
Number of Equity Shares held in Shree Rajasthan Syntex Ltd.	-	6000	29267

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 07

The Board of Directors have appointed Mr. Vinod Kumar Ladia as the Chairman & Managing Director of the Company in their meeting held on 17th march 2010, for a period of 3 (Three) years w.e.f. 01st June, 2010 on the terms and conditions including Remuneration as recommended by the Remuneration Committee of the Company.

In the AGM held on 18th September 2010, the shareholders had approved his further reappointment for 3 (Three) years which was expired on 31st may 2013.

The present proposal is to seek the member's / shareholder's approval for such appointment on such terms and conditions or appointment including remuneration payable to Mr. Vinod Kumar Ladia, in terms of the applicable provisions of the Companies Act, 1956. The Board of Directors has reappointed him for a period of 3 years with effect from 1st June, 2013 subject to the provisions of Schedule XIII of the Companies Act, 1956 & on the Remuneration as recommended by the Remuneration Committee of the company and subject to the approval of the shareholders on the following terms & conditions.

The proposed remuneration is within the permissible limits as laid down under Sections 198, 269, 309, 310, 349, 350 and Schedule XIII annexed to the Companies Act, 1956.

The information required to be furnished to the members / shareholders in terms of revised Schedule XIII are being furnished here in below.

(A) General Information :

1. Nature of Industry :

The Company is in the business of manufacturing of Synthetic Grey Yarn, Dyed Yarn, Cotton Yarn and Polypropylene Multifilament Yarn.

2. Date or expected date of commencement of commercial production: Subsequent to the incorporation of the Company on 15.11.1979, the company obtained certificate of commencement of business on 19.01.1980

3. Financial Performance (Rs. in Lacs)

Particulars	2010-11	2011-12	FY2012-13
Total Income	31007.14	28542.62	28936.62
Net Profit after Tax	659.41	(1680.13)	3.20
Exports	3830.87	1892.75	2070.10
Foreign Exchange Earned	2943.84	1791.91	2797.50*
Foreign Exchange used	81.82	38.70	64.29

(* Figure including the sale of DG set)

4. Export performance and net foreign exchange collaborations: Export sales of the Company has increased to Rs. 2070.10 lacs in 2012-13 from Rs. 1892.75 lacs in 2011-12. The earning in foreign currency was Rs. 2797.50 lacs in 2012-13 as compared to Rs. 1791.91 lacs in 2011-12.

5. Foreign investments or collaborators, if any: No Direct Foreign investments or collaborators

(B) Information about the Appointee :

1. Background details : Mr. V.K. Ladia, aged 68 years, holds a degree in B.Sc. Tex., MBA- IIM, Ahmedabad. He is an Industrialist with diversified business experience etc. He has been Vice Chairman & Managing Director of the Company since 1993, prior to this he was Managing Director of the Company. He was appointed as Chairman & Managing Director of the Company with effect from 1st June 2005.

Since his appointment as Chairman & Managing Director, he

has successfully overseen the operation of the Company, modernization, expansion and up-gradation of production.

2. Recognition or awards: Mr. V.K. Ladia has represented various Chambers of Commerce and Business Federations.

He was the past president of The Synthetic & Rayon Textile Export Promotion Council (SRTEPC).

Recently he became the Member of Expert Committee constituted by Govt. of India for formulating National Textile Policy 2013

3. Job profile and his suitability : Being Chairman & Managing Director, he is looking after the affairs of the Company, subject to superintendence, control and direction of the Board of Directors.

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

4. Remuneration proposed : Remuneration is as set out above in the explanatory statement. The remuneration to Chairman & Managing Director has the approval of the Board and Remuneration Committee.

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin) -

The Company has paid up share capital of nearly Rs.12.33 crores and is presently listed on one Stock Exchange i.e. BSE with approx. 12,700 shareholders. It is in the business of manufacturing filament yarn, synthetic grey yarn, dyed yarn and cotton yarn. Considering the size of the Company, the profile of Mr. V.K. Ladia and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.

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

Excepting the payment of remuneration for his services as Chairman & Managing Director, as approved and detailed hereinabove, he has no other pecuniary relationship with the Company. None of the Directors of the Company, except Mr. Vikas Ladia and Mr. Anubhav Ladia being relatives are interested.

Documents for inspection : Copy of the Resolution appointing Mr. Vinod Kumar Ladia as the Chairman & Managing Director is available for inspection at the Registered Office of the Company on working days during the business hours between 10.00 AM to 6 P.M.

ITEM NO. 8

The Board of Directors have reappointed Mr. Vikas Ladia as the Joint Managing Director of the Company in their meeting held on 8th August, 2013 for a period of 3 (Three) years w.e.f. 01st September, 2013 on the terms and conditions including Remuneration as recommended by the Remuneration Committee to the Company.

The present proposal is to seek the member's / shareholder's approval for such appointment on such terms and conditions of reappointment including remuneration payable to Mr. Vikas Ladia, in terms of the applicable provisions of the companies Act, 1956.

The proposed remuneration is within the permissible limits as laid down under Sections 198, 269, 309, 310, 349, 350 and Schedule XIII annexed to the Companies Act, 1956.

The information required to be furnished to the members / shareholders in terms of revised Schedule XIII are being furnished here in below.

(A) General Information:
1 Nature of Industry:

The Company is in the business of manufacturing of synthetic Grey Yarn, Dyed Yarn, Cotton Yarn and Polypropylene Multifilament Yarn.

2. Date or expected date of commencement of commercial production: Subsequent to the incorporation of the Company on 15.11.1979, the company obtained certificate of commencement of business on 19.01.1980.

3. Financial Performance:

(Rs. in Lacs)

Particulars	2010-11	2011-12	FY2012-13
Total Income	31007.14	28542.62	28936.62
Net Profit after Tax	659.41	(1680.13)	3.20
Exports	3830.87	1892.75	2070.10
Foreign Exchange Earned	2943.84	1791.91	2797.50*
Foreign Exchange used	81.82	38.70	64.29

(* Figure including the sale of DG set)

4. Export performance and net foreign exchange collaborations:

Export sales of the Company has increased to Rs. 2070.10 lacs in 2012-13 from Rs. 1892.75 lacs in 2011-12. The earning in foreign currency was Rs. 2797.50 lacs in 2012-13 as compared to Rs. 1791.91 lacs in 2011-12.

5. Foreign investments or collaborators, if any : No Direct Foreign investments or collaborators

(B) Information about the Appointee:
Background details:

Mr. Vikas Ladia, aged 39 years, holds a degree in B.Tech in Computer Engineering from Manipal Institute of Technology, Manipal. Under his supervision two divisions have been

established, namely, Shree Rajasthan Texchem and Shree Rajasthan Polycot.

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

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

Recognition or awards:

Mr. Vikas Ladia has represented various Associations & Organizations.

He was the chairman of the Young Entrepreneur Group, at Confederation of Indian Textile Industry, New Delhi from 2005-2007.

Job profile and his suitability:

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

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

Remuneration proposed:

Remuneration is as set out above in the explanatory statement. The remuneration to Joint Managing Director has the approval of the Board and Remuneration Committee.

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin) :

The Company has paid up share capital of nearly Rs.12.33 crores and is presently listed on one Stock Exchange i.e. BSE with approx. 12,700 shareholders. It is in the business of manufacturing filament yarn, Synthetic grey yarn, dyed yarn and cotton yarn. Considering the size of the Company, the profile of Mr. Vikas Ladia and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.

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

Excepting the payment of remuneration for his services as Joint Managing Director, as approved and detailed hereinabove, he has no other pecuniary relationship with the

Company. None of the Directors of the Company, except Mr. V. K. Ladia and Mr. Anubhav Ladia being relatives are interested.

Documents for inspection: Copy of the Resolution appointing Mr. Vikas Ladia as the Joint Managing Director is available for inspection at the Registered Office of the Company on working days during the business hours between 10.00 AM to 6 P.M.

ITEM No. 9

The Board of Directors have reappointed Mr. Anubhav Ladia as the Executive Director of the Company in their meeting held on 8th August, 2013 for a period of 3 (Three) years w.e.f. 01st September, 2013 on the terms and conditions including Remuneration as recommended by the Remuneration Committee to the Company.

The present proposal is to seek the member's / shareholder's approval for such appointment on such terms and conditions of reappointment including remuneration payable to Mr. Anubhav Ladia, in terms of the applicable provisions of the companies Act, 1956.

The proposed remuneration is within the permissible limits as laid down under Sections 198, 269, 309, 310, 349, 350 and Schedule XIII annexed to the Companies Act, 1956.

The information required to be furnished to the members / shareholders in terms of revised Schedule XIII are being furnished here in below.

(A) General Information :

1 Nature of Industry:

The Company is in the business of manufacturing of Synthetic Grey Yarn, Dyed Yarn, Cotton Yarn and Polypropylene Multifilament Yarn.

2. Date or expected date of commencement of commercial production:

Subsequent to the incorporation of the Company on 15.11.1979, the company obtained certificate of commencement of business on 19.01.1980.

3. Financial Performance:

(Rs. in Lacs)			
Particulars	2010-11	2011-12	FY2012-13
Total Income	31007.14	28542.62	28936.62
Net Profit after Tax	659.41	(1680.13)	3.20
Exports	3830.87	1892.75	2070.10
Foreign Exchange Earned	2943.84	1791.91	2797.50*
Foreign Exchange used	81.82	38.70	64.29

(* Figure including the sale of DG set)

4. Export performance and net foreign exchange collaborations:

Export sales of the Company has increased to Rs. 2070.10 lacs in 2012-13 from Rs. 1892.75 lacs in 2011-12. The earning in foreign currency was Rs. 2797.50 lacs in 2012-13 as compared to Rs. 1791.91 lacs in 2011-12.

5. Foreign investments or collaborators, if any: No Direct Foreign investments or collaborators

(B) Information about the Appointee:

Background details :

Mr. Anubhav Ladia, aged 36 years, Graduated with B.Com (Hons) from Shree Ram College of Commerce, New Delhi in 1998. He Completed CA from Institute of Chartered Accountants of India, New Delhi & Articleship from M/s. S.R. Batliboi & Co., New Delhi.

He joined the company in January 2002 as Special Executive.

Currently he is working as Executive Director of the Company and looking after the financial and commercial aspects of the group.

Recognition or awards:

Anubhav Ladia represents the company in various Textile forums including the Confederation of Indian Textiles Industry (CITI).

He is also an active Member of Global Networking Group, Entrepreneur Organization (EO).

Job profile and his suitability:

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

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

Remuneration proposed:

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

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin) -

The Company has paid up share capital of nearly Rs.12.33 crores and is presently listed on one Stock Exchange i.e. BSE with approx. 12,700 shareholders. It is in the business of manufacturing filament yarn, Synthetic grey yarn, dyed yarn and cotton yarn. Considering the size of the Company, the profile of Mr. Anubhav Ladia and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.

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



Excepting the payment of remuneration for his services as Executive Director, as approved and detailed hereinabove, he has no other pecuniary relationship with the Company. None of the Directors of the Company, except Mr. V. K. Ladia and Mr. Vikas Ladia being relatives are interested.

Documents for inspection: Copy of the Resolution appointing Mr. Anubhav Ladia as the Executive Director is available for inspection at the Registered Office of the Company on working days during the business hours between 10.00 AM to 6 P.M.

By order of the Board of Directors
For M/s. Shree Rajasthan Syntex Ltd

S/d

V.K. Ladia

Chairman & Managing Director

Place : Udaipur

Date : 08th August, 2013

Go Green Initiative

Dear Shareholders,

Sub: Green Initiative

We value your relationship with Shree Rajasthan Syntex Ltd. And thank you for all your support.

Ministry of Corporate Affairs (MCA) has issued a Circular No. 17/2011 dated 21.04.2011 propagating "Green Initiative", by allowing paperless compliances by serving documents through electronic mode (e-mail.) as an enlightened corporate citizen, we propose to send all future Shareholders' communication like Notices, Company's Annual Report through electronic mode. This will ensure prompt receipt of communication and avoid in postal transit.

We request you to inform you to please either

- i) Inform your e-mail address to your Depository Participant*
- ii) Inform your e-mail address to us at cs@srsi.in*

You are not required to re-register unless there is change in your e-mail address.

The email addresses indicated in your respective DP accounts which will be periodically downloaded from depositories viz. NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956 (the Act) read with Section 53 of the Act.

Please note that arrangements have also been made to display the documents electronically sent to you on our website www.srsi.in as well for your ready reference.

You are also requested to intimate to the Depository Participants (DP), changes, if any, in your registered addresses, e-mail ID and /or changes in your bank account details.

We look forward to your valuable support in this 'Go Green Initiative'.

Thanking You,

For Shree Rajasthan Syntex Ltd.

Sd/-

(Mrs. Bhanupriya Mehta Jain)

Astt. Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in submitting their 33rd Annual Report along with the audited statements of Accounts for the year ended 31st March, 2013 and Auditors Report thereon.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Revenue from operations :		
Domestic	26866.51	26649.87
Export	2070.11	1892.75
Total	28936.62	28542.62
Profit Before interest, depreciation & tax	2609.30	397.07
Less: Finance Cost	1560.98	1787.05
Profit Before depreciation	1048.32	(1389.98)
Less: Depreciation	1002.22	1058.53
Profit/(Loss) Before exceptional item	46.10	(2448.51)
Less: Exceptional/Extraordinary item	-	74.68
Profit Before Tax	46.10	(2523.19)
Less: Current Tax	-	-
Deferred tax liability	42.90	(843.06)
Profit/(Loss) After Tax	3.20	(1680.13)

OPERATIONS

The operations during the year has been satisfactory as compared to previous year. The Company produced 15282 tonnes of yarn valuing Rs. 27793 lacs during the period under review as against 16535 tonnes of yarn valuing Rs. 27405.00 lacs produced during the last year. The performance of the Company is analysed in detail in the Management Discussions and Analysis Report annexed to this report.

EXPORTS

During the year the Company had export of Rs. 2070.11 lacs against export of Rs. 1892.75 lacs during the previous year. The export constituted 7.26% of the total turnover of the Company.

The Company has exported its spun yarn mainly in the established markets in Algeria, Indonesia, Germany, Egypt, South Africa, Italy, Belgium, Portugal, Morocco, Turkey and Chilly.

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 AND OTHER APPROPRIATIONS :

in order to conserve resources, your directors do not recommend any dividend for the year under review.

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 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

shall be completed in the financial year 2013-14.

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

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, 2013, the amount of Fixed deposits from public and shareholders was amounted to Rs 73.20 lacs. Deposit amounting to Rs. 59,000/- has remained unclaimed as on 31.03.2013.

DIRECTORS

Mr. R. S. Nirwan, Mr. Ravinder Narain and Mr. Susheel Jain will retire by rotation in ensuing Annual General Meeting of the Company and are eligible for re-appointment.

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 the ensuing Annual General Meeting and are eligible for reappointment. 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 is 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 judgements 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

S/d

V.K. LADIA

CHAIRMAN & MANAGING DIRECTOR

Place : Udaipur

Date : 25.05.2013

ANNEXURE – I TO THE DIRECTORS' REPORT
FORM - A
1. 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, lightweight 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	56011635	62962405
Total Amount (Rs.in Lacs)	2792	3080
Rate per Unit	5.23	4.89
(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	180980
F.O.Consumed (in kgs.)	77504	47457
Units per Kg. Of F.O.	4.09	3.81
Cost of F.O. (Rs.in Lacs)	36	17
Cost per Unit (Rs.)	11.22	9.45
(III) Through Thermal Power Plant 8 MW		
Units	7843000	3209800
Coal Consumed (in MT.)	11127	3997
Units per Kg. Of Coal	0.70	0.80
Cost of Coal (Rs.in Lacs)	402	158
Cost per Unit (Rs.)	5.12	4.93
(For Cogeneration of Steam & Power)		
2 Steam Generation		
(I) Through Furnance Oil Boiler		
FO (in Kgs.)		2598
Total Cost (Rs.in Lacs)		0.81
Average Rate		31.18
(II) Through Coal		
Coal (in MT.)	2125	2365
Total Cost (Rs.in Lacs)	84	143
Average Rate (Per MT)	3931	6054
B		
I) Consumption per Unit of Production		
Electricity per Kg. of Yarn (Units)	4.11	3.95
Coal per kg of yarn (kg)	5.83	4.92

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)

i) Capital	-	0.71
ii) Recurring	-	31.12
iii) Total	-	31.83
iv) Total R & D Expenditure as a % of total turnover :	-	0.10%

2. Technology Absorption, Adaptation and Innovation:
a) Efforts, in brief, made towards technology absorption, adaptation and innovation

Company has successfully absorbed the technique of cleaning the yarn electronically and that of Splicing instead of knotting in finishing department. It has adopted sturdy drafting in speed frame and also replaced open type Flyers with closed type for achievement of higher speed in existing speed frames.

The Company has installed latest autoconers and compressors this years.

b) 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

2. Technology Absorption, Adaptation and Innovation

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

II. FOREIGN EXCHANGE EARNINGS & OUTGO.

The Company has exported its spun yarn mainly in the established markets in Algeria, Indonesia, Germany, Egypt, South Africa, Itlay, Belgium, Potugal, Morocco, Turkey and Chilly.

		2012-2013 (Rs. in lacs)	2011-2012 (Rs. in lacs)
i)	Total Foreign Exchange Used	64.29	38.70
ii)	Total Foreign Exchange Earned	2797.50	1791.91

For and on behalf of the Board
sd/-

Place : Udaipur

V.K. LADIA

Date : 25.05.2013

CHAIRMAN & MANAGING DIRECTOR

ANNEXURE II TO 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 2012-13. 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 (Spindle)
Syntex - Division	Simalwara Road Dungarpur	Synthetic Yarn	35,904
Texchem - Division	Simalwara Road Dungarpur	Synthetic Yarn	31,680
Polycot - Division	Simalwara Road Dungarpur	Cotton yarn	14,520
Shree Shyam Filaments - Division	Village – Bagru Ravan, Jaipur	Polypropylene Multi Filament yarn	3,600 TPA

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

INDUSTRY OVERVIEW :

Indian textile industry which is the second largest provider of employment after agriculture is having a major presence in the economic life of the country, it contributes 12% to the industrial production, 4% to the GDP, 11% to the country's export earnings. It provides direct employment to 35 million people. 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.

The fundamental strength of this industry flows from strong production base of wide range of fibers/yarn from natural fibres like cotton, jute, silk and wool to synthetic/man-made fibers like polyester, viscose, nylon and acrylic. We can track the strong multi-fibre base by highlighting the following important feature of this industry across the globe :

1. **Cotton** - Cotton is one of the principal crops of the country and is the major raw material for domestic textile industry.
2. **Silk** - India is the second largest producer of silk and contributes about 18% to the total world raw silk production.
3. **Wool** - India has the 3rd largest sheep population country in world having 6.40 crore sheep producing 43.30 million kg of raw wool. As per report of national fibre policy (MOT) in the next one decade, consumption of raw wool is estimated to double from 114.2 million Kg in 2008-09 to 260.8 million kg by 2019-20
4. **Man Made Fibres** - MMF India is fifth largest producer of synthetic fiber yarn in the world. Poyester, Nylon, Acrylic & Ploypropylene are the major synthetic fibres while viscose which is cellulosic fibre is also included in MMF basket. The MMF textile have merged as one of the major global textile constituting 68% of it.
5. **Jute** - India is the largest producer and second largest exporter of the jute goods.

During the last few years, textiles industry witnessed a slow down mainly due to the global economic slowdown and following the price crash in cotton prices from Rs. 62500 / candy to Rs. 29500 / candy in may 2011. Many industries were left with large high priced inventories of cotton and cotton yarn resulting in erosion of working capital and imposing considerable stress on the quality of assets. The Textiles industry has witnessed an incipient turn around in financial year 2012-13 as cotton yarn prices have picked up and rupee depreciation has enhanced competitiveness.

INDUSTRY OPPORTUNITIES :

1. 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.
2. The flagship scheme of the Minsitry of Textiles i.e. Technology Upgradation Fund Scheme (TUFS) has faciliated 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. A new scheme with an outlay of Rs 500 crore called the integrated Processing Development Scheme wil be implemented in the 12th Plan to address the environmental concerns of the textile industry.

3. The Foreign Trade Policy 2009-2014 includes various incentive schemes for the textile industry. The policy under 'Focus Market Scheme' has added many new international markets for providing incentive for export to these countries. The DEPB scheme has been continued giving support to the exporters in the international markets. Further the government has added various textile heads in 'Focus product scheme' which will further enhance the exports of textile products
4. 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.
5. The role of the Textile industry is to provide one of the most basic needs of people and the importance of its 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 the Textile Policy of 1985 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 county.

INDUSTRIAL CHALLENGES:

1. Lack of global competitiveness

Even though the Indian cotton apparel export to the world have grown consistently, the man made fibre industry has not been able to create a mark in the global textile markets. Considering the textile quotas have been dismantled for the last 5 years, the industry needs to be more globally competitive.

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 affect 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.

PRODUCTWISE PERFORMANCE OF THE COMPANY :

Chart given below gives the breakup of sales between the domestic and export markets for the last 3 years :

(₹ in lacs)

Revenue from operations	2010-11	2011-12	2012-13
Export	3830.87	1892.75	2070.11
Domestic	27176.27	26649.87	26866.51

The current yarn portfolio of SRSI can be classified into 3 main categories - Grey yarn, Dyed yarn and PPMF yarn.

Grey Yarn : Grey yarn is produced using blends of different synthetic fibre such as polyester/viscose, 100% viscose yarn, 100% polyester fibre yarn and pure cotton. These qualities are produced in Shree Rajasthan Texchem division and Shree Rajasthan Polycot division of the Company.

The Company has niche markets for 100% viscose fibre yarn. Specialty fibre yarns were developed for industrial and home textile applications.

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

PPMF Yarn : Polypropylene multifilament yarn is produced at Shree Shyam Filament division of the company at Bagru, Jaipur, POY and texturised yarn is produced for knitting, socks and furnishing applications. BCF yarn is produced for carpet applications. The company is currently shifting its filament plant from Bagru to Dungarpur

OPERATIONS

During the year under review the Company's operations showed a significant improvement in its performance and was able to handle the various market condition in both the domestic and export market. The sales turnover of the company was Rs. 28936.62 lacs as compared to Rs. 28542.62 lacs of previous year. The Profit (before interest, depreciation & tax) amounted to Rs. 2609.30 lacs and the Profit/after tax (PAT) amounted to Rs 3.20 lacs as compared to loss of Rs. 1680.13 lacs in previous year.

FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.03.2013

(₹ in lacs)

Particulars	2012-13	2011-12
Revenue from operations :		
Export	2070.11	1892.75
Domestic	26866.51	26649.87
Total	28936.62	28542.62
Profit Before Interest & Depreciation	2609.30	397.07
Less: Finance Cost	1560.98	1787.05

Profit Before Depreciation	1048.32	(1389.98)
Less Depreciation	1002.22	1058.53
Profit / (Loss) Before Exceptional Item	46.10	(2448.51)
Less Exceptional / Extraordinary Item		74.68
Profit Before Tax	46.10	(2523.19)
Less : Current Tax	-	-
Deffered Tax Liability	42.90	(843.06)
Profit / (Loss) After Tax	3.20	(1680.13)

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. Currently the company is implementing an expansion cum modernization project where in state of the art machinery is being 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 customers, 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 2373 persons as on 31.03.2013. 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 factors

ANNEXURE III TO DIRECTORS REPORT

REPORT ON CORPORATE GOVERNANCE

The Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is pleased to be furnished its report on Corporate Governance.

1. Company's Philosophy on 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.

2. Board of Directors

I. Composition & Category

The present strength of the Board is ten Directors comprising of three Executive Directors including the Chairman & Managing Director and remaining seven independent Non- Executive Directors. Mr. V.K. Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia are related to each other. Mr. V.K. Ladia being father of Mr. Vikas Ladia and Mr. Anubhav Ladia.

II. Board Meetings attendance

The Board met four times on 28th May 2012, 7th August 2012, 10th November 2012 and 9th February 2013. 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.

Director	No. of Board Meetings attended	Attendance in the AGM	No. of outside Directorship of other Companies	No. of outside Board-level Committees where chairperson or members.	
				Member	Chairperson
Sh. V.K. Ladia	4	Yes	5	-	-
Sh. Ravinder Narain	-	No	3	3	1
Sh. Susheel Jain	-	No	4		1
Sh. N.N. Agrawala	3	Yes	-	-	-
Sh. Raj Singh Nirwan	4	Yes	-	-	-
Sh. Vikas Ladia	4	No	1	-	-
Sh. R.L. Kunawat	2	Yes	-	-	-
Sh. Anubhav Ladia	4	Yes	3	-	-
Sh. R.K. Pandey	2	No	16	4	2
Sh. Sunil Goyal	2	No	3	-	-
Sh. Jitender Balakrishnan	2	No	-	-	-

3. Audit Committee

The Audit Committee of the Board of Directors comprised of Five Directors and has been constituted in line with Clause 49 of the listing agreement and Section 292A of the Companies Act, 1956. The broad terms of reference of the Audit Committee are wide enough to cover the role specified to it under the listing agreements of Stock Exchanges.

The Audit Committee met on 28th May 2012, 7th August 2012, 10th November 2012 and 9th February 2013 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	No. of meetings held	No. of meetings attended
01	Mr. R.S. Nirwan	4	4
02	Mr. V.K. Ladia	4	4
03	Mr. Sunil Goyal	4	2
04	Mr. N.N. Agrawala	4	3
05	Mr. R.L. Kunawat	4	2

4. Remuneration of Directors

Details of remuneration / sitting fees to Directors for the year ended 31st March, 2013

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	17,20,000	5,19,680	-	2,53,838	-	24,93,518
Sh.N.N.Agrawala (Director)	-	-	-	-	-	30,000	30,000
Sh.Raj Singh Nirwan (Director)	-	-	-	-	-	40,000	40,000
Sh.Ravinder Narain (Director)	-	-	-	-	-	-	-
Sh.Susheel Jain (Director)	-	-	-	-	-	-	-
Sh.Vikas Ladia (Jt. Mg.Director)	5	13,52,000	2,66,865	-	2,90,440	-	19,09,305
Sh.R.L.Kunawat (Director)	-	-	-	-	-	20,000	20,000
Sh.Anubhav Ladia (Executive Director)	5	10,23,500	2,01,580	-	2,19,749	-	14,44,829
Sh. R.K. Pandey (Director)	-	-	-	-	-	10,000	10,000
Sh. Sunil Goyal (Director)	-	-	-	-	-	20,000	20,000
Sh. Jitender Balakrishnan (Director)	-	-	-	-	-	10,000	10,000

5. Remuneration Committee.

In terms of the provisions of Schedule XIII of the Companies Act, 1956, the Remuneration Committee consists of following members:

- Mr. R.L. Kunawat, Member (Independent Director)
- Mr. R.S. Nirwan, Member (Independent Director)
- Mr. N.N. Agrawala, Member (Independent Director)

The non executive directors are paid sitting fee for attending the Board Meeting as well as Audit Committee Meeting. The remuneration of the Chairman & Managing Director, Joint Managing Director and Executive Director is approved by the shareholders and is within the ceiling laid down under Schedule XIII of the Companies, Act 1956.

6. a) Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee has been constituted by the Board of Directors vide their meeting dated 16.01.2012 .consisting of Mr. V.K.Ladia, Mr. Vikas Ladia, Mr. N.N. Agrawala Mr. Sunil Goyal & Mr. R.L. Kunawat as members. Mr. R.S. Nirwan, acts as Chairman of the Committee being non-Executive Director. The Committee looks into redressal of shareholder and investor complaints

etc, if any.

b) 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 authorised to take on record unaudited financial results and review report of the auditor as per clause 49 of the Listing Agreements.

c) Compliance Officer.

Mrs. Bhanupriya, Asst. Company Secretary has been designated by the Board as the Compliance Officer as per listing agreement.

7. General Body Meetings

a) Location and time for last three Annual General Meeting .

Year	AGM/EGM	Location	Date	Time
2010	AGM	Registered Office: 'SRSL House', Pulla, Bhuwana Road, N.H. No.8, Udaipur - 313 004	18.09.2010	2.30 P.M.
2011	AGM	Registered Office: 'SRSL House', Pulla, Bhuwana Road, N.H. No.8, Udaipur - 313 004	19.09.2011	2.30 PM
2012	AGM	Registered Office: 'SRSL House', Pulla, Bhuwana Road, N.H. No.8, Udaipur - 313 004	22.09.2012	2.30 PM

Resolutions are generally passed on show of hands. No resolution was passed by postal ballot during the last year. Following special resolutions were passed during the last 3 AGM & EOGM.

2009-2010

Reappointment of Directors & fixation of remuneration as per Schedule XIII & other applicable provisions of the Companies Act, 1956.

- Reappointment of Shri V.K. Ladia as Chairman & Managing Director.
- Reappointment of Shri Vikas Ladia as Joint Managing Director.
- Reappointment of Shri Anubhav Ladia as Executive Director
- Variation of remuneration of Mrs. Monika Ladia, Special Executive

2010-2011

- Approval from shareholders for allotment of 4,75,000 convertible share warrants to the promoters and its associates on preferential basis.
- Appointment of Mr. Jitender Balakrishnan under Section 257(1) of the Companies Act, 1956 for the office of Director.

2011-12

- I Approval from Shareholders under Section 293 1 (A) to specify the overall limit upto which money may be borrowed from the Lenders by Board of Directors.
- I Approval from shareholders for allotment of 6,50,000 convertible share warrants to the promoters and its associates on preferential basis in Extra Ordinary General Meeting (EOGM) held on 15th April, 2012.

8. Disclosure

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.

None of the transactions with any of the related parties were in conflict with the interests of the Company. As required by the Accounting Standards AS18, the details of related party transactions are given in Note 43 to the annual accounts. There was no pecuniary relationship or transactions with the non executive directors, apart from the payment of sitting fees to the Directors.

There have been no instances of non Compliance by the Company, penalties / strictures proposed on the Company by Stock Exchange or SEBI or any statutory authority or any matters related to Capital Market during the last 3 years.

9. Disclosure as per Schedule XIII of the Companies Act, 1956.

- i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors other than non Executive Directors

a) Mr. V.K. Ladia

Sl. No.	Particulars	Amount (Rs.)
01	Salary	17,20,000
02	Ex Gratia	1,33,280
03	HRA	1,80,000
04	Benefit	4,60,238
	Total	24,93,518

b) Mr. Vikas Ladia

Sl. No.	Particulars	Amount (Rs.)
01	Salary	13,52,000
02	Ex Gratia	1,04,625
03	Benefit	3,71,680
	Total	19,09,305

c) Mr. Anubhav Ladia

Sl. No.	Particulars	Amount (Rs.)
01	Salary	10,23,500
02	Ex Gratia	78,760
03	Benefit	3,42,569
	Total	14,40,829

- ii) Details of fixed components and performance linked incentive along with the performance criteria; salary has fixed component only and no performance linked incentive.
- iii) Service contracts, notice period, severance fees -
 - a) Mr. V.K. Ladia - 3 years with 6 months notice period
 - b) Mr. Vikas Ladia - 5 years with 6 months notice period
 - c) Mr. Anubhav Ladia - 5 years with 6 months notice period.
- iv) 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.

10. 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 2012-13. 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.

11. 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.

12. 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 minimisation procedures being followed by the Company and the steps taken to mitigate those risks through this framework.

13. 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 is being placed at the Board meeting of the Company held on 25th May, 2013.

14. Means of Communication

The quarterly results published in the proforma prescribed by the Stock Exchange, Mumbai are approved and taken on record by the Board of Directors of the Company within 45 days of the close of the relevant quarter. The approved

results are forthwith sent to all the Stock Exchanges with whom the Company has listing arrangements. Further, the results in the prescribed proforma are published in newspapers within 48 hours. As the Company publishes the audited annual results within the stipulated period of two months from the close of the financial year as required by the listing agreement with the Stock Exchanges, the unaudited results for the last quarter of the financial year are not published.

The annual audited accounts of the Company are subsequently sent to the Stock Exchange, Shareholders, Bankers, Financial Institutions as required.

15. Shareholder Information:

- a) Annual General Meeting : 28th September, 2013 at 2.30 P.M.
Date, time and venue of the Annual General Meeting : at the Registered Office of the Company at 'SRSL House', Pulla - Bhuwana Road, N.H.No.8, Udaipur - 313 004
- b) Financial Calendar Particulars : April 01, 2012 to March 31, 2013
- For the financial year 2013-14, the Financial Results will be announced in
- Second week of August, 2013. Quarter ended June 30,
First week of November, 2013. Half Year ended September 30,
First week of February, 2014. Third Quarter ended December 31,
May, 2014. Financial Results for the year ending March 31st 2014.
- AGM for the year ended 31.03.2014 : Last week of September 2014.
- c) Date of Book Closure : 25th September, 2013 to 28th September, 2013.
- d) Dividend payment date : Within 30 days from the date of AGM
- e) Registered Office : 'SRSL House',
Pulla - Bhuwana Road,
N.H.8,
Udaipur - 313 004.
- f) Stock Code : 503837 with Bombay Stock Exchange Ltd.
- g) Listing on Stock Exchanges : Bombay Stock Exchange Ltd,
- h) Stock Price Data : Bombay Stock Exchange Ltd, Mumbai

Month	Highest(Rs.)	Lowest(Rs.)
April 2012	12.49	9.90
May 2012	12.72	10.00
June 2012	14.39	10.95
July 2012	14.33	11.25
August 2012	13.00	10.02
September 2012	11.99	10.00
October 2012	11.95	10.26
November 2012	11.05	9.90
December 2012	11.40	9.74
January, 2013	11.00	9.86
February 2013	10.40	9.11
March 2013	9.26	7.55

- i) Stock performance : As mentioned above
- J) Registrar and : M/s. Mas Service Ltd.
Transfer Agent : T-34, 2nd Floor,
Okhla Industrial Area
Phase - II
New Delhi - 110 024
Phone : 011 26387281-83
Fax : 011 26387384
- k) 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 26 times during the financial year 2012-2013 for consideration of share transfer and similar matters.
- l) Distribution of Shareholding as on 31st March, 2013.

Shareholding of Nominal value (Rs.)	No. of share-Holders	Total No. of Shares	% of share holding
1 - 5000	11025	1491125	12.092
5001 - 10000	597	467558	3.791
10001 - 20000	264	397568	3.224
20001 - 30000	100	249340	2.022
30001 - 40000	74	259222	2.102
40001 - 50000	39	182938	1.483
50001 - 100000	79	544739	4.417
100001 & above	100	8739811	70.869
Total	12278	12332301	100%

m) Categories of shareholding as on 31st March, 2013

Shareholders	No. of Shares held	% of total shares held
Promoters	5160562	41.85
Foreign Institutional Investors	150	0.00
Mutual Funds/UTI	4485	0.03
Banks	330794	2.68
Corporate Bodies	1256991	10.20
Non-Resident Indian / OCB's	158928	1.29
Public	5420391	43.95
Total	12332301	100%

n) Dematerialisation of Shares and Liquidity

As on 31st March 2013, 83.40% of the Company's equity shares have been dematerialised. 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 dematerialise their shares with the Depositories. International Securities Identification Number (ISIN) of the Company is INE796C01011.

o) Plant Locations

- i) **Shree Rajasthan Syntex**
Village-Udaipura, Simalwara Road,
Dungarpur - 314 001(Rajasthan)
Tel: 02964 - 302400

Fax: 02964 - 302500

AUDITOR' CERTIFICATE

ii) Shree Shyam Filaments
(A Div.of Shree Rajasthan Syntex Ltd)
Bagru Ravan, Jaipur.
Tel : 0141 2864224-25
Fax : 0141 2864226.

iii) Shree Rajasthan Polycot
(A Div.of Shree Rajasthan Syntex Ltd)
Simalwara Road
Dungarpur - 314 001 (Raj.)
Tel : 02964 - 302400
Fax: 02964- 302503

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

p) Investor Correspondence Address:
M/s. Mas Services Ltd
T-34, 2nd Floor,
Okhla Industrial Area, Phase – II,
NEW DELHI - 110024.

q) Non Mandatory Requirements - The Company has not adopted any non mandatory requirements.

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, 2013 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 was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investors' grievances are pending for a period of one month, against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

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. 303002E

Sd/-
CA V. CHATURVEDI
PARTNER
M. No.13296

Place : Udaipur
Date : 25.05.2013

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, 2013.

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, 2013, 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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, 2013; 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 referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

CA V. Chaturvedi
Partner
Membership No. : 013296

Place: Udaipur
Date: May 25, 2013

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

- (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.
- (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.
- (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.106.70 Lacs and the year-end balance of loans granted to such party was Rs. 102.24 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 60.70 lacs during the year and total outstanding was Rs. 42.64 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.
- (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.232.63 lacs pending with CSTAT (Rs.191.79 Lacs), Commissioner (Appeals) (Rs. 37.65 Lacs), Asstt. Commissioner (Rs. 2.17 Lacs) and Joint secretary (Rs. 1.02 Lacs). Against these demands, Company has deposited Rs.84.88 Lacs under protest
- (ii) Sales tax demands amounting to Rs. 222.39 Lacs pending with Rajasthan Tax Board, Ajmer Against these demands company has deposited under Protest Rs.40.53 Lacs.
- (iii) Entry tax demand amount to Rs.300.49 Lacs pending with High court of Rajasthan against these demand company has deposited under protest Rs.106.48 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.
- (xviii) 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.
- (xix) 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.
- (xx) 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 : 25th May 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share Capital	1	1233.23	1175.23
(b) Reserves & Surplus	2	2413.83	2387.45
(c) Money received against share warrants	3	9.80	22.75
		3656.86	3585.43
(2) Non- current liabilities			
(a) Long-term borrowings	4	7550.63	8040.16
(b) Deferred tax liabilities (Net)	5	543.37	500.48
(c) Other Long term liabilities	6	121.02	152.05
(d) Long term provisions	7	342.51	352.36
		8557.53	9045.05
(3) Current liabilities			
(a) Short-term borrowings	8	3416.31	4362.25
(b) Trade payables	9	2375.16	3450.93
(c) Other current liabilities	10	1828.42	1774.68
(d) Short term provisions	11	95.53	194.97
		7715.42	9782.83
Total		19929.81	22413.31
II. ASSETS			
(1) Non- current assets			
(a) Fixed assets			
(i) Tangible assets	12	10500.48	12398.53
(ii) Intangible assets	12	0.32	-
(iii) Capital work-in-progress	12	189.56	118.23
(b) Non-current investments	13	40.15	40.15
(c) Long-term loans and advances	14	369.52	320.45
		11100.03	12877.36
(2) Current assets			
(a) Inventories	15	3676.62	4364.09
(b) Trade receivables	16	1785.15	1942.59
(c) Cash and cash equivalents	17	158.95	229.40
(d) Short-term loans and advances	18	253.97	199.29
(e) Other current assets	19	2955.09	2800.58
		8829.78	9535.95
Total		19929.81	22413.31
Significant Accounting Policies			
Note on Financial Statements	1 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

Sd/-
(CA V. CHATURVEDI)
Membership. No. 13296
Partner

Sd/-
S.L. KABRA
CHIEF FINANCIAL OFFICER

Sd/-
BHANUPRIYA MEHTA JAIN
ASSTT.COMPANY SECRETARY

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	2012-2013 Rs. (in lacs)	2011-2012 Rs. (in lacs)
Revenue from operations	20	28484.79	28287.00
Other Income	21	451.83	255.62
Total Revenue		28936.62	28542.62
Expenses :			
Cost of materials consumed	22	18331.90	19,982.41
Purchases of Stock -in-Trade		-	74.11
Changes in inventories of finished goods- work-in-progress and stock-in-trade	23	691.90	882.00
Employee benefits expenses	24	2454.86	2321.30
Finance costs	25	1560.98	1787.05
Depreciation and amortisation Expenses		1002.22	1058.53
Other Expenses	26	4848.66	4885.72
Total expenses		28890.52	30991.12
Profit before extraordinary items and tax		46.10	-2448.51
Extraordinary items			
Workers settlement Expenses		-	74.68
Profit before tax		46.10	(2,523.19)
Tax Expenses:			
(1) Current tax (MAT)		8.78	-
Less : MAT credit entitlement		8.78	-
Net current tax		-	-
(2) Deferred Tax		42.90	(843.06)
Profit/(Loss) for the period		3.20	(1,680.13)
Earning per equity share :	27		
Basic & Diluted		0.03	(14.30)
Significant Accounting Policies			
Note on Financial Statements	1 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

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Sd/-
(CA V. CHATURVEDI)
Membership. No. 13296
Partner

Sd/-
S.L. KABRA
CHIEF FINANCIAL OFFICER

Sd/-
BHANUPRIYA MEHTA JAIN
ASSTT.COMPANY SECRETARY

Date : 25.05.2013
Place : Udaipur

Cash Flow Statement for the year ended 31st March 2013 Pursuant to clause 32 of the Listing Agreement

	2012-13	2011-12
A Cash Flow from Operating Activities		
Net Profit before tax and extraordinary items	46.10	(2,523.19)
Adjustments for		
Depreciation	1,000.30	1,056.61
Amortisation of Expenses	1.92	1.78
Provision for Leave Encashment/Gratuity	(109.29)	64.44
Loss on Sale of Assets/Investments (Net)	(170.76)	7.02
Interest Income	(141.75)	(195.08)
Interest Expenses	1,502.63	1,710.24
Exchange Fluctuation	58.35	76.81
Operating Profit before Working Capital Changes	2,187.50	198.63
Adjustments for		
Trade and other Receivables	(106.29)	538.06
Inventories	687.47	1,142.43
Trade and other payable	(1,172.98)	1,538.39
Cash Generation from Operations	1,595.70	3,417.51
Less: Taxes paid (Net of Refunds)	0.94	42.00
Net Cash from Operating Activities	1,594.76	3,375.51
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets/Capital Expenditure	(182.03)	(136.48)
Sale of Fixed Assets	1,178.89	4.40
Cash used in Investing Activities	996.86	(132.08)
C Cash flow from Financing Activities		
Proceeds from issuance of Share warrants	68.25	22.75
Share Premium	-	11.92
Proceeds from Term Borrowings	950.00	50.00
Repayment of Loans	(1,304.98)	(1,142.05)
Proceeds of Fixed Deposits/ICD	(14.63)	27.92
Intercompany and Other Loans	4.46	(5.96)
Change in Short Term Borrowings	(945.94)	(538.50)
Interest Expenses	(1,502.63)	(1,710.24)
Interest Income	141.75	195.08
Foreign Exchange Fluctuation	(58.35)	(76.81)
Dividends (including corporate dividend tax)	-	(136.59)
Net Cash Realised from Financing Activities	(2,662.07)	(3,302.48)
Add: Cash and Cash Equivalent as at 31.03.2012	229.40	288.45
Cash and Cash Equivalent as at 31.03.2013	158.95	229.40

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, 2013 and we found the same to be in agreement therewith.

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

Sd/-
(CA V. CHATURVEDI)
Membership. No. 13296
Partner

Sd/-
S.L. KABRA
CHIEF FINANCIAL OFFICER

Sd/-
BHANUPRIYA MEHTA JAIN
ASSTT.COMPANY SECRETARY

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 whichever 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 amortized 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 recognized in accounts on lodgment 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 in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

xi) EXPORT BENEFITS – Export benefits including estimated duty differentials accruing on account of entitlement for duty free raw materials against indigenous/duty paid raw material consumed for exports during the year are estimated and ascertained for at the year end.

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, 2013

1 Share Capital

	As at 31.03.2013 Rs. (in lacs)	As at 31.03.2012 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:		
1,23,32,301 (Previous year 1,17,52,301) Equity Shares of Rs.10/-each	1233.23	1175.23
	1233.23	1175.23

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	As at 31.03.2013 No. of Shares	% held	As at 31.03.2012 No. of Shares	% held
SRL Securities Ltd.	2092455	16.97	1957455	16.66
Shree Shyam Distributors & Maktg. (P) Ltd.	817324	6.63	653754	5.56

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

	As at 31.03.2013 No. of Shares	As at 31.03.2012 No. of Shares
Equity share at the beginning of the year	11752301	11752301
Equity shares allotted on conversion of warrants	580000	-
Equity share at the closing of the year	12332301	11752301

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 31.03.2012 Rs. (in lacs)	Addition/ Transfer Rs. (in lacs)	Deduction/ Transfer Rs. (in lacs)	As at 31.03.2013 Rs. (in lacs)
Reserves				
Capital Reserves	75.00	-	-	75.00
Share Premium	1972.42	23.20	-	1995.62
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	3460.64	23.20	-	3483.84
Profit & Loss Account				
As per Last Balance Sheet	606.94			(1,073.21)
Add : Profit / (Loss) for the year	(1,680.13)			3.20
	(1,073.19)			(1,070.01)
Less : Appropriations				
Proposed Equity Dividend	-			-
Corporate Dividend Tax	-			-
General Reserve	-			-
Total	(1,073.19)			(1,070.01)
Grand Total	2387.45			2413.83

3 Money Received Against Share Warrants

	As at 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
Money Received against Warrants	9.80	22.75

3.1 The company has 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 on payment of balance of Rs.10.50 per warrant. During the year Company has converted 5,80,000 warrants into equity shares. Holders of 70,000 warrants have option to convert them into equity shares by 20th September 2013. Failure to exercise the conversion right shall entitle the company to forfeit the amount of Rs.14.00 per warrant received on allotment.

4 Long Term Borrowings

	As at 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
(i) Term Loans from Banks (Secured)		
IDBI	3254.30	3645.17
BOB	2231.20	1977.50
SBI	2040.52	2387.72
	7526.02	8010.39
(ii) Deposits (Unsecured)		
- From Directors	2.04	-
- From Related Parties	15.53	0.33
- From Public & Others	7.04	29.44
	24.61	29.77
Total	7550.63	8040.16

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. 350.20 Lacs & Rs. 150.00 Lacs respectively, (Previous year Rs. 492.20 Lacs & Rs. 50.00 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
2014-2015	638.26	431.22	427.00	1496.48
2015-2016	495.26	420.72	220.00	1135.98
2016-2017	615.00	343.22	460.00	1418.22
2017-2018	626.00	285.22	460.00	1371.22
2018-2019	799.78	298.22	473.52	1571.52
2019-2020	80.00	259.13	-	339.13
2020-2021	-	152.39	-	152.39
2021-2022	-	41.08	-	41.08
Total	3254.30	2231.20	2040.52	7526.02

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
2014-2015	8.31
2015-2016	16.30
Total	24.61

5 Deferred Tax Liabilities (Net)

	As at 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
Deferred tax liabilities (Net)	543.37	500.48
	<u>543.37</u>	<u>500.48</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 31.03.2013 and 31.03.2012 are as follows :-

	31.03.2013	31.03.2012
Deferred Tax Assets		
Brought Forward Losses	1721.37	1860.61
Gratuity / Leave encashment	133.76	143.08
Total Assets	<u>1855.13</u>	<u>2003.69</u>
Deferred Tax Liability		
Depreciation	2398.50	2503.55
Deffered revenue exp.	-	0.62
	<u>2398.50</u>	<u>2504.17</u>
Net Deferred Tax (Assets) / Liability	<u>543.37</u>	<u>500.48</u>

6 Other Long Term Liabilities

	As at 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
Deposit & Advances	121.02	111.65
Trade Payables	-	40.40
	<u>121.02</u>	<u>152.05</u>

7 Long Term Provisions

	As at 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
Provision for Employees benefits	342.51	352.36
Others	-	-
	<u>342.51</u>	<u>352.36</u>

8 Short Term Borrowings

	As at 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
Working Capital Loans (Banks)		
Foreign Currency Loan	1000.05	694.21
Rupee Loan	<u>2416.26</u>	<u>3668.04</u>
	<u>3416.31</u>	<u>4362.25</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

		As at 31.03.2013 Rs. (in lacs)		As at 31.03.2012 Rs. (in lacs)
Acceptances		225.54		1166.67
Trade Payables				
a) Micro Small and Medium Enterprises	5.99		10.35	
b) Others	<u>2143.63</u>	2149.62	<u>2273.91</u>	2284.26
		<u>2375.16</u>		<u>3450.93</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 31.03.2013 Rs. (in lacs)		As at 31.03.2012 Rs. (in lacs)
1 . Principal amount due outstanding	5.99		10.35
2. Interest due on (1) above and unpaid	-		-
3. Interest paid to the suppliers during the year	-		-
4. Payments made to the supplier beyond the appointed day during the year	-		-
5. Interest due and payable for the period of delay	-		-
6. Interest accrued and remaining unpaid	-		-
7. Amount of further interest remaining due and payable in succeeding year	-		-

10 Other Current Liabilities

	As at 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
Unclaimed dividend (*)	11.82	17.10
Unclaimed Public Fixed Deposit (*)	0.59	0.31
Interest accrued and due on unclaimed deposits (*)	0.20	0.11
Other Liabilities (*)	196.67	193.00
Deposit & Advances	67.43	70.87
Deposits due within one year from Public & others	23.06	9.61
Deposits due within one year from Related parties	16.49	13.87
Creditors for Capital Expenditures	7.63	8.33
Deposits due within one year from Directors	8.45	34.27
Interest accrued but not due on borrowing	61.70	122.22
Interest accrued and due on borrowing	-	-
Term Loan Instalment due within one year	<u>1434.38</u>	<u>1304.99</u>
	1828.42	1774.68

(*) 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 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
Provision for Employees benefits	95.47	194.91
Others :-		
Provision for Taxation	0.06	0.06
Proposed Equity Dividend	-	-
Corporate Dividend Tax	-	-
	<u>95.53</u>	<u>194.97</u>

12 FIXED ASSETS

Description of Assets	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2012		Deductions/Transfers		As at 01.04.2012		Additions/Adjustments		As at 31.03.2013	
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
(i) Tangible Assets										
Land (Leasehold and freehold)										
& site Development	38.52	-	0.88	-	-	-	-	-	37.64	38.52
Buildings *	2731.96	7.91	29.06	2710.81	912.86	76.76	9.22	980.40	1730.41	1819.10
Tube Well	6.02	-	-	6.02	1.45	0.11	-	1.56	4.46	4.57
Plant & Machinery	23258.53	90.90	2199.00	21150.43	13492.28	853.19	1214.69	13130.78	8019.65	9766.25
Electrical Installations	994.16	-	-	994.16	428.13	44.68	-	472.81	521.35	566.03
Water Supply Installations	91.43	0.35	-	91.78	22.09	4.00	-	26.09	65.69	69.34
Material Handling Equipment	33.21	-	-	33.21	14.97	1.75	-	16.72	16.49	18.24
Air Conditioner	19.69	0.73	2.39	18.03	13.34	0.71	2.16	11.89	6.14	6.35
Furniture & Fixture	142.18	0.87	-	143.05	124.08	8.47	-	132.55	10.50	18.10
Office Equipments	113.16	3.70	0.02	116.84	65.64	3.79	0.02	69.41	47.43	47.52
Vehicles	95.45	5.91	4.46	96.90	50.94	6.83	1.59	56.18	40.72	44.51
(ii) Intangible Assets										
Software	-	0.33	-	0.33	-	0.01	-	0.01	0.32	-
Total This Year	27524.31	110.70	2235.81	25399.20	15125.78	1000.30	1227.68	14898.40	10500.80	12398.53
Previous Year	27604.46	28.32	108.47	27524.31	14166.21	1056.60	97.03	15125.78		
(iii) Capital Work-in-Progress										
- Pre-operative Exp.									22.50	14.44
-Others									167.06	103.79
									10690.36	12516.76

Note : (*)

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

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

13 Non-Current Investments

	As at 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
Other Investments (Unquoted)		
Corporate Bodies		
300000 Equity Share of SRSL 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 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
(i) Capital Advances	70.18	69.41
(ii) Security Deposits		
To Director	8.97	8.97
To Others	<u>190.17</u>	<u>138.86</u>
(iii) Loan & Advances to related parties (SRSL Employees Welfare Trust)	97.24	100.70
(iv) Others (Prepaid Expenses)	<u>2.96</u>	<u>2.51</u>
	<u>369.52</u>	<u>320.45</u>

15 Inventories

	As at 31.03.2013 Rs. (in lacs)	As at 31.03.2012 Rs. (in lacs)
Raw Materials		
- Man made fibre	454.64	539.92
- Cotton	406.00	398.70
- Fibre Stock in Deptt.	103.18	85.05
- Stock in transit	<u>99.96</u>	<u>25.44</u>
Work-in-Process	<u>944.77</u>	661.39
Finished Goods	1121.25	2187.24
- Stock in transit	<u>96.27</u>	<u>24.69</u>
Stock-in- trade	-	0.04
Stores & Spares	427.75	428.07
- Stock in transit	10.28	2.07
Others		
Waste & Scrap	<u>12.52</u>	<u>11.48</u>
	<u>3676.62</u>	<u>4364.09</u>

16 Trade Receivables

	As at 31.03.2013		As at 31.03.2012	
	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)
Trade receivables				
(Unsecured & Considered Good)				
Over six months	38.37		42.13	
Others	1746.78	1785.15	1900.46	1942.59

17 Cash and Cash Equivalents

	As at 31.03.2013		As at 31.03.2012	
	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)	Rs. (in lacs)
Cash and Bank Balances				
Cheques, Drafts on hand	77.48		45.29	
Cash -on- Hand	3.58		6.77	
Balance in Current account with Banks	2.26		100.40	
Bank Deposit (Maturity within 3 months)	8.34	91.66	3.53	155.99
Balances with Banks				
(i) Dividend Accounts	11.81		17.10	
(ii) Bank Deposit (Maturity above 3 to12 months)	38.80		8.13	
(iii) Bank deposit (Maturity after 12 months)	16.68	67.29	48.18	73.41
		158.95		229.40

18 Short-Term Loans and Advances

	As at 31.03.2013		As at 31.03.2012	
	Rs. (in lacs)		Rs. (in lacs)	
Loans & Advances to related parties	5.00		6.00	
(SRSL Employees Welfare Trust)				
Others				
Advance recoverable in cash or kind	248.97		193.29	
	253.97		199.29	

19 Other Current Assets

	As at 31.03.2013		As at 31.03.2012	
	Rs. (in lacs)		Rs. (in lacs)	
Claims and Export Incentives Recoverable	1209.56		973.65	
Interest accrued on trade receivables	12.85		12.30	
Interest Subsidy Recoverable (TUFS)	174.75		178.11	
Advance Income Tax	348.85		347.91	
Balance with Excise Deptt.	1176.62		1229.00	
Unamortised expenses (amortise in next 12 months)	-		1.92	
Others	32.46		57.69	
	2955.09		2800.58	

20 Revenue From Operations

	Rs. (in lacs)	This Year Rs. (in lacs)	Rs. (in lacs)	Previous Year Rs. (in lacs)
a). Sale of Products				
- Domestic	26377.64		26399.90	
- Export	2070.11		1892.75	
	<u>28447.75</u>		<u>28292.65</u>	
Less :- Sales Return of Previous year	<u>2.94</u>	<u>28444.81</u>	<u>15.18</u>	28277.47
b) Other Operating Revenues				
-Miscellaneous Income	4.41		1.43	
- Income From Job Work	-		1.29	
- Insurance Charges Recovered on despatches	90.11		92.13	
- Insurance Claims of damaged goods	-		5.81	
- Depot Charges on sales	<u>103.58</u>	<u>198.10</u>	<u>84.93</u>	<u>185.59</u>
		<u>28642.91</u>		28463.06
c) Less : Excise Duty		<u>158.12</u>		<u>176.06</u>
		<u>28484.79</u>		<u>28287.00</u>

21 Other Income

	Rs. (in lacs)	This Year Rs. (in lacs)	Rs. (in lacs)	Previous Year Rs. (in lacs)
a) Interest Income				
Interest Recovered from customers	125.08		175.68	
Interest received on Bank FDR's, loans & others	<u>16.67</u>	<u>141.75</u>	<u>19.40</u>	195.08
b) Other Non-Operating Income				
Miscellaneous Income	27.55		30.84	
Rent / Lease rent Received	2.48		5.05	
Profit on disposal of Fixed Assets	170.76		-	
Income Related to Previous year	58.26		0.25	
Insurance claim received	1.06		6.86	
Sundry balances / Liabilities written Back	<u>49.97</u>	<u>310.08</u>	<u>17.54</u>	<u>60.54</u>
		<u>451.83</u>		<u>255.62</u>

22 Cost of Material Consumed

	Rs. (in lacs)	This Year Rs. (in lacs)	Rs. (in lacs)	Previous Year Rs. (in lacs)
Fibre Consumption		17739.44		19444.87
Dyes & Chemical Consumption		295.58		250.42
Packing Material Consumption		264.62		268.08
Others		<u>32.26</u>		<u>19.04</u>
		<u>18331.90</u>		<u>19982.41</u>
		This Year Rs. (in lacs)	Previous Year Rs. (in lacs)	
22.1 Value of Raw material Consumed		(% of Consumption)	(% of Consumption)	
- Imported		-	-	-
- Indigenous		18331.90	19982.41	100.00
Total		<u>18331.90</u>	<u>19982.41</u>	<u>100.00</u>
22.2 Particulars of Material Consumed				
Cellulosic and non Cellulosic		16591.27	19077.37	
Cotton		1247.70	465.31	
Others		492.93	439.73	
Total		<u>18331.90</u>	<u>19982.41</u>	

23 Increase/ Decrease In Stocks

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Opening Stock :		
Yarn	2211.93	3029.44
Fabrics	0.04	-
Waste & Scrap	11.48	6.47
Work in process	746.44	815.98
	<u>2969.89</u>	<u>3851.89</u>
Closing 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>
(INCREASE)/ DECREASE IN STOCKS	691.90	882.00

24 Employee Benefits Expenses

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Payment & Provision for Employees:		
Salaries, Wages, Bonus & Allowances	2089.54	1984.09
Contribution to Provident Fund & ESI	261.75	256.50
Welfare Expenses	22.68	20.55
Gratuity	80.89	60.16
	<u>2454.86</u>	<u>2321.30</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
i. Changes in present value of obligations		
PVO at beginning of period	353.12	33.79
Interest cost	25.43	2.65
Current Service Cost	48.24	30.13
Benefits Paid	(107.84)	(5.33)
Actuarial (gain)/loss on obligation	9.39	(23.53)
PVO at end of period	328.36	37.72
ii. Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	14.23	-
Adjustment to opening fair value of Plan Assets.	0.00	-
Expected Return on Plan Assets	0.97	-
Contributions	100.97	5.33
Benefit Paid	(107.84)	(5.33)
Actuarial gain(loss) on plan assets	0.24	-
Fair Value of Plan Assets at end of period	8.57	-

iii. Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	14.23	-
Adjustment to opening fair value of Plan Assets.	0.00	-
Actual Return on Plan Asset	1.21	-
Contributions	100.97	5.33
Benefit Paid	(107.84)	(5.33)
Fair Value of Plan Assets at end of period	8.57	-
Funded Status	(319.79)	(37.72)
Excess of actual over estimated return on Plan Assets	0.24	-
iv. Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	(9.39)	23.53
Actuarial Gain/(Loss) for the period (Plan Assets)	0.24	-
Total Gain/(Loss) for the period	(9.16)	23.53
Actuarial Gain/(Loss) recognized for the period	(9.16)	23.53
Unrecognized Actuarial Gain/(Loss) at end of period	-	--
v. Amounts to be recognized in the balance sheet and statement of Profit & Loss account		
PVO at end of period	328.35	37.72
Fair Value of Plan Assets at end of period	8.57	-
Funded Status	(319.79)	(37.72)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	(319.79)	(37.72)
vi. Expense recognized in the statement of P & L a/c		
Current Service Cost	48.24	30.13
Interest cost	25.43	2.65
Expected Return on Plan Assets	(0.97)	-
Net Actuarial (Gain)/Loss recognized for the period	9.16	(23.53)
Expense recognized in the statement of P & L a/c	81.86	9.25
vii. Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	338.90	33.79
Adjustment to opening fair value of Plan Assets.	-	-
Expenses as above	81.86	9.25
Contribution paid	(100.97)	(5.33)
Closing Net Liability	319.79	37.72
viii. Experience Anyalisis - Liabilities		
Actuarial (Gain)/Loss due to change in bases	7.05	0.79
Experience (Gain)/Loss due to change in experience	2.35	(24.32)
Total	9.39	(23.53)
Experience Anyalisis – Plan Assets.		
Experience (Gain) / Loss due to change in Plan Assets	(0.24)	-
ix. Actuarial assumptions		
Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
Discount Rate	8.05 %	8.05 %
Rate of increase in compensation	3.50%	3.50%
Rate of return (expected) on plan assets	11.11%	11.11%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held ,assessed risks, historical results of return on plan assets and the Company's policy for plan assets management

25 Finance Costs

	This year Rs. (in lacs)	Previous Year Rs. (in lacs)
INTEREST ON:		
Term Loans	705.31	797.28
Bank Borrowings & Others	717.19	844.01
Loss on Foreign currency transactions & translation	58.35	76.81
Other Financial Charges	80.13	68.95
	<u>1560.98</u>	<u>1787.05</u>

26 Other Expenses

	This Year Rs. (in lacs)	Previous Year Rs. (in lacs)
Manufacturing Expenses:		
Stores & Spares	106.45	103.08
Packing Expenses	19.75	21.59
Power & Fuel	3318.09	3392.16
Repairs & Maintenance :		
Plant & Machinery	516.17	615.80
Building	22.10	34.31
General	8.71	9.74
Sundry Manufacturing Expenses	128.28	100.17
Job charges	25.18	3.23
	<u>4144.73</u>	<u>4280.08</u>
Administrative & Other Expenses:		
Directors Sitting Fees	1.30	1.45
Directors Remuneration	40.96	38.02
Rent, Rates & Taxes	15.28	15.28
Travelling (including Directors Travelling- -Expenses Rs.17.57 lacs (Previous Year Rs.18.05 lacs)	64.14	44.03
Insurance Charges	21.30	27.39
Vehicle Upkeep	13.94	13.33
Wealth Tax	0.06	0.06
Misc.Expenses	126.72	109.92
Add : Previous year expenses	<u>0.49</u>	<u>0.30</u>
Telephone Expenses	13.96	13.50
Fees	9.83	6.39
Foreign Exchange Fluctuation on Fixed Assets Sales	27.73	-
Printing & Stationery	12.49	14.11
Postage Expenses	3.72	5.68
	<u>351.92</u>	<u>289.46</u>
Write Off /Loss on disposal of Fixed Assets	<u>-</u>	<u>7.02</u>
Sundry Balances Written off	<u>0.45</u>	<u>15.83</u>
Auditors Remuneration:		
Audit Fee	2.80	2.80
Tax Audit Fee	0.50	0.50
Other Services	0.76	1.42
Reimbursement of Expenses	1.09	1.25
	<u>5.15</u>	<u>5.97</u>
Internal Audit Fee & Expenses	1.97	1.97
Cost Audit Fee & Expenses	0.53	0.59
	<u>2.50</u>	<u>2.56</u>
Selling Expenses :		
Commission & Brokerage	169.01	152.69
Discount	67.21	67.38
Freight & Forwarding (Net of recoveries)	97.82	45.74
Rebate & Claim	7.35	13.97
Research & Development Exp.	0.04	0.09
Others	2.48	4.93
	<u>343.91</u>	<u>284.80</u>
Grand Total :	<u>4848.66</u>	<u>4885.72</u>

26. (i) Value of Stores & Spares Consumed

	<u>This Year</u>		<u>Previous Year</u>	
	Rs. (in lacs)	(% of Consumption)	Rs. (in lacs)	(% of Consumption)
- Imported	45.60	42.84	26.09	25.31
- Indigenous	60.85	57.16	76.99	74.69
Total	106.45	100	103.08	100.00

27. Earning Per Equity Share

	<u>This Year</u>	<u>Previous Year</u>
	Rs. (in lacs)	Rs. (in lacs)
Profit attributable to the Equity Share holders (Rs. in lacs)	3.20	(1680.13)
Weighted average number of equity shares outstanding during the year	12332301	11752301
Weighted average number of equity shares outstanding during the year for diluted EPS	12332301	11752301
Nominal value of equity Share (Rs.)	10	10
Basic earning per Share (Rs.)	0.03	(14.30)
Diluted earning per Share (Rs.)	0.03	(14.30)

28. CONTINGENT LIABILITIES AND COMMITMENTS:

- a. Claims not acknowledged as debts by the Company Rs. 645.15 Lacs (Previous Year Rs 651.96 Lacs)
- b. Bills discounted with Banks and outstanding Rs. 225.53 lacs (Previous Year Rs.446.04 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. 1826.97 Lacs (Previous year Rs. 1897.87 Lacs)
- d. Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances Rs. 835.48 lacs (Previous Year Rs.571.60 lacs).
- b. (I) Demands issued by the Excise/Custom Authorities amounting to Rs.232.63 Lacs (Previous Year Rs.192.48 Lacs) besides other penalties in law. The company is contesting the issues under legal advice. The company has however deposited Rs.84.88 Lacs (Previous year Rs.73.68 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. 32.63 lacs (Previous year Rs 34.38 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.

2012-13 are pending, liabilities if any, arising thereon shall be accounted for in the year of assessment.

30. a. Assessment of Income Tax has been completed up to the assessment year 2010-11
- b. In view of carry forward losses no provision is required towards Income Tax.
31. 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).
32. 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.
33. Profit on Disposal of Fixed Assets is - Net of loss of Rs.144 lacs on sale of Fixed Assets.
34. Balances appearing under the head Creditors, Debtors, Advances and Deposits are subject to confirmations yet to be received by the company..
35. All the investments of the company have been considered by

29. Assessment of Sales Tax for the assessment years 2011-12 &

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.

36. The company has fulfilled its Export obligation under all EPCG licenses. During the year no new licenses issued.

37. (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 2012-13 aggregating to. Rs.222.57 Lacs & interest Rs. 77.92 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.1,06,47,663/- under protest & provided solvent security for Rs.2,01,67,021/- for the year from 2006-07 to 2010-11. The assessment for the year 2011-12 & 2012-13 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.

38. 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.189.76 Lacs for the assessment year 2007-08 to 2010-11. 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 against this disallowance Rs.26.84 lacs under protest (Previous year Rs. 19.02 Lacs).

39. 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 in earlier years and Rs. 140.09 lacs paid in current year has become recoverable. The company has charged Rs. 245.95 lacs paid for earlier years to Profit & Loss Account. However Rs. 140.09 lacs paid during the year 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.

40. 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.

41. 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.

42. **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.

43. 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 & Mark et. Pvt Ltd.	9	Sh Aman Ladia
2	SRLS Employees Welfare Trust	10	Sh. V.K. Ladia
3	Kunawat & Associates	11	Sh. Pranav Ladia
4	Sh. Vikas Ladia	12	Mrs. Puja Ladia
5	V.K. Texchem Pvt. Ltd.	13	Mrs. Poonam Ladia
6	Sh. Anubhav Ladia	14	Shree Shyam Industries Pvt. Ltd.
7	Shanti Trading Corporation.	15	M/s A.M. Traders
8	Smt Monika Ladia	16	M/s A.P. Enterprises

	Related to Key Management Personnel
Loans - PFD Taken	44.80
Loans - PFD Repayment	30.37
Repayment received- SRLS Employee Welfare Trust	4.46
Interest - Expenses (other than Director)	1.85
Remuneration	4.19
Professional Charges	0.60
Loans Receivables	102.26
Fixed Deposit Payable	31.73

Name of Directors :

V.K. Ladia Vikas Ladia, Anubhav Ladia, Jitendra Balakrishnan, R S Nirwan, R L Kunawat, N N Agarwala, Sunil Goyal

Transaction with Directors:

Remuneration including perquisites	58.48
Loans - Taken(/Fixed Deposit)	15.90
Loans – Refunded	39.68
Interest Expenses – on Fixed Deposit	2.16
Loans Payable - Fixed Deposit	10.91
Board Meeting Fees	1.30
Lease Rent Paid	0.01
Deposit Receivable	8.97

44. 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.,
45. The Company has acquired industrial lease of 7800 Sq. Meters at Bagru Ravan, Jaipur, Legal formalities are under way.
46. 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.

		2012-13		2011-12	
		<u>Quantity M.T.</u>	<u>Amount Rs. In Lacs</u>	<u>Quantity M.T.</u>	<u>Amount Rs.in Lacs</u>
a)	C.I.F. VALUE OF IMPORTS: Raw Materials	-	-	-	-
	Capital Goods , Spares		45.60	-	26.09

(Rs. in Lacs)

b) EXPENDITURE IN FOREIGN CURRENCY:				
Traveling Expenses	-	4.37	-	5.31
Commission/Claims	-	10.70	-	4.59
Foreign Bank Charges	-	3.62	-	2.71
c) EARNING IN FOREIGN CURRENCY:				
(i) F.O.B. Value of Export Sales	-	1985.71	-	1791.91
(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/rearranged, wherever considered necessary.

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

V.K. LADIA
CHAIRMAN &
MANAGING DIRECTOR

R.L. KUNAWAT
DIRECTOR

(CA V. CHATURVEDI)

Membership. No. 13296

Partner

Date : 25.05.2013

Place : Udaipur

S.L. KABRA
CHIEF FINANCIAL OFFICER

BHANUPRIYA MEHTA JAIN
ASSTT.COMPANY SECRETARY



Shree Rajasthan Syntex Limited

'SRSL 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 33rd Annual General Meeting of the Company to be
 held on Saturday the 28th September, 2013 and at any adjournment thereof.

Signed this day
 of 2013

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

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

DP-ID* :
Client ID* :

ATTENDANCE SLIP

Regd. Folio No. :

33rd Annual General Meeting 28th September, 2013 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.

