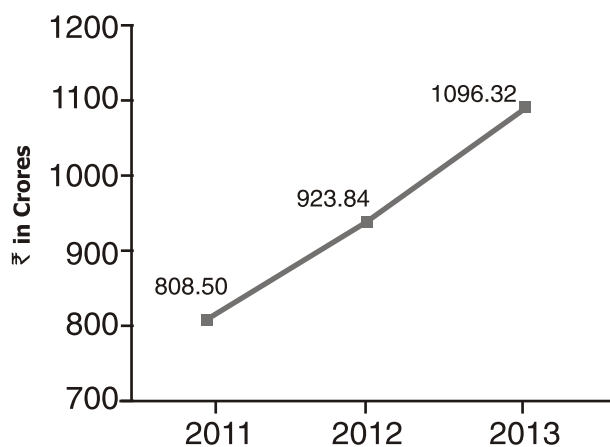


**37<sup>TH</sup> ANNUAL REPORT**  
**2012-13**

**Banswara**  
**SYNTEX LIMITED**  
An IS/ISO 9001:2008 Company

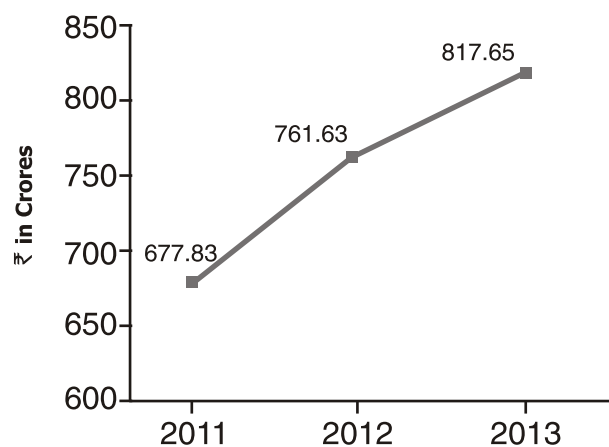
**BANSWARA SYNTEX LIMITED**

### Total Income



For the Year

### Gross Fixed Assets

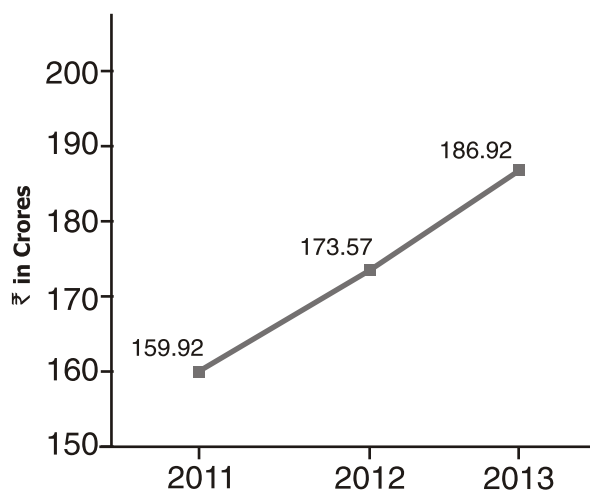


As at 31<sup>st</sup> March

## KEY HIGHLIGHTS OF 2012-13

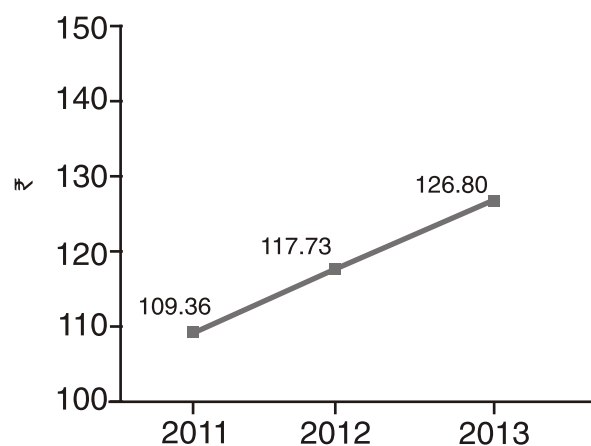
- Total Income Increased by 18.67%
- Basic EPS ₹ 8.14
- Book Value of Shares ₹ 126.80 per share.
- Net Worth ₹ 187 Cr.
- Net worth and DTL ₹ 225 Cr.
- Dividend 15%

### Net Worth



As at 31<sup>st</sup> March

### Book Value Per Share



As at 31<sup>st</sup> March



## COMPANY INFORMATIONS

### BOARD OF DIRECTORS

Shri R.L.Toshniwal, Chairman  
Shri Ravindra Kumar Toshniwal, Managing Director  
Shri Rakesh Mehra, Vice Chairman  
Shri Shaleen Toshniwal, Jt. Managing Director  
Shri P. Kumar  
Shri D.P.Garg  
Shri S.B. Agarwal  
Shri Vijay Kumar Agarwal  
Shri P.K. Bhandari  
Shri Kamal Kishore Kacholia  
Shri Vijay Mehta  
Shri A.N. Jariwala  
Shri C.P. Ravindranath, Nominee Director

### EXECUTIVES

Shri S.S. Sajal, President  
Shri J.K.Rathi, President (Commercial)  
Shri J.K.Jain, Sr. Vice President (Fin. & Com.)  
& Company Secretary  
Shri S.N. Gupta, Senior Vice President (Technical)  
Shri S.S. Kella, Vice President (Audit & Taxation)  
Shri S.R. Jain, Vice President (Engineering)  
Shri Ashok Mishra, Vice President (Technical Worsted)  
Shri Nailesh Joshi, Vice President (Technical Surat SEZ Unit)  
Shri Prashant Joshi, Vice President (Processing)  
Shri D.K. Menariya, Vice President (Personnel)  
Shri Basant Kala, Vice President (Finance & Accounts)  
Shri Vasant V. Bhagwat, Vice President (Sales & Marketing)

### AUDITORS

M/s. Kalani & Company, Chartered Accountants  
Mangal Marg  
Bapu Nagar  
JAIPUR 302 004 (Raj.)

### BANKERS

Punjab National Bank  
Union Bank of India  
Bank of Baroda  
Bank of India

### REGISTRAR & SHARE TRANSFER AGENT

M/s. Computech Sharecap Ltd.  
147, Mahatma Gandhi Road,  
Fort, MUMBAI-400 001  
Email: helpdesk@computechsharecap.com  
Website: www.computechsharecap.in  
Phone No. (022)-22635000, 22635001  
Fax : (022) - 22635005

### OFFICES

#### REGISTERED OFFICE

Industrial Area, Dohad Road  
BANSWARA-327 001 (Raj.)  
E-mail : secbsw@banswarafabrics.com  
website : www.banswarasyntex.com  
Phone No. (02962) 257676, 257679-681  
240690, 240691  
Fax No. (02962) 240692

#### HEAD/MARKETING OFFICE

5<sup>th</sup> Floor, Gopal Bhawan  
199, Princess Street  
MUMBAI - 400 002

#### DELHI OFFICE

1E/5, Ground Floor,  
Near Mahindra Service Show Room  
Jhandewalan Extn.  
NEW DELHI - 110 055

#### JAIPUR OFFICE

Ankur Apartments,  
S-6, Jyoti Nagar Extension  
JAIPUR - 302 005 (Raj.)

#### PLANTS

**Banswara Unit** (Spinning, Weaving & Finishing)  
Industrial Area, Dohad Road  
BANSWARA - 327 001 (Raj.)

#### Daman Unit (Garment )

- 98/3, Village Kadaiya  
Nani Daman  
DAMAN - 396 210 (U.T.)
- Survey No. 713/1, 713/2, 713/3, 725/2 &  
725/1, Village Dabhel, Nani Daman,  
DAMAN - 396 210 (U.T.)
- Survey No. 722/9  
Village Dabhel, Nani Daman  
Dist.Daman - 396 210 (U.T.)
- Plot No.85/3, 85/4 & 86/2  
Village Kadaiya, Daman Indl. Area,  
Nani Daman, Daman - 396 210 (U.T.)

#### Surat Unit (Garment)

Plot No. 5-6, G.I.D.C., Apparel Park  
SEZ Sachin  
SURAT- 394 230 (GUJARAT)

## QUALITY POLICY

WE, BANSWARA SYNTEX LIMITED, WISH TO BE WORLD CLASS IN THE MANUFACTURE OF YARN & FABRIC. OUR ENDEAVOR IS TO ANTICIPATE & EXCEED CUSTOMER SATISFACTION BY UNDERSTANDING CUSTOMER'S NEED AND EXPECTATION AND THUS, ENSURING QUALITY AND TIMELY DELIVERY BY:-

- BEING IN CLOSE CONTACT WITH CUSTOMERS AND GETTING THEIR FEED BACK.
- CONTINUOUS INNOVATION IN PRODUCT DEVELOPMENT.
- CONTINUAL IMPROVEMENT IN QMS & QUALITY THROUGH H.R.D., UPGRADATION OF PLANT & MACHINERY AND IMPROVEMENT IN METHODS OF WORK.
- PARTICIPATION OF MANAGEMENT AND ALL EMPLOYEES AS ONE TEAM.

## ANNUAL REPORT 2012-13

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### NOTICE

**NOTICE** is hereby given that 37<sup>th</sup> Annual General Meeting of the shareholders of Banswara Syntex Limited, will be held on Saturday, the day of 24<sup>th</sup> August, 2013 at 3.30 p.m. at its Registered Office at Industrial Area, Dohad Road, Banswara (Raj.) to transact the following business:

#### ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
- To declare dividend on Preference Shares for the year 2012-13.
- To declare dividend on Equity Shares for the year 2012-13.
- To appoint a Director in place of Shri P. Kumar who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri P.K. Bhandari who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri D.P. Garg who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint Auditors and to fix their remuneration.

**Registered Office**  
Industrial Area, Dohad Road  
BANSWARA-327 001 (Raj.)

By order of the Board

**J.K. JAIN**

Place : Mumbai                      Sr. Vice President (Fin. & Com.)  
Date : 24<sup>th</sup> May, 2013                      & Company Secretary

### NOTES:

1. 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. The instrument appointing the Proxy, in order to be effective, should be duly stamped, filled, signed and must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. M/s Computech Sharecap Limited, 147, Mahatma Gandhi Road, Fort, Mumbai - 400001 is the Registrar and Share Transfer Agents (RTA) for physical shares and is also the depository interface of the Company with both CDSL and NSDL.
3. The Register of Members and Shares Transfer Books of the Company shall remain closed from 17<sup>th</sup> August, 2013 to 24<sup>th</sup> August, 2013 (both days inclusive) in connection with the payment of dividend for the financial year 2012-13.
4. Shareholders are requested to immediately notify, to the Company, any change in their address.
5. Keeping in view, the new relaxation of Ministry of Corporate Affairs (MCA), Government of India, the Company may send various notices/documents to its members, through electronic mode, to the registered e-mail addresses of the shareholders. In view of this, the shareholders are requested to provide their e-mail IDs to the Company duly mentioning their Folio No., Name and number of shares held as on date. This can also be sent by electronic mode to the Company at following e-mail IDs of the Company and/or its RTA.
  - a) secbsw@banswarafabrics.com
  - b) helpdesk@computechsharecap.com
6. The shareholders, who have not converted their shares into demat form, are requested to do so, in their own interest.
7. Payment of dividend, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made on or after 29<sup>th</sup> August, 2013 as under:-
  - a) To all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd.(NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on 16<sup>th</sup> August, 2013.

- b) To all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company, before the closing hours on 16<sup>th</sup> August, 2013.

8. Members holding shares in physical form are advised to furnish, on or before 5<sup>th</sup> August, 2013, particulars of their bank account, if changed, to the Company to incorporate the same in the dividend warrants.

In case of payments to the shareholders holding shares in dematerialized form, particulars of bank account registered with their depository participants will be considered by the Company to incorporate the same in the dividend warrants.

9. The Company has declared dividends for the years 2005-06 to 2011-12. It has also declared interim dividends for the years 2009-10 and 2010-11. The shareholders who have, so far, not encashed the dividend warrants, are hereby informed to encash their dividend warrants by surrendering the same, in original, to the Company and getting demand drafts issued in lieu thereof/get the same credited in their account by NEFT. As per the provisions of the Companies Act, the unpaid dividend after the expiry of seven years from the date of declaration will be transferred to Investors' Education and Protection Fund. Unpaid dividend for the year 2005-06 will be transferred to the above fund in August, 2013. Please, therefore, encash the unclaimed dividend before it is transferred to above fund.
10. The Company is providing facility of Electronic Clearing Services (ECS) for payment of dividend to shareholders residing in selected cities. Shareholders holding shares in physical form are requested to provide details of their bank account for availing ECS facility in the form being forwarded with the Annual Report. However, if the shares are held in dematerialized form, the ECS mandate has to be communicated to the respective Depository Participant (DP). Changes, if any, in the details furnished earlier may also be communicated to the Company or DP, as the case may be.
11. The documents referred to in the proposed resolutions are available for inspection at the registered office of

the Company during working hours between 10.00 A.M. and 1.00 P.M. except on holidays.

12. Queries, if any, on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers can be made available at the meeting.
13. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting's venue.
14. Members holding shares in physical form can avail the nomination facility by filing Form 2B (in duplicate) with the Company's Registrar and Share Transfer Agents which will be made available on request; in case of shares held in dematerialised form, the nomination has to be lodged with their DP. Members holding shares in dematerialized form may contact their DP for recording nomination in respect of their equity shares.
15. As required under Clause 49(IV)G of the Listing Agreements with the Stock Exchanges, the relevant details of Directors retiring by rotation and seeking re-appointment at the ensuing AGM are furnished in the Corporate Governance section of this Annual Report.
16. Members are requested to bring their copies of the Annual Report to the meeting.
17. The Company has designated two exclusive email IDs viz secbsw@banswarafabrics.com and helpdesk@computechsharecap.com to enable investors to register their complaints/queries, if any.

**Registered Office**  
Industrial Area, Dohad Road  
BANSWARA-327 001 (Raj.)

By order of the Board

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

**J.K. JAIN**  
Sr. Vice President (Fin. & Com.)  
& Company Secretary

# ANNUAL REPORT 2012-13

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 37<sup>th</sup> Annual Report of the Company together with its Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL REVIEW

|  | (₹ in Lacs)          |                          |
|--|----------------------|--------------------------|
|  | This year<br>2012-13 | Previous year<br>2011-12 |
| Gross Income   | 1,13,044             | 96,727                   |
| Net Income   | 1,09,632             | 92,384                   |
| Profit before Interest, extra-ordinary items, depreciation & tax   | 15,507               | 13,561                   |
| Profit before depreciation & tax                                   | 7,277                | 6,041                    |
| Less: Depreciation   | 5,168                | 4,311                    |
| Profit before tax  | 2,109                | 1,730                    |
| Tax on Income  | 902                  | 241                      |
| (a) Current Tax  | 323                  | -                        |
| (Net of MAT Credit of ₹ 142 lacs)<br>(Previous Year ₹ 349.34 lacs) |                      |                          |
| (b) Deferred Tax   | 559                  | 241                      |
| (c) Prior period tax   | 20                   | -                        |
| Profit after Tax   | 1,207                | 1,489                    |
| Dividend on Equity and Preference Shares                           | 226.31               | 226.31                   |
| Tax on Dividend  | 36.71                | 36.71                    |
| Earning per share(₹) : Basic & Diluted                             | 8.14                 | 10.06                    |

₹ 500 Lacs ( Previous Year ₹ 1500 Lacs ) have been transferred to General Reserve out of Surplus

### OPERATIONS

During the year, the production of Synthetic yarn increased to 301 lac Kgs, up by 8%; however, due to demand recession for worsted fabric, the worsted yarn production reduced by 27% in comparison to the year 2011-12. Production of garments increased by 17% to 25.55 lac pieces. During the year, the Company produced more of value added fabric and technical textiles. The production of fabric increased by 16% to 360 lac meters. The Company has started production of cotton yarn, cotton yarn dyed shirting and piece-dyed suiting fabric also.

During the year, the Company's net income from operations aggregated ₹1096 crores as against ₹924 crore in 2011-12-an increase of 19%. The Company's turnover in value terms has increased by 16% for yarn, by 20% for fabric and by 27% for garments. This confirms the Company's major thrust on value-added fabrics and the readymade garments.

During the year, the textile industry continued to face global recession but your company's profit before interest, depreciation and tax (PBIDT) for 2012-13 improved to ₹155 crore as against ₹136 crore in 2011-12. Similarly, the profit before depreciation and tax (PBDT) was higher at ₹73 crore as against previous year's ₹60 crore, mainly due to increased production and sales. However, inspite of better performance at PBT level, the net profit of Company at ₹12.07 crore during

2012-13 is lower than ₹14.89 crore achieved in the year 2011-12, mainly because of higher provision for tax liability.

The basic and diluted earnings per share works out to ₹8.14 for the year 2012-13 as against previous year's EPS at ₹10.06.

### EXPORTS

During the year, the export turnover was at ₹599 crore was up by about 13% over ₹531 crore during 2011-12. The growth happened in all the 3 segments viz. yarn, fabric and garments.

During the year under report, the Company's marketing as well as design and development team continued to collect the feedback in the international market by participation in the international trade fairs, meetings with the customers, etc. The Company has added some more new customers Worldwide. Its design studio for fabric and garments helped the Company to penetrate in the new areas/customers, both domestically and internationally.

### DIVIDEND

Your Directors are pleased to recommend dividend of ₹1.50 per equity share i.e. the same as for the previous year. The total dividend payout on Equity and Preference shares for the year will absorb ₹2.26 crore (previous year: ₹2.26 crore) besides ₹0.37 crore by way of tax on dividend. The Company has to make payment of 3% dividend on preference shares.

### INCREASE IN AUTHORIZED SHARE CAPITAL

There has been no increase in equity and preference share capital during the year.

### EXPANSION, DIVERSIFICATION AND MODERNIZATION

During the year, the Company has invested ₹79.50 crore for acquisition of fixed assets including the capital-work-in progress at ₹7.77 crores and advances aggregating ₹4.32 crore as at 31<sup>st</sup> March, 2013 to the capital goods' suppliers. Capacity expansion has taken place in all the areas of operations. The worsted spinning capacity increased by 8256 spindles besides addition of 19 looms in weaving section, and one line each for trousers and jackets production in garment division. Similarly, in the fabric processing unit also, few more balancing machines viz. one mercerizing, 6 jet and jiggers, one calendar, and one sizing machine have been added.

The total production capacity of the Company as at 31<sup>st</sup> March, 2013 for yarn production is 151672 ring spindles including 21120 spindles for worsted yarn spinning, 592 Air Jet spindles, 359 shuttle less looms, 32 Air Jet jacquard looms, 7 stenters with processing capacity of 5.0 million meters a month and 3.45 lac pieces of garments per month.

The Company has plans to invest about ₹20 crore for expansion and modernization of the plant during the year 2013-14. This would add 21 looms and balancing equipment. Under the plan, the Company has proposed to replace 1 stenter in finishing unit which will increase fabric finishing capacity by 4 lac meters a month.



## JOINT VENTURE

The Company has two Joint Ventures with two French Companies i.e. Carreman and Treves S.A. The Company holds 50% share capital both in Carreman Fabrics India Limited and Treves Banswara Private Limited.

Carreman Fabrics India Limited has a Weaving Unit doing Fabric Production on job work basis for your Company. It has woven 54.76 lac meters during 2012-13 as against 62.77 lac meters during 2011-12. The production is low due to reduction in looms and lower utilization of available looms capacity.

Treves Banswara Private Limited manufactures Laminated, Knitted and Woven Textiles for internal furnishing of Trains, Buses and other Automobiles. 2012-13 was its first year of operation. The Company produced 1.52 lac meters laminated fabric and achieved turnover of ₹633 lac during the year.

## THERMAL POWER PLANT

The Company's both units of Captive Thermal Power Plant (33 MW) are working satisfactorily. Your Company is consuming imported coal, Lignite, Petcoke and Indian coal. The power plant availability factor during the year 2012-13 was 97.70% as against 95.01% during 2011-12.

## FINANCE

During the year 2012-13, the IDBI Bank Ltd. sanctioned Term Loans aggregating ₹19.20 crore (Disbursed so far ₹14.95 crore) to part finance the Company's expansion-cum-modernization project of ₹24.62 crore. The Export Import Bank of India and Bank of Baroda have also disbursed balance amounts of ₹7.60 crore and ₹7.15 crore out of their Term Loans of ₹29 crore and ₹44 crore respectively. The Company has also applied for another term loan of ₹16 crore from Bank of Baroda to part finance its proposed expansion-cum-modernization project of ₹20 crore.

The Company's bankers have provided the need-based increased working capital limits during the year.

## CONTRIBUTION TO EXCHEQUER

During the year, your Company contributed ₹47.60 crore to the Government Exchequer by way of Excise Duty, Service Tax, Value Added Tax (VAT), Income Tax, Dividend Distribution Tax and other payments.

## SUBSIDIARY COMPANY

The Company did not have any subsidiary as on 31<sup>st</sup> March, 2013. However, it has 50% stake in equity capital of Carreman Fabrics India Ltd. and Treves Banswara Pvt. Ltd., Joint Venture Companies with Carreman and Treves S.A., both of France.

## CORPORATE GOVERNANCE / MANAGEMENT DISCUSSION & ANALYSIS REPORT

As per Clause 49 of the Listing Agreements with the Stock

Exchanges, the Company has adopted a Code of Conduct which is applicable to the members of the Board and senior management. The Company fully complies with the Corporate Governance practices as enunciated in the Listing Agreements; Corporate Governance Report and Management Discussion & Analysis Report are annexed and marked Annexure-I, which form part of this report.

## FIXED DEPOSITS

The Company has not issued any advertisement inviting fixed deposits from the public. However, it continues to accept deposits from public. As on 31<sup>st</sup> March, 2013, the Company had such deposits aggregating ₹1249.60 lacs. Deposits which matured during the year were either renewed or repaid. All the interest and principal dues are being paid regularly. The Company has duly complied with the provisions of the Companies (Acceptance of Deposits) Rules, 1975.

## DIRECTORS

In accordance with the provisions of Articles of Association of the Company, Shri P. Kumar, Shri P.K. Bhandari and Shri D.P. Garg are retiring by rotation and, being eligible, offer themselves for re-appointment.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- I. In the preparation of the annual accounts for the year ended March 31, 2013, the applicable Accounting Standards have been followed and there are no material departures from the same. The Notes to the Accounts are self-explanatory.
- II. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2013 and of the profit of the Company for the year ended on that date.
- III. The Directors have taken proper and sufficient care for the 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 frauds and other irregularities.
- IV. The Directors have prepared the annual accounts of the Company for the year ended March 31, 2013 on a "going concern" basis.

## AUDIT COMMITTEE

In accordance with the requirement of Clause 49 of the Listing Agreements with Stock Exchanges, the Board has constituted the Audit Committee which comprises 3 (three) Independent Directors viz. Shri P. Kumar (Chairman), Shri Kamal Kishore Kacholia and Shri S.B. Agarwal besides Shri Ravindra Kumar Toshniwal Managing Director as members.

# ANNUAL REPORT 2012-13

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The composition, role, functions and powers of the Audit Committee are in accordance with the applicable laws and the Listing Agreements with the Stock Exchanges.

## AUDITORS

### Statutory Auditor

Kalani & Company, Chartered Accountants, Jaipur, hold office as the Auditors of the Company until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a Certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956.

### Cost Auditor

The Central Government has approved the appointment of K.G. Goyal & Company, Cost Auditors, for conducting Cost Audit for the financial Year 2012-13.

The Cost Audit Report for the year 2012-13 shall become due for filing on 27<sup>th</sup> September, 2013. The audit work is in progress.

The Company has appointed K.G. Goyal & Company, Cost Accountants, Jaipur, as Cost Auditors of the Company for the financial year 2013-14. They have furnished a Certificate to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956.

## AUDITORS' REPORT

As regards the Auditors' observations, the relevant Notes in Significant Accounting Policies, Notes on Accounts and other disclosures are self-explanatory and, therefore, do not call for any further comments, except in the matter of non payment of ₹27.05 lacs towards Service Tax and Cess thereon. The matter pertaining to service tax refunds taken by the Company are under appeal with CESTAT, New Delhi and Commissioner Appeal, Jaipur, Rajasthan.

These liabilities will be met, if necessary, on final decision of the respective Appellate Authorities.

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

Information pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956, in relation to conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed and marked Annexure 'II', which forms part of this report.

## DEMATERIALIZATION OF SHARES

In pursuance of SEBI /Stock Exchange directions, your Company has offered demat option to its esteemed shareholders so as to enable them to trade the shares in the demat form. In response, 97.49% shares have been

converted into demat form up to 31<sup>st</sup> March, 2013. The stock code number in NSDL and CDSL for equity shares of the Company is ISIN - INE 629 D01012.

## PARTICULARS OF EMPLOYEES

During the year under report, the relations between the Company's management and its staff/workers continued to remain cordial. The Directors place on record their deep appreciation of the devoted services of the workers, staff and the executives.

As required under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the particulars of employees of the Company who were in receipt of remuneration of ₹5,00,000/- per month or more are annexed and marked Annexure 'III,' which forms part of this report.

## ACKNOWLEDGEMENTS

Your Directors wish to express their grateful appreciation for the guidance, co-operation and assistance extended to the company by the financial institutions, banks, various Central & State Government Departments, Customers and Suppliers during the year under report. The Directors particularly acknowledge the continuous support and guidance of all the shareholders and, more importantly, for the confidence reposed in the Company's management.

For and on behalf of the Board

Place:Mumbai  
Date: 24<sup>th</sup> May, 2013

**R. L. TOSHNIWAL**  
Chairman



## ANNEXURE-I TO THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

"Corporate Governance" refers to the way a corporation is governed. It is the technique by which companies are directed and managed. The Corporate Governance structure specifies the distribution of the role and responsibilities of different participants in the organization, such as, the Board, managers, shareholders and other stakeholders. It also spells out the rules and procedures for decision making pertaining to corporate affairs. The Company adheres to good Corporate Governance practices and constantly endeavours to improve by adopting emerging best practices.

#### I. COMPANY'S PHILOSOPHY

Banswara Syntex Limited is committed to maintaining high standards of corporate governance practices and fulfilling its commitment and adherence thereto in letter and spirit at all times, which goes beyond mere regulatory compliances. The Company is also committed to maintain the highest level of transparency, accountability and equity in all facets of its operation. It firmly believes that Corporate Governance is about the management and conduct of an organization based on ethical business principles and commitment to values, and the same is reinforced at all levels within the Company. The corporate governance model adopted by the Company consists of a set of rules and standards with the aim of establishing efficient and transparent operations within the Group, to protect the rights and interests of the Company's shareholders and to enhance shareholder value while complying with the provisions of law in all dealings with Government, customers, suppliers, employees and other stakeholders. It is also intended to ensure attractive returns to all stakeholders of the business based on the strong belief that sound Corporate Governance is the pre-requisite to success, sustainable growth and long-term value creation.

The Company has complied with the provisions of the Code of Corporate Governance as per Clause 49 of the Listing Agreements (as amended) with the Stock Exchanges. A report on the implementation of the provisions of the Corporate Governance is furnished hereunder:

#### II. BOARD OF DIRECTORS

The Board of Directors of Banswara Syntex Limited is a balanced one with an optimum mix of Executive and Non-Executive Directors. The 13 member Board of Directors of the Company comprises four whole-time directors viz. the Chairman, Managing Director, Vice Chairman and Joint Managing Director, all from the promoter group and nine Non-executive Independent Directors, including a Nominee Director of EXIM Bank. Thus, Independent Directors constitute more than 2/3rd of the Board's strength. The Non-executive Independent Directors are eminent professionals with vast experience in business, industry, finance and public enterprises. The Independent Directors are not related to the promoter-directors and or to each other. The Board provides leadership, strategic guidance, objective analysis and independent views to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and accountability.

The Directors do not have any pecuniary relationship with the Company except to the extent of the following:

- |   |   |   |
|---|---|---|
| (a) Managing /Whole-time Directors      | - | Remuneration as per their terms of appointment and reimbursement of expenses actually incurred for the business of the Company, within the approved terms and conditions. |
| (b) Non-Executive Independent Directors | - | Reimbursement of expenses and payment of sitting fees for the Board/ Committee meetings attended by them.   |

Four Board meetings were held during the year 2012-13 i.e. on 21<sup>st</sup> May, 2012, 6<sup>th</sup> August, 2012, 6<sup>th</sup> November, 2012 and 4<sup>th</sup> February, 2013. Frequency and quorum etc. at these meetings were in conformity with the provisions of the Companies Act, 1956. All the board members and the senior management personnel have affirmed compliance with the Code of Conduct during the year ended on 31<sup>st</sup> March, 2013.

#### A. Composition of the Board of Directors as on 31.03.2013 and attendance at the Board meetings during 2012-13 :-

| Name of the Director  | Attendance at last AGM | No. of Board meetings attended | Category of Director | No. of directorships in other Public Limited Companies | No. of other Board Committees of which Member / Chairman |          |
|---|------------------------|--------------------------------|----------------------|--|--|----------|
|   |                        |                                |                      |  | Member   | Chairman |
| Shri R. L. Toshniwal, (Chairman)<br>DIN: 00106933                       | No                     | 4                              | ED                   | 3  | 1  | -        |
| Shri Ravindra Kumar Toshniwal (M.D.)<br>DIN: 00106789                   | Yes                    | 4                              | ED                   | 2  | -  | -        |
| Shri Rakesh Mehra (Vice Chairman)<br>DIN: 00467321                      | Yes                    | 2                              | ED                   | 2  | -  | -        |
| Shri Shaleen Toshniwal (Joint M.D.)<br>DIN: 00246432                    | No                     | 4                              | ED                   | -  | -  | -        |
| Shri P. Kumar DIN: 00179074   | Yes                    | 4                              | NEID                 | 1  | 1  | 3        |
| Shri A.N. Jariwala, DIN: 00024008                                       | No                     | 4                              | NEID                 | 2  | -  | 1        |
| Shri Kamal Kishore Kacholia<br>DIN: 00278897                            | No                     | 2                              | NEID                 | 1  | -  | -        |
| Shri Vijay Mehta, DIN: 00057151   | No                     | 4                              | NEID                 | 4  | -  | -        |
| Shri. D.P. Garg, DIN: 00003068  | No                     | 4                              | NEID                 | 1  | -  | -        |
| Shri S.B. Agarwal, DIN: 00524452  | Yes                    | 4                              | NEID                 | 2  | 1  | 1        |
| Shri Vijay Kumar Agarwal, DIN: 00108710                                 | No                     | 2                              | NEID                 | 2  | -  | -        |
| Shri C.P. Ravindranath<br>(Nominee Director of EXIM Bank) DIN: 01771043 | No                     | 3                              | NEID                 | 2  | 1  | -        |
| Shri P. K. Bhandari, DIN: 00021923                                      | No                     | 3                              | NEID                 | 11   | 5  | 1        |

ED- Executive Director, NEID- Non Executive Independent Director

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## B. Board Procedure

The members of the Board are provided with the requisite information mentioned in the Listing Agreements well before the Board meetings.

The Board considers all the matters which are statutorily required to be considered by it. In addition, following issues are also discussed at the meetings of the Board:

- Annual operating and capital expenditure budgets and periodical review thereof.
- Investment/expansion/modernization/diversification plans of the Company.
- Overall strategy and business plans.
- Approval of quarterly/half-yearly/annual results (after review by Audit Committee)
- Compliance with statutory/regulatory requirements and review of major pending legal cases.
- Foreign exchange exposure and risks.
- Major accounting practices, provisions and write-offs.
- Transactions pertaining to acquisition/disposal of fixed assets and related parties.
- Review of working of various Committees of the Board.
- Issues regarding mergers and amalgamations, joint ventures, collaborations, etc. with any other Company/entity.
- Significant labour problems, if any.
- General industrial environment and developments related to textile industry, in particular.

All the Directors, who are members of the various committees, are within the limits prescribed in the Listing Agreements. The Directors have intimated, from time to time, about their directorship/membership of committees in other companies.

Details of Shareholding of Directors as on 31<sup>st</sup> March, 2013

| Sr. No. | Name of Director              | Number of Shares |
|---------|-------------------------------|------------------|
| 1.      | Shri R.L. Toshniwal           | 10,85,974        |
| 2.      | Shri Ravindra Kumar Toshniwal | 11,88,947        |
| 3.      | Shri Shaleen Toshniwal        | 12,75,680        |
| 4.      | Shri P.K. Bhandari            | 8,060            |

The Company has not issued any shares/debentures to the promoters during the year.

## III. COMMITTEES OF THE BOARD

Currently, there are four Committees of the Board viz. Audit Committee, Remuneration Committee, Shareholders' Grievances Committee and Share Transfer Committee. The Committees, appointed by the Board, focus on specific areas and take informed decisions within their delegated authority. The Committees also make specific recommendations to the Board on various matters from time-to-time. Matters requiring the Board's attention/ approval are generally placed before the Board by the respective Committee's Chairman. The role and composition of these Committees, the number of meetings held during the financial year and the related attendance thereat are provided below:

### A. AUDIT COMMITTEE

#### OBJECTIVE:

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for conducting independent audits of the Company's financial statements in accordance with the generally accepted Auditing Practices and for issuing reports based on such audits. The Audit Committee has been constituted to assist the Board in overseeing the quality and integrity of the accounting, auditing and reporting policies/practices of the Company and its compliance with the legal and regulatory requirements. The Committee, accordingly, monitors the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors as also the internal auditors and the Company's risk management policies. The Committee reviews the pending litigation cases against the Company as well as show cause notices received from various authorities. The Audit Committee also reviews the periodic internal and statutory auditors' reports.

Minutes of meetings of the Audit Committee are circulated to members of the Committee and placed before the Board for its confirmation.

#### COMPOSITION:

The Audit Committee comprises 3 (three) Independent Directors viz. Shri P. Kumar (Chairman), Shri Kamal Kishore Kacholia, Shri S.B. Agarwal and 1 (one) Whole Time Director Shri Ravindra Kumar Toshniwal (Managing Director) as members.

#### MEETINGS

Four meetings of the Committee were held during the year 2012-13 i.e. on 21<sup>st</sup> May, 2012, 6<sup>th</sup> August, 2012, 6<sup>th</sup> November, 2012 and 4<sup>th</sup> February, 2013.

The frequency and quorum, etc. at these meetings were in conformity with the provisions of the Companies Act, 1956 as also the Listing Agreements with the Stock Exchanges.

#### **ATTENDANCE**

The attendance of the members at these meetings was as under:

| <b>Name of the Member</b>      | <b>Meeting(s) held (No.)</b> | <b>No. of meetings attended</b> |
|--------------------------------|------------------------------|---------------------------------|
| Shri P. Kumar                  | 4                            | 4                               |
| Shri Kamal Kishore Kacholia    | 4                            | 2                               |
| Shri S. B. Agarwal             | 4                            | 4                               |
| Shri Ravindra Kumar Toshniwal* | 4                            | 3                               |

\*Appointment w.e.f. 21.05.2012

Members of the Audit Committee have requisite financial and management expertise and hold /have held senior positions in reputed organizations.

At the invitation of the Committee, representatives of various departments of the Company besides the Whole-time Director-in-charge of finance function, Statutory Auditors, Internal Auditors, Sr. Vice President (Fin. & Com.) & Company Secretary, who also acts as the Secretary to the Committee, attend the Audit Committee meetings to answer the queries, if any, and clarify the points raised at the meetings and generally assist the Committee in its deliberations. The Chairman and CFO of the Company are invariably present in Audit Committee meeting as the special invitees.

#### **ROLE OF AUDIT COMMITTEE**

The role and terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreements as also the provisions of Section 292A of the Companies Act, 1956.

#### **POWERS OF AUDIT COMMITTEE:-**

Powers of the Audit Committee, inter alia, include

- To investigate any activity within its terms of reference.
- To seek information from any employee in respect of matters under its preview.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if considered necessary.

#### **B. REMUNERATION COMMITTEE**

The Remuneration Committee has been constituted as per requirement of Clause 49 of the Listing Agreements and other applicable provisions of the Companies Act, 1956.

The terms of reference of the Committee are:-

- To review, assess and recommend to the Board, the appointment of Executive /Whole-time Directors and the remuneration payable to them as also the quantum of sitting fees payable to Non-Executives Independent Directors.
- To consider and recommend human resource policies relating to compensation and performance of the key management personnel.
- To approve the terms of appointment of senior executives drawing monthly remuneration of ₹ 2,50,000/- and above.

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

#### **COMPOSITION:**

The Remuneration Committee comprises three Non-Executive Independent Directors viz: Shri P. Kumar (Chairman), Shri D.P. Garg and Shri C.P. Ravindranath ( Nominee of Exim Bank) .

#### **MEETINGS**

During the year 2012-13, no meeting of the Committee was held.

#### **C. SHAREHOLDERS' GRIEVANCES COMMITTEE**

The Shareholders' Grievances Committee is empowered to perform all the functions in relation to handling of shareholders' grievances.

The Committee primarily focuses on:

- Review of investors complaints and their redressal.
- Review and consideration of the queries/complaints received from the investors and
- Consideration of references, if any, received from SEBI/Stock Exchanges.

#### **COMPOSITION:**

The Shareholders' Grievances Committee comprises 3 Non-Executive Independent Directors, viz. Shri P. Kumar (Chairman), Shri Kamal Kishore Kacholia and Shri Vijay Mehta.

The Board has designated Shri J.K. Jain, Sr. Vice President (Fin. & Com.) & Company Secretary, as the Compliance Officer of the Company for the purpose of investors' complaints/grievances.

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### MEETINGS

During the year 2012-13, no meeting of the Committee was held. Only one complaint received from a shareholder/investor during the year was promptly resolved to the satisfaction of the complainant and position in respect thereof was duly reported to Board/Stock Exchanges as part of quarterly results.

### DISPOSAL OF COMPLAINTS

The shareholders' complaints are being promptly attended to and disposed off well within one month of the receipt thereof. Details of the complaints received and resolved during the year are as under:

| Nature of Complaint                                  | No. of complaints not replied at beginning of the year | No. of complaints received during the year | No. of complaints attended during the year | Range of No. of days taken to reply the complaints (if it exceeds 15 days, pls. Specify) | If pending for reply No. of days pending | No. of complaints not resolved at end of the year |
|--|--|--|--|--|--|---|
| Non-receipt of Dividend                              | 0  | 0  | 0  | <15 days   | 0  | 0   |
| Non- receipt of Shares lodged for transfer/ exchange | 0  | 1  | 1  | <15 days   | 0  | 0   |
| Others   | 0  | 0  | 0  | <15 days   | 0  | 0   |

### D. SHARE TRANSFER COMMITTEE

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

The Committee's primarily focus is:

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

### COMPOSITION:

The Share Transfer Committee comprises 3 members, viz. Shri R.L. Toshniwal (Chairman), Shri P. Kumar and Shri D.P. Garg.

### MEETINGS

During the year 2012-13, 18 meetings of Share Transfer Committee were held. Two members constitute the quorum for each meeting. The meetings were held on 5<sup>th</sup> April, 2<sup>nd</sup> May, 1<sup>st</sup> June, 16<sup>th</sup> June, 16<sup>th</sup> July, 1<sup>st</sup> August, 20<sup>th</sup> August, 15<sup>th</sup> October, 20<sup>th</sup> October, 27<sup>th</sup> October, 26<sup>th</sup> November, 1<sup>st</sup> December, 22<sup>nd</sup> December, 2012, 8<sup>th</sup> January, 28<sup>th</sup> January, 2<sup>nd</sup> February, 11<sup>th</sup> February and 26<sup>th</sup> March, 2013.

### ATTENDANCE

The attendance of the members at these meetings was as under:-

| Name of Member       | Meeting(s) held (No.) | No. of meetings attended |
|----------------------|-----------------------|--------------------------|
| Shri R. L. Toshniwal | 18                    | 18                       |
| Shri P. Kumar        | 18                    | 18                       |
| Shri D. P. Garg      | 18                    | 11                       |

### IV. DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR 2012-13

- 1) Appointment, and the terms thereof, of Shri R.L. Toshniwal, Chairman, has been approved for 3 (three) years from 1<sup>st</sup> January, 2012 to 31<sup>st</sup> December, 2014.
- 2) Appointment, and the terms thereof, of Shri Ravindra Kumar Toshniwal, Managing Director, has been approved for 3 (three) years from 1<sup>st</sup> January, 2012 to 31<sup>st</sup> December, 2014.
- 3) Appointment, and the terms thereof, of Shri Rakesh Mehra, Vice-Chairman, has been approved for 3 (three) years from 1<sup>st</sup> January, 2012 to 31<sup>st</sup> December, 2014.
- 4) Appointment, and the terms thereof, of Shri Shaleen Toshniwal, Joint Managing Director, has been approved for 3 (three) years from 1<sup>st</sup> January, 2012 to 31<sup>st</sup> December, 2014.

The remuneration to Executive/Whole-Time Directors is paid as determined/recommended by the Remuneration Committee and Board of Directors and as finally approved by the Shareholders through postal ballot. Non- Executive Independent Directors are being paid Sitting fee of ₹ 10,000/- for each meeting of the Board of Directors or any Committee thereof except that in case of Share Transfer Committee meetings, sitting fee is ₹ 2,500/- per meeting. The remuneration paid to each Director during the period from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013 is as under:-

**(i) Executive Directors**

(₹ in Lacs)

| Sr. No. | Name of Director              | Salary        | Contribution to PF, Perquisites & other payments |
|---------|-------------------------------|---------------|--|
| 1.      | Shri R.L. Toshniwal           | 54.00         | 18.94  |
| 2.      | Shri Ravindra Kumar Toshniwal | 48.00         | 16.95  |
| 3.      | Shri Rakesh Mehra             | 48.00         | 17.49  |
| 4.      | Shri Shaleen Toshniwal        | 45.00         | 10.76  |
|         | <b>Total</b>                  | <b>195.00</b> | <b>64.14</b>                                     |

**(ii) Non-Executive Independent Directors**

(₹ in Lacs)

| Sr. No. | Name of Director                                      | Amount |
|---------|---|--------|
| 1.      | Shri P. Kumar   | 1.25   |
| 2.      | Shri A.N. Jariwala                                    | 0.40   |
| 3.      | Shri Kamal Kishore Kacholia                           | 0.40   |
| 4.      | Shri Vijay Mehta                                      | 0.40   |
| 5.      | Shri D.P. Garg  | 0.68   |
| 6.      | Shri S.B. Agarwal                                     | 0.80   |
| 7.      | Shri Vijay Kumar Agarwal                              | 0.20   |
| 8.      | Shri C.P. Ravindranath, Nominee Director of EXIM Bank | 0.30   |
| 9.      | Shri P. K. Bhandari                                   | 0.30   |

**V. ANNUAL GENERAL MEETINGS**

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

| Financial Year | Date                        | Time      | Venue  |
|----------------|-----------------------------|-----------|--|
| 2009-10        | 11 <sup>th</sup> Aug., 2010 | 3.30 P.M. | Regd. Office : Indl. Area, Dohad Road, Banswara –327 001 |
| 2010-11        | 5 <sup>th</sup> Aug., 2011  | 3.30 P.M. | Regd. Office : Indl. Area, Dohad Road, Banswara –327 001 |
| 2011-12        | 11 <sup>th</sup> Aug., 2012 | 3.30 P.M. | Regd. Office : Indl. Area, Dohad Road, Banswara –327 001 |

**Special resolutions passed in the last 3 AGMs :** The details of special resolutions passed at AGM's during last 3 years i.e. 2010, 2011 & 2012 are as under :-

| Sr. No. | AGM held on                 | Special Resolution Passed   |
|---------|-----------------------------|---|
| 1.      | 11 <sup>th</sup> Aug., 2010 | 1. Re-appointment of Shri Shaleen Toshniwal as Whole-time Director<br>2. Increase in Authorized Share Capital of the Company and alteration in the Articles of Association. |
| 2.      | 5 <sup>th</sup> Aug., 2011  | 1. Amendment of the Articles of Association<br>2. Appointment of Shri P.K. Bhandari as Director   |
| 3.      | 11 <sup>th</sup> Aug., 2012 | No Special Resolution passed.   |

**POSTAL BALLOT**

A Special Resolution was passed on 19.01.2013 for appointment of Smt. Kavita Soni as Sr. Vice President (Human Resource Development and Corporate Social Responsibility), by the company's members through postal ballot.



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Details of the aforesaid resolution passed through postal ballot are as under-

A. Person who conducted the postal ballot exercise:

The Board appointed Shri Manoj Maheshwari, Practicing Company Secretary, as the scrutinizer to conduct postal ballot voting process. Shri Manoj Maheshwari conducted the process and submitted his report to the Chairman.

B. Procedure followed:

- (i) The postal ballot notice and accompanying documents were despatched to the shareholders.
- (ii) A calendar of events along with Board resolution was submitted to the Ministry of Corporate Affairs.

C. Details of voting pattern: After scrutinizing all the ballot forms received, the Scrutinizer reported the result as under:

| Sr. No. | Item   | % of shareholders representing total voting strength voted in favour of the resolution |
|---------|--|--|
| 1.      | Appointment of Smt. Kavita Soni as Sr. Vice President (Human Resource Development and Corporate Social Responsibility) | 99.82%   |

Based on the scrutinizer's report the result was announced and the resolution was declared to have been approved with majority.

## VI. DISCLOSURES

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

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

2. **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI, or any other statutory authority, on any matter related with the capital market.**

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market, during the year.

## VII. MEANS OF COMMUNICATION

**Quarterly Results:** Quarterly and half yearly results are published in Hindi & English newspapers viz: Rajasthan Patrika, Dainik Bhaskar and Business Standard.

**News Releases:** Information released to the press at the time of declaration of working results is also being sent to BSE and NSE, where the shares of the Company are listed.

**Media:** Interviews of Chairman and Managing Director regarding working of the company are conducted regularly, by print as well as electronic media and published/broad cast/telecast at times.

**Periodicals:** Company's news and reports regarding its plans, activities, working results etc. appear in financial papers, journals etc.

**Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Reports on Corporate Governance and Management Discussion and Analysis form part of the Annual Report, which is posted to all the shareholders of the Company.

**Website:** The Company has a website under the name [www.banswarasyntex.com](http://www.banswarasyntex.com) which contains information regarding the shareholding pattern of the Company, investors update, history of the Company, the Company's products, its achievements, various other important news and latest information related to the Company's activities, progress and current events.

## VIII. GENERAL SHAREHOLDER INFORMATION

1. **Annual General Meeting (to be held)**

Date : 24<sup>th</sup> August, 2013  
Time : 3.30 p.m.  
Venue : Industrial Area, Dohad Road, Banswara-327 001 (Raj.)

**AGENDA:-**

- Adoption of Audited Accounts, Directors and Auditors report.
- Declaration of Dividend
- Re-elections of Directors retiring by rotation
- Appointing and fixing remuneration of the Auditors



## 2. Financial Year (Tentative Calendar of events)

Financial Year: April 1, 2013 to March 31, 2014.

|  |   |
|--|---|
| First Quarter Results & Limited Review               | Within 45 days from the end of quarter. |
| Second Quarter/ Half Yearly Results & Limited Review | Within 45 days from the end of quarter. |
| Third Quarter Results & Limited Review               | Within 45 days from the end of quarter. |
| Audited Annual Results (2013-14)                     | Within 60 days from the end of year.    |

## 3. Date of Book Closure

The register of members and share transfer books of the Company shall remain closed from 17<sup>th</sup> August, 2013 to 24<sup>th</sup> August, 2013 (both days inclusive).

## 4. Dividend Payment Date (Tentative)

Dividend for the year 2012-13, if approved by the shareholders, will be paid on or after 29<sup>th</sup> August, 2013.

## 5. Listing of Equity Shares on Stock Exchanges

The Company's Shares are listed on:

- (i) BSE Limited, Mumbai  
Floor 25, P. J. Towers, Dalal Street,  
Mumbai- 400 001
- (ii) National Stock Exchange of India Ltd., Mumbai (NSE)  
"Exchange Plaza", Bandra-Kurla Complex,  
Bandra (E), Mumbai- 400 051

The requisite listing fees have been paid for the year 2013-14 to both the Stock Exchanges.

## 6. Stock Code

|   |   |                     |
|---|---|---------------------|
| Number in NSDL and CDSL for equity shares     | - | ISIN INE 629 D01012 |
| BSE Limited, Mumbai                           | - | 503722              |
| National Stock Exchange of India Ltd., Mumbai | - | BANSWRAS            |

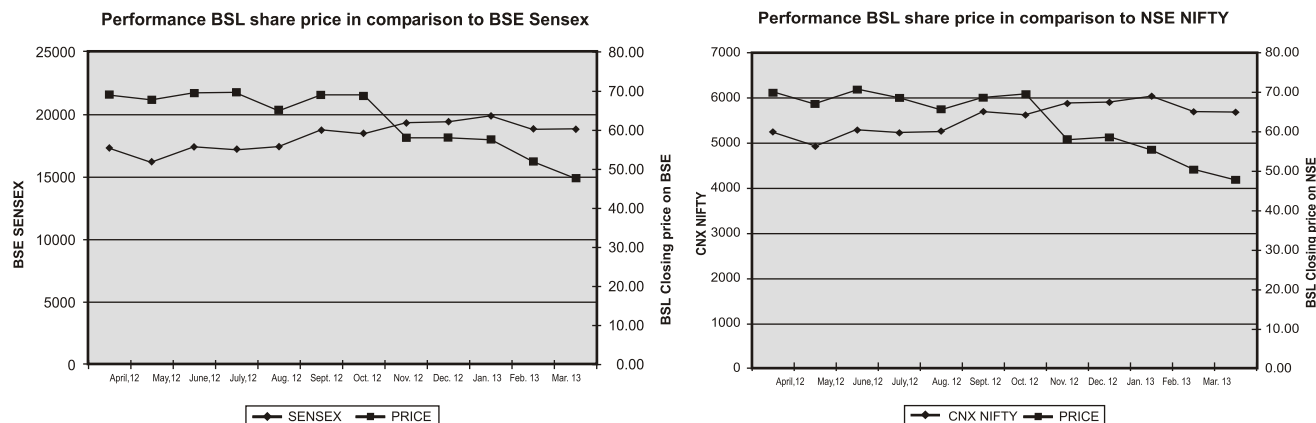
## 7. Stock Market Price Data

Monthly high/low market prices of the Company's equity shares traded on BSE Limited, Mumbai and National Stock Exchange of India Ltd., Mumbai, during the last financial year are as follows :-

| Month           | BOMBAY STOCK EXCHANGE LTD., |         | NATIONAL STOCK EXCHANGE OF INDIA LTD. |         |
|-----------------|-----------------------------|---------|---------------------------------------|---------|
|                 | High (₹)                    | Low (₹) | High (₹)                              | Low (₹) |
| April, 2012     | 75.50                       | 65.05   | 79.00                                 | 65.00   |
| May, 2012       | 71.70                       | 62.50   | 72.80                                 | 62.00   |
| June, 2012      | 72.00                       | 62.05   | 79.00                                 | 63.05   |
| July, 2012      | 75.95                       | 65.10   | 80.00                                 | 67.10   |
| August, 2012    | 73.25                       | 64.80   | 72.50                                 | 65.25   |
| September, 2012 | 72.00                       | 63.70   | 70.00                                 | 63.00   |
| October, 2012   | 73.90                       | 64.25   | 76.00                                 | 64.05   |
| November, 2012  | 72.90                       | 57.70   | 72.20                                 | 57.50   |
| December, 2012  | 59.90                       | 56.55   | 60.20                                 | 56.10   |
| January, 2013   | 64.45                       | 56.00   | 72.20                                 | 55.30   |
| February, 2013  | 58.00                       | 49.55   | 57.45                                 | 49.10   |
| March, 2013     | 61.00                       | 43.00   | 60.05                                 | 43.00   |

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## 8. Performance of Company's Shares in comparison to BSE & NSE



## 9. Registrar & Share Transfer Agent

M/s. Computech Sharecap Limited  
147, Mahatma Gandhi Road,  
Fort, MUMBAI-400 001  
Tel: 022-22635000-01, Fax: 022-22635005  
e-mail: helpdesk@computechsharecap.com  
Website: www.computechsharecap.in

## 10. Share Transfers

Since the Company's shares are traded in the dematerialized form on the Stock Exchanges, bulk of the transfers takes place in the electronic form.

For expediting transfers, the Company has appointed a common agency, M/s. Computech Sharecap Limited, 147, Mahatma Gandhi Road, Fort, Mumbai-400 001, for effecting transfers of shares held in both the demat as well as physical form. The Board has delegated the function related to physical transfers to the Share Transfer Committee, which is later confirmed by the Board. Physical transfers are effected within fifteen days. The Board has designated the Company Secretary as the Compliance Officer. The Company obtains, from a Company Secretary in practice, half-yearly certificate of compliance with the share transfer formalities as required under clause 47(c) of the Listing Agreements and files a copy of the certificate with the Stock Exchanges.

### i. Shareholding Pattern as on 31<sup>st</sup> March, 2013

| Sr.No | Category  | Number of Shares held | Shareholding (%) |
|-------|---|-----------------------|------------------|
| 1.    | Promoters & promoter group  | 8396922               | 56.90            |
| 2.    | Mutual Funds  | 4925                  | 0.03             |
| 3.    | Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions, Non-Government Institutions) | 570                   | 0.00             |
| 4.    | Foreign Institutional Investors   | 2108581               | 14.29            |
| 5.    | Private Corporate Bodies  | 1266881               | 8.59             |
| 6.    | Indian Public   | 2806681               | 19.02            |
| 7.    | NRIs/OCBs/Foreign Nationals   | 171801                | 1.17             |
| 8.    | GDR   | -                     | -                |
|       | <b>Grand Total</b>  | <b>14756361</b>       | <b>100.00</b>    |

**ii. Distribution of Shareholding as on 31<sup>st</sup> March, 2013**
**(a) Number-wise**

| Number of Shares | Number of Shareholders | Shareholders (%) | Number of Shares held | Voting Strength (%) |
|------------------|------------------------|------------------|-----------------------|---------------------|
| 1 to 500         | 8358                   | 91.12            | 785272                | 5.32                |
| 501 to 1000      | 371                    | 4.04             | 286309                | 1.94                |
| 1001 to 2000     | 184                    | 2.00             | 275155                | 1.87                |
| 2001 to 3000     | 73                     | 0.79             | 185327                | 1.26                |
| 3001 to 4000     | 31                     | 0.34             | 112724                | 0.76                |
| 4001 to 5000     | 30                     | 0.33             | 137725                | 0.93                |
| 5001 to 10000    | 50                     | 0.55             | 371849                | 2.52                |
| 10001 & above    | 76                     | 0.83             | 12602000              | 85.40               |
| <b>Total</b>     | <b>9173</b>            | <b>100.00</b>    | <b>14756361</b>       | <b>100.00</b>       |

**(b) Category-wise**

| Category     | Number of Shareholders | Shareholders (%) | Number of Shares held | Shareholding (%) |
|--------------|------------------------|------------------|-----------------------|------------------|
| Physical     | 4215                   | 45.95            | 371045                | 2.51             |
| Electronic   | 4958                   | 54.05            | 14385316              | 97.49            |
| <b>Total</b> | <b>9173</b>            | <b>100.00</b>    | <b>14756361</b>       | <b>100.00</b>    |

**11. Re-appointment of Directors**

Three Non-executive Independent Directors are due for retirement by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Brief particulars of the Directors retiring by rotation are given below:-

- 1) **Shri P. Kumar**, Aged 75 years, a retire bank executive, is on the Board of the Company for the last 12 years. His Shareholding in the Company is NIL

Name of Public Limited Companies in which Shri P. Kumar is Director:-

| Sr. No. | Name of the Company           |
|---------|-------------------------------|
| 1.      | N. R. Agarwal Industries Ltd. |

Name of Public Limited Companies in which Shri P. Kumar is Member/Chairman of any Committee:-

| Sr. No. | Name of the Company           |
|---------|-------------------------------|
| 1.      | N. R. Agarwal Industries Ltd. |

- 2) **Shri P.K. Bhandari**, Aged 55 years, service, is on the Board of the Company for the last 2 years. His Shareholding in the Company is 8060 shares.

Names of Public Limited Companies in which Shri P.K. Bhandari is Director:-

| Sr. No. | Name of the Company                               |
|---------|---|
| 1.      | Raymond Limited                                   |
| 2.      | J. K. Investors ( Bombay ) Ltd.                   |
| 3.      | Color Plus Fashions Ltd.                          |
| 4.      | Silver Spark Apparel Ltd.                         |
| 5.      | Radha Krishna Films Ltd.                          |
| 6.      | Tiger Travels and Tours Ltd.                      |
| 7.      | Polar Investments Ltd.                            |
| 8.      | Pashmina Holdings Ltd.                            |
| 9.      | Peoples Investments Limited                       |
| 10.     | Raymond Zambaiti Limited                          |
| 11.     | Raymond (Europe) Ltd.-Formerly J K (England) Ltd. |

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Names of the Indian Companies, in which Shri P. K. Bhandari is Member/ Chairman of any Committee.

| Sr. No. | Name of the Company          |
|---------|------------------------------|
| 1.      | Raymond Limited              |
| 2.      | Radha Krishna Films Ltd.     |
| 3.      | Silver Spark Apparel Ltd.    |
| 4.      | Raymond Zambaiti Ltd.        |
| 5.      | J.K. Investors (Bombay) Ltd. |

- 3) **Shri D.P. Garg**, aged 65 years, Industrialist, is on the Board of the Company for the last 9 years. His Shareholding in the Company is NIL

Name of Public Limited Companies in which Shri D. P. Garg is a Director:-

| Sr. No. | Name of the Company         |
|---------|-----------------------------|
| 1.      | Garuda Cotex Shades Limited |

Name of Public Limited Companies in which Shri D.P. Garg is Member/Chairman of any Committee:-

| Sr. No. | Name of the Company |
|---------|---------------------|
| 1.      | Nil                 |

### 12. Relationship among Directors

Except as detailed below, other Directors do not have any relationship with each other.

| Sr. No. | Name of Director                                     | Relationship  |
|---------|--|---|
| 1.      | Shri R.L. Toshniwal<br>(Chairman)                    | 1. Shri Ravindra Kumar Toshniwal and Shri Shaleen Toshniwal- Sons<br>2. Shri Rakesh Mehra-Daughter's Husband          |
| 2.      | Shri Ravindra Kumar Toshniwal<br>(Managing Director) | 1. Shri R. L. Toshniwal- Father<br>2. Shri Shaleen Toshniwal-Brother<br>3. Shri Rakesh Mehra-Sister's Husband         |
| 3.      | Shri Shaleen Toshniwal<br>(Joint Managing Director)  | 1. Shri R.L. Toshniwal- Father<br>2. Shri Ravindra Kumar Toshniwal - Brother<br>3. Shri Rakesh Mehra-Sister's Husband |

### 13. Dematerialization of shares and liquidity

The Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Shares of the Company are to be delivered compulsorily in the demat form on Stock Exchanges by all investors. Shares representing 97.49% of the Paid-up Capital have so far been dematerialized by Investors.

### 14. Outstanding GDRs / ADRs / Warrants and Convertible Instruments

As on the date, the Company has not issued any GDRs/Warrants or any other instrument which is convertible into Equity Shares of the company.

**15. Plant Locations**

|    |   |  |
|----|---|--|
| 1. | Banswara Syntex Ltd.<br>Banswara Syntex Ltd. Unit - BTM<br>Banswara Syntex Ltd. Unit - BFL<br>Banswara Syntex Ltd. Unit - BJF   | Industrial Area, Dohad Road<br>Banswara-327 001 (Rajasthan)  |
| 2. | Banswara Syntex Limited<br>Readymade Garment Unit - I<br>"Banswara Garments"<br><br>Readymade Garment Unit - II<br>"Banswara Garments"<br><br>Readymade Garment Unit - III<br>"Banswara Garments"<br><br>Readymade Garment Unit - IV<br>"Banswara Garments" | 98/3, Village Kadaiya<br>Nani Daman<br>Distt. DAMAN-396 210 (U.T.)<br><br>Survey No.713/1, 713/2, 713/3, 725/2 and 725/1<br>Village Dabhel, Nani Daman<br>Dist. Daman-396 210 (U.T.)<br><br>Survey No.722/9<br>Village Dabhel, Nani Daman<br>Dist. Daman-396 210 (U.T.)<br><br>Plot No.85/3, 85/4, and 86/2<br>Village Kadaiya, Daman Industrial<br>Estate, Nani Daman, DAMAN-396 210 (U.T.) |
| 3. | Banswara Syntex Limited<br>Banswara Apparel.  | Plot No. 5 & 6, GIDC Apparel Park<br>SEZ Sachin<br>SURAT - 394 230 (Gujarat)   |

**16. Registered Office**

Industrial Area, Dohad Road, BANSWARA-327 001 (Raj.)

**17. Address for correspondence**

The Company has appointed M/s. Computech Sharecap Limited as Common Agency for share registry work both for electronic and physical mode of shares.

Shareholders can make correspondence at the following addresses for share transfer matters and other grievances, if any :-

- (a) Mrs. G.K. Dadyburjor  
M/s. Computech Sharecap Limited  
147, Mahatma Gandhi Road  
Fort, MUMBAI - 400 001
- (b) Registered Office:  
Industrial Area, Dohad Road,  
Banswara - 327 001 (Raj.)

**18. Non-Mandatory Requirements under Clause 49 of the Listing Agreements**

- 1. Remuneration Committee:** The Company has a Remuneration Committee, the details of which are provided in this report under section 'Committees of the Board'.
- 2. Shareholders' Rights:** The Quarterly Financial results as per clause 41 of the Listing Agreements are published in newspapers. The complete Annual Report is sent to every shareholder of the Company.
- 3. Audit Qualifications:** The Company always presents unqualified financial statements. As regards the Auditors' observations on annual accounts for 2012-13, the relevant Note in Significant Accounting Policies, Notes on Accounts and other disclosures are self-explanatory and, therefore, do not call for any further comments, except in the matter of non payment of Service Tax and Cess thereon of ₹ 27.05 lacs. The matter pertaining to service tax refunds taken by the Company are under appeal with CESTAT, New Delhi and Commissioner Appeal, Jaipur, Rajasthan.  
These liabilities will be met, if necessary, on final decision of the respective Appellate Authorities.
- 4. Notice/ document to shareholder through Electronic mode:** In compliance of Green Initiative in Corporate Governance: "Go Paperless", taken by MCA, the Company is requesting shareholders to inform their email IDs to enable the Company to send them notice(s)/document(s) through electronic mode.
- 5. Training of Board members:** Directors are fully briefed on all business related matters, risk assessments and new initiatives proposed by the Company. Directors are also kept informed about the changes in the domestic/global corporate and industry scenario including those pertaining to statutes/legislation and economic environment.

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6. **Whistle Blower Policy:** The Company encourages an open door policy where employees have access to the head of business/function. In terms of "Banswara Syntex Limited Code of Conduct", any instance of non-adherence to the code/any other observed unethical behavior is to be brought to the attention of the immediate reporting authority, who shall report the same to the authority who has the final say in these matters.

### IX. CODE OF CONDUCT

The Code of Conduct for the Directors and the Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company.

For **BANSWARA SYNTEX LIMITED**

Place: Mumbai

Date : 24<sup>th</sup> May, 2013

**R.L. TOSHNIWAL**

Chairman

### CEO/CFO CERTIFICATION

#### **Certificate from CEO/ CFO for the financial year ended March 31, 2013.**

We, R. L. Toshniwal, Chairman and Chief Executive Officer, and Rakesh Mehra, Vice-Chairman and Chief Financial Officer, of Banswara Syntex Limited certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2013 and that to the best of our knowledge and belief
  - a. These statements neither contain any materially untrue statement nor omit any material fact or contain statements that might be misleading, and
  - b. These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transaction entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. That we accept responsibility for establishing and maintaining internal control, We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and;
4. That we have informed the Auditors and the Audit Committee of:
  - a. Significant changes in internal controls during the year;
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the "Significant Accounting Policies, notes on Accounts and other disclosures" attached to the financial statements; and
  - c. Instances of significant fraud(s) of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place: Mumbai

Date: 24<sup>th</sup> May, 2013

**R.L. TOSHNIWAL**

Chief Executive Officer

**RAKESH MEHRA**

Chief Financial Officer



**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained a Certificate from Auditors regarding compliance of conditions of Corporate Governance as stipulated in the Listing Agreements with the Stock Exchanges. The said Corporate Governance Certificate is annexed to this report.

For **BANSWARA SYNTEX LIMITED**

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

**R.L. TOSHNIWAL**  
Chairman

**DECLARATION OF THE CHAIRMAN**

I hereby declare that all Board Members and designated senior management have affirmed compliance with the code of conduct as laid down by the Board of Directors of the Company, for the year ended 31<sup>st</sup> March, 2013.

For **BANSWARA SYNTEX LIMITED**

Place: Mumbai  
Date :24<sup>th</sup> May, 2013

**R.L. TOSHNIWAL**  
Chairman

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**C E R T I F I C A T E**

To the Members of Banswara Syntex Limited,  
Banswara

We have examined the compliance of conditions of Corporate Governance by Banswara Syntex Limited for the year ended on 31<sup>st</sup> March, 2013 as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with 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, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreements.

We state that no investor's grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievances 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 **KALANI & COMPANY**

Chartered Accountants  
FRN-000722C

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

**K.L. JHANWAR**  
Partner  
M.No.014080

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## MANAGEMENT DISCUSSION AND ANALYSIS

### INTRODUCTION

Management Discussion and Analysis mainly comprises the statements which may, inter alia, involve predictions based on perceptions and may, therefore, be prone to risks and uncertainties. It is the sum total of the Company's expectations, beliefs, estimates and projections which may be forward looking within the meaning of applicable securities, laws and regulations. The actual results could differ materially from those expressed herein specifically or impliedly.

The important factors that could make a difference to the Company's operations include availability and cost of raw material, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and countries in which the Company conducts business, India's Free Trade Agreements with other countries, prevailing exchange rate of INR against other currencies, availability of skilled and unskilled workforce and other incidental factors. The shareholders are cautioned to keep this in view in conjunction with the Company's financial statements.

### CORE BUSINESS AND PRODUCTS

The core business of the Company is manufacturing and marketing of spun synthetic blended yarn, cotton spun yarn, wool and wool mix yarn, spun synthetic and worsted fabrics, cotton & linen fabrics and readymade garments. The Company also produces shirting and technical fabrics. It has launched a brand "SaintX" for Fabrics, Made to Measure and Ready to Wear Garments about two years back. Besides Carreman, your Company has entered into another Joint Venture agreement with another French Company viz. Treves S.A., for production of automotive fabrics. The Company perceives good scope for increase in demand, production and sale of these products.

### Industry Structure, its Development and Opportunity

The Indian textiles industry is one of the biggest employment generating industry in the country providing 55 million direct and indirect employment. It is also one of the leading sectors of Indian economy and contributes significantly to the country's industrial output (14%) and export earnings (17%).

During the year under review, the consumer demand has been sluggish across the textile and apparel sector, resulting in pressure on sales and margins. The textile industry is labour intensive; as the Central Government Scheme i.e. National Rural Employment Guarantee Scheme, has provided more opportunities for workers, the availability of the requisite labour for running the plant has become very difficult.

Although there is some improvement in middle class population which is a source of great potential in the growth of industry; however, increases in wages, interest cost and power cost impact the revenues considerably.

### Overview of the Company's performance

The overall performance of the Company has improved during 2012-13, as reflected in increase of the production of all products viz. yarn, fabrics and garments. During the year, yarn production increased by 8%, fabric production by 16% and the

garment production by 17%. The income from operations at ₹1096 crore during 2012-13 went up by 19% as compared to ₹924 crore in 2011-12. The export turnover represented 55% in the total turnover. Further details about the Company's operating performance are mentioned under Financial Review, Operations and Exports in the Directors' Report.

The Company has been undertaking continuous expansion and modernization of its production capacities. A comparative position of the Company's manufacturing capacities in the last 2 financial years is as under:-

| Sl. No. | Particulars                                | Installed Capacity as at |          |
|---------|--|--------------------------|----------|
|         |  | 31.03.13                 | 31.03.12 |
| 1.      | Spinning (spindles)                        |                          |          |
|         | a) Synthetic Blended yarn                  | 1,30,552                 | 1,29,016 |
|         | b) Worsted Yarn                            | 21,120                   | 14,400   |
|         | c) Airjet Yarn                             | 592                      | 592      |
| 2.      | Fibre, Yarn & wool Dyeing (MT/Month)       |                          |          |
|         | a) Fibre                                   | 840                      | 840      |
|         | b) Yarn                                    | 150                      | 150      |
| 3.      | Fabric Weaving (No. of Looms)              |                          |          |
|         | a) Fabric Weaving                          | 359                      | 340      |
|         | b) Jacquard and Jacquard Technical Fabrics | 32                       | 28       |
| 4.      | Fabric Processing (Lac Mtrs/month)         | 50                       | 50       |
| 5.      | Suitings                                   |                          |          |
|         | Trousers - Lines                           | 23                       | 19       |
|         | Pcs/month                                  | 3,45,000                 | 2,85,000 |
|         | Jackets - Lines                            | 4                        | 3        |
|         | Pcs/month                                  | 30,000                   | 22,500   |
| 6.      | Thermal Power Plant (MW)<br>(Coal based)   | 33                       | 33       |

During the year under review, the Company has invested ₹79.50 crore (previous year-₹82.64 crore) for acquisition of fixed assets besides the capital-work-in-progress at ₹7.77 crore (previous year ₹25.67 crore) and advances to capital goods' suppliers of ₹4.32 crore (previous year ₹7.76 crore) as at 31<sup>st</sup> March, 2013 for ongoing projects. Capacity expansion has taken place in all the areas of operations.

The Company has plans to invest about ₹20 crore for expansion and modernization of the plant during the year 2013-14. This would add 21 looms and balancing equipment. Under the plan, the Company is also replacing 1 stenter in finishing unit which will increase fabric finishing capacity by 4 lac meters a month.

### Segment-wise performance

The Company is engaged in production of Textile products having integrated working. It is converting fibre to the ready-to-wear garments. For management purposes, the Company is organized into major operating activity of the textile products; besides this, it has power generation mainly for captive consumption as an auxiliary. The Company has no activity outside India except export of textile products manufactured in India. Thereby, there is no geographical segment and no segment wise information is reported.

### Internal control system

The Company has adequate internal audit and control system to ensure that all the transactions are duly authorized, properly recorded and correctly reported. Internal control system consists of in-house audit by a team headed by an independent Chartered Accountant to carry out internal audits and create an in-built internal checking mechanism. In addition, the Company has also appointed an independent Chartered Accountant firms to carry out internal audit. The Company has Audit Committee of the Board, the composition and functions of which are furnished in the Corporate Governance Report as part of the Annual Report.

### Discussion on financial performance with respect to operating performance

The operating performance of the Company has been detailed in the first two paragraphs of the Directors' Report under the heads 'Financial Review' and 'Operations.' The profit before tax for the year 2012-13, at ₹21.09 crore, works out to 1.92% of sales as against ₹17.30 crore, i.e. 1.87% of sales in the previous Financial Year- 2011-12.

### Developments in human resources and industrial relations

During the year, the Company set up the Management Council to plan and review its operations on an on going basis. It is aimed at strengthening the company's Performance Management System (PMS) to bring about greater accountability amongst the SBUs and Units through a participatory process of annual planning and quarterly reviews. The business planning for FY 13-14 has been done on this basis.

The PMS system for each management staff is being implemented from FY 13-14. The Company's management is confident that this process will bring about substantial improvement in role clarity, goals and objectives of each manager thereby ensuring commitment to high performance by every managerial staff. This will also lead to improvement in the process of compensation reviews and rewards.

The Board has approved the Retirement policy for management staff which is being implemented. Manpower Plans for FY 13-14 has been finalized and talent and succession planning are being initiated so that right managerial staff are available to drive the Company's business during the year and beyond.

Manpower productivity is being improved by optimum deployment of staff and workmen through internal Manning monitoring. It is also proposed to deploy Industrial Engineering Services during the later part of the year to further rationalize manpower and further improve productivity.

The HR Council of senior management members has been formed and meetings are being held regularly to evolve HR policies, systems and processes and review actions taken on recommendations of the council.

The management is very hopeful that through these mechanism and reviews over the next couple of yearly cycles, HR Policy deployment will be significantly enhanced and contribute towards the Company's long term progress.

For and on behalf of the Board

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

**R. L. TOSHWIWA**  
Chairman

## ANNEXURE-III TO DIRECTOR'S REPORT INFORMATION PURSUANT TO SECTION 217(2A) OF COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

| Sr. No.  | Name of the Employee          | Designation & nature of duties | Remuneration (₹ in Lacs) | Qualifications & Experience (No. of years)       | Age (Year) | Date of Commence-ment of employment | Previous employer Designation, period of service (No. of years) |
|--|-------------------------------|--------------------------------|--------------------------|--|------------|-------------------------------------|---|
| <b>A. Employed through-out the year and were in receipt of remuneration aggregate of not less than ₹ 60,00,000/- per annum</b> |                               |                                |                          |  |            |                                     |   |
| 1.   | Shri R.L. Toshniwal           | Chairman                       | 72.94                    | M.Sc. (Tex.)<br>Leeds University<br>England (50) | 79         | 01.08.1977                          | Oriental Carpets<br>Mfg. (India) Ltd.<br>Chief Executive (6)    |
| 2.   | Shri Ravindra Kumar Toshniwal | Managing Director              | 64.96                    | B.Tech.<br>(Chem. Engg.) (21)                    | 49         | 24.08.1992                          |   |
| 3.   | Shri Rakesh Mehra             | Vice-Chairman                  | 65.49                    | F.C.A. (25)                                      | 56         | 01.10.1993                          | R.R. Toshniwal<br>Enterprises<br>Chief Executive(5)             |

### **B Employed for a part of the year and were in receipt of remuneration of not less than ₹ 5,00,000/- per month** - Nil-

#### Notes:-

- Total number of employees included in the above statement are three and the nature of their employment is contractual.
- The above figures are for the twelve months period from 01.04.2012 to 31.03.2013.
- Remuneration comprises salary, allowances, monetary value of perquisites and contribution to provident fund.
- In addition to the above remuneration, the managerial person is also entitled to gratuity.
- Employees at Sr. No. 1 to 3 are related to each other.

# ANNUAL REPORT 2012-13

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS,  
BANSWARA SYNTEX LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of BANSWARA SYNTEX LIMITED, ("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 Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and Cash Flow 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"). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditors' 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 misstatements.

Audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depends upon auditors' judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that 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 case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In case of the Cash Flow Statements, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by 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 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 examinations of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statements 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 sub-section (3C) of section 211 of the Act;
  - 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 director 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 Act.

**For KALANI & COMPANY**

Chartered Accountants  
FRN – 000722C

**K.L. JHANWAR**

Partner

M.No. 014080

Place : Mumbai

Dated : 24<sup>th</sup> May, 2013

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Statement referred to in our report of even date to the members of the BANSWARA SYNTEX LIMITED on the financial statement for the year ended 31<sup>st</sup> March, 2013.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets of the Company have been physically verified by the management during the year and there is also a 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 fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our

opinion, not effected the going concern status of the Company.

- (ii) (a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. Inventories with third parties are verified by respective party.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been dealt properly in the books of accounts.
- (iii) (a) Company has not granted any loan to the companies, firm



and other parties covered in the register maintained under section 301 of the Act.

- (b) The rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.
- (c) Principal and interest has been received during the year as per the loan agreement.
- (d) There is no overdue more than ₹ 1 Lac of principal and interest.
- (e) Unsecured loans taken from 13 (Thirteen) persons covered in the register maintained under section 301 of the Act amounting to ₹ 771.00 lacs outstanding at the year end and the maximum amount involved is ₹935.00 lacs.
- (f) Interest and other terms & conditions of loan taken are not, prima facie, prejudicial to the interest of the Company.
- (g) Company is regular in payment of principal amount and interest.
- (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 the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are, prima facie, reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. To the best of our knowledge and according to the information and explanations given to us, no order on the Company under aforesaid section has been passed by the Company Law Board.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has prescribed under Section 209 (1) (d) of the Act, the maintenance of cost records in respect of its products manufactured by the Company. We have broadly reviewed the books of account maintained and in our opinion; the prescribed accounts and records have, prima facie, been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess, Excise Duty and other material statutory dues applicable to it.

According to the information and explanations given to us, there was no undisputed amounts payable in respect

of income tax, wealth tax, sales tax, custom duty, cess and other material statutory dues were in arrears, as at 31.03.2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, details of dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of dispute are given below :

| Nature of Statute | Nature of Dues | Amount (₹) | Period to which the Amount relates | Forum where dispute is pending |
|-------------------|----------------|------------|------------------------------------|--------------------------------|
| Finance Act, 1994 | Service Tax    | 27,04,878  | 2006-07 to 2008-09                 | CESTAT, New Delhi              |

- (x) There are no accumulated losses at the end of financial year. The Company has also not incurred cash losses during the financial year covered by our audit and the preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has generally not defaulted in repayment of dues to a financial institution and bank.
- (xii) According to information & explanations given to us, the Company has not given any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund. Therefore, the provisions of clause 4 (xiii) of Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xv) According to information & explanations given to us, the Company has given guarantee for ₹ 1,950.00 Lacs for loans taken by Carreman Fabrics India Limited, a Joint Venture. The terms and conditions of such guarantee are not prejudicial to the interest of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained, other than temporary deployment pending application.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow statement of the Company, we report that the no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, the Company had not issued unsecured debenture during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For KALANI & COMPANY**  
Chartered Accountants  
FRN – 000722C

**K.L. JHANWAR**  
Partner  
M.No. 014080

Place : Mumbai  
Dated : 24<sup>th</sup> May, 2013

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## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

|                                    | Note No. |                  | As at<br>31 <sup>st</sup> March, 2013 | (₹ in Lacs)<br>As at<br>31 <sup>st</sup> March, 2012 |
|------------------------------------|----------|------------------|---------------------------------------|--|
| <b>EQUITY AND LIABILITIES</b>      |          |                  |                                       |  |
| <b>Shareholders' Funds</b>         |          |                  |                                       |  |
| Share Capital                      | 2        | 1,647.12         | 1,647.12                              |  |
| Reserves & Surplus                 | 3        | <u>17,218.26</u> | <u>18,865.38</u>                      | 17,529.81  |
| <b>Non-Current Liabilities</b>     |          |                  |                                       |  |
| (a) Long Term Borrowings           | 4        | 29,967.18        | 31,706.50                             |  |
| (b) Deferred Tax Liabilities (Net) | 5        | 3,816.75         | 3,257.51                              |  |
| (c) Long Term Provisions           | 6        | <u>1,077.58</u>  | <u>34,861.51</u>                      | 35,945.77  |
| <b>Current Liabilities</b>         |          |                  |                                       |  |
| (a) Short Term Borrowings          | 7        | 32,063.69        | 30,885.00                             |  |
| (b) Trade Payables                 | 8        | 12,947.40        | 9,280.92                              |  |
| (c) Other Current Liabilities      | 9        | 7,113.15         | 7,157.35                              |  |
| (d) Short Term Provisions          | 10       | <u>931.97</u>    | <u>53,056.21</u>                      | 48,033.63  |
|                                    |          |                  | <u>1,06,783.10</u>                    | <u>1,01,509.21</u>                                   |
| <b>ASSETS</b>                      |          |                  |                                       |  |
| <b>Non-Current Assets</b>          |          |                  |                                       |  |
| (a) Fixed Assets                   |          |                  |                                       |  |
| (i) Tangible Assets                | 11       | 51,488.30        | 48,832.70                             |  |
| (ii) Capital work-in-progress      | 12       | 776.75           | 2,567.18                              |  |
| (b) Non-Current Investments        | 13       | 934.99           | 735.09                                |  |
| (c) Long-term Loans and Advances   | 14       | 814.09           | 1,131.57                              |  |
| (d) Other Non-Current Assets       | 15       | <u>757.14</u>    | <u>54,771.27</u>                      | 53,853.77  |
| <b>Current Assets</b>              |          |                  |                                       |  |
| (a) Inventories                    | 16       | 29,436.73        | 27,256.30                             |  |
| (b) Trade Receivables              | 17       | 15,267.23        | 13,316.43                             |  |
| (c) Cash and Cash Equivalents      | 18       | 1,640.48         | 1,285.74                              |  |
| (d) Short Term Loans and Advances  | 19       | 2,205.49         | 2,865.64                              |  |
| (e) Other Current Assets           | 20       | <u>3,461.90</u>  | <u>52,011.83</u>                      | 47,655.44  |
|                                    |          |                  | <u>1,06,783.10</u>                    | <u>1,01,509.21</u>                                   |

**Significant Accounting Policies, Notes on accounts and other disclosures from Note no. 1 to 42 forming part of these financial statements.**

In terms of our Audit Report of even date:

For KALANI & COMPANY  
Chartered Accountants  
FRN - 000722C

K.L. JHANWAR  
Partner  
M.No. 014080

Place : Mumbai  
Dated : 24<sup>th</sup> May, 2013

R.L. TOSHNIWAL  
Chairman

RAKESH MEHRA  
Vice Chairman and C.F.O.

J.K. JAIN  
Sr. Vice President (Fin. & Com.)  
& Company Secretary

RAVINDRA KUMAR TOSHNIWAL  
Managing Director

Directors  
P. KUMAR  
P.K. BHANDARI  
KAMAL KISHORE KACHOLIA  
VIJAY MEHTA  
A.N. JARIWALA



**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2013**

|  |           |  | (₹ in Lacs)                                   |
|--|-----------|--|---|
|  | Note No.  | Current Year<br>31 <sup>st</sup> March, 2013 | Previous Year<br>31 <sup>st</sup> March, 2012 |
| <b>Revenue From Operations</b>   | <b>23</b> |  |   |
| Sale of Products & Services (Gross)  |           | 1,07,707.29                                  | 90,810.78                                     |
| Other Operating Revenue  |           | <u>5,336.84</u>                              | <u>5,915.96</u>                               |
|  |           | 1,13,044.13                                  | 96,726.74                                     |
| Less : Excise Duty   |           | <u>3,412.47</u>                              | <u>4,343.20</u>                               |
| I. Revenue from Operations (Net)   |           | <b>1,09,631.66</b>                           | 92,383.54                                     |
| II. Other Income   | <b>24</b> | <u>804.79</u>                                | <u>536.44</u>                                 |
| <b>III. Total Revenue</b>  |           | <b>1,10,436.45</b>                           | 92,919.98                                     |
| <b>IV. Expenses :</b>  |           |  |   |
| Cost of Materials Consumed   | <b>25</b> | 55,259.26                                    | 49,208.44                                     |
| Changes In Inventories of Finished Goods,<br>Work-In-Progress And Stock-In Trade | <b>26</b> | (843.29)                                     | (3,629.08)                                    |
| Manufacturing Expenses   | <b>27</b> | 19,929.77                                    | 16,656.75                                     |
| Employee Benefit Expenses  | <b>28</b> | 13,079.76                                    | 10,725.58                                     |
| Financial Costs  | <b>29</b> | 8,230.32                                     | 7,519.80                                      |
| Depreciation and Amortization  | <b>30</b> | 5,167.97                                     | 4,311.09                                      |
| Other Expenses   | <b>31</b> | <u>7,503.84</u>                              | <u>6,397.37</u>                               |
| <b>Total Expenses</b>  |           | <b>1,08,327.63</b>                           | 91,189.95                                     |
| <b>V. Profit Before Tax (III-IV)</b>   |           | <b>2,108.82</b>                              | 1,730.03                                      |
| <b>VI. Tax Expense :</b>   |           |  |   |
| (1) Current Tax  |           | 323.00                                       | -   |
| (Net of MAT Credit of ₹142.00 Lacs<br>(Previous Year ₹349.34 Lacs)               |           |  |   |
| (2) Deferred Tax   |           | 559.23                                       | 241.33  |
| (3) Prior Period Tax   |           | <u>20.03</u>                                 | <u>-</u>                                      |
|  |           | <b>902.26</b>                                | 241.33  |
| <b>VII. Profit For The Year (V-VI)</b>   |           | <b>1,206.56</b>                              | <b>1,488.70</b>                               |
| <b>VIII. Earnings per Equity Share</b>   | <b>32</b> |  |   |
| (1) Basic  |           | 8.14   | 10.06   |
| (2) Diluted  |           | 8.14   | 10.06   |

**Significant Accounting Policies, Notes on accounts and other disclosures from Note no. 1 to 42 forming part of these financial statements.**

In terms of our Audit Report of even date:

For KALANI & COMPANY  
Chartered Accountants  
FRN - 000722C

K.L. JHANWAR  
Partner  
M.No. 014080

Place : Mumbai  
Dated : 24<sup>th</sup> May, 2013

R.L. TOSHNIWAL  
Chairman

RAKESH MEHRA  
Vice Chairman and C.F.O.

J.K. JAIN  
Sr. Vice President (Fin. & Com.)  
& Company Secretary

RAVINDRA KUMAR TOSHNIWAL  
Managing Director

Directors  
P. KUMAR  
P.K. BHANDARI  
KAMAL KISHORE KACHOLIA  
VIJAY MEHTA  
A.N. JARIWALA

## SIGNIFICANT ACCOUNTING POLICIES, NOTES ON ACCOUNTS AND OTHER DISCLOSURES

### NOTE NO. '1' SIGNIFICANT ACCOUNTING POLICIES

#### A. System of Accounting and Use of Estimates (AS-1)

The Company follows the mercantile system of accounting by following accrual concept in the preparation of accounts. The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### B. Valuation of Inventories (AS-2)

Inventories are valued at lower cost and net realizable value. Cost is measured on First In First Out basis.

#### C. Depreciation (AS-6)

Depreciation on fixed assets is provided for on straight line method in accordance with the provisions of section 205(2)(b) of the Companies Act, 1956. Depreciation on additions/disposals during the year is provided on pro-rata basis.

Consequent to changes made in schedule XIV, vide Notification No. GSR 756E dated 16.12.93, the company had revised the rate of depreciation. The specified period had been recomputed as suggested by the Circular dated 20.12.93 except in case of petty assets like furniture, fixture and office equipment where it is difficult to effect the changes. While adopting the revised rates, the Spinning Plant has been categorized as "Continuous Process Plant" on the basis of technical opinion obtained by the company.

Value of leasehold land is amortized over the period of its lease.

#### D. Turnover (AS-9)

- i) Turnover is inclusive of excise duty, refund and other related realization but exclusive of value added tax charged.
- ii) Job income included in turnover is accounted for on delivery of finished goods inclusive of excise duty.

#### E. Benefits Receivable against Export and Its Obligation (AS-9)

Unutilized credits, entitlements under Duty Entitlements Pass Book (DEPB) schemes are accounted for in the year of export at market value.

#### F. Fixed Assets (AS-10)

Value of gross block of fixed assets represent cost of acquisition, net of eligible CENVAT Credit but inclusive of non-refundable taxes & duties, expenditure on installations, attributable pre-operative expenses including borrowing cost and other identifiable direct expenses incurred upto the date of commencement of commercial use of the assets.

However value of gross block of fixed assets acquired upto 31.03.1985 has been stated at revalued amount as on 31.03.1986.

#### G. Foreign Currency Transactions (AS-11)

- i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the day of the transactions.
- ii) Monetary items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward contracts are translated at the rate ruling at the date of transactions as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transactions such difference having been recognized over the life of the contract. Foreign exchange financial instruments in hand at the year end are valued at mark to market, recognized loss, if any, adopting principle of prudence.

Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the statement of profit and loss.

#### H. Investments (AS-13)

Long term Investments are carried at cost. Whereas, current investments are carried at lower of cost and net realizable value. In case of long term investments, other than temporary diminution in the value of investment is provided for.

#### I. Employees' Benefits (AS-15)

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of profit and loss for the year in which the related service is rendered.
- ii) Retirement and other long term employee benefits are recognized as an expense in the Statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of retirement and other long term benefits are charged to the Statement of profit and loss.

**J. Borrowing Costs (AS-16)**

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

**K. Taxes on Income (AS-22)**

Current tax is determined as the amount of tax payable to the Taxation Authorities in respect of taxable income for the year.

Deferred tax is recognized, subject to consideration of prudence, in respect of deferred tax assets, on timing differences being difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

In respect of unabsorbed depreciation / carry forward of losses under the tax laws, deferred tax assets are recognized only to the extent that there is virtual certainty that future taxable income will be available against which such deferred tax assets can be realized.

**L. Provision for Doubtful Debts**

15% is being provided each year on amount due over a period of 6 months.

**M. Except where stated, Accounting Policies are consistent with the generally accepted accounting principles and have been consistently applied.**

|  | (₹ in Lacs)                           |                                       |
|--|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
| <b>NOTE NO. '2' SHARE CAPITAL</b>                        |                                       |                                       |
| Authorized   |                                       |                                       |
| 4,50,00,000 Equity Shares of ₹10/- each                  | 4,500.00                              | 4,500.00                              |
| 5,00,000 3% Redeemable Preference Shares of ₹100/- each  | 500.00                                | 500.00                                |
|  | <u>5,000.00</u>                       | <u>5,000.00</u>                       |
| Issued   |                                       |                                       |
| 1,47,56,361 Equity Shares of ₹10/- each                  | 1,475.64                              | 1,475.64                              |
| 1,73,000 3% Redeemable Preference Shares of ₹100/- each  | 173.00                                | 173.00                                |
|  | <u>1,648.64</u>                       | <u>1,648.64</u>                       |
| Subscribed and fully Paid                                |                                       |                                       |
| 1,47,26,061 Equity Shares of ₹ 10/- each                 | 1,472.61                              | 1,472.61                              |
| 1,73,000 3% Redeemable Preference Shares of ₹ 100/- each | 173.00                                | 173.00                                |
|  | <u>1,645.61</u>                       | <u>1,645.61</u>                       |
| Subscribed but not fully Paid                            |                                       |                                       |
| 30,300 Equity Shares of ₹ 10/- each                      | 3.03                                  | 3.03                                  |
| Less : Allotment money due                               |                                       |                                       |
| From Directors   | -                                     | -                                     |
| From Others  | 1.52                                  | 1.52                                  |
|  | <u>1.52</u>                           | <u>1.52</u>                           |
|  | <u>1.51</u>                           | <u>1.51</u>                           |
|  | <u>1,647.12</u>                       | <u>1,647.12</u>                       |

| 2.1 Reconciliation of No. of Shares of each class of issued capital |                  | Shares (In Nos.) |             |
|---|------------------|------------------|-------------|
| Particulars   | As at 31.03.2013 | As at 31.03.2012 |             |
|   | Equity           | Preference       | Equity      |
| At the beginning of the year  | 1,47,56,361      | 1,73,000         | 1,47,56,361 |
| Issued During the year  | -                | -                | -           |
| Redeemed/bought back during the year                                | -                | -                | -           |
| At the end of the year  | 1,47,56,361      | 1,73,000         | 1,47,56,361 |

**2.2 Rights, preferences and restrictions to the shareholders**

2.2.1 Equity Shares :- all equity shareholders are having right to get dividend in proportion to paid up value of the each equity share as and when declared.

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No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has, and has exercised, any right of lien.

2.2.2 Preference Shares :- Preference Shares are redeemable in 2014-15 at par and having right of dividend on cumulative basis if not declared/paid.

2.3 - Details of Shareholder's holding more than 5% of each class of shares issued by the Company-

| Name of shareholder                    | As at 31 <sup>st</sup> March, 2013 |                | As at 31 <sup>st</sup> March, 2012 |                |
|--|------------------------------------|----------------|------------------------------------|----------------|
|  | No. of Shares                      | Shareholding % | No. of Shares                      | Shareholding % |
| <b>Equity Shares</b>                   |                                    |                |                                    |                |
| Shri R L Toshniwal                     | 1085974                            | 7.36%          | 1072645                            | 7.27%          |
| Shri Ravindra Kumar Toshniwal          | 1188947                            | 8.06%          | 1076447                            | 7.29%          |
| Shri Shaleen Toshniwal                 | 1275680                            | 8.64%          | 1190913                            | 8.07%          |
| Smt. Radhika Toshniwal                 | 1028065                            | 6.97%          | 893065                             | 6.66%          |
| Smt. Prem Toshniwal                    | 806449                             | 5.47%          | 736449                             | 4.99%          |
| Royal Bank of Scotland                 | 1299801                            | 8.81%          | 1299801                            | 8.81%          |
| <b>3% Redeemable Preference Shares</b> |                                    |                |                                    |                |
| Carreman Michel Thierry, France        | 173000                             | 100.00%        | 173000                             | 100.00%        |

| NOTE NO. '3' RESERVES AND SURPLUS                | As at<br>31 <sup>st</sup> March, 2013 |                  | (₹ in Lacs)<br>As at<br>31 <sup>st</sup> March, 2012 |                  |
|--|---------------------------------------|------------------|--|------------------|
|  |                                       |                  |  |                  |
| <b>Capital Reserve</b>                           |                                       |                  |  |                  |
| Opening Balance                                  | 345.80                                |                  | 202.39   |                  |
| Adjustment during the year<br>(Capital Subsidy)* | <u>392.03</u>                         | 737.83           | <u>143.41</u>  | 345.80           |
| <b>Securities Premium Account</b>                |                                       |                  |  |                  |
| Opening balance                                  | 2,265.36                              |                  | 2,265.26   |                  |
| Add : Received During the year                   | <u>-</u>                              | 2,265.36         | <u>0.10</u>  | 2,265.36         |
| <b>General Reserve</b>                           |                                       |                  |  |                  |
| Opening Balance                                  | 12,134.17                             |                  | 10,634.17  |                  |
| Add: Transfer from Surplus                       | <u>500.00</u>                         | 12,634.17        | <u>1,500.00</u>                                      | 12,134.17        |
| <b>Surplus</b>                                   |                                       |                  |  |                  |
| Opening Balance                                  | 1,137.36                              |                  | 1,415.78   |                  |
| Add : Profit for the year                        | <u>1,206.56</u>                       |                  | <u>1,488.70</u>                                      |                  |
|  | 2,343.92                              |                  | 2,904.48   |                  |
| Less : Allocation and Appropriations             |                                       |                  |  |                  |
| Proposed Dividend on Preference Shares           | 5.19                                  |                  | 5.19   |                  |
| Proposed Dividend on Equity Shares               | 221.12                                |                  | 221.12   |                  |
| Tax on Proposed Dividend                         | 36.71                                 |                  | 36.71  |                  |
| Previous year dividend & tax thereon             | -                                     |                  | 4.10   |                  |
| Transfer to General Reserve                      | <u>500.00</u>                         |                  | <u>1,500.00</u>                                      |                  |
|  | <u>763.02</u>                         | 1,580.90         | <u>1,767.12</u>                                      | 1,137.36         |
|  |                                       | <u>17,218.26</u> |  | <u>15,882.69</u> |

\* Capital Subsidy is received under scheme of TUFs on purchase of capital items subject to fulfilling the conditions prescribed by the scheme.

As at  
31<sup>st</sup> March, 2013

(₹ in Lacs)  
As at  
31<sup>st</sup> March, 2012

## NOTE NO. '4' LONG TERM BORROWINGS

### Term Loans (Secured)

#### From Financial Institutions and Banks

#### **IDBI BANK LIMITED**

|   |               |          |          |        |
|---|---------------|----------|----------|--------|
| Term Loan - I                                   | 400.00        |          | 512.50   |        |
| Repayable in 8 variable quarterly installments  |               |          |          |        |
| Term Loan - II                                  | 318.88        |          | -        |        |
| Repayable in 32 variable quarterly installments |               |          |          |        |
| Term Loan - III                                 | 295.55        |          | -        |        |
| Repayable in 32 variable quarterly installments |               |          |          |        |
| Term Loan - IV                                  | <u>881.00</u> | 1,895.43 | <u>-</u> | 512.50 |
| Repayable in 32 variable quarterly installments |               |          |          |        |

#### **EXPORT IMPORT BANK OF INDIA**

|   |          |           |                 |           |
|---|----------|-----------|-----------------|-----------|
| Term Loan - I                                   | 2,310.00 |           | 2,400.00        |           |
| Repayable in 30 variable quarterly installments |          |           |                 |           |
| Term Loan - II                                  | 3,041.88 |           | 3,100.00        |           |
| Repayable in 32 variable quarterly installments |          |           |                 |           |
| Term Loan - III (FCL)                           | -        |           | 35.16           |           |
| Fully Paid                                      |          |           |                 |           |
| Term Loan - IV                                  | -        |           | 32.81           |           |
| Fully Paid                                      |          |           |                 |           |
| Term Loan - V                                   | -        |           | 21.09           |           |
| Fully Paid                                      |          |           |                 |           |
| Term Loan - VI                                  | 396.40   |           | 541.40          |           |
| Repayable in 10 variable quarterly installments |          |           |                 |           |
| Term Loan - VII                                 | 748.41   |           | 863.55          |           |
| Repayable in 16 variable quarterly installments |          |           |                 |           |
| Term Loan - VIII                                | 1,040.00 |           | 1,200.00        |           |
| Repayable in 16 variable quarterly installments |          |           |                 |           |
| Term Loan - IX                                  | 3,875.00 |           | 4,343.75        |           |
| Repayable in 21 variable quarterly installments |          |           |                 |           |
| Term Loan - X                                   | 2,900.00 |           | 2,140.00        |           |
| Repayable in 33 quarterly installments          |          |           |                 |           |
| Working Capital Term Loan                       | <u>-</u> | 14,311.69 | <u>2,000.00</u> | 16,677.76 |
| Fully Paid                                      |          |           |                 |           |

#### **BANK OF BARODA**

|   |                 |          |                 |          |
|---|-----------------|----------|-----------------|----------|
| Term Loan - I                                   | 2,906.00        |          | 3,000.00        |          |
| Repayable in 31 variable quarterly installments |                 |          |                 |          |
| Term Loan - II                                  | 34.38           |          | 171.88          |          |
| Repayable in 1 quarterly installments           |                 |          |                 |          |
| Term Loan - III                                 | 1,350.00        |          | 1,550.00        |          |
| Repayable in 17 variable quarterly installments |                 |          |                 |          |
| Term Loan - IV                                  | <u>4,339.22</u> | 8,629.60 | <u>3,623.45</u> | 8,345.33 |
| Repayable in 32 variable quarterly installments |                 |          |                 |          |

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|   | As at                        |                              | (₹ in Lacs)      |
|---|------------------------------|------------------------------|------------------|
|   | 31 <sup>st</sup> March, 2013 | 31 <sup>st</sup> March, 2012 | As at            |
| <b>PUNJAB NATIONAL BANK</b>                     |                              |                              |                  |
| Term Loan - I                                   | 150.00                       | 300.00                       |                  |
| Repayable in 4 quarterly installments           |                              |                              |                  |
| Term Loan - II                                  | 43.75                        | 87.50                        |                  |
| Repayable in 4 quarterly installments           |                              |                              |                  |
| Term Loan - III                                 | 1,743.28                     | 2,003.28                     |                  |
| Repayable in 17 variable quarterly installments |                              |                              |                  |
| Term Loan - IV                                  | 538.95                       | 618.95                       |                  |
| Repayable in 17 variable quarterly installments |                              |                              |                  |
| Term Loan - V                                   | <u>1,875.00</u>              | <u>2,062.50</u>              | 5,072.23         |
| Repayable in 21 variable quarterly installments |                              |                              |                  |
| <b>BANK OF INDIA</b>                            |                              |                              |                  |
| Term Loan - I                                   | 203.01                       | 320.51                       |                  |
| Repayable in 9 Variable quarterly installments  |                              |                              |                  |
| Term Loan - II                                  | <u>813.72</u>                | <u>913.71</u>                | 1,234.22         |
| Repayable in 24 variable quarterly installments |                              |                              |                  |
| <b>UNION BANK OF INDIA</b>                      |                              |                              |                  |
| Term Loan - I                                   | 72.88                        | 220.38                       |                  |
| Repayable in 2 quarterly installments           |                              |                              |                  |
| Term Loan - II                                  | 29.37                        | 52.87                        |                  |
| Repayable in 5 quarterly installments           |                              |                              |                  |
| Term Loan - III                                 | <u>2,072.00</u>              | <u>2,240.00</u>              | 2,513.25         |
| Repayable in 28 variable quarterly installments |                              |                              |                  |
| <b>AXIS BANK LIMITED</b>                        |                              |                              |                  |
| Term Loan - I                                   | 1,765.27                     |                              | 2,000.00         |
| Repayable in 20 variable quarterly installments |                              |                              |                  |
| <b>Sub-Total (A)</b>                            | <b>34,143.95</b>             |                              | <b>36,355.29</b> |
| Less : Current Maturities                       |                              |                              |                  |
| IDBI Bank Ltd.                                  | 200.00                       | 112.50                       |                  |
| Export-Import Bank of India                     | 1,668.14                     | 3,198.09                     |                  |
| Bank of Baroda                                  | 1,110.38                     | 431.25                       |                  |
| Punjab National Bank                            | 910.00                       | 783.75                       |                  |
| Bank of India                                   | 194.00                       | 175.00                       |                  |
| Union Bank of India                             | 264.38                       | 339.00                       |                  |
| Axis Bank Limited                               | <u>265.27</u>                | <u>250.00</u>                |                  |
| <b>Sub-Total (B)</b>                            | <b>4,612.17</b>              |                              | <b>5,289.59</b>  |
| <b>TOTAL (I) (A-B)</b>                          | <b>29,531.78</b>             |                              | <b>31,065.70</b> |
| <b>Deferred Payment Credits (Secured)</b>       |                              |                              |                  |
| Deferred payment credits under Rajasthan        |                              |                              |                  |
| Sales Tax Deferment Scheme                      | -                            | 33.38                        |                  |
| Less : Current Maturities                       | <u>-</u>                     | <u>33.38</u>                 |                  |
| <b>TOTAL (II)</b>                               |                              |                              | <b>-</b>         |



|  | As at<br>31 <sup>st</sup> March, 2013 | (₹ in Lacs)<br>As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|--|
| <b>Fixed Deposits (Unsecured)</b>  |                                       |  |
| From Directors   | 72.00                                 | 32.00  |
| From Others  | <u>1,177.60</u>                       | <u>873.95</u>  |
| Includes ₹ 204.00 Lacs (Previous years<br>₹170.25 Lacs) from related parties | 1,249.60                              | 905.95   |
| Less : Current Maturities  | <u>814.20</u>                         | <u>615.15</u>  |
| <b>TOTAL (III)</b>   | <b>435.40</b>                         | <b>290.80</b>  |
| <b>Term Loans (Unsecured)</b>  |                                       |  |
| Corporate (From Related Parties)   | 200.00                                | 200.00   |
| Repayable in one bullet payment by June '13                                  |                                       |  |
| Other Corporates   | <u>150.00</u>                         | <u>150.00</u>  |
| Repayable in one bullet payment by March '14                                 |                                       |  |
|  | 350.00                                | 350.00   |
| Less : Current Maturities  | <u>350.00</u>                         | <u>-</u>   |
| <b>TOTAL (IV)</b>  | <b>-</b>                              | <b>350.00</b>  |
|  | <u><b>29,967.18</b></u>               | <u><b>31,706.50</b></u>                              |

#### 4.1 Securities and Guarantees

##### For Term Loans from Financial Institutions and Banks:

Term Loans from Financial Institutions and Banks are secured by a joint equitable mortgage and/or hypothecation charges ranking pari-passu on immovable/movable properties, present and future of the Company subject to prior charges in favour of the Bankers on specified movable properties created and/or to be created for working capital facilities, and Term Loans of ₹1,495.43 Lacs are also secured by second charge on current assets.

Term Loans from Financial Institutions and Banks are guaranteed by Shri R.L. Toshniwal, Chairman and Shri Ravindra Kumar Toshniwal, Managing Director in their personal capacities other than Export-Import Bank of India and IDBI Bank Ltd. Term Loans outstanding of ₹8,563.41 Lacs (Previous Year 8,636.36 Lacs) from Export-Import Bank of India and Term Loan outstanding ₹400 Lacs ( Previous year ₹512.50 Lacs) from IDBI Bank Ltd. are guaranteed by both whereas term loans outstanding of ₹396.40 Lacs (Previous Year ₹2,541.40 Lacs) from Export-Import Bank of India are guaranteed only by Shri R. L. Toshniwal, Chairman.

##### For Fixed Deposits

Fixed Deposits taken by the Company are Under the provision of sec. 58A of the Companies Act, 1956 and rules made there under are unsecured. Fixed Deposits are repayable within 1 to 3 year depending upon the term of deposits.

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|  | As at<br>31 <sup>st</sup> March, 2013 | (₹ in Lacs)<br>As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|--|
| <b>NOTE NO. '5' DEFERRED TAX LIABILITIES</b>   |                                       |  |
| Considering accounting procedure prescribed by the Accounting Standard 22 "Taxes on Income", the following amounts have been worked out and provided in books: |                                       |  |
| <b>Major components of deferred tax balances</b>   |                                       |  |
| <b>Deferred Tax Liabilities</b>  |                                       |  |
| i) Difference between accounting and tax-depreciation (cumulative)   | 4,804.65                              | 4,352.72   |
| <b>TOTAL</b>   | <b><u>4,804.65</u></b>                | <b><u>4,352.72</u></b>                               |
| <b>Deferred Tax Assets</b>   |                                       |  |
| i) Accumulated unabsorbed depreciation   | -                                     | 245.61   |
| ii) Provision for doubtful debts (to date)   | 197.25                                | 133.35   |
| iii) Disallowances under section 43B for non payment of expenses   | 395.04                                | 391.75   |
| iv) Other timing differences   | <u>395.61</u>                         | <u>324.50</u>  |
| <b>TOTAL (i to iv)</b>   | <b><u>987.90</u></b>                  | <b><u>1,095.21</u></b>                               |
| <b>Net Deferred Tax Liabilities</b>  | <b><u>3,816.75</u></b>                | <b><u>3,257.51</u></b>                               |

Net deferred tax expense of ₹559.23 Lacs (Previous Year ₹ 241.33 Lacs) has been charged to Statement of Profit & Loss besides current tax ₹323.00 Lacs net of MAT Credit (Previous Year ₹ NIL Lacs) as per Income Tax Act, 1961.

## NOTE NO. '6' LONG TERM PROVISIONS

### Provisions for Employee Benefits

|                   |                        |                      |
|-------------------|------------------------|----------------------|
| Gratuity          | 1,052.78               | 867.04               |
| Less : Short Term | <u>109.30</u>          | <u>14.98</u>         |
| Leave Encashment  | 166.55                 | 133.13               |
| Less : Short Term | <u>32.45</u>           | <u>3.43</u>          |
|                   | <b><u>1,077.58</u></b> | <b><u>981.76</u></b> |

## NOTE NO. '7' SHORT TERM BORROWINGS

### A. Loans Repayable on Demand

#### (Cash credits and packing credits)

#### From Banks (Secured)

|                      |                  |                  |
|----------------------|------------------|------------------|
| Punjab National Bank | 17,235.23        | 16,849.85        |
| Union Bank of India  | 7,502.87         | 6,248.14         |
| Bank of Baroda       | 4,547.90         | 4,304.79         |
| Bank of India        | <u>2,482.69</u>  | <u>2,993.22</u>  |
|                      | <b>31,768.69</b> | <b>30,396.00</b> |

### B. Loans from Related Parties (Unsecured)

|        |        |
|--------|--------|
| 295.00 | 455.00 |
|--------|--------|

### C. Other Loans (Unsecured)

|                     |                         |                         |
|---------------------|-------------------------|-------------------------|
| Short Term Deposits | -                       | 34.00                   |
|                     | <b><u>32,063.69</u></b> | <b><u>30,885.00</u></b> |

## 7.1 Securities and Guarantees

For Loans repayable on demand from banks are secured by way of hypothecation (Floating charges) of Raw material, Dyes-Chemicals, Packing Materials, Stores & Spares, Stock-in-process, Finished goods, Book debts, Export Incentives and second charge on all the Fixed Assets of the Company and also guaranteed by Shri R.L. Toshniwal, Chairman and Shri Ravindra Kumar Toshniwal, Managing Director in their personal capacities.

(₹ in Lacs)

|                                    | As at<br>31 <sup>st</sup> March, 2013 | As at<br>31 <sup>st</sup> March, 2012 |
|------------------------------------|---------------------------------------|---------------------------------------|
| <b>NOTE NO. '8' TRADE PAYABLES</b> |                                       |                                       |
| Micro, Small & Medium Enterprises@ | 6.53                                  | 12.18                                 |
| Acceptances                        | 5,664.46                              | 4,195.89                              |
| Others                             | 7,276.41                              | 5,072.85                              |
|                                    | <b><u>12,947.40</u></b>               | <b><u>9,280.92</u></b>                |

@ To the extent information received for status under the Micro, Small and Medium Enterprises Development Act, 2006.

#### 8.1 Details of Dues to Micro Enterprises and Small Enterprises

The principal amount remaining unpaid to any supplier as at the end of the accounting year (No amount is due for more than 45 days)

6.53 12.18

The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond appointed day during the accounting year.

Nil Nil

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.

Nil Nil

The amount of interest accrued and remaining unpaid at the end of the accounting year.

Nil Nil

The amount of further interest remaining due and payable even in the succeeding years. Until such date when the interest dues as above are actually paid to the small enterprise for the purpose of Disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.

Nil Nil

#### NOTE NO. '9' OTHER CURRENT LIABILITIES

##### A. Current Maturities of Long Term Borrowings

|                                    |                      |                      |          |
|------------------------------------|----------------------|----------------------|----------|
| Term Loans (Secured)               | 4,612.16             | 5,289.60             |          |
| Term Loans (Unsecured)             | 350.00               | -                    |          |
| Deferred Payment Credits (Secured) | -                    | 33.38                |          |
| Fixed Deposit (Unsecured)          | <b><u>814.20</u></b> | <b><u>615.15</u></b> | 5,938.13 |

##### B. Interest Accrued But Not Due On Borrowings

121.05 116.26

##### C. Interest Accrued And Due On Borrowings

168.74 171.60

##### D. Other Payables

|                       |                        |                      |                        |
|-----------------------|------------------------|----------------------|------------------------|
| Unclaimed Dividend    | 33.90                  | 33.95                |                        |
| Security Deposits     | 47.87                  | 55.40                |                        |
| Statutory Liabilities | 227.72                 | 275.18               |                        |
| Other Liabilities     | <b><u>737.51</u></b>   | <b><u>566.83</u></b> | 931.36                 |
|                       | <b><u>7,113.15</u></b> |                      | <b><u>7,157.35</u></b> |

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|  |               | As at<br>31 <sup>st</sup> March, 2013 | (₹ in Lacs)<br>As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------|---------------------------------------|--|
| <b>NOTE NO. '10' SHORT TERM PROVISIONS</b> |               |                                       |  |
| <b>A. Provisions for Employee Benefits</b> |               |                                       |  |
| For Gratuity                               | 109.30        |                                       | 14.98  |
| For Leave Encashment                       | <u>32.45</u>  | 141.75                                | <u>3.43</u> 18.41                                    |
| <b>B. Provision for Others</b>             |               |                                       |  |
| Proposed Dividend                          |               |                                       |  |
| On Equity Shares                           | 221.12        |                                       | 221.12   |
| On Preference Shares                       | <u>5.19</u>   | 226.31                                | <u>5.19</u> 226.31                                   |
| Tax on Dividend                            |               |                                       |  |
| On Equity Share                            | 35.87         |                                       | 35.87  |
| On Preference Share                        | <u>0.84</u>   | 36.71                                 | <u>0.84</u> 36.71                                    |
| For Entry Tax (Net of Payment)             |               | 504.32                                | 428.93   |
| For Taxation                               |               |                                       |  |
| For Income Tax                             | 478.76        |                                       | 363.10   |
| Less : Advance Tax and TDS (As per Contra) | <u>455.88</u> | <u>22.88</u>                          | <u>363.10</u> -                                      |
|  |               | <u>931.97</u>                         | <u>710.36</u>  |

**10.1** In view of Stay Order dated 10.08.2006 of Hon'ble Rajasthan High Court, Jodhpur later on modified vide interim stay order dated 04.03.2011 with regards to levy of entry tax by Rajasthan Govt. under Rajasthan Entry Tax Act, 1999 with the direction to deposit the 50% of Entry Tax payable, a provision for ₹127.30 Lacs (Previous Year ₹103.95 Lacs along with interest thereon) has been made and charged to the Statement of Profit and Loss for the year in respective expenses account. The outstanding balance after making the payment during the year is ₹504.32 Lacs (Previous Year ₹428.93 Lacs)

### 10.2 Accounting Standard:- 29 "Provisions, Contingent Liabilities and Contingent Assets": Movement in Provisions:

|         |                          |  |                                |                                    |                                    | (₹ In Lacs)                                  |
|---------|--------------------------|--|--------------------------------|------------------------------------|------------------------------------|--|
| Sr. No. | Nature of Provisions     | Provision outstanding at the beginning of the year | Provision made during the year | Provision utilized during the year | Provision reversed during the year | Provision outstanding at the end of the year |
| 1.      | Gratuity                 | 867.04   | 310.02                         | 124.28                             | -                                  | 1,052.78                                     |
| 2.      | Leave Encashment         | 133.13   | 140.67                         | 107.25                             | -                                  | 166.55                                       |
| 3.      | Proposed Dividend        | 226.31   | 226.31                         | 226.31                             | -                                  | 226.31                                       |
| 4.      | Tax on Proposed Dividend | 36.71  | 36.71                          | 36.71                              | -                                  | 36.71  |
| 5.      | Taxation                 | 363.10   | 465.00                         | 349.34                             | -                                  | 478.76                                       |
| 6.      | Entry Tax                | 428.93   | 127.30                         | 51.92                              | -                                  | 504.32                                       |

**NOTE NO. '11' FIXED ASSETS**

(₹ in Lacs)

| DESCRIPTION OF ASSETS                   | GROSS BLOCK         |                 |                          |                     | DEPRECIATION        |                 |                            |                     | NET BLOCK           |                     |
|---|---------------------|-----------------|--------------------------|---------------------|---------------------|-----------------|----------------------------|---------------------|---------------------|---------------------|
|   | As at<br>01.04.2012 | Additions       | Disposals/<br>Adjustment | As at<br>31.03.2013 | As at<br>01.04.2012 | For the<br>Year | Deductions/<br>Adjustments | Up to<br>31.03.2013 | As at<br>31.03.2013 | As at<br>31.03.2012 |
| <b>TANGIBLE ASSETS</b>                  |                     |                 |                          |                     |                     |                 |                            |                     |                     |                     |
| Lease Hold Land                         | 367.62              | -               | -                        | 367.62              | 34.20               | 3.99            | -                          | 38.19               | 329.43              | 333.42              |
| Free Hold Land                          | 196.16              | 18.60           | -                        | 214.76              | -                   | -               | -                          | -                   | 214.76              | 196.16              |
| Buildings & Road                        | 11,786.66           | 1,434.74        | -                        | 13,221.40           | 1,759.07            | 413.83          | -                          | 2,172.90            | 11,048.50           | 10,027.59           |
| Plant & Equipment                       | 56,902.23           | 5,976.66        | 188.66                   | 62,690.23           | 20,451.19           | 4,425.62        | 76.20                      | 24,800.62           | 37,889.62           | 36,451.04           |
| Building Machinery                      | 1.38                | -               | -                        | 1.38                | 1.31                | -               | -                          | 1.31                | 0.07                | 0.07                |
| Electric & Water<br>Supply Installation | 1,512.01            | 151.90          | -                        | 1,663.91            | 743.88              | 128.08          | -                          | 871.96              | 791.95              | 768.13              |
| Furniture & Fixtures                    | 826.26              | 164.86          | 1.40                     | 989.72              | 452.25              | 98.49           | 0.31                       | 550.43              | 439.29              | 374.01              |
| Office Equipments                       | 690.85              | 92.69           | 0.14                     | 783.40              | 371.76              | 45.13           | 0.01                       | 416.88              | 366.52              | 319.10              |
| Vehicles                                | 536.42              | 110.80          | 24.43                    | 622.80              | 173.24              | 52.84           | 11.44                      | 214.64              | 408.16              | 363.19              |
| <b>TOTAL</b>                            | <b>72,819.59</b>    | <b>7,950.25</b> | <b>214.63</b>            | <b>80,555.22</b>    | <b>23,986.89</b>    | <b>5,167.98</b> | <b>87.95</b>               | <b>29,066.92</b>    | <b>51,488.30</b>    | <b>48,832.70</b>    |
| Previous Year                           | 65,433.30           | 8,264.23        | 877.96                   | 72,819.59           | 20,216.82           | 4,311.09        | 541.02                     | 23,986.89           | 48,832.70           | 45,216.49           |

Buildings & Road includes ₹ 331.31 Lacs paid for acquiring 657 equity shares of M/s Rastogi Estate & Construction Co. (Pvt.) Ltd. attached with right of ownership and possession of office building at Mumbai and ₹ 324.01 Lacs paid for acquiring a residential flat with 5 shares of Maker Tower "J" Co-operative Housing Society Ltd. Mumbai attached with right of ownership and possession.

**11.1 Accounting Standard 16 - "Borrowing Cost"**

In terms of Accounting Policy No. 1(J) borrowing cost of ₹ NIL Lacs (Previous year ₹NIL Lacs) have formed part of cost of relevant tangible assets.

**NOTE NO. '12' CAPITAL WORK IN PROGRESS**

| DESCRIPTION OF ASSETS                    | GROSS BLOCK         |                 |                     |
|--|---------------------|-----------------|---------------------|
|  | As at<br>01.04.2012 | Additions       | As at<br>31.03.2013 |
| Capital Work In Progress for             |                     |                 |                     |
| - Buildings & Road                       | 96.40               | 1,457.83        | 1,434.74            |
| - Plant & Equipment                      | 2,470.78            | 4,161.55        | 5,976.66            |
| - Water & Electric Installation          | -                   | 151.90          | 151.90              |
| - Land & Site Development Under Progress | -                   | 20.19           | 18.60               |
| <b>TOTAL</b>                             | <b>2,567.18</b>     | <b>5,791.47</b> | <b>7,581.90</b>     |
| Previous Year                            | 1,615.66            | 8,880.39        | 7,928.87            |



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|  | As at<br>31 <sup>st</sup> March, 2013 | (₹ in Lacs)<br>As at<br>31 <sup>st</sup> March, 2012 |
|--|---------------------------------------|--|
| <b>NOTE NO. '13' NON CURRENT INVESTMENTS (AT COST)</b>   |                                       |  |
| <b>Long Term</b>   |                                       |  |
| <b>I. Trade</b>  |                                       |  |
| <b>A) Quoted</b>   |                                       |  |
| <b>Investment in Associate Company</b>   |                                       |  |
| 3,00,000 Equity Shares of ₹ 10/- each<br>of Banswara Fabrics Ltd.<br>(Quotation not available)                           | 30.00                                 | 30.00  |
| <b>B) Unquoted</b>   |                                       |  |
| <b>Government &amp; Other Securities</b>   |                                       |  |
| National Savings Certificate<br>(Deposited with State and Central Govt. Authorities)                                     | 0.13                                  | 0.13   |
| <b>Investment in Joint Venture Company</b>   |                                       |  |
| 61,99,700 Equity Shares of ₹ 10/- each<br>of Carreman Fabrics India Ltd.   | 620.07                                | 620.07   |
| 26,00,000 Equity Shares of ₹ 10/- each<br>of Treves Banswara Pvt. Ltd.<br>(Previous year application money ₹ 59.00 Lacs) | 260.00                                | 59.00  |
| <b>Sub Total (I)</b>   | <b>910.20</b>                         | <b>709.20</b>  |
| <b>II. Other</b>   |                                       |  |
| <b>A) Quoted</b>   |                                       |  |
| <b>In Equity Shares</b>  |                                       |  |
| 10,114 Equity Shares of ₹ 10/- each of<br>Union Bank of India  | 3.04                                  | 3.04   |
| <b>B) Unquoted</b>   |                                       |  |
| <b>Shares in Cooperative Bank</b>  |                                       |  |
| 500 Equity Shares of ₹ 10/- each<br>of New Indian Cooperative Bank Ltd.  | 0.05                                  | 0.05   |
| Ask Investment Managers Pvt. Ltd.<br>Real Estate Special Opportunities Portfolio - 1                                     | 21.70                                 | 22.80  |
| <b>Sub Total (II)</b>  | <b>24.79</b>                          | <b>25.89</b>   |
| <b>Total (I + II)</b>  | <b>934.99</b>                         | <b>735.09</b>  |
| <b>Investments aggregate value of</b>  |                                       |  |
| <b>Quoted Investment</b>   |                                       |  |
| Book Value   | 33.04                                 | 33.04  |
| Market Value   | 52.05                                 | 53.80  |

## NOTE NO. '14' LONG TERM LOANS AND ADVANCES

### Unsecured, Considered Good

|  |               |                 |
|--|---------------|-----------------|
| (a) Capital Advances   | 432.55        | 776.02          |
| (b) Security Deposit<br>(Including ₹ 80.00 Lacs (Previous Year ₹ 80.00 Lacs)-<br>to related parties) | 381.54        | 290.29          |
| (c) Other Loans & Advances   | -             | 65.26           |
|  | <b>814.09</b> | <b>1,131.57</b> |

(₹ in Lacs)

As at  
31<sup>st</sup> March, 2013

As at  
31<sup>st</sup> March, 2012

**NOTE NO. '15' OTHER NON CURRENT ASSETS**
**Unsecured, Considered Good**
**(i) Long Term Trade Receivables**

-

-

**(ii) Others**

MAT Credit Entitlement

753.68

582.27

Prepaid Expenses

3.46
757.14
4.96
587.23
757.14
587.23

**15.1** Credit in respect of Minimum Alternative Tax under Income Tax Act 1961 (MAT Credit Entitlement) is recognized in accordance with Guidance Note issued by the Council of the Institute of Chartered Accountants of India.

**NOTE NO. '16' INVENTORIES**

(At Lower of Cost and Net Realizable Value)

|                                       |               |                  |               |                  |
|---------------------------------------|---------------|------------------|---------------|------------------|
| Raw Materials                         | 9,608.69      |                  | 8,522.69      |                  |
| Raw Material Transit                  | <u>322.76</u> | 9,931.45         | <u>150.55</u> | 8,673.24         |
| Stores & Spares                       |               | 1,793.71         |               | 1,714.78         |
| Works-in-Process                      |               | 2,344.16         |               | 1,877.56         |
| Finished Goods                        |               |                  |               |                  |
| Yarn                                  | 4,317.19      |                  | 4,877.27      |                  |
| Yarn in Transit                       | 192.69        |                  | 250.67        |                  |
| Cloth (Grey)                          | 3,504.83      |                  | 2,686.96      |                  |
| Cloth (Processed)                     | 5,444.41      |                  | 5,250.55      |                  |
| Cloth (Grey and Processed) in Transit | 680.80        |                  | 865.28        |                  |
| Garment                               | 1,145.48      |                  | 992.46        |                  |
| Garment in Transit                    | <u>50.80</u>  | 15,336.20        | -             | 14,923.19        |
| Waste                                 |               | 31.21            |               | 67.53            |
|                                       |               | <u>29,436.73</u> |               | <u>27,256.30</u> |

**16.1** Inventories include stocks lying with third parties ₹ 1,854.03 Lacs (Previous Year ₹ 1,089.07 Lacs)

**NOTE NO. '17' TRADE RECEIVABLE**
**(Unsecured)**
**Outstanding Exceeding Six Months (From due date)**

|                                    |               |                  |               |                  |
|------------------------------------|---------------|------------------|---------------|------------------|
| Considered Good                    | 811.43        |                  | 1,084.74      |                  |
| Considered Doubtful                | <u>607.96</u> |                  | <u>410.99</u> |                  |
|                                    | 1,419.39      |                  | 1,495.73      |                  |
| Less: Provision for Doubtful Debts | <u>607.96</u> | 811.43           | <u>410.99</u> | 1,084.74         |
| <b>Other Debts</b>                 |               |                  |               |                  |
| Considered Good                    |               | 14,455.80        |               | 12,231.69        |
|                                    |               | <u>15,267.23</u> |               | <u>13,316.43</u> |

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|  |                 | As at<br>31 <sup>st</sup> March, 2013 | (₹ in Lacs)<br>As at<br>31 <sup>st</sup> March, 2012 |
|--|-----------------|---------------------------------------|--|
| <b>NOTE NO. '18' CASH AND CASH EQUIVALENTS</b>   |                 |                                       |  |
| <b>A. Cash On Hand</b>   |                 | <b>21.22</b>                          | <b>27.63</b>   |
| <b>B. Balances with Bank</b>   |                 |                                       |  |
| -Current Account   | <b>755.18</b>   |                                       | 380.16   |
| -Other Bank Balances   | <b>0.12</b>     |                                       | 80.87  |
| -Bank Deposits   | <b>863.96</b>   | <b>1,619.26</b>                       | 797.08   |
|  |                 | <b>1,640.48</b>                       | 1,258.11   |
|  |                 |                                       | <b>1,285.74</b>                                      |
| Balances with banks in unclaimed dividend accounts   |                 | <b>33.90</b>                          | 33.98  |
| Deposit accounts with more than 12 months maturities   |                 | <b>245.15</b>                         | 216.99   |
| Deposits with banks pledged with banks against guarantees, Letter of credits etc.  |                 | <b>555.88</b>                         | 523.46   |
| Cash and Cash equivalent include restricted cash and bank balance of ₹ 589.78 Lacs (Previous Year ₹ 557.43 Lacs). The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees, Letter of Credits and unclaimed dividends. |                 |                                       |  |
| Deposits maintained by the Company with Banks comprise of time deposits, which can be withdrawn by the Company at any point of time without prior notice with reduced rate of interest.  |                 |                                       |  |
| <b>NOTE NO. '19' SHORT TERM LOANS AND ADVANCES</b>   |                 |                                       |  |
| <b>Unsecured</b>   |                 |                                       |  |
| Advances Recoverable in Cash or Kind   |                 | <b>1,539.27</b>                       | 2,223.49   |
| Considered Doubtful  | <b>29.57</b>    |                                       | 29.57  |
| Less : Provision   | <b>29.57</b>    | -                                     | 29.57  |
| Loans & Advances to Employees  |                 | <b>154.45</b>                         | 156.34   |
| Prepaid Expenses   |                 | <b>282.22</b>                         | 257.50   |
| Income Tax Refundable  |                 | <b>203.20</b>                         | 8.08   |
| Income Tax Under Protest   |                 | <b>26.35</b>                          | 7.81   |
| Advance Income Tax and Tax Deducted at Source  | <b>455.88</b>   |                                       | 575.52   |
| Less: Provision for Taxation (as per contra)   | <b>455.88</b>   | -                                     | 363.10   |
|  |                 | <b>2,205.49</b>                       | 2,865.64   |
| <b>NOTE NO. '20' OTHER CURRENT ASSETS</b>  |                 |                                       |  |
| Duty Entitlement Pass Book   |                 | <b>43.36</b>                          | 256.23   |
| Other Export Receivables   |                 |                                       |  |
| Considered Good  | <b>1,923.66</b> |                                       | 1,418.69   |
| Considered Doubtful  | <b>29.42</b>    |                                       | 29.42  |
|  | <b>1,953.08</b> |                                       | 1,448.11   |
| Less : Provision   | <b>29.42</b>    | <b>1,923.66</b>                       | 29.42  |
| Claim Receivable under TUFs  |                 | <b>1,093.57</b>                       | 999.71   |
| Other Claim Receivables  |                 | <b>401.31</b>                         | 256.70   |
|  |                 | <b>3,461.90</b>                       | 2,931.33   |

(₹ in Lacs)

As at

As at  
31<sup>st</sup> March, 2013

As at  
31<sup>st</sup> March, 2012

**NOTE NO. '21' CONTINGENT LIABILITIES**

## 1. Contingent liabilities not provided for in respect of: -

|  |          |          |
|--|----------|----------|
| a. Bills discounted with banks remaining outstanding   |          |          |
| (i) Against foreign LC   | 6,930.24 | 5,284.22 |
| (ii) Others  | 921.12   | 1,469.02 |
| b. Letter of Credit established with banks :-  |          |          |
| (i) Revenue account  | 163.97   | 298.09   |
| (ii) Capital account   | 506.35   | 692.13   |
| c. Guarantees given by the bankers on behalf of the Company for which FDRs ₹ 83.23 Lacs (Previous Year ₹ 92.23 Lacs) pledged with them                     | 804.62   | 790.36   |
| d. Guarantee given by Company to Banks for loan to Carreman Fabrics India Ltd [Outstanding as on 31.03.2013 ₹ 744.13 Lacs (Previous Year ₹ 1,092.00 Lacs)] | 1,950.00 | 1,950.00 |
| e. Claims against the company not acknowledged as debt: -  |          |          |
| (i) Under Tax Laws   | 674.59   | 126.49   |
| (ii) By Others:  |          |          |
| (a) On Revenue Account   | 6.03     | 1.84     |
| (b) On Capital Account   | Nil      | Nil      |

There is no reimbursement possible on account of contingent liabilities.

**NOTE NO. '22' CAPITAL COMMITMENTS**

Estimated amount of contracts remaining to be executed on Capital account ₹ 1,110.85 Lacs (Previous Year ₹ 1,597.45 Lacs) and export obligation against EPCG licenses ₹ Nil (Previous Year ₹ 6,699.28 Lacs).

(₹ in Lacs)

Previous Year

Current Year  
31<sup>st</sup> March, 2013

31<sup>st</sup> March, 2012

**NOTE NO. '23' REVENUE FROM OPERATIONS**
**(a) Sale of products**

|         |             |           |
|---------|-------------|-----------|
| Yarn    | 43,927.06   | 38,605.60 |
| Cloth   | 46,689.66   | 37,513.65 |
| Garment | 13,494.94   | 11,386.64 |
| Power   | -           | 4.74      |
| Waste   | 565.85      | 381.10    |
| Fibre   | 125.84      | 85.39     |
| Scrap   | 304.73      | 303.53    |
|         | 1,05,108.08 | 88,280.65 |

**(b) Sale of services**

|  |                    |                  |
|--|--------------------|------------------|
| Job Income                                     | 2,599.21           | 2,530.13         |
| <b>Sale of Products &amp; Services (Gross)</b> | <b>1,07,707.29</b> | <b>90,810.78</b> |

**(c) Other Operating Revenue**

|                           |                    |                  |
|---------------------------|--------------------|------------------|
| Export Benefits           | 5,336.84           | 5,915.96         |
|                           | 1,13,044.13        | 96,726.74        |
| <b>Less : Excise Duty</b> | <b>3,412.47</b>    | <b>4,343.20</b>  |
|                           | <b>1,09,631.66</b> | <b>92,383.54</b> |

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|  | Current Year                 |                 | (₹ in Lacs)                                   |                   |
|--|------------------------------|-----------------|---|-------------------|
|  | 31 <sup>st</sup> March, 2013 |                 | Previous Year<br>31 <sup>st</sup> March, 2012 |                   |
| NOTE NO. ‘24’ OTHER INCOME               |                              |                 |   |                   |
| Interest Income                          | 496.77                       |                 |   | 401.63            |
| Rental Income                            | 5.10                         |                 |   | 4.46              |
| Dividend Income                          | 3.81                         |                 |   | 2.48              |
| Profit on Sale of Tangible Assets        | 15.91                        |                 |   | 48.04             |
| Exchange Rate Fluctuation                | 94.49                        |                 |   |                   |
| Other Non Operating Income               | 188.71                       |                 |   | 79.83             |
|  | <u>804.79</u>                |                 |   | <u>536.44</u>     |
| NOTE NO. ‘25’ COST OF MATERIALS CONSUMED |                              |                 |   |                   |
| Raw Material Consumed                    |                              |                 |   |                   |
| Opening stock                            | 8,673.24                     |                 | 10,779.10                                     |                   |
| Add :Purchases                           | 49,499.77                    |                 | 41,485.16                                     |                   |
|  | <u>58,173.01</u>             |                 | <u>52,264.26</u>                              |                   |
| Less : Closing stock                     | 9,931.45                     | 48,241.56       | 8,673.24                                      | 43,591.02         |
| Dyes & Chemicals Consumed                |                              | 4,131.02        |   | 3,188.42          |
| Purchase : Cloth                         | 2,408.85                     |                 | 803.23  |                   |
| Yarn                                     | 477.83                       | 2,886.68        | 1,625.77                                      | 2,429.00          |
|  | <u>55,259.26</u>             |                 | <u>49,208.44</u>                              |                   |
| NOTE NO. ‘26’ CHANGES IN INVENTORIES     |                              |                 |   |                   |
| A. Finished Goods                        |                              |                 |   |                   |
| Opening Stock                            |                              |                 |   |                   |
| Yarn                                     | 5,127.94                     |                 | 3,956.42                                      |                   |
| Cloth                                    | 6,115.83                     |                 | 3,807.49                                      |                   |
| Garment                                  | 992.46                       |                 | 682.55  |                   |
|  | <u>12,236.23</u>             |                 | <u>8,446.46</u>                               |                   |
| Closing Stock                            |                              |                 |   |                   |
| Yarn                                     | 4,509.87                     |                 | 5,127.94                                      |                   |
| Cloth                                    | 6,117.52                     |                 | 6,115.83                                      |                   |
| Garment                                  | 1,196.28                     |                 | 992.46  |                   |
|  | <u>11,823.67</u>             | 412.56          | <u>12,236.23</u>                              | (3,789.77)        |
| B. Work-in Progress                      |                              |                 |   |                   |
| Opening Stock                            |                              |                 |   |                   |
| Yarn                                     | 1,558.61                     |                 | 1,346.06                                      |                   |
| Cloth                                    | 2,686.95                     |                 | 2,856.91                                      |                   |
| Garment                                  | 318.95                       |                 | 538.23  |                   |
|  | <u>4,564.51</u>              |                 | <u>4,741.20</u>                               |                   |
| Closing Stock                            |                              |                 |   |                   |
| Yarn                                     | 1,751.65                     |                 | 1,558.61                                      |                   |
| Cloth                                    | 3,512.52                     |                 | 2,686.95                                      |                   |
| Garment                                  | 592.52                       |                 | 318.95  |                   |
|  | <u>5,856.69</u>              | (1,292.18)      | <u>4,564.51</u>                               | (176.69)          |
| C. Waste                                 |                              |                 |   |                   |
| Opening Stock                            |                              |                 |   |                   |
|  | 67.53                        |                 | 51.53   |                   |
| Closing Stock                            |                              |                 |   |                   |
|  | <u>31.20</u>                 | 36.33           | <u>67.53</u>                                  | (16.00)           |
|  |                              | <u>(843.29)</u> |   | <u>(3,629.08)</u> |



(₹ in Lacs)

Previous Year

31<sup>st</sup> March, 2012

Current Year

31<sup>st</sup> March, 2013

**NOTE NO. '27' MANUFACTURING EXPENSES**

|                                |        |                  |        |                  |
|--------------------------------|--------|------------------|--------|------------------|
| Stores & Spare Parts Consumed  |        | 3,625.97         |        | 3,144.76         |
| Packing Material Consumed      |        | 1,662.22         |        | 1,393.63         |
| Power                          |        | 475.48           |        | 750.01           |
| Fuels                          |        | 10,222.37        |        | 8,151.53         |
| Job Charges                    |        | 2,762.21         |        | 2,116.22         |
| Repairs to : Plant & Machinery | 655.79 |                  | 600.33 |                  |
| Building                       | 370.12 |                  | 388.23 |                  |
| Others                         | 123.80 | 1,149.71         | 90.81  | 1,079.37         |
| Excise Duty*                   |        | 31.81            |        | 21.23            |
|                                |        | <u>19,929.77</u> |        | <u>16,656.75</u> |

\* Excise duty on increase of stock or any amount not recoverable on sales.

**NOTE NO. '28' EMPLOYEE BENEFIT EXPENSES**

|   |                  |                  |
|---|------------------|------------------|
| Salaries, Wages, Allowance, Bonus etc.  | 11,548.65        | 9,402.58         |
| Contribution to Provident & Other Funds | 1,122.84         | 969.71           |
| Workmen & Staff Welfare Expenses        | 408.27           | 353.29           |
|   | <u>13,079.76</u> | <u>10,725.58</u> |

**NOTE NO. 28.1 Accounting Standard: 15 "Employee Benefits", the disclosures of Employee benefits as defined in the accounting standard are given below:**

**1. Defined Contribution Plan**

Employer's contribution to provident fund paid ₹ 772.15 Lacs (Previous Year ₹ 690.65 Lacs) has been recognized as expense for the year.

**2. Defined Benefit Plan**

Present value of gratuity and long earned leave obligation is determined based on actuarial valuation using the projected unit credit method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Short term earned leave encashed during the year charged to Statement of Profit and Loss.

**3. Changes in Present Value of Obligations**

(₹ In Lacs)

|  | Gratuity As At   |            | Leave Encashment As At |            |
|--|------------------|------------|------------------------|------------|
|  | 31.03.2013       | 31.03.2012 | 31.03.2013             | 31.03.2012 |
| <b>I. Assumptions</b>                                    |                  |            |                        |            |
| Mortality  | LIC(1994-96) Ult |            | LIC(1994-96)Ult        |            |
| Discount Rate  | 8.05%            | 8.50%      | 8.05%                  | 8.50%      |
| Rate of increase in compensation                         | 4.00%            | 4.00%      | 4.00%                  | 4.00%      |
| Rate of return (expected) on plan assets                 | 0.80%            | 0.80%      | 0.80%                  | 0.80%      |
| withdrawal rates   |                  |            |                        |            |
| Expected average remaining service (years)               | 31.85            | 31.85      | 35.38                  | 35.59      |
| <b>II. Changes in Present Value of Obligations (PVO)</b> |                  |            |                        |            |
| PVO at beginning of period                               | 867.04           | 766.67     | 133.13                 | 106.12     |
| Interest Cost  | 68.42            | 59.59      | 6.76                   | 4.08       |
| Current Service Cost                                     | 177.76           | 149.95     | 59.13                  | 48.52      |
| Benefits paid  | (124.28)         | (97.46)    | (107.25)               | (113.87)   |
| Actuarial (gain)/loss on obligation                      | 63.84            | 11.71      | 74.78                  | 88.27      |
| PVO at end of period                                     | 1,052.78         | 867.04     | 166.55                 | 133.13     |

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|   | (₹ In Lacs)    |            |                        |            |
|---|----------------|------------|------------------------|------------|
|   | Gratuity As At |            | Leave Encashment As At |            |
|   | 31.03.2013     | 31.03.2012 | 31.03.2013             | 31.03.2012 |
| <b>III. Amounts to be recognized in the Balance Sheet</b>         |                |            |                        |            |
| PVO at end of period  | 1,052.78       | 867.04     | 166.55                 | 133.13     |
| Fair Value of Plan Assets at end of period                        | -              | -          | -                      | -          |
| Funded Status   | (1,052.78)     | (867.04)   | (166.55)               | (133.13)   |
| Unrecognized Actuarial Gain/(Loss)                                | -              | -          | -                      | -          |
| Net Asset/(Liability) recognized in the balance sheet             | (1,052.78)     | (867.04)   | (166.55)               | (133.13)   |
| <b>IV. Expense recognized in the Statement of Profit and Loss</b> |                |            |                        |            |
| Current Service Cost  | 177.76         | 149.95     | 59.13                  | 48.52      |
| Interest Cost   | 68.42          | 59.59      | 6.76                   | 4.08       |
| Expected Return on Plan Assets                                    | -              | -          | -                      | -          |
| Net Actuarial (Gain)/Loss recognized for the period               | 63.84          | 11.71      | 74.78                  | 88.27      |
| Expense recognized in the Statement of Profit and Loss            | 310.02         | 197.83     | 140.67                 | 140.88     |
| <b>V. Movements in the liability recognized in Balance Sheet</b>  |                |            |                        |            |
| Opening Net Liability   | 867.04         | 766.67     | 133.13                 | 106.12     |
| Expenses as above   | 310.02         | 197.83     | 140.67                 | 140.88     |
| Benefits paid   | (124.28)       | (97.46)    | (107.25)               | (113.87)   |
| Closing Net Liability   | 1,052.78       | 867.04     | 166.55                 | 133.13     |

|                                   | Current Year<br>31 <sup>st</sup> March, 2013 | Previous Year<br>31 <sup>st</sup> March, 2012 |
|-----------------------------------|--|---|
| <b>NOTE NO. '29' FINANCE COST</b> |  |   |
| Interest Expense*                 | 7,583.83                                     | 6,911.40                                      |
| Other Borrowing Cost              | 646.49                                       | 608.40  |
|                                   | <u>8,230.32</u>                              | <u>7,519.80</u>                               |

\* Net of subsidy ₹1,491.73 Lacs (Previous Year ₹1,344.16 Lacs) under Technology Upgradation Fund Scheme

### NOTE NO. '30' DEPRECIATION AND AMORTIZATION EXPENSES

|                            |                 |                 |                 |                 |
|----------------------------|-----------------|-----------------|-----------------|-----------------|
| Leasehold Land Written Off | 3.98            |                 | 3.98            |                 |
| Depreciation               | <u>5,163.99</u> | <u>5,167.97</u> | <u>4,307.11</u> | <u>4,311.09</u> |
|                            |                 | <u>5,167.97</u> |                 | <u>4,311.09</u> |

(₹ in Lacs)

**Current Year**  
**31<sup>st</sup> March, 2013**
**Previous Year**  
**31<sup>st</sup> March, 2012**
**NOTE NO. '31' OTHER EXPENSES**
**Administrative Expenses**

|                                    |        |          |        |          |
|------------------------------------|--------|----------|--------|----------|
| Rent                               | 98.19  |          | 71.73  |          |
| Rates and Taxes                    | 223.98 |          | 144.23 |          |
| Insurance Charges                  | 48.81  |          | 25.04  |          |
| Payment to Auditors                |        |          |        |          |
| As Auditors -Fees                  | 7.70   |          | 7.00   |          |
| -Expenses                          | 2.14   |          | 1.10   |          |
| In other capacity                  |        |          |        |          |
| -Tax Audit Fees                    | 1.54   |          | 1.40   |          |
| -Certification                     | 5.22   |          | 6.75   |          |
| -Taxation Matters                  | 3.63   |          | 3.40   |          |
| -Other Services                    | -      |          | 0.30   |          |
| Director's Fees                    | 4.73   |          | 6.08   |          |
| Travelling Expenses                | 110.22 |          | 88.73  |          |
| Director's Travelling Expenses     | 12.78  |          | 11.03  |          |
| Foreign Travelling Expenses        | 191.02 |          | 111.30 |          |
| Communication Expenses             | 132.41 |          | 99.27  |          |
| Legal & Professional Expenses      | 248.92 |          | 180.73 |          |
| Charity & Donation                 | 19.66  |          | 13.98  |          |
| Loss on Forward Exchange Contracts | 21.93  |          | 387.03 |          |
| Exchange Rate Fluctuation          | -      |          | 234.87 |          |
| Loss on Sale of Tangible Assets    | 49.16  |          | 143.54 |          |
| CSR Expenses                       | 40.48  |          | -      |          |
| Miscellaneous Expenses             | 671.49 | 1,894.01 | 638.78 | 2,176.29 |

**Selling Expenses**

|  |          |                 |          |                 |
|--|----------|-----------------|----------|-----------------|
| Commission to Selling Agents           | 1,801.02 |                 | 1,431.88 |                 |
| Brokerage and Discounts                | 247.06   |                 | 172.81   |                 |
| Freight, Octroi and Forwarding Charges | 2,689.27 |                 | 1,952.63 |                 |
| Claims                                 | 446.90   |                 | 239.94   |                 |
| Advertisements                         | 49.48    |                 | 93.28    |                 |
| Provision for Doubtful Debts           | 212.91   |                 | 224.05   |                 |
| Bad Debts Write Off                    | -        |                 | 0.91     |                 |
| Others                                 | 163.19   | 5,609.83        | 105.58   | 4,221.08        |
|  |          | <u>7,503.84</u> |          | <u>6,397.37</u> |

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|   |           | Current Year<br>31 <sup>st</sup> March, 2013 | (₹ In Lacs)<br>Previous Year<br>31 <sup>st</sup> March, 2012 |
|---|-----------|--|--|
| <b>NOTE NO. '32' EARNINGS PER SHARE</b>   |           |  |  |
| a) Amount used as the numerator profit after tax, dividend on preference shares and tax thereon.          | ₹ In Lacs | <b>1,200.53</b>                              | 1,482.69   |
| b) Weighted average number of equity shares used as the denominator in computing basic earning per share. | Nos.      | <b>1,47,41,211</b>                           | 1,47,41,211  |
| Add: Potential no. of equity shares that could arise on conversion of warrants into equity shares.        | Nos.      | <b>NIL</b>                                   | NIL  |
| Weighted average number of shares used in computing Diluted Earning per Share                             | Nos.      | <b>1,47,41,211</b>                           | <b>1,47,41,211</b>   |
| c) Nominal value per share  | ₹         | <b>10.00</b>                                 | 10.00  |
| d) Earnings Per Share:  |           |  |  |
| - Basic   | ₹         | <b>8.14</b>                                  | 10.06  |
| - Diluted   | ₹         | <b>8.14</b>                                  | 10.06  |

### Note No. '33' Accounting Standard 17 - "Segment Reporting"

The Company is engaged in production of textile products having integrated working and power generation. For management purposes, Company is organized into major operating activity of the textile products. The company has no activity outside India except export of textile products manufactured in India. Thereby no geographical segment and no segment wise information are reported.

### Note No. '34' Accounting Standard 18 - "Related Party Disclosure"

The Company has identified all the related parties as per details given below:

#### 1. Relationship:

##### a) Joint Venture and Associate concerns

Carreman Fabrics India Ltd.  
Banswara Fabrics Ltd.  
Treves Banswara Pvt. Ltd.

##### b) Key Management Personnel and Their Enterprises:

Shri R.L.Toshniwal  
Shri Ravindra Kumar Toshniwal  
Shri Rakesh Mehra  
Shri Shaleen Toshniwal

##### c) Enterprises where Key Management Personnel has control /interest:

Dhruv Impex  
Mehra International  
Lawson Trading Co. Pvt. Ltd.  
Niral Trading Pvt. Ltd.  
Shaleen Syntex Ltd.  
Moonfine Trading Co. Pvt. Ltd.  
Speed Shore Trading Co. Pvt. Ltd.  
Toshniwal Trust  
APM Industries Ltd.

**d) Relatives of Key Management Personnel and their Enterprises where transactions have taken place**

Shri Rameshwar Lal Ravindra Kr Toshniwal HUF

Shri Ravindra Kumar Toshniwal HUF

Shri Dhruv Toshniwal

Shri Udit Toshniwal

Smt. Prem Toshniwal

Smt. Navneeta Mehra

Smt. Radhika Toshniwal

Smt. Sonal Toshniwal

Smt. Kavita Soni

Ms. Esha Toshniwal

Ms. Diya Toshniwal

Sarvodaya Impex Pvt. Ltd.

Note: Related party relationship is as identified by the Company and relied upon by the Auditors

**2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:**

(₹ In Lacs)

| Nature of transaction    | Related Parties        |         |                        |         |                        |         |                        |         |
|--------------------------|------------------------|---------|------------------------|---------|------------------------|---------|------------------------|---------|
|                          | Referred in 1(a) above |         | Referred in 1(b) above |         | Referred in 1(c) above |         | Referred in 1(d) above |         |
|                          | 2012-13                | 2011-12 | 2012-13                | 2011-12 | 2012-13                | 2011-12 | 2012-13                | 2011-12 |
| <b>SALES</b>             |                        |         |                        |         |                        |         |                        |         |
| Cloth                    | 245.97                 | 0.37    | -                      | -       | -                      | 2.16    | -                      | -       |
| Yarn                     | 2.99                   | -       | -                      | -       | -                      | -       | -                      | -       |
| Other                    | 50.82                  | 38.22   | -                      | -       | -                      | -       | -                      | -       |
| <b>PURCHASE</b>          |                        |         |                        |         |                        |         |                        |         |
| Cloth                    | 723.72                 | 473.98  | -                      | -       | -                      | -       | -                      | -       |
| Yarn                     | 19.62                  | 0.20    | -                      | -       | -                      | -       | -                      | -       |
| Other                    | 0.52                   | 54.21   | -                      | -       | 30.49                  | -       | -                      | -       |
| <b>JOB CHARGES</b>       |                        |         |                        |         |                        |         |                        |         |
| Weaving                  | 835.06                 | 978.29  | -                      | -       | -                      | -       | -                      | -       |
| Mending                  | 1.68                   | 0.53    | -                      | -       | -                      | -       | -                      | -       |
| <b>EXPENSES</b>          |                        |         |                        |         |                        |         |                        |         |
| Rent                     | -                      | -       | -                      | -       | 2.40                   | 2.40    | 7.20                   | 7.20    |
| Remuneration             | -                      | -       | 259.15                 | 234.03  | -                      | -       | -                      | -       |
| Interest                 | 51.93                  | 21.37   | 3.70                   | 2.51    | 35.80                  | 10.14   | 19.86                  | 12.31   |
| Salary                   | -                      | -       | -                      | -       | -                      | -       | 9.27                   | -       |
| <b>INCOMES</b>           |                        |         |                        |         |                        |         |                        |         |
| Rent                     | 0.18                   | 0.18    | -                      | -       | -                      | -       | -                      | -       |
| Job Charges              | 77.26                  | 80.24   | -                      | -       | -                      | -       | -                      | -       |
| Supervision Charges      | 13.95                  | -       | -                      | -       | -                      | -       | -                      | -       |
| Interest                 | 1.42                   | -       | -                      | -       | -                      | -       | -                      | -       |
| <b>FINANCE</b>           |                        |         |                        |         |                        |         |                        |         |
| Fixed Deposit Accepted   | -                      | -       | 40.00                  | -       | -                      | 255.00  | 51.00                  | 28.00   |
| Fixed Deposit Repayment  | -                      | -       | -                      | -       | 60.00                  | -       | 17.25                  | 8.00    |
| <b>OUTSTANDING</b>       |                        |         |                        |         |                        |         |                        |         |
| Fixed Deposits           | -                      | -       | 72.00                  | 32.00   | 195.00                 | 255.00  | 204.00                 | 170.25  |
| Inter Corporate Deposits | 300.00                 | 406.35  | -                      | -       | -                      | -       | -                      | -       |
| Amount Receivable        | 72.44                  | 130.93  | -                      | -       | -                      | 2.17    | 0.10                   | -       |
| Amount Payable           | 31.10                  | 86.64   | -                      | -       | -                      | -       | -                      | -       |
| Property Deposit         | -                      | -       | -                      | -       | 20.00                  | 20.00   | 60.00                  | 60.00   |
| Capital Contribution     | 910.07                 | 709.07  | -                      | -       | -                      | -       | -                      | -       |

In respect of the outstanding balance recoverable as at 31<sup>st</sup> March, 2013 no provision for doubtful debts is required to be made. During the year, there were no amounts written off or written back from such parties.



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### Note No. '35' Financial and Derivative Instruments

Company has entered into following foreign exchange financial instruments

- a) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments on forecasted transactions as approved by Board of Directors. The Company does not use forward contracts for speculation purpose.

Outstanding forward exchange financial instruments entered into by the Company for hedging of export/import transaction :

| As at      | No. of Contracts | US Dollar Equivalent (In Lacs) | INR Equivalent ( In Lacs) |
|------------|------------------|--------------------------------|---------------------------|
| 31.03.2013 | 29               | 231.01                         | 13,005.19                 |
| 31.03.2012 | 25               | 182.70                         | 9,299.53                  |

- b) Foreign Currency exposure that are not hedged by financial instruments or forward contracts as at 31<sup>st</sup> March, 2013 amount to US Dollar 140.29 Lacs equivalent to ₹ 7,096.25 Lacs (Previous Year US Dollar 216.47 Lacs equivalent to ₹ 11,018.39 Lacs)

### Note No. '36' Accounting Standard 27 "Financial Report of interest in Joint Venture"

- a) The Company has entered into the Joint Venture with Carreman, France for 50% ownership interest in jointly controlled entity Carreman Fabrics India Ltd.

The above Joint Venture Company is incorporated in India. The Company's share of assets and liabilities as on 31<sup>st</sup> March, 2013 and income and expenses for the year ended on that date in respect of joint venture entities as per unaudited Financial Statements is given below:

|                                | 31.03.2013      | (₹ In Lacs)<br>31.03.2012 |
|--------------------------------|-----------------|---------------------------|
| <b>A. Assets</b>               |                 |                           |
| Long Term Assets               | 1,027.23        | 1,183.96                  |
| Current Assets                 | 186.43          | 222.09                    |
| Total (A)                      | <u>1,213.66</u> | <u>1,406.05</u>           |
| <b>B. Liabilities</b>          |                 |                           |
| Long Term Liabilities          | 269.08          | 441.96                    |
| Current Liabilities            | 203.86          | 208.69                    |
| Total (B)                      | <u>472.94</u>   | <u>650.65</u>             |
| <b>C. Contingent Liability</b> | Nil             | Nil                       |
| <b>D. Capital Commitments</b>  | Nil             | Nil                       |
| <b>E. Incomes</b>              | 446.84          | 506.26                    |
| <b>F. Expenditures</b>         | 458.17          | 491.66                    |

The Company has given guarantee in favour of bankers of Carreman Fabrics India Ltd. for an amount of ₹ 1,950.00 Lacs (Previous Year ₹ 1,950.00 Lacs) for term loan. [Outstanding as on 31.03.2013 ₹ 744.13 Lacs (Previous Year ₹ 1,092.00 Lacs)].

- b) Company has also entered into joint venture agreement with Treves S.A. France has 50% ownership interest in the jointly controlled entity Treves Banswara Pvt. Ltd.

The above joint venture Company in India. The Company's share of assets and liabilities as on 31<sup>st</sup> March, 2013 and income and expenses for the year ended on that date in respect of joint venture entities as per unaudited Financial Statements is given below :

|                                | 31.03.2013    | (₹ In Lacs)<br>31.03.2012 |
|--------------------------------|---------------|---------------------------|
| <b>A. Assets</b>               |               |                           |
| Long Term Assets               | 182.42        | 11.44                     |
| Current Assets                 | 173.04        | 61.93                     |
| Total (A)                      | <u>355.46</u> | <u>73.37</u>              |
| <b>B. Liabilities</b>          |               |                           |
| Long Term Liabilities          | Nil           | Nil                       |
| Current Liabilities            | 162.96        | 17.16                     |
| Total (B)                      | <u>162.96</u> | <u>17.16</u>              |
| <b>C. Contingent Liability</b> | Nil           | Nil                       |
| <b>D. Capital Commitments</b>  | Nil           | 114.50                    |
| <b>E. Incomes</b>              | 298.95        | 0.10                      |
| <b>F. Expenditures</b>         | 362.30        | 4.25                      |

**Note No. '37' Accounting Standard : 28 "Impairment of Assets":**

The Company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

**Note No. '38' Value of Imports on CIF Basis:**

|                                | 2012-13  | (₹ In Lacs)<br>2011-12 |
|--------------------------------|----------|------------------------|
| (i) Raw Material               | 3,926.65 | 2,268.65               |
| (ii) Dyes & Chemicals          | 116.31   | 80.76                  |
| (iii) Components & Spare Parts | 1,058.82 | 954.07                 |
| (iv) Capital Goods             | 1,836.05 | 4,526.08               |

**Note No. '39' Value of Raw Materials, Components & Spare parts consumed:**

|   | Amount (₹ In Lacs) |                  | Percentage (%) |               |
|---|--------------------|------------------|----------------|---------------|
|   | 2012-13            | 2011-12          | 2012-13        | 2011-12       |
| <b>(a) Raw Materials</b>                |                    |                  |                |               |
| (i) Imported                            | 3,734.55           | 3,268.11         | 7.74           | 7.50          |
| (ii) Indigenous                         | 44,507.02          | 40,322.91        | 92.26          | 92.50         |
|   | <u>48,241.57</u>   | <u>43,591.02</u> | <u>100.00</u>  | <u>100.00</u> |
| <b>(b) Components &amp; Spare Parts</b> |                    |                  |                |               |
| (i) Imported                            | 939.99             | 701.52           | 28.66          | 25.38         |
| (ii) Indigenous                         | 2,339.56           | 2,062.70         | 71.34          | 74.62         |
|   | <u>3,279.55</u>    | <u>2,764.22</u>  | <u>100.00</u>  | <u>100.00</u> |
| <b>(c) Dyes &amp; Chemicals: -</b>      |                    |                  |                |               |
| (i) Imported                            | 141.34             | 182.58           | 3.42           | 5.73          |
| (ii) Indigenous                         | 3,989.68           | 3,005.84         | 96.58          | 94.27         |
|   | <u>4,131.02</u>    | <u>3,188.42</u>  | <u>100.00</u>  | <u>100.00</u> |

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**(d) Expenses in Foreign Currency (in respect of): -**

|  |   |
|--|---|
| (i) Professional & Consultancy Charges | ₹ 9.32 Lacs (Previous Year ₹ 22.03 Lacs)        |
| (ii) Others                            | ₹ 2,189.74 Lacs (Previous Year ₹ 1,883.62 Lacs) |

**(e) Earning in Foreign Currency (in respect of): -**

|                                   |   |
|-----------------------------------|---|
| (i) Exports of goods on FOB basis | ₹ 51,815.52 Lacs (Previous Year ₹ 45,063.00 Lacs) |
| (ii) Other realization            | ₹ 1,688.08 Lacs (Previous Year ₹ 1,606.85 Lacs)   |

**Note No. '40' Details Regarding Remittance of Dividend in Foreign Currency:-**

| Particulars  | Current Year<br>31 <sup>st</sup> March, 2013 | Previous Year<br>31 <sup>st</sup> March, 2012 |
|--|--|---|
| Total No. of Non-resident Shareholders                     |  |   |
| Equity Shares  | 4  | 5   |
| Preference Shares  | 1  | 1   |
| Amount of Dividend Remitted in Foreign Currency (In ₹)     |  |   |
| -Final Dividend (2010-11)<br>on 12,340 Equity Shares       | -  | 37,020  |
| -Final Dividend (2010-11)<br>On 1,73,000 Preference Shares | -  | 5,19,000                                      |
| -Final Dividend (2011-12)<br>On 11,740 Equity Shares       | 17,610                                       | -   |
| -Final Dividend (2011-12)<br>On 1,73,000 Preference Shares | 5,19,000                                     | -   |

**Note No. '41'** All assets and liabilities are presented as Current or Non-current as per the criteria set out in the Revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has ascertained its operating cycle less than 12 months, accordingly 12 months period has been considered for the purpose of Current/Non current classification of assets and liabilities.

**Note No. '42'** The previous year figures have been regrouped/reclassified wherever it found necessary to correspond with the current year's classification/disclosure. Accordingly amounts and other disclosures for the preceding year are included as and integral part of the current year's financial statements and are to be read in relation to the amounts and other disclosures relating to current year.

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In terms of our Audit Report of even date.

For KALANI & COMPANY  
Chartered Accountants  
FRN - 000722C

K.L. JHANWAR  
Partner  
M.No. 014080

Place : Mumbai  
Dated : 24<sup>th</sup> May, 2013

R.L. TOSHNIWAL  
Chairman

Rakesh Mehra  
Vice Chairman and C.F.O.

J.K. JAIN  
Sr. Vice President (Fin. & Com.)  
& Company Secretary

RAVINDRA KUMAR TOSHNIWAL  
Managing Director

Directors  
P. KUMAR  
P.K. BHANDARI  
KAMAL KISHORE KACHOLIA  
VIJAY MEHTA  
A.N. JARIWALA

**Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2013, pursuant to the Listing Agreement with Stock Exchanges, Mumbai**

(₹ In Lacs)  
2011-12

|   | 2012-13           |          | 2011-12           |
|---|-------------------|----------|-------------------|
| <b>A) Cash Flow From Operating Activities</b>                       |                   |          |                   |
| Net Profit After Tax as per Statement of Profit and Loss            | 1,206.56          |          | 1,488.70          |
| Adjustment for  |                   |          |                   |
| Provision for Taxation and Deferred Tax Liabilities                 | 902.26            |          | 241.33            |
| Net Profit Before Tax and After Extra Ordinary Items                | 2,108.82          |          | 1,730.03          |
| Adjusted for  |                   |          |                   |
| Depreciation  | 5,167.97          | 4,311.09 |                   |
| Loss/(Profit) on Sale of Fixed Assets (Net)                         | 33.25             | 129.03   |                   |
| Interest Paid   | 8,230.32          | 7,519.80 |                   |
| Rent Received   | (5.10)            | (4.46)   |                   |
| Dividend Received   | (3.81)            | (2.48)   |                   |
| Extraordinary Items   | -                 | -        |                   |
| Operating Profit Before Working Capital Changes                     | 13,422.63         |          | 11,952.98         |
| Adjusted for  |                   |          |                   |
| Increase in Trade & Other Receivable                                | 2,058.13          | 4,593.65 |                   |
| Increase in Inventories   | 2,180.43          | 1,656.21 |                   |
| Increase/(-)Decrease in Trade Payable                               | (4,078.65)        | (771.33) |                   |
| Cash Generated From Operations                                      | 15,371.54         |          | 6,661.82          |
| Net Tax Inflow / (-)Outflow   | 281.06            |          | 349.34            |
| <b>Net Cash From Operating Activities (A)</b>                       | <b>15,090.48</b>  |          | <b>6,312.48</b>   |
| <b>B) Cash Flow From Investing Activities</b>                       |                   |          |                   |
| Increase(-)/Decrease (+) in Capital Work-in-Progress                | 2,133.91          |          | (992.02)          |
| Purchase of Fixed Assets  | (7,558.24)        |          | (8,120.82)        |
| Purchase of Investment  | (199.90)          |          | (65.32)           |
| Sale of Fixed Assets  | 93.42             |          | 207.91            |
| Rent Received   | 5.10              |          | 4.46              |
| Dividend Received   | 3.81              |          | 2.48              |
| <b>Net Cash Used in Investing Activities (B)</b>                    | <b>(5,521.90)</b> |          | <b>(8,963.31)</b> |
| <b>C) Cash Flow From Financing Activities</b>                       |                   |          |                   |
| Proceeds From Issue of Share Capital/ (Application Money)           | -                 |          | 0.13              |
| Proceeds From Long Term Borrowings                                  | 2,971.20          |          | 6,218.47          |
| Repayment of Long Term Borrowings                                   | (5,215.92)        |          | (3,299.58)        |
| Interest Paid   | (8,228.39)        |          | (7,434.75)        |
| Increase/(Decrease) in Bank Borrowings                              | 1,372.69          |          | 7,695.23          |
| Proceeds From Unsecured Loans                                       | 958.80            |          | 509.95            |
| Repayment of Unsecured Loans  | (809.15)          |          | -                 |
| Dividend and Tax Thereon Paid                                       | (263.07)          |          | (520.00)          |
| <b>Net Cash From Financing Activities (C)</b>                       | <b>(9,213.84)</b> |          | <b>3,169.45</b>   |
| <b>Net Increase/ (Decrease) in Cash and Cash Equivalents(A+B+C)</b> | <b>354.74</b>     |          | <b>518.62</b>     |
| Opening Balance of Cash and Cash Equivalents                        | 1,285.74          |          | 767.12            |
| <b>Closing Balance of Cash and Cash Equivalents</b>                 | <b>1,640.48</b>   |          | <b>1,285.74</b>   |

In terms of our Audit Report of even date:

For KALANI & COMPANY  
Chartered Accountants  
FRN - 000722C

K.L. JHANWAR  
Partner  
M.No. 014080

Place : Mumbai  
Dated : 24<sup>th</sup> May, 2013

R.L. TOSHNIWAL  
Chairman

RAKESH MEHRA  
Vice Chairman & C.F.O.

J.K. JAIN  
Sr. Vice President (Fin. & Com.)  
& Company Secretary

RAVINDRA KUMAR TOSHNIWAL  
Managing Director

Directors  
P. KUMAR  
P.K. BHANDARI  
KAMAL KISHORE KACHOLIA  
VIJAY MEHTA  
A.N. JARIWALA

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## ANNEXURE-II TO DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of particulars in the report of Board of Directors) Rule, 1988.

### A. CONSERVATION OF ENERGY:

#### a) Energy Conservation measures taken.

##### Lighting

During the year, additional 2 Nos.-415/380 volt step down transformers are fixed in lighting to increase the life of Fluorescent tubes and by fixing louvers around 1000 nos. to increase light on machines.

##### Machines

- 1) Monitoring of compressed air leakages in Unit BSL and Unit BFL was carried out & leakages were attended resulting in saving of around ₹3.00 lacs per month.
- 2) Continuous condition monitoring of electric motors of all the departments in Unit BSL & Unit BFL has resulted in 18% reduction of motors burning. The Company has replaced old motors with energy efficient motors, which has reduced break downs, resulting a saving of ₹1.50 lacs per annum.
- 3) Invertors were fixed in winter season on fans and pumps of H&V plants of Unit BSL, Unit BFL, Worsted Spinning and Thermal Power Plants resulting in saving of electrical energy of around ₹20 lacs.

#### Steam Energy Saving Machines

- 1) A Heat recovery plant is installed in Thermal Power Plant costing ₹20 lacs to recover the heat of blowdown of Boilers of Thermal Plant, resulting saving of around ₹3.00 lacs per month.
- 2) Condensate of Fibre Dye House Machine is collected in an underground tank resulting in saving of around 2.5 lac litre water and raising of 8°C feed water temp. in machine.
- 3) Recycling of water from Mazera machine and Jet Dying machine in Unit BTM resulting in saving of 5 lac litre water/ day.

#### b) Additional investment and proposal to be implemented for reduction of consumption of energy.

For saving in steam energy in Unit BTM and Dye House, installations of heat recovery units is proposed to be acquired from M/s Forbes Marshal P. Ltd. Pune, which will result in saving steam of around ₹ 100 lacs/annum; the project cost will be around ₹ 150 lacs.

#### c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

All these measures are money saving devices for the Company, which ultimately, will go to reduce the cost of production of the Company.

#### d) Total energy consumption and energy consumption per unit of production in respect of Industries specified in the schedule thereto.

As per form 'A' enclosed.

### B. TECHNOLOGY ABSORPTION:

#### Efforts made in technology absorption.

As per form 'B' enclosed.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans have been discussed under the head "Exports" in the main body of the Directors' Report.

The information in respect of Foreign Exchange outgoing and earning is contained in item Note No.39 (d) and (e) annexed to the Balance Sheet as at 31<sup>st</sup> March, 2013.

#### FORM- A

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

#### A. POWER AND FUEL CONSUMPTION

| Sr. Particulars No.                      | Current Year 2012 -13 | Previous Year 2011 -12 |
|--|-----------------------|------------------------|
| 1. Electricity                           |                       |                        |
| a) Purchased Units (Lacs)                | 66.80                 | 140.16                 |
| Total Amount (₹ in lacs)                 | 475.48                | 750.01                 |
| Rate/Unit (₹)                            | 7.12                  | 5.35                   |
| b) Own generation                        |                       |                        |
| i) Through Coal based                    |                       |                        |
| Thermal Power plant Unit (lacs) 1857.93* |                       | 1,614.05               |
| Units per Kg. of Coal (No's)             | 0.882                 | 0.919                  |
| Cost/Unit (₹)                            | 4.30                  | 3.79                   |
| ii) Through Furnace Oil                  |                       |                        |
| Generator unit (Lacs)                    | -                     | 0.86                   |
| Units per Kg. of Furnace Oil (No's)      | -                     | 4.48                   |
| Cost/Unit (₹)                            | -                     | 7.59                   |
| iii) Through Diesel Generator unit       | 1.02                  | 0.67                   |
| Units per Ltr. of Diesel Oil (No's)      | 4.49                  | 3.22                   |
| Cost/Unit (₹)                            | 12.26                 | 13.29                  |
| 2. Coal                                  |                       |                        |
| Qty.(MT)                                 | 1,72,334              | 1,40,287               |
| Total Cost (₹ in lacs)                   | 6,717.82              | 5,246.69               |
| Average Rate/MT (₹)                      | 3898                  | 3,740                  |
| 3. Lignite                               |                       |                        |
| Qty.(MT)                                 | 67,171                | 75,135                 |
| Total Cost (₹ in lacs)                   | 1,756.73              | 2,050.54               |
| Average Rate/MT (₹)                      | 2,615                 | 2,729                  |
| 4. Petcoke                               |                       |                        |
| Qty. (MT)                                | 11,770                | 2,868                  |
| Total Cost (₹ in lacs)                   | 916.17                | 234.56                 |
| Average Rate/MT (₹)                      | 7,784                 | 8,179                  |

|                              |                |                |
|------------------------------|----------------|----------------|
| 5. LPG                       |                |                |
| Qty. (MT)                    | 618            | 484            |
| Total Cost (₹ in lacs)       | 427.58         | 261.33         |
| Average Rate/MT (₹)          | 69,237         | 54,011         |
| 6. Furnace Oil               |                |                |
| Qty. (Kgs.) lacs             | 5.94**         | 5.47           |
| Total Amount (₹ in lacs)     | 219.65         | 206.70         |
| Average Rate/Kg. (₹)         | 36.98          | 37.76          |
| 7. Diesel Qty. (Ltrs. lacs)  | 0.99           | 0.47           |
| Total Amount (₹ in lacs)     | 40.73          | 18.07          |
| Average Rate/Ltr. (₹)        | 41.12          | 38.24          |
| 8. Other/Internal generation | Not applicable | Not applicable |

\* Including 4124161KWH given to Carreman Fabrics India Ltd. for job weaving done for the Company (Previous year 4554340 KWH)

\*\* Used for steam generation.

## B. CONSUMPTION PER UNIT OF PRODUCTION

Power facility is common for production of cloth and yarn; accordingly, such information for each product is not available.

### FORM B

## FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION - 2012-13

### RESEARCH AND DEVELOPMENT (R & D)

#### A. Specific areas in which R & D carried out by the Company.

- The Company has established a well-equipped Laboratory for testing of Fibre, Yarn and fabric as per the requirements of International and Indian testing standards such as ISO, AATCC, ASTM, Levis & Co, Marks & Spencer, NEXT, COACH, Indian Standards, etc.
- The Laboratory has been awarded Accreditation/ certifications by various international buyers such as LS&CO; Marks & Spencer, NEXT and COACH.
- The Laboratory has the membership with AATCC, ASTM and BTRA so as to up- grade itself with the latest technology and developments in textile industry.
- The Laboratory is also equipped with Technical Textile Fabric testing equipment for the testing of :
  - Fire Retardant Curtain fabrics, for supply to Indian Railways; the Laboratory has been awarded Accreditation / Certification by RDSO (Research Design & Standard Organization)
  - Bonded Three Layer Breathable fabric, Parachute fabric and Tent Fabric, supplied to Indian Defence services.
  - Bonded Fabric, supplied to COACH, and has been Awarded Accreditation / Certification by SGS.
  - Automobile Fabrics for supply to Renault, Toyota, Tata motors etc.
- The Laboratory has been established with On-Line testing facility having equipment such as Data color spectrophotometer, Auto dispensing dyeing technique etc., and acts as a service provider to the production

department by testing various dyes & chemicals, establish and provide recipe for dyeing and finishing departments etc.

- The Company facility has been awarded Accreditation/ Certification by ADITYA BIRLA GRASIM - Cellulose Textile Research & Application Development Centre, for Excellence in Processing Cellulose Fibers and its blends and for demonstrating technical competence and quality management of the process house.
- The Company facility has been awarded Accreditation/ Certification by GRS (Global Recycle Standard) and CUC (Control Union Certification) for the consumption of Re-Cycle Polyester fibres in the manufacturing of yarns and fabrics.

#### B. DESIGN & DEVELOPMENT.

The company has a well developed fabric & garment designing department and has created a garment studio at Mumbai office for the display of various fabrics and garments and are continuously engaged in upgradation of fabric and garment designs. The company has also procured computer software to create and develop new designs and patterns for manufacturing Jacquard fabrics.

#### C. BENEFITS DERIVED AS A RESULTS R & D.

- All yarns & Fabrics manufactured in the Company are meeting all International & National standards and have created wide acceptance in Global and local markets.
- The fabric sample is being tested in the Company's laboratory as per customers' requirements/ International standards, thereby saving time and cost as far as delivery is concerned.
- Due to constant up-gradation in technology in the laboratory and production facilities the Company has produced Hi-Quality finished Apparel fabrics such as Wrinkle Recovery, Stain Defender, Moisture Management, etc.
- The company has developed Technical Textile fabrics such as Three layer high altitude Breathable fabric, Fire Retardant Curtain fabric for the supply to Indian Railways, Automobile fabric for the supply to Renault, Toyota, Tata Motors, Maruti Motors, etc.
- For Worsteds suiting, the Company has installed and developed latest dyeing and radio frequency drying machines for wool dyeing activities to enhance quality of production.
- The Company has started shirting activities in linen, cotton, etc with modern high speed looms.
- Further, the Company has installed latest finishing machines like Shearing & Cropping, Scouring & Milling & Scouring, Damping, Pressing for the processing of 100% woolen and Woolen Blended worsteds finished Fabric.

#### D. Future plans and action

- Research and development is a continuous process. The Company is going to add new testing equipment for all wool and wool mixed fabrics and upholstery fabrics.



## ANNUAL REPORT 2012-13

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2. In line with continuous increase in demand for Quality Yarns & finished Apparels and Technical Textile fabrics, latest Hi-Tech Spinning, Weaving and Processing Machines are being installed.
3. For the garment division, the Company has imported Jackets stitching machinery which has been installed in garment factory at Surat.

Similarly, Testing activities are being expanded in spinning and Finished fabric testing by importing latest testing equipment like HVI for cotton testing, UT-5 (evenness Tester), Tensorapid, and other equipment (for worsted Spinning).

### **E. Expenditure on R & D**

- a) Capital expenditure-approx ₹175 lacs
- b) Recurring Normal running expenditure- ₹115 lacs
- c) Total- ₹290 lacs
- d) Total R & D expenditure as percentage of total turnover is less than 1%.

### **TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

#### **1. Efforts, in brief, made towards technology absorption, adoption and innovation.**

The Company regularly encourages its technicians to upgrade their technical and intellectual levels by enabling/deputing them to attend various Technical Seminars and Training programs on various subjects like Testing, Spinning, Weaving, Processing, etc. both in India and Overseas.

The Company's Designing and Marketing teams regularly attend various Seminars and Exhibitions both in India and

overseas to understand the latest trends in designing and development areas and utilize the knowledge experience to stand in pace with other competitors.

The Company has joint ventures (J.Vs) with M/s Treves S.A., France, for manufacturing of high valued automotive fabric for supply to reputed brand like Nissan, Renault, Toyota, TATA and other reputed automobile industries.

#### **2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, production development, import substitution etc.**

The Company was earlier depending on out side Yarn Dyer for texturised filament yarn dyeing. The introduction and increasing the capacity of cotton / texturised filament yarn dyeing facility at Banswara has enabled Company to reduce the lead time. Now, it can deliver its products to the customers in about 15 days. The cost of dyeing is comparatively less as the Dye House at Banswara is consuming bleed steam from the captive Thermal Power Plant. The Company has cut some of the production processes and yet maintained the same quality standard. The Company has also developed special yarns in-house which are used for fabric designing. It is a part of import substitution endeavour.

#### **3. In case of imported technology (import during the last 5 years reckoned from the beginning of the financial year) the following information may be furnished.**

Not applicable.

For and on behalf of the Board

Place: Mumbai  
Dated: 24<sup>th</sup> May, 2013

**R.L. TOSHNIWAL**  
Chairman

## BANSWARA SYNTEX LIMITED

Regd. Office: Industrial Area, Dohad Road, Banswara-327 001 (Raj.)

Dear Shareholders,

### RE : Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit.

Keeping in view the underlying theme and the circular issued by MCA, we propose to send all documents to be sent to Shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report etc. henceforth to the shareholders in electronic form, to the e-mail address provided by them and made available to us by the Depositories. Please note that these documents will also be available on the Company's website [www.banswarasyntex.com](http://www.banswarasyntex.com) for download by the shareholders. The physical copies of the Annual Report will also be available at our Registered Office in Banswara (Rajasthan) for inspection during office hours.

In case you desire to receive the above mentioned documents in electronic mode, you are requested to send this form duly completed in all respects to the registered office of the Company for registering your e-mail address. Please note that you will be entitled to be furnished free of cost, with a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto including the Statement of Profit and Loss and Auditors' Report, upon receipt of a requisition from you, any time, as a member of the Company.

We are sure, that as a responsible citizen, you will whole-heartily support this initiative and will co-operate with the Company in implementing the same.

For Banswara Syntex Limited

**J.K. JAIN**

Sr. Vice President (Fin. & Com.)  
& Company Secretary

### FORM FOR REGISTERING E-MAIL ID IN RECORDS OF THE COMPANY

|   |  |
|---|--|
| Registered Folio No./DP ID*/Client ID*  |  |
| Name(s) of Member(s)/Beneficial Owner:<br>(including joint holders, if any, in block letters) |  |
| Registered address of the sole/first named<br>Member/Beneficial Owner                         |  |
| No. of shares held  |  |
| e-mail ID   |  |

\*applicable to investors holding shares in dematerialized form

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## BANSWARA SYNTEX LIMITED

Regd. Office: Industrial Area, Dohad Road, Banswara-327 001 (Raj.)

Dear Shareholders,

SEBI, vide its letter No.DCC/FITTCIR-3/2001 dated 15<sup>th</sup> October, 2001, has advised that all companies should mandatory use Electronic Clearing Services (ECS) facility for distributing dividends or other cash benefits to the investors where-ever available. In the absence of availability of ECS facility, the companies may use warrants for distributing the Dividends.

Currently, ECS facility is available at locations specified by RBI. We request all the shareholders to give their bank details so that all future Dividend payments can be remitted through ECS. In case of shareholders staying at locations not currently covered by ECS, the bank account details will be used for sufficing along with the name of the shareholder on the dividend warrants issued in future.

For Banswara Syntex Limited

**J.K. JAIN**

Sr. Vice President ( Fin. & Com.)  
& Company Secretary

### ECS MANDATE FORM

(For use by Shareholders holding Shares in physical mode only)

Banswara Syntex Limited.  
Industrial Area, Dohad Road  
BANSWARA-327 001 (RAJ.)

Dear Sirs,

Change in mode of payments to Electronic Clearing Services (ECS)

I hereby consent to have the amount of Dividend on my equity shares credited through the Electronic Clearing System (Credit Clearing) [ECS]. The particulars are:

1. Folio No. : \_\_\_\_\_  
[Folio No. given in equity share certificate(s)]
2. Member's Name: Mr./Ms. : \_\_\_\_\_
3. Member's address : \_\_\_\_\_
4. Particulars of the Bank A/C : \_\_\_\_\_  
\* Bank name : \_\_\_\_\_  
\* Branch name : \_\_\_\_\_  
\* Mention the 9-digit code number of the bank and  
branch appearing on the MICR cheque issued by the bank : \_\_\_\_\_  
(Please attach a photocopy of a cheque or a blank cancelled cheque issued by your bank for verifying the accuracy of the code number)

\* Account type (please) Savings ☐ Current ☐ Cash Credit ☐

\* Account number (as appearing on the cheque book) : \_\_\_\_\_

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information for any reasons, I would not hold the Company responsible. I also undertake to advise changes, if any, in the particulars of my account to facilitate updation of records for purposes of credit of Dividend amount through ECS.

Signature of the first named/sole Member

#### Note :

1. Please complete the form and send it to the Company if you are holding share certificate(s) in physical form.
2. IN CASE YOUR SHARES ARE IN DEMATERIALIZED FORM, INFORM/UPDATE YOUR INFORMATION DIRECTLY WITH THE DEPOSITORY PARTICIPANT (DP) WITH WHOM YOU ARE MAINTAINING DEMAT ACCOUNT AND NOT TO THE COMPANY.
3. In case of more than one Folio please complete the details on separate sheets.
4. Payment through ECS is subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time.

Place :

Date :

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# BANSWARA SYNTEX LIMITED

Regd.Office : Industrial Area, Dohad Road, BANSWARA-327 001(Raj.)

## PROXY FORM

|                                       |  |
|---------------------------------------|--|
| Regd.Folio No. / DPID & Client ID No. |  |
| No. of Shares                         |  |

37<sup>th</sup> Annual General Meeting

I/We \_\_\_\_\_  
of \_\_\_\_\_ In the District of \_\_\_\_\_  
being a member /members of the above named Company hereby appoint  
Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 3.30 P.M. on Saturday the 24<sup>th</sup> August, 2013 and at any adjournment thereof.

Signed this day \_\_\_\_\_ of \_\_\_\_\_ 2013

Signature \_\_\_\_\_

**AFFIX  
1 Rupee  
revenue  
stamp**

Note: This form in order to be effective should be duly filled and signed across stamp and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

# BANSWARA SYNTEX LIMITED

Regd.Office: Industrial Area, Dohad Road, BANSWARA-327 001(Raj.)

## ATTENDANCE SLIP

|                                       |  |
|---------------------------------------|--|
| Regd.Folio No. / DPID & Client ID No. |  |
| No. of Shares                         |  |

37<sup>th</sup> Annual General Meeting

I certify that I am a registered shareholder /proxy for the registered shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the Company at 3.30 P.M. on Saturday the 24<sup>th</sup> August, 2013 at the Company's Registered Office.

Member's/Proxy's name in BLOCK Letters

Member's/Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the ENTRANCE .

Members are requested to bring their copy of Annual Report to the meeting.



BOOK POST

Printed Matter

**ANNUAL REPORT  
2012-13**

To,

**Banswara**  
**SYNTEX LIMITED**  
An IS/ISO 9001:2008 Company

If undelivered, please return to

**BANSWARA SYNTEX LIMITED**

Industrial Area, Dohad Road,  
BANSWARA - 327 001 (Raj.)

Web : [www.banswarasyntex.com](http://www.banswarasyntex.com)

Phone : +91-(2962)-257676, 679-681

Fax : +91-2962-240692



An ISO 9001:2008 Company

www.banswarasyntex.com

# BANSWARA SYNTEX LIMITED

Registered Office & Mills:

Industrial Area, Dahod Road, BANSWARA – 327 001 (Rajasthan)

Ph No. : +91 2962 240690-91, 93, 257679 - 681 Fax: (02962) 240692

secbsw@banswarafabrics.com



www.saintx.in

BSL: SECL: 13

28<sup>th</sup> August, 2013

Bombay Stock Exchange Limited  
Listing Deptt.  
Floor 25, P.J. Towers  
Dalal Street  
MUMBAI – 400 001

Dear Sir/ Ma'am,

## FORM A

Format of covering letter of the annual audit report filed with the stock exchange.

|   |  |                         |
|---|--|-------------------------|
| 1 | Name of the Company                            | Banswara Syntex Limited |
| 2 | Annual financial statements for the year ended | 31.03.2013              |
| 3 | Type of Audit observation                      | Unqualified             |
| 4 | Frequency of observation                       | -                       |
| 5 | Signed by CEO/Managing Director                | Yes                     |
|   | CFO  | Yes                     |
|   | Auditors of the Company                        | Yes                     |
|   | Audit Committee Chairman                       | Yes                     |

We are enclosing herewith six copies of our Annual Report for the Financial Year ~~2012-13~~ <sup>2013-14</sup> ~~TRIMEST~~

Thanking you,

Yours faithfully,  
For BANSWARA SYNTEX LIMITED,

(J.K. JAIN)

SR. VICE PRESIDENT (FIN. & COM.)  
& COMPANY SECRETARY

Encl.: as above