

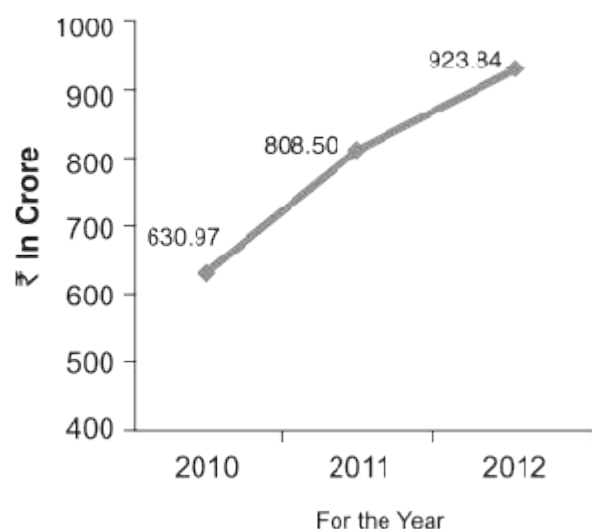
# 36<sup>TH</sup> ANNUAL REPORT

## 2011-2012

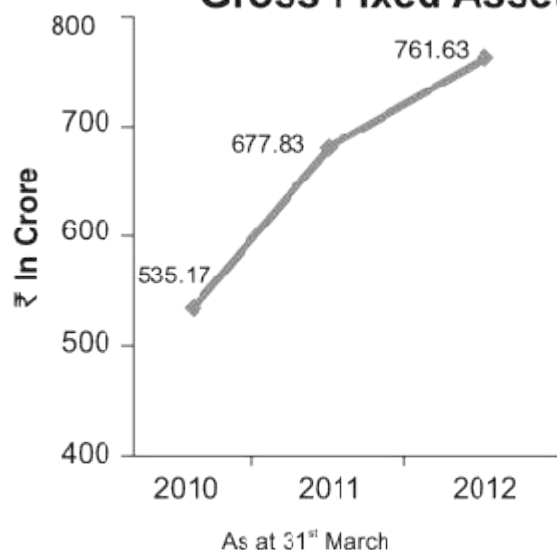
**Banswara**  
**SYNTEX LIMITED**  
An ISO 9001:2008 Company

### BANSWARA SYNTEX LIMITED

### Total Income



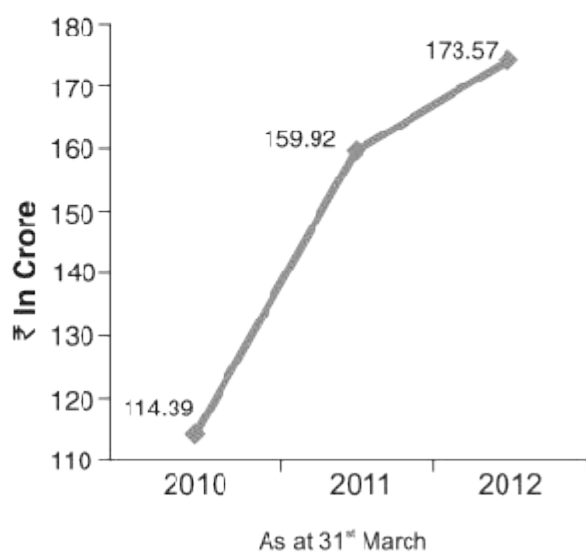
### Gross Fixed Assets



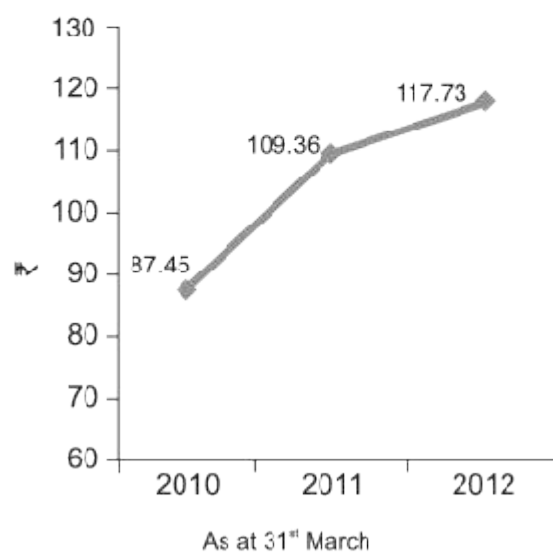
## KEY HIGHLIGHTS OF 2011-12

- Total Income increased by 14.27%
- Basic EPS ₹ 10.06
- Book Value of Shares ₹ 117.73 per share.
- Net Worth ₹ 174 Cr.
- Net Worth and DTL ₹ 206 Cr.
- Dividend 15%

### Net Worth



### Book Value Per Share





## 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, Nominée Director

### EXECUTIVES

Shri S.S. Sajal, President  
Shri J.K.Rathi, President (Commercial)  
Shri J.K.Jain, Sr. Vice President (Finance & Commerce)  
& Company Secretary  
Shri S.N. Gupta, Senior Vice President (Technical)  
Shri S.S. Kolla, 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)

### AUDITORS

M/s. Kalari & 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 Ganchi 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 : secbaw@banswarafabrics.com  
website : www.banswarasyntex.com  
Phone No. (02962) 257676, 257677, 257679-681  
240690, 240691  
Fax No. (02932) 240692

### HEAD/MARKETING OFFICE

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

### DELHI OFFICE

1E/5, Ground Floor  
Jhandewalar Extn.  
NEW DELHI-110 055

### JAIPUR OFFICE

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

### PLANTS

**Banswara Unit** (Spinning, Weaving,  
Finishing & Madeups)  
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)

### 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.

### NOTICE

**NOTICE** is hereby given that 36<sup>th</sup> Annual General Meeting of the shareholders of Banswara Syntex Limited, will be held on Saturday, the day of 11<sup>th</sup> August, 2012 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, 2012, 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 Equity Shares for the year 2011-12.
- To declare dividend on Preference shares for the year 2011-12.
- To appoint a Director in place of Shri Vijay Kumar Agarwal who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri Kamal Kishore Kacholia who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri Vijay Mehta 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

Place : Mumbai  
Date : 21<sup>st</sup> May, 2012

**J.K. JAIN**  
Sr. Vice President (Fin. & Com.)  
& 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. 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 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 4<sup>th</sup> August, 2012 to 11<sup>th</sup> August, 2012 (both days inclusive) in connection with the payment of dividend for the financial year 2011-12.
4. Shareholders are requested to immediately notify, to the Company, any change in their address.
5. Keeping in view of the new provision 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 16<sup>th</sup> August, 2012 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 3<sup>rd</sup> August, 2012.

- 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 3<sup>rd</sup> August, 2012.

3. Members holding shares in physical form are advised to furnish, on or before 23<sup>rd</sup> July, 2012, 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 2004-05 to 2010-11. 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. 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 2004-05 will be transferred to the above fund in October, 2012. 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 and in case of shares held in dematerialized 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 reappointment 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](mailto:secbsw@banswarafabrics.com) and [helpdesk@computechsharecap.com](mailto: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 : 21<sup>st</sup> May, 2012

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

## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors are pleased to present the 36<sup>th</sup> Annual Report of the Company together with its Audited Accounts for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL REVIEW

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2012 is summarized below.

	(₹ in Lacs)	
	This year 2011-12	Previous year 2010-11
Gross Income	96,728	83,805
Net Income	92,384	80,850
Profit before Interest, extra-ordinary items, depreciation & tax	13,561	13,899
Profit before extra-ordinary items, depreciation & tax	6,041	9,509
Profit before depreciation & tax	6,041	9,653
Less: Depreciation	4,311	3,402
Profit before tax	1,730	6,251
Tax on Income	241	1,558
(a) Current Tax	-	1,264
(Net of M/T Credit of ₹ 340.34 lacs) (Previous Year ₹ 35.71 lacs)		
(b) Deferred Tax	241	294
Profit after Tax	1,489	4,693
Dividend on Equity and Preference Shares	226	788
Tax on Dividend	37	72
Earning per share (Rs) : Basic	10.06	32.05
Diluted	10.06	31.79

₹ 1500 Lacs ( Previous Year ₹ 3500 Lacs ) have been transferred to General Reserve out of Surplus

### OPERATIONS

During the year 2011-12, the production of Synthetic yarn increased to 279 lac Kgs, up by 2% and that of worsted yarn increased to 14.02 lac Kgs, up by 16%. Production of garment increased by 7% to 21.93 lac pieces. During the year the Company produced more of value added fabrics and technical textiles. However, the overall production of fabric at 311 lac meters was down by 4%. Over the previous year the Company has started production of shirting fabric also.

During the year the Company's net income from operations at ₹ 924 crore recorded growth of 14% over ₹ 809 crore in 2010-11. The Company's turnover in value for yarn increased by 13%, fabric by 14% and garments by 29%. This confirms the Company's thrust on value added fabrics and readymade garments.

During the year, the textile industry faced global recession and the Indian currency witnessed sharp fluctuations in its valuation against US Dollars. The finance cost during the year also increased substantially. The profit before interest, depreciation and tax for F.Y. 2011-12 was ₹ 136 crore as against ₹ 139 crore

in 2010-11. The profit before depreciation and tax has been ₹ 60 crore as against previous year's ₹ 97 crore. The reduction is mainly attributed to the additional finance cost. In the wake of higher quantum and increase in interest rate on borrowings besides withdrawal of subvention. The net profit after tax at ₹ 14.89 crore is almost one third of ₹ 46.93 crore for 2010-11. The Company has paid ₹ 349 lacs, (Previous Year ₹ 1,300 lacs) as income tax besides providing ₹ 241 lacs as deferred tax liability for the year under report.

The basic and diluted earnings for the year 2011-12 works out to ₹ 10.06 per share as against previous year's EPS at ₹ 32.05 and ₹ 31.79 respectively.

### EXPORTS

During the year, the export turnover excluding export benefits was at ₹ 472 crores as against ₹ 461 crores during 2010-11, up by about 2.37%. The growth took place in all the 3 segments of yarn, fabric and garments. The export performance of the Company was adversely affected by the sharp fluctuations in exchange rate of Indian rupee against US Dollar.

During the year under report, the Company's marketing as well as design and development teams collected the feed-back in the international market by participation in the international trade fairs, meetings with the customers, etc. The Company has added few more new customers World wide. Its design studio for fabric and garments helped the Company to penetrate in the new areas/customers domestically and internationally.

### DIVIDEND

Your Directors now pleased to recommend dividend of ₹ 1.50 per equity share against the previous year's total dividend of ₹ 5/- per equity share of ₹ 10/- each. The total dividend payout for the year will absorb ₹ 221 lacs (Previous Year ₹ 733.45 lacs) besides ₹ 36.71 lacs by way of tax on dividend. The Company is also to pay 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 ₹ 82.64 crore for acquisition of fixed assets, besides the capital-work-in-progress at ₹ 25.67 crore and advances to the capital goods suppliers at ₹ 7.76 crore as at 31<sup>st</sup> March, 2012. Capacity expansion has taken place in all the areas of operations. The ring spinning capacity increased by 2004 spindles, besides addition of 112 looms in weaving section; one mercerizing machine and one Raising machine have been installed in finishing house and one line each has been added for production of Trousers and Jackets. The Company discarded/sold 4908 spindles, 144 Airjet spindles and 12 looms during the year.

The total production capacity of the Company as at 31<sup>st</sup> March, 2012 for yarn production is 143416 ring spindles including



14400 spindles for worsted yarn spinning, 592 Air Jet spindles, 340 shuttleless looms, 28 Air Jet jacquard looms, 7 starters with processing capacity of 5 million meters a month and 2.95 lac pieces of garments per month.

The Company has plans to invest about ₹34 crore for expansion and modernization of the plant during the year 2012-13. This would add 8256 ring spindles, 6720 worsted spindles, 30 looms and some yarn dyeing machines to increase yarn dyeing capacity by 2 MT per day.

### **JOINT VENTURE**

Carreman Fabrics India Ltd. the Joint Venture (JV) Company has a weaving unit having installed capacity of 60 Rapier Looms of its own along with 17 additionally installed looms of your Company in its premises. Your Company has 50% stake in JV's equity share capital with an equal stake of Carreman, France.

During the year 2011-12, JV Company produced 62.77 lacs meters of gray fabric as against 64.83 lacs meters in the previous year. The net profit during the year 2011-12 increased to ₹29.21 lacs as against ₹24.13 lacs up by 21%.

Your Company, as a measure of further diversification of business, has entered into another Joint Venture agreement with Treves S.A., France with 50:50 partnership and incorporated a Special Purpose Vehicle (SPV) to be known as 'Treves Banswara Pvt. Ltd.' The JV Company will produce laminated knitted and woven textiles for internal furnishing of trains, buses and other automobiles.

### **POWER PLANT**

The Company's two units of Captive Thermal Power Plant of 33 MW capacity are working satisfactorily. The Company is mainly consuming imported Coal for these power plants. It has also signed a fuel supply agreement with South Eastern Coalfields Limited (SECL) for purchase of Indian Coal. The Company has also purchased lignite from Fajasthan State Mines and Minerals Corporation Limited (RSM) and GMDC, Gujarat. The purchase of this coal has reduced the cost of power generation. The Company's application for sanction of Government Coal Quota for 2<sup>nd</sup> Unit of its power plant is under consideration with Ministry of Coal/Power.

### **FINANCE**

During the year 2011-12, the Company availed Term Loans aggregating ₹63.28 crore from Banks and Financial Institutions. The Company has applied for additional term loan of ₹19.20 crore from IDBI Bank to part finance its expansion-cum-modernization project of ₹34 crore.

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

### **CONTRIBUTION TO EXCHEQUER**

During the year, your Company contributed ₹5,810.73 lacs 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 2012. 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, 2012, the Company had such deposits aggregating ₹939.95 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**

Export Import Bank of India (EXIM Bank) has withdrawn the nomination of Dr. R. Swaminathan from the Board of the Company from 18.04.2012 and, in his place, nominated Shri C.P. Ravindranath as their Nominee Director on the Board of Directors of the Company. The Board wishes to place on record its deep appreciation of the contribution made by Dr. Swaminathan during the deliberations in Board meetings.

In accordance with the provisions of Articles of Association of the Company, Shri Vijay Kumar Agarwal, Shri Kamal Kishore Kacholia and Shri Vijay Mehta 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, 2012, the applicable Accounting Standards have been followed and 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, 2012 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, 2012 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 comprised as at 31.03.2012, 3(three) Independent Directors viz. Shri P. Kumar (Chairman), Shri Kamal Kishore Kacholia and Shri S.B. Agarwal as members. Shri Ravindra Kumar Toshniwal, Managing Director has been included into the committee w.e.f. 21<sup>st</sup> May, 2012.

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 the K.G. Goyal & Company, Cost Auditors for conducting Cost Audit for the financial year 2011-12.

The Cost Audit Report for the year 2011-12 shall become due for filing on 27<sup>th</sup> September, 2012. The audit work is under process.

K.G. Goyal & Company, Cost Accountants, Jaipur, have been appointed as Cost Auditors of the Company for the financial year 2012-13. 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 on Account 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 and disputed liabilities of ₹1.96 lacs towards the excise duty. The matter pertaining to service tax refunds taken by the Company are under appeal with CESTAT, New Delhi and Commissioner Appeal, Jaipur, Rajasthan. Excise duty demand is under appeal with Hon'ble High Court, Rajasthan & Joint Secretary, Govt. of India. Income Tax demand of ₹26.35 lacs on account

of additions and disallowances made in the Assessment by the authority against which appeal has been filed before Commissioner of Income Tax (Appeals) Udaipur.

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 offered demat option to its esteemed shareholders so as to enable them to trade the shares in the demat form. In response, 97.41% shares have been converted into demat form up to 31<sup>st</sup> March, 2012. The stock code number in NSDL and CDSL for equity shares of the Company is ISIN INE 629D01012.

### 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.

### ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation for the 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 review. The Directors thankfully 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: 21<sup>st</sup> May, 2012

**R. L. TOSHWIWA**  
Chairman

**ANNEXURE-I TO THE DIRECTORS' REPORT****CORPORATE GOVERNANCE REPORT**

'Corporate Governance' is the system by which companies are directed, controlled 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 on corporate affairs. The Company adheres to good corporate practices and is constantly striving to improve by adopting emerging best practices.

**I. COMPANY'S PHILOSOPHY**

Banswara Syntex Limited is committed to the best governance practices and their adherence is in the true spirit at all times. The Company is also committed to maintain the highest level of transparency, accountability and equity in 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. It is intended to ensure attractive returns to all stakeholders of the business based on the belief that sound Corporate Governance is a prerequisite to sustain, strengthen and enhance the investors' trust. Corporate Governance is a set of principles, processes and systems to be followed by the directors, executives and all employees of the Company for enhancement of shareholders' value while complying with the provisions of law in all dealings with Government, customers, suppliers, employees and other stakeholders.

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 of the Chairman, Managing Director, Vice Chairman and a 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 2/3<sup>rd</sup> 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. 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 2011-12 i.e. on 16<sup>th</sup> May, 2011, 28<sup>th</sup> July, 2011, 11<sup>th</sup> November, 2011 and 13<sup>th</sup> February 2012. The 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 as on 31<sup>st</sup> March, 2012.

**A. Composition of the Board of Directors as on 31.03.2012 and attendance at the Board meetings during 2011-12 :-**

Name of the Director	Attendance at last AGM	No. of Board meetings attended	Category of Director	No. of directorship in other Public Limited Companies	No. of other Board Committees of which Member / Chairman	
					Member	Chairman
Shri R. L. Toshniwal	Yes	4	ED	3	1	-
Shri Ravindra Kumar Toshniwal	Yes	4	ED	2	-	-
Shri Rakesh Mehra	Yes	4	ED	2	-	-
Shri Shaleen Toshniwal	No	3	ED	-	-	-
Shri P. Kumar	Yes	4	NEID	1	1	0
Shri A.N. Jariwala	No	4	NEID	2	-	1
Shri Kamal Kishore Kacholia	No	4	NEID	1	-	-
Shri Vijay Mehta	No	4	NEID	4	-	-
Shri D.P. Garg	No	4	NEID	1	-	-
Shri S.B. Agarwal	Yes	4	NEID	2	1	1
Shri Vijay Kumar Agarwal	No	2	NEID	2	-	-
Dr. R. Swaminathan* (Nominee Director of EXIM Bank)	No	3	NEID	1	-	-
Shri P. K. Bhardari	Yes	4	NEID	11	5	1

ED- Executive Director, NEID- Non Executive Independent Director

\* EXIM Bank withdrew his Nomination w.e.f. 18.04.2012 and in his place, Shri C.P. Ravindranath has been appointed as its nominee on the Board.

## 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, 2012

Sr. No.	Name of Director	Number of Shares
1.	Shri R.L. Toshniwal	10,72,645
2.	Shri Ravindra Kumar Toshniwal	10,76,447
3.	Shri Shaleen Toshniwal	11,90,913
4.	Shri Vijay Mehta	770
5.	Shri P.K. Bhandari	8060

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 thereof 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 Non-Executive Independent Directors viz. Shri P. Kumar (Chairman), Shri Kamal Kishore Kacholia and Shri S. B. Agarwal. The Board has appointed Shri Ravindra Kumar Toshniwal, Managing Director, as a member of the committee from 21.05.2012.

#### MEETINGS

Four meetings of the Committee were held during the year 2011-12 i.e. on 16<sup>th</sup> May, 2011, 28<sup>th</sup> July, 2011, 11<sup>th</sup> November, 2011 and 13<sup>th</sup> February, 2012.





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:

Name of the Member	Meeting(s) held (No.)	No. of meetings attended
Shri P. Kumar	4	4
Shri Kamal Kishore Kacholia	4	4
Shri S. B. Agarwal	4	4

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 is invariably present as a special invitee.

**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 Committees, 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 executive 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.

The Remuneration Committee and the Board of Directors, in its meeting held on 11<sup>th</sup> November, 2011 recommended re-appointment, redesignation and revision in remuneration of Shri R.L. Toshniwal as Chairman, Shri Ravindra Kumar Toshniwal as Managing Director, Shri Rakesh Mehra as Vice-Chairman and Shri Shaleen Toshniwal as Joint Managing Director of the Company from 1<sup>st</sup> January, 2012 to 31<sup>st</sup> December, 2014. The shareholders have approved the same on 07.01.2012 through Postal Ballot.

**COMPOSITION:**

The Remuneration Committee has been reconstituted at the meeting of the Board of Directors held on 21.05.2012 following the withdrawal of nomination of Dr. R. Swaminathan by the EXIM Bank who was the member of Remuneration Committee. Now the Remuneration Committee comprises three Non-Executive Independent Directors viz: Shri P. Kumar (Chairman), Shri D.P. Garg and Shri C.P. Ravindranath.

**MEETINGS**

During the year 2011-12, one meeting of the Committee was held i.e. on 11<sup>th</sup> November, 2011.

**ATTENDANCE**

The attendance of the members at the meeting was as under :-

Name of Member	Meeting held (No.)	No. of meeting attended
Shri P. Kumar	1	1
Shri D.P. Garg	1	1
Dr. R. Swaminathan	1	1

## 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.

### MEETINGS

During the year 2011-12, one meeting of the Committee was held i.e. on 28<sup>th</sup> July, 2011. Fifteen complaints received from the shareholders/investors during the year were promptly resolved to the satisfaction of the complainants and position in respect thereof was duly reported to Board/Stock Exchanges as part of quarterly results.

### ATTENDANCE

The attendance of the members at the meeting was as under:-

Name of Member	Meeting held (No.)	No. of meetings attended
Shri P. Kumar	1	1
Shri Kamal Kishore Kacholia	1	1
Shri Vijay Mehta	1	1

### 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	4	4	<15 days	0	0
Non-receipt of Shares lodged for transfer/exchange	0	9	9	<15 days	0	0
Others	0	2	2	<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 primary 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 2011-12, 21 meetings of Share Transfer Committee were held. Two members constitute the quorum for each meeting. The meetings were held i.e. on, 16<sup>th</sup> April, 2<sup>nd</sup> May, 16<sup>th</sup> May, 5<sup>th</sup> June, 16<sup>th</sup> June, 1<sup>st</sup> July, 1<sup>st</sup> August, 16<sup>th</sup> August, 2<sup>nd</sup> September, 16<sup>th</sup> September, 1<sup>st</sup> October, 17<sup>th</sup> October, 1<sup>st</sup> November, 17<sup>th</sup> November, 1<sup>st</sup> December, 2011, 2<sup>nd</sup> January, 16<sup>th</sup> January, 1<sup>st</sup> February, 17<sup>th</sup> February, 1<sup>st</sup> March, and 16<sup>th</sup> March, 2012.



**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	21	21
Shri P. Kumar	21	21
Shri D. P. Garg	21	18

**IV. DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR 2011-12**

- 1) Appointment, and the terms thereof, of Shri R.L. Toshniwal, Chairman, has been approved by the shareholders (through postal ballot) 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 by the shareholders (through postal ballot) 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 by the shareholders (through postal ballot) 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 by the shareholders (through postal ballot) 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, 2011 to 31<sup>st</sup> March, 2012 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	50.10	18.35
2.	Shri Ravindra Kumar Toshniwal	42.31	15.60
3.	Shri Rakesh Mehra	42.50	15.34
4.	Shri Shaleen Toshniwal	40.50	9.33

**(ii) Non-Executive Independent Directors****(₹ in Lacs)**

Sr. No.	Name of Director	Amount
1.	Shri P. Kumar	1.53
2.	Shri A.N. Jariwala	0.40
3.	Shri Kamal Kishore Kacholia	0.90
4.	Shri Vijay Mehta	0.50
5.	Shri D.P. Garg	0.95
6.	Shri S.B. Agarwal	0.80
7.	Shri Vijay Kumar Agarwal	0.20
8.	Dr. R. Swaminathan, Nominee Director of EXIM Bank	0.40
9.	Shri F. K. Bhancari	0.40

**V. ANNUAL GENERAL MEETINGS**

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

Financial Year	Date	Time	Venue
2008-09	17 <sup>th</sup> Aug., 2009	4.00 P.M.	Regd. Office : Indl. Area, Dohad Road, Banswara -327 001
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

**Special resolutions passed in the last 3 AGMs :** The details of special resolutions passed at AGM's during last 3 years i.e. 2009, 2010 & 2011 are as under :-

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Sr. No.	AGM held on	Special Resolution Passed
1.	17.08.2009	1. Change in object clause to include Generation, dealing and distribution of electricity.
2.	11.08.2010	2. Issue of warrants on preferential basis.
		1. Re-appointment of Shri Shaleen Toshniwal as Whole-time Director
		2. Increase in Authorized Share Capital of the Company and alteration in the Articles of Association.
3.	05.08.2011	1. Amendment of the Articles of Association
		2. Appointment of Shri P.K. Bhandari as Director

### POSTAL BALLOT

Following four Special Resolutions were passed on 07.01.2012, by the company's members through postal ballot.

1. Appointment of Shri R.L. Toshniwal as Chairman of the Company.
2. Appointment of Shri Ravindra Kumar Toshniwal as Managing Director of the Company.
3. Appointment of Shri Rakesh Mehra as Vice-Chairman of the Company.
4. Appointment of Shri Shaleen Toshniwal as Jt. Managing Director of the Company.

Details of the aforesaid resolutions 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 results as under:

Sr.No.	Items	% of shareholders representing total voting strength voted in favour of the resolution
1.	Appointment of Shri R.L. Toshniwal as Chairman	99.95%
2.	Appointment of Shri Ravindra Kumar Toshniwal as Managing Director	99.94%
3.	Appointment of Shri Rakesh Mehra as Vice-Chairman	99.94%
4.	Appointment of Shri Shaleen Toshniwal as Jt. Managing Director	99.94%

Based on the scrutinizer's report, the results were announced and the resolutions were 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' Reports, 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. 36<sup>th</sup> Annual General Meeting (to be held)

Date	: 11 <sup>th</sup> August, 2012
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

#### POSTAL BALLOT

Ordinary resolution for increase in borrowing powers of the company and increase in power to mortgage/charge was approved by the Board of Directors of the Company on 21.5.2012. The shareholders approval shall be obtained through postal ballot.

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

Financial Year: April 1, 2012 to March 31, 2013.

First Quarter Results	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 (2012-13)	Within 60 days from the end of quarter.

### 3. Date of Book Closure

The register of members and share transfer books of the Company shall remain closed from 4<sup>th</sup> August, 2012 to 11<sup>th</sup> August, 2012 (both days inclusive).

### 4. Dividend Payment Date (Tentative)

Dividend for the year 2011-12, if approved by the shareholders, will be paid on or after 16<sup>th</sup> August, 2012.

### 5. Listing of Equity Shares on Stock Exchanges

The Company's Shares are listed on :

- BSE Limited, Mumbai  
Floor 25, P. J. Towers, Dalal Street,  
Mumbai- 400 001
- 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 2012-13 to both the Stock Exchanges.

### 6. Stock Code

Number in NSDL and CDSL for equity shares- ISIN : INE 629 D01 012

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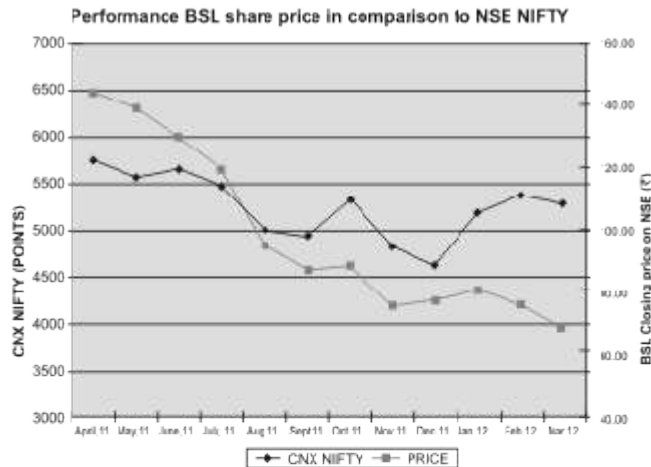
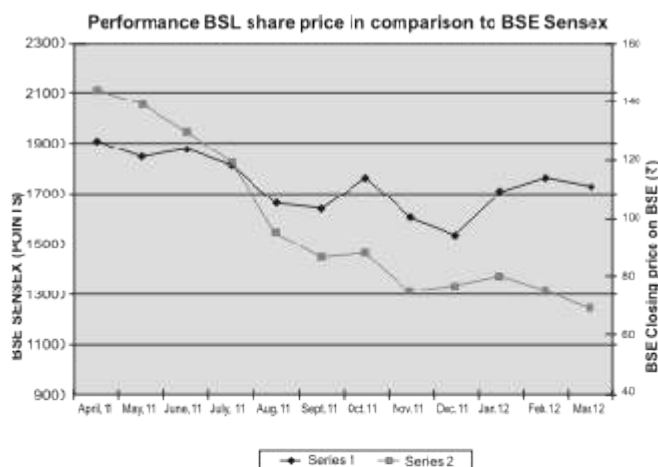
National Stock Exchange of India Ltd., Mumbai-BANGWRAS

## 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, 2011	148.70	133.00	149.00	132.00
May, 2011	147.10	137.00	147.00	137.00
June, 2011	141.95	126.05	141.00	125.15
July, 2011	134.00	115.10	133.95	114.05
August, 2011	121.75	94.00	120.40	78.10
September, 2011	100.00	84.05	99.50	82.00
October, 2011	95.70	84.10	95.00	84.20
November, 2011	92.00	70.00	91.00	72.00
December, 2011	95.00	60.80	80.80	60.90
January, 2012	94.00	75.60	94.10	73.65
February, 2012	92.00	72.95	92.90	72.50
March, 2012	80.00	66.50	80.95	67.00

## 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 one month. 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, 2012**

Sr.No	Category	Number of Shares held	Shareholding (%)
1.	Promoters	7901376	53.55
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	1678581	11.38
5.	Private Corporate Bodies	2203775	14.93
6.	Indian Public	2760929	18.71
7.	NRIs/OCBs /Foreign Nationals	206205	1.40
8.	GDR	-	-
	<b>Grand Total</b>	<b>14756361</b>	<b>100.00</b>

**ii. Distribution of Shareholding as on 31<sup>st</sup> March, 2012****(a) Number-wise**

Number of Shares	Number of Shareholders	Shareholders (%)	Number of Shares held	Voting Strength (%)
1 to 500	8548	90.98	798082	5.41
501 to 1000	404	4.30	312893	2.12
1001 to 2000	181	1.93	269411	1.82
2001 to 3000	74	0.79	187079	1.27
3001 to 4000	36	0.38	129744	0.88
4001 to 5000	32	0.34	146707	0.99
5001 to 10000	49	0.52	363901	2.47
10001 & above	71	0.76	12548544	85.04
<b>Total</b>	<b>9395</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	4267	45.42	382795	2.59
Electronic	5128	54.58	14373565	97.41
<b>Total</b>	<b>9395</b>	<b>100.00</b>	<b>14756361</b>	<b>100.00</b>

## 11. Re-appointment of Directors

### (a) Executive Director

The Remuneration Committee and Board of Directors of the Company at their meetings held on 11<sup>th</sup> November, 2011 had recommended the appointment of Shri R.L. Toshniwal as Chairman, Shri Ravindra Kumar Toshniwal as Managing Director, Shri Rakesh Mehra as Vice-Chairman and Shri Shaleen Toshniwal as Jt. Managing Director for a further period of 3 years from 1<sup>st</sup> January, 2012 to 31<sup>st</sup> December, 2014. The shareholders approved the same on 07.01.2012 through Postal Ballot.

Brief particulars of Shri R.L. Toshniwal, Shri Ravindra Kumar Toshniwal, Shri Rakesh Mehra and Shri Shaleen Toshniwal are given below:-

**Shri R.L. Toshniwal**, aged 78 years, holds Masters Degree in Textiles from Leeds University, England and has a vast experience of 49 years in the textile industry. He has been associated with a number of business organizations since the beginning of his career. In the past he has held the positions of Chairmen of Rajasthan Textile Mills Association and Synthetic & Rayon Textile Export Promotion Council (SRTEPC) as also that of the President of Indian Spinners Association.

Name of Public Limited Companies in which Shri R.L. Toshniwal is Director:

Sr. No.	Name of the Company
1.	Banswara Fabrics Ltd.
2.	Carreman Fabrics India Ltd.
3.	APM Industries Ltd.

Name of Public Limited Companies in which Shri R.L. Toshniwal is Member/ Chairman of any Committee.

Sr. No.	Name of the Company
1.	APM Industries Ltd.

**Shri Ravindra Kumar Toshniwal**, aged 48 years, is B.Tech (Chem.) from IIT, Mumbai. He has undergone OPM course of Harvard University, USA. He is having over 19 years experience in the textile industry. As the Managing Director, Shri Ravindra Kumar Toshniwal is looking after overall activities of the Company in general and export of fabrics in particular. He has traveled extensively to Europe, USA and other developed countries to promote the products of the Company. He has been to many reputed buyers all over the world as a result of which the exports of the Company have increased substantially over the last ten years.

Name of Public Limited Companies in which Shri Ravindra Kumar Toshniwal is Director:

Sr. No.	Name of the Company
1.	Shaleen Syntex Ltd.
2.	Carreman Fabrics India Ltd.

Name of the Public Limited Companies in which Shri Ravindra Kumar Toshniwal is Member/Chairman of the Committee.

Sr. No.	Name of the Company
1.	Nil

**Shri Rakesh Mehra**, aged 54 years, is a Chartered Accountant having 23 years experience in the textile industry. He is the former Chairman of The Synthetic & Rayon Textile Export Promotion Council (SRTEPC). Before joining the company he was Chief Executive of M/s RR Toshniwal Enterprises. Shri Mehra looks after entire gamut of commercial and financial activities besides export sales of yarn.

Name of Public Limited Companies in which Shri Rakesh Mehra is Director.

Sr. No.	Name of the Company
1.	Banswara Fabrics Ltd.
2.	Excel Pack Ltd.

Name of Public Limited Companies in which Shri Rakesh Mehra is Member/Chairman of the Committee.

Sr. No.	Name of the Company
1.	Nil

**Shri Shaleen Toshniwal**, aged 35 years, is the Jt. Managing Director of the company. He has completed business management course from Bentley College, USA, and has over 8 years experience in the textile industry. He looks after all the readymade garment units of the Company at Daman and Surat.

Name of Public Limited Companies in which Shri Shaleen Toshniwal is Director:

Sr. No.	Name of the Company
1.	Nil



Name of Public Limited Companies in which Shri Shaleen Toshniwal is Member/ Chairman of any Committee.

Sr. No.	Name of the Company
1.	Nil

**(b) Non-Executive Independent Director**

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 Vijay Kumar Agarwal**, Aged 62 years, Industrialist, is on the Board of the Company for the last 8 years. His Shareholding in the Company is NIL

Name of Public Limited Companies in which Shri Vijay Kumar Agarwal is Director:-

Sr. No.	Name of the Company
1.	Raviraj Creative Infrastructure Ltd.
2.	Winsome Properties Limited

Name of Public Limited Companies in which Shri Vijay Kumar Agarwal is Member/ Chairman of any Committee.

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

- 2) **Shri Kamal Kishore Kacholia**, Aged 62 years, Industrialist is, on the Board of the Company for the last 31 years. His Shareholding in the Company is NIL

Name of the Public Limited Companies, in which Shri Kamal Kishore Kacholia is Director:-

Sr. No.	Name of the Company
1.	NTB Bowsmith Irrigation Ltd.

Name of the Public Limited Companies, in which Shri Kamal Kishore Kacholia is Member/ Chairman of any Committee.

Sr. No.	Name of the Company
1	Nil

- 3) **Shri Vijay Mehta**, Aged 59 years, Consultant, is on the Board of the Company for the last 31 years. His Shareholding in the Company is 770 shares

Name of Public Limited Companies in which Shri Vijay Mehta is Director:-

Sr. No.	Name of the Company
1.	Mefcom Securities Ltd.
2.	Mefcom Capital Markets Ltd.
3.	Mefcom Commodity Brokers Ltd.
4.	Mefcom Infrastructure Projects Ltd.

Name of Public Limited Companies, in which Shri Vijay Mehta 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 (Chairman)	1. Shri Ravindra Kumar Toshniwal and Shri Shaleen Toshniwal- Sons 2. Shri Rakesh Mehra-Daughter's Husband
2.	Shri Ravindra Kumar Toshniwal ( Managing Director)	1. Shri R.L. Toshniwal- Father 2. Shri Shaleen Toshniwal-Brother 3. Shri Rakesh Mehra-Sister's Husband
3.	Shri Shaleen Toshniwal (Joint Managing Director)	1. Shri R.L. Toshniwal- Father 2. Shri Ravindra Kumar Toshniwal- Brother 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 97.41% 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. Banswara Syntex Ltd. Unit - BTM Banswara Syntex Ltd. Unit - BFL Banswara Syntex Ltd. Unit - BJF	Industrial Area, Dohad Road Banswara-327 001 (Rajasthan)
2.	Banswara Syntex Limited Readymade Garment Unit - I "Banswara Garments"  Readymade Garment Unit - II "Banswara Garments"  Readymade Garment Unit - III "Banswara Garments"	98/3, Village Kadaiya Nani Daman Distt. DAMAN-396 210 (U.T.)  Survey No.713/1, 713/2, 713/3, 725/2 and 725/1 Village Dabhel, Nani Daman Dist. Daman-396 210 (U.T.)  Survey No.722/9 Village Dabhel, Nani Daman Dist. Daman-396 210 (U.T.)
3.	Banswara Syntex Limited Banswara Apparel.	Plot No. 5 & 6, GIDC Apparel Park SEZ Sachin SURAT 394230 (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 to present unqualified financial statements, However the auditors observation relevant notes on accounts are self explanatory and, therefore, don't call for any further comments except for non payment of certain disputed dues, it has been explained to the para 'Auditors' Report' in the Directors Report.





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.
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 : 21<sup>st</sup> May, 2012

**R.L. TOSHNIWAL**

Chairman

**CEO/ CFO CERTIFICATION****Certificate from CEO/ CFO for the financial year ended March 31, 2012.**

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, 2012 and that to the best of our knowledge and belief
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor 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 transactions 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 controls. 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 notes 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: 21<sup>st</sup> May, 2012

**R.L. TOSHNIWAL**  
Chief Executive Officer

**RAKESH MEHRA**  
Chief Financial Officer

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## 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 SYNTAX LIMITED**

Place : Mumbai  
Date : 21<sup>st</sup> May, 2012

**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, 2012.

For **BANSWARA SYNTAX LIMITED**

Place: Mumbai  
Date : 21<sup>st</sup> May, 2012

**R.L. TOSHNIWAL**  
Chairman

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## C E R T I F I C A T E

To the Members of Banswara Syntax Limited,  
Banswara

We have examined the compliance of conditions of Corporate Governance by Banswara Syntax Limited for the year ended on 31<sup>st</sup> March, 2012 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 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 : 21<sup>st</sup> May, 2012

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



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INTRODUCTION**

Management Discussion and Analysis mainly comprises the statements which, inter alia involve predictions based on perceptions and may, therefore, be prove 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 use this 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, wool and wool mix yarn, spun synthetic and worsted fabrics, cotton & linen fabrics besides readymade garments and made-ups. The Company has started production of shirting and technical fabrics. It has launched a brand "SaintX" for Fabrics, Made to Measure and Ready to Wear Garments. Your Company has also signed a Joint Venture agreement with a 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 Textile Industry was stagnant before the introduction of Technology Upgradation Fund Scheme (TUFS) by the Government of India in the year 2000. Substantial capacity expansion and modernization took place with the concessional rate of interest subsidized by Government of India under the Scheme. The Government withheld the sanction of loans under TUFS in June, 2010 which nearly stopped the creation of new capacities; the Government has notified the restart of the TUFS w.e.f. 28<sup>th</sup> April, 2011. The new TUFS has allotted segment wise funds for spinning, weaving, finishing, garments and technical textiles. However, the modified TUF was in operation for sanction of the loans, till 31.03.2012. The future investment will depend on fresh introduction or extension of the scheme after 31.03.2012 and also on release of funds for projects sanctioned during black-out period and put into List-II by the sanctioning authorities.

The textile industry holds a very significant position in the Indian Economy. It accounts for nearly 14% of the total industrial output and is the 2<sup>nd</sup> largest industry providing employment. The lifting of the import restrictions of the multi fibre arrangement under WTO agreement on textile and clothing has emerged as an opportunity for the industry.

Recently, India and Japan have signed bilateral External Free Trade Agreement. This agreement would abolish duties on more than 90% of trade for a period of 10 years. The Government of India is also actively considering signing of another Free Trade Agreement with European Union. These agreements will enable the Indian Garment Industry to import Duty Free Fabric that will open up a very huge market for Indian Textile Industry. This will give a boost to the overall exports from the country.

Currently, the textile industry is undergoing substantial reorientation towards other than clothing segment of the textiles which is commonly known as technical textiles. It is moving vertically with an average growth rate of nearly double than that of clothing. Now, it accounts for more than half of the total textile output. The Company is negotiating with its existing customers and a reputed American brand for regular supply of the quantity of such technical textiles.

During the year 2011-12, the cotton prices which had increased in 2010-11, started towards down trend which stabilized and has therefore impacted to the cotton fabric manufacturing sector. The polyester and viscose prices have also increased mainly in the last quarter of the 2010-11 and first quarter of 2011-12.

The cotton, polyester and viscose prices started falling during 2011-12. As the reduction in the fibre prices is gradual and continuous, the demand in the market has slowed down. As such, the spinning mills accumulated stocks. It was felt that it would be a short term phenomenon and the lower raw material prices would ultimately help the textile industry to perform better in the long runs however, due to sluggish demand of yarns and fabric in domestic as well as in international markets, the selling prices were more impacted downwards than raw material prices. This has caused heavy losses to the spinners mainly due to accumulation of stocks and increase of related financial costs. The withdrawal of interest subvention and increase in lending rates by banks, RBI have also adversely affected the competitive position of the Industry. Despite, there are following positive factors which auger well for the Indian Textile Industry:

1. The Ministry of Textiles may notify and extend the TUF Scheme to provide interest and capital subsidy for expansion, modernization and diversification of the textile industry, which was available till March, 2012.
2. There has been a steep rise in the labour cost in China as compared to that in India. The Indian Textile

Industry is still getting the benefit of low cost labour.

3. The availability of dyed viscose in the country enables the Indian Industry to offer wider range of varieties of products.
4. Indian textile industry is known for better designs, colours and new products besides the flexible product-mix providing to the customers a varied, and almost exclusive range of products.
5. As the garment industry in India is growing, the Indian Textile Industry is now becoming a preferred destination for several global brands to source their requirements for the textile and apparel segments.

**However, there are few factors which may act as constraints:-**

1. The non-availability of skilled and unskilled labour for running the plants in Rajasthan.
2. Trained labour is the pre-requisite for the garment industry but the training process is slow and retention of the labour is also a matter of serious concern.
3. Fluctuations in the exchange rates i.e. USD against INR.
4. The increasing interest cost for working capital and term loans. The increase is substantial in case of export limits and term loans even under TUF scheme.
5. Rajasthan is deficit in terms of availability of power. The increasing cost of inputs for power generation has caused many Companies to stop their power plants and start drawing the electricity from the public sources.
6. Frequent changes in Government policies for export incentives

**Overview of the Company's performance**

The overall performance of the Company during 2011-12 was on down side as compared with performance for the year 2010-11. However the performance in last quarter improved over the previous one. On account of low market demand, during the year, the Company could not achieve the expected order targets/book position, accordingly the production of yarn, fabric and garments was lower after taking into account the effect of additional capacities created by the Company during 2010-11 and 2011-12. The production of synthetic yarn increased by 2% (Previous Year: 7%), worsted yarn by 16% (Previous Year: 92%), and the garment production by 7% (Previous Year: 30%).

The income from operations was at ₹ 924 crore during 2011-12 compared with ₹ 809 crore in 2010-11 i.e. up by 14%. The Company's exports could not record any increase in 2011-12 as against 26% increase in 2010-11. The export value increased marginally, from ₹ 523 crore (including export benefits) in 2010-11 to ₹ 531 crore during 2011-12. The export turnover during the year under review, account

for 58% of the total turnover against 65% during the previous year. It has come down due to global recession and the currency fluctuations. Further details about the Company's operating performance are mentioned under Financial Review, Operations and Exports in the Directors' Report.

The Company has been taking up continuous expansion and modernization of its production capacities. A comparative status of the Company's manufacturing capacities at the end of last two financial years is as under:-

S.No.	Particulars	31.03.12	31.03.11
1.	Spinning (spindles)		
	a) Synthetic Blended yarn	129016	127012
	b) Worsted Yarn	14400	14400
	c) Airjet Yarn	592	736
2.	Fibre & Yarn Dyeing (MT/Month)		
	a) Fibre	840	840
	b) Yarn	150	150
3.	Fabric Weaving (No. of Looms)		
	a) Fabric Weaving	340	248
	b) Jacquard and Jacquard Technical Fabrics	28	20
4.	Fabric Processing (Lac Mtrs/month)	50	50
5.	Suitings		
	Trousers - Lines	19	18
	Pcs/month	285000	270000
	Jackets - Lines	3	2
	Pcs/month	22500	15000
6.	Thermal Power Plant(MW) (Coal Based)	33	33

During the year under review, the Company has invested ₹ 82.64 crore (Previous Year ₹ 149.91 crore) for acquisition of fixed assets besides the capital work in progress at ₹ 25.67 crore (Previous Year ₹ 16.16 crore) and advances to capital goods suppliers of ₹ 7.76 crore (Previous Year ₹ 7.65 crore) as at 31<sup>st</sup> March, 2012 for ongoing projects. Capacity expansion has taken place in all the areas of operation.

The Company has proposed investment of ₹ 34 crore during the F.Y. 2012-13 to further increase its production capacity by 6640 Ring spindles, 6720 Worsted spindles, 30 Looms and Yarn dyeing machines to increase installed capacity for yarn dying by 2 MT per day. This expanded capacity, along with the machines added during the year 2011-12 and being added in 2012-13, will operate partially during F.Y. 2012-13. The Company envisages increase of the turnover to about ₹ 1,100 crore during 2012-13.

The Company has increased its fabric processing capacity to 5.0 million meters a month thereby opening substantial avenues for fabric production. The Company also has the plans to achieve optimum capacity utilization of new



installed additional production capacities like spinning of wool and wool mix yarn, yarn dyeing, production of jacquard fabrics and increase in production levels of jackets and trousers. The Company also continues to be innovative and creative to emphasize and put efforts to increase the exports of value-added fabric and garments. The Company has also started production of yarn dyed cotton shirting fabrics to fully utilize the processing capacity. It has also started a brand for the Indian Market called "SaintX". It is for fabrics, made to Measure and Ready to Wear Garments.

The Company has been allotted quota for coal from South Eastern Coalfields Limited (SECL) against the fuel supply agreement. In addition, the Company has been allotted lignite from RSMML mines at Nagore (Rajasthan) and GMDC (Gujarat). The coal purchased from SECL and RSMML has reduced the cost of power generation.

#### Segment-wise performance

The Company is engaged in production of Textile products having integrated working and power generation. For management purposes, the Company is organized into major operating activity of the textile products and power generation mainly for captive consumption. Revenue from power generation during of the year was less than 10% of the total revenue. 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 authorized, recorded and reported correctly. Internal control system consists of in-house internal and external audit by a team headed by an independent Chartered Accountant to carry out internal audits, and to create in-built internal checking

mechanism. In addition the Company has also appointed an independent Chartered Accountant firm to carry out internal audit. The Company has Audit Committee of the Board, the composition and functions of which are given in the Corporate Governance Report as part of this 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 2011-12 was at ₹17.30 crore, works out to 1.87% of sales as against ₹62.51 crore, i.e. 7.74% of sales in the previous Financial Year-2010-11.

#### Developments in human resources and industrial relations

The Company treats its human resources the most important assets and believes in its contribution to the all round growth of the Company. The Company had appointed Shri Viren Shukla, Sr. Professor in S.P. Jain College of Management, to review and upgrade the H.R. policies in the year 2010-11. The recommendations of Shri Shukla are being reviewed/implemented in phases.

There is an existing system of regular interaction between Senior Management and operators at shop floor level which enables sharing of business information and solutions to the problems at the preliminary level. The industrial relations remained cordial throughout the year. The Company has 10025 nos. of skilled and unskilled manpower on its rolls.

For and on behalf of the Board

Place : Mumbai

Date : 21<sup>st</sup> May, 2012

**R. L. TOSHNIWAL**

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, 2012

Sr. No.	Name of the Employee	Designation & nature of duties	Remuneration (₹ in Lacs)	Qualifications & Experience (No. of years)	Age (Year)	Date of Commencement 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	68.45	M.Sc. (Tex.) Leeds University England (49)	78	01.08.1977	Oriental Carpets Mfg.(India) Ltd. Chief Executive (6)
<b>B Employed for a part of the year and were in receipt of remuneration of not less than ₹ 5,00,000/- per month</b>							
- Nil-							

#### Notes:-

- 1) The above figures are for the twelve months period from 01.04.2011 to 31.03.2012.
- 2) Remuneration comprises salary, allowances, monetary value of perquisites and contribution to provident fund.
- 3) In addition to the above remuneration, the managerial person is also entitled to gratuity.

## AUDITORS' REPORT

TO THE MEMBERS,

### BANSWARA SYNTEX LIMITED

1. We have audited the attached Balance Sheet of **BANSWARA SYNTEX LIMITED**, as at **31<sup>st</sup> March, 2012** and also the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit.
  - ii) In our opinion, the Company has kept proper books of accounts as required by the law, so far as appears from

our examination of those books.

- iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- iv) In our opinion, Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies, Notes on Account and other disclosures, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - b) In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c) In the case of Cash Flow statement, of the cash flow for the year ended on that date.
5. On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a Director in terms of Clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

**For KALANI & COMPANY**

Chartered Accountants

FRN – 000722C

**K.L. JHANWAR**

Partner

M.No. 01408C

Place : Mumbai

Date : 21<sup>st</sup> May, 2012

## ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (3) of our report of even date to the members of the **BANSWARA SYNTEX LIMITED** on the accounts for the year ended 31<sup>st</sup> March, 2012.

- (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) The company has not granted any unsecured loan to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4(iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- (e) Unsecured loans taken from 12 (Twelve) persons covered in the register maintained under section 301 of the Companies Act, 1956 amounting to ₹857.25 lacs outstanding at the year end and the maximum amount involved is ₹857.25 lacs.
- (f) Interest and other terms & conditions of loan taken are not prima facie prejudicial to the interest to 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 Companies Act, 1956 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 Companies Act, 1956 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 Companies Act, 1956 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 Companies Act, 1956, 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, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess 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 31.03.2012 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 and excise duty 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
Central Excise Act, 1944	Excise Duty	18,44,966*	2005-06	Hon'ble High Court, Rajasthan
Central Excise Act, 1944	Excise Duty	1,96,422	2003-04	Joint Secretary, Government of India
Finance Act, 1994	Service Tax	23,43,538	2006-07 to 2007-08	CESTAT, New Delhi
Finance Act, 1994	Service Tax	3,61,340	2008-09 to 2009-10	Commissioner (Appeals), Jaipur-II
Income Tax Act, 1961	Income Tax	26,35,450	2008-09	Commissioner of Income (Appeals) Udaipur

\* Since Paid on 12.04.2012

- (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 (Auditor's 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 (Auditor's 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 Companies Act, 1956.
- (xix) According to the information and explanation 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  
Date : 21<sup>st</sup> May, 2012

# ANNUAL REPORT 2011-12

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

BALANCE SHEET		AS AT 31 <sup>ST</sup> MARCH, 2012		(₹ in Lacs)	
	Note No.	As at 31 <sup>ST</sup> March, 2012		As at 31 <sup>ST</sup> March, 2011	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2	1,647.12		1,647.09	
Reserves & Surplus	3	<u>1,5882.69</u>	17,529.81	<u>14,517.90</u>	16,164.69
<b>Non-Current Liabilities</b>					
(a) Long Term Borrowings	4	31,706.50		31,042.21	
(b) Deferred Tax Liabilities (Net)	5	3,257.51		3,016.19	
(c) Long Term Provisions	6	<u>981.76</u>	35,945.77	<u>837.48</u>	34,895.88
<b>Current Liabilities</b>					
(a) Short Term Borrowings	7	30,885.00		23,063.77	
(b) Trade Payables	8	9,280.92		9,717.21	
(c) Other Current Liabilities	9	7,157.35		4,534.01	
(d) Short Term Provisions	10	<u>710.36</u>	48,033.63	<u>1,342.30</u>	38,657.29
			<u>1,01,509.21</u>		<u>89,717.86</u>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	11	48,832.70		45,216.50	
(ii) Capital work-in-progress	12	2,567.18		1,615.86	
(b) Non-Current Investments	13	735.09		669.77	
(c) Long-term Loans and Advances	14	1,131.57		1,091.07	
(d) Other Non-Current Assets	15	<u>587.23</u>	53,853.77	<u>235.21</u>	48,828.21
<b>Current Assets</b>					
(a) Inventories	16	27,256.30		25,600.09	
(b) Trade Receivables	17	13,316.43		8,918.11	
(c) Cash and Cash Equivalents	18	1,285.74		767.12	
(d) Short Term Loans and Advances	19	2,865.64		2,281.25	
(e) Other Current Assets	20	<u>2,931.33</u>	47,655.44	<u>3,323.08</u>	40,889.65
			<u>1,01,509.21</u>		<u>89,717.86</u>

**Significant Accounting Policies, Notes on accounts and other disclosures from Note no. 1 to 43 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  
Date : 21<sup>st</sup> May, 2012

R.L. TOSHNIWAL  
Chairman

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

RAVINDRA KUMAR TOSHNIWAL  
Managing Director

SHALEEN TOSHNIWAL  
Jt. Managing Director

Directors  
P. KUMAR  
D.P. GARG  
S.B. AGARWAL  
VIJAY KUMAR AGARWAL  
P.K. BHANDARI  
VIJAY MEHTA  
A.N. JARIWALA  
C.P. RAVINDRANATH



**STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2012**

(₹ in Lacs)

	Note No.	Current Year 31 <sup>st</sup> March, 2012	Previous Year 31 <sup>st</sup> March, 2011
<b>REVENUE FROM OPERATIONS</b>	<b>23</b>		
Sale of Products & Services (Gross)		90,810.78	77,660.49
Other Operating Revenue		5,916.83	6,144.72
		96,727.61	83,805.21
Less : Excise Duty		4,343.20	2,955.32
I. Revenue from Operations (Net)		92,384.41	80,849.89
II. Other Income	24	535.57	466.45
<b>III. Total Revenue</b>		<b>92,919.98</b>	<b>81,316.34</b>
<b>IV. Expenses :</b>			
Cost of materials consumed	25	49,208.44	41,002.88
Changes in inventories of finished goods, Work-in-progress and stock-in trade	26	(3,629.08)	(3,946.34)
Manufacturing expenses	27	16,656.75	15,232.04
Employee benefit expenses	28	10,725.58	9,134.28
Financial costs	29	7,519.80	4,245.98
Depreciation and amortization expense	30	4,311.09	3,402.15
Other expenses	31	6,397.37	6,138.99
<b>Total Expenses</b>		<b>91,189.95</b>	<b>75,210.28</b>
<b>V. Profit before extraordinary Items and tax (III-IV)</b>		<b>1,730.03</b>	<b>6,106.06</b>
VI. Extraordinary items	32	-	(1,44.90)
<b>VII. Profit before tax (V-VI)</b>		<b>1,730.03</b>	<b>6,250.96</b>
<b>VIII. Tax Expense :</b>			
(1) Current Tax		-	1,264.56
(Net of MAT Credit of ₹ 349.34 Lacs- (Previous Year ₹ 35.71 Lacs))			
(2) Deferred Tax		241.33	293.58
		241.33	1,558.14
<b>IX. Profit (Loss) for the period (VII-VIII)</b>		<b>1,488.70</b>	<b>4,692.82</b>
<b>X. Earnings per equity share (in ₹)</b>	<b>33</b>		
(1) Basic		10.06	32.05
(2) Diluted		10.06	31.79

**Significant Accounting Policies, Notes on accounts and other disclosures from Note no. 1 to 43 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  
Date : 21<sup>st</sup> May, 2012

R.L. TOSHNIWAL  
Chairman

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

RAVINDRA KUMAR TOSHNIWAL  
Managing Director

SHALEEN TOSHNIWAL  
Jt. Managing Director

Directors  
P. KUMAR  
D.P. GARG  
S.B. AGARWAL  
VIJAY KUMAR AGARWAL  
P.K. BHANDARI  
VIJAY MEHTA  
A.N. JARIWALA  
C.P. RAVINDRANATH

## 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 of 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)

- ) Turnover is inclusive of excise duty, refund and other related realization but exclusive of value added tax charged.
- i) 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, including 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)

- ) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the day of the transactions.
- i) 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.

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)

- ) 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.
- i) 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 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>NOTE NO. '2' SHARE CAPITAL</b>		
<b>Authorized</b>		
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>
<b>Issued</b>		
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>
<b>Subscribed and fully Paid</b>		
1,47,25,511 Equity Shares of ₹10/- each	1,472.61	1,472.55
(Previous Year 1,47,25,511 Equity Shares of ₹10/- each)		
1,73,000 3% Redeemable Preference Shares of ₹100/- each	173.00	173.00
	<u>1,645.61</u>	<u>1,645.55</u>
<b>Subscribed but not fully Paid</b>		
30,300 Equity Shares of ₹10/- each	3.03	3.08
(Previous Year 30,850 Equity Shares of ₹10/- each)		
Less : Allotment money due		
From Directors	-	-
From Others	1.52	1.54
	<u>1.52</u>	<u>1.54</u>
	1.51	1.54
	<u>1,647.12</u>	<u>1,647.09</u>

**2.1 " Reconciliation of No. of Shares of each class of issued capital**

Shares (In Nos.)

Particulars	As at 31.03.2012		As at 31.03.2011	
	Equity	Preference	Equity	Preference
At the beginning of the year	1,47,56,361	1,73,000	1,31,06,361	1,73,000
Issued During the year	-	-	16,50,000	-
Redeemed/bought back during the year	-	-	-	-
At the end of the year	1,47,56,361	1,73,000	1,47,56,361	1,73,000

**2.2** 1,87,500 Equity Shares were issued as fully paid up Bonus shares in the year 2007-08 by way of capitalization of Securities Premium Account.

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

**2.3.1** 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.

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

2.4 - 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, 2012		As at 31 <sup>st</sup> March, 2011	
	No. of Shares	Shareholding %	No. of Shares	Shareholding %
<b>Equity Shares</b>				
Shri R.L. Toshniwal	1072645	7.27%	1070054	7.25%
Shri Ravindra Kumar Toshniwal	1076447	7.29%	946447	6.41%
Shri Shaleen Toshniwal	1190913	8.07%	1370913	9.29%
Smt. Rachika Toshniwal	893065	6.66%	1113065	7.54%
Royal Bank of Scotland	1299801	8.81%	1295801	8.78%
Mafcom Capital Markets Ltd.	1150000	7.79%	1130720	7.66%
<b>3% Redeemable Preference Shares</b>				
Carreman Michel Thierry, France	173000	100.00%	173000	100.00%

	As at 31 <sup>st</sup> March, 2012		(₹ in Lacs) As at 31 <sup>st</sup> March, 2011	
<b>NOTE NO. '3' RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
Opening Balance	202.39		202.39	
Adjustment during the year (Capital Subsidy)*	<u>143.41</u>	345.80	<u>-</u>	202.39
<b>Securities Premium Account</b>				
Opening balance	2,265.26		1,750.22	
Add : Received During the year	<u>0.10</u>	2,265.36	<u>515.04</u>	2,265.26
<b>General Reserve</b>				
Opening Balance	10,634.17		7,134.17	
Add: Transfer from Surplus	<u>1,500.00</u>	12,134.17	<u>3,500.00</u>	10,634.17
<b>Surplus</b>				
Opening Balance	1,415.78		1,044.09	
Add : Profit for the year	1,488.70		4,692.82	
Excess Dividend written back	-		38.48	
	<u>2,904.48</u>		<u>5,775.39</u>	
Less : Allocation and Appropriations				
Interim Dividend and tax thereon	-		343.71	
Proposed Dividend on Preference Shares	5.19		5.19	
Proposed Dividend on Equity Shares	221.12		438.70	
Tax on Proposed Dividend	36.71		72.01	
Previous year dividend & tax thereon	4.10		-	
Transfer to General Reserve	<u>1,500.00</u>		<u>3,500.00</u>	
	<u>1,767.12</u>	1,137.36	<u>4,359.61</u>	1,415.78
		15,882.69		14,517.60

\* 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, 2012

(₹ in Lacs)  
As at  
31<sup>st</sup> March, 2011

**NOTE NO. '4' LONG TERM BORROWINGS****Term Loans (Secured)****From Financial Institutions and Banks****IDBI BANK LIMITED**

Term Loan - I	512.50		700.00
Repayable in 11 variable quarterly installments			

**EXPORT IMPORT BANK OF INDIA**

Term Loan - I	2,400.00		2,400.00
Repayable in 32 variable quarterly installments			
Term Loan - II	3,100.00		3,100.00
Repayable in 33 variable quarterly installments			
Term Loan - III (FCL)	35.16		71.49
Repayable in 3 quarterly installments			
Term Loan - IV	32.81		76.56
Repayable in 3 quarterly installments			
Term Loan - V	21.09		49.22
Repayable in 3 quarterly installments			
Term Loan - VI	541.40		641.41
Repayable in 14 variable quarterly installments			
Term Loan - VII	863.55		978.69
Repayable in 20 variable quarterly installments			
Term Loan - VIII	1,200.00		1,360.00
Repayable in 20 variable quarterly installments			
Term Loan - IX	4,343.75		4,718.75
Repayable in 25 variable quarterly installments			
Term Loan - X	2,140.00		-
Repayable in 33 quarterly installments			
Working Capital Term Loan	2,000.00	16,677.76	2,000.00
Repayable in one bullet payment on March '13			15,396.12

**BANK OF BARODA**

Term Loan - I	3,000.00		2,435.00
Repayable in 32 quarterly installments			
Term Loan - II	171.88		309.38
Repayable in 5 quarterly installments			
Term Loan - III	1,550.00		1,737.50
Repayable in 21 variable quarterly installments			
Term Loan - IV	3,623.45		-
Repayable in 32 variable quarterly installments			
Term Loan - V	-	8,345.33	564.10
Buyer's Credit			5,045.98

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	As at 31 <sup>st</sup> March, 2012		(₹ In Lacs) As at 31 <sup>st</sup> March, 2011	
<b>PUNJAB NATIONAL BANK</b>				
Term Loan - I	300.00		450.00	
Repayable in 8 quarterly installments				
Term Loan - II	87.50		131.25	
Repayable in 8 quarterly installments				
Term Loan - III	2,003.28		2,247.03	
Repayable in 21 variable quarterly installments				
Term Loan - IV	618.95		693.95	
Repayable in 21 variable quarterly installments				
Term Loan - V	2,062.50	5,072.23	2,312.50	5,834.73
Repayable in 25 variable quarterly installments				
<b>BANK OF INDIA</b>				
Term Loan - I	320.51		391.01	
Repayable in 13 Variable quarterly installments				
Term Loan - II	913.71	1,234.22	969.97	1,360.98
Repayable in 28 variable quarterly installments				
<b>UNION BANK OF INDIA</b>				
Term Loan - I	220.38		404.75	
Repayable in 6 quarterly installments				
Term Loan - II	52.87		82.25	
Repayable in 9 quarterly installments				
Term Loan - III	2,240.00	2,513.25	2,240.00	2,727.00
Repayable in 32 variable quarterly installments				
<b>AXIS BANK LIMITED</b>				
Term Loan - I		2,000.00		2,312.50
Repayable in 24 variable quarterly installments				
<b>Sub-Total (A)</b>		<b>36,355.29</b>		<b>33,377.31</b>
Less : Current Maturities				
IDBI Bank Ltd.	112.50		150.00	
Export-Import Bank of India	3,198.09		879.25	
Bank of Baroda	431.25		325.00	
Punjab National Bank	783.75		762.50	
Bank of India	175.00		169.00	
Union Bank of India	339.00		176.88	
Axis Bank Limited	250.00		250.00	
<b>Sub-Total (B)</b>		<b>5,289.59</b>		<b>2,712.63</b>
<b>TOTAL (I) (A-B)</b>		<b>31,065.70</b>		<b>30,664.68</b>
<b>Deferred Payment Credits (Secured)</b>				
Deferred payment credits under Rajasthan-				
-Sales Tax Deferment Scheme	33.38		92.48	
Less : Current Maturities	33.38		59.10	
<b>TOTAL (II)</b>		-		33.38



(₹ in Lacs)

As at  
31<sup>st</sup> March, 2012As at  
31<sup>st</sup> March, 2011**Fixed Deposits (Unsecured)**

From Directors	32.00	32.00
From Others	873.95	690.00
Includes ₹ 170.25 Lacs (Previous Years- ₹ 153.75 Lacs) from related parties	905.95	722.00
Less : Current Maturities	615.15	527.85
<b>TOTAL (III)</b>	<b>290.80</b>	<b>194.15</b>

**Term Loans (Unsecured)**

Corporate (From Related Parties)	200.00	-
Repayable in one bullet payment by June '13		
Other Corporate	150.00	150.00
Repayable in one bullet payment by March '14		
<b>TOTAL (IV)</b>	<b>350.00</b>	<b>150.00</b>
	<b>31,706.50</b>	<b>31,042.21</b>

**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.

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. Term Loans outstanding of ₹ 8,636.36 Lacs (Previous Year ₹ 12,127.49 Lacs) from Export-Import Bank of India are guaranteed by both whereas term loans outstanding of ₹ 2,541.40 Lacs (Previous Year ₹ 2,641.41 Lacs) from Export Import Bank of India are guaranteed only by Shri R. L. Toshniwal, Chairman.

**For Working Capital Term Loans**

Working Capital Term Loan from EXIM Bank is secured by First pari passu charge on entire current assets both present and future of the company, second pari passu charge on the entire fixed assets both present and future and it is further secured by personal guarantee of Shri R. L. Toshniwal, Chairman.

**For Deferred Payment Credits**

Deferred payment credits under Sales Tax Deferment Scheme for Industries 1987 are secured by a joint equitable mortgage and/or hypothecation charges ranking pari-passu on immovable/movable properties procured for expansion project as prescribed under the said scheme ₹ 33.38 Lacs (Previous Year ₹ 59.10 Lacs) are payable within one year.

**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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(₹ in Lacs)

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

As at  
31<sup>st</sup> March, 2011

### NOTE NO. '5' DEFERRED TAX LIABILITIES

Considering accounting procedure prescribed by the Accounting Standard 22 "Taxes on Income", the following amounts have been worked out and provided in books:

#### Major components of deferred tax balances

##### Deferred Tax Liabilities

i) Difference between accounting and tax-depreciation (cumulative)	4,352.72		3,819.53
<b>TOTAL</b>	<b>4,352.72</b>		<b>3,819.53</b>

##### Deferred Tax Assets

i) Accumulated unabsorbed depreciation	245.61		-
ii) Provision for doubtful debts (to date)	133.35		62.10
iii) Disallowances under section 43B for non-payment of expenses	391.75		441.50
iv) Other timing differences	324.50		299.74
<b>TOTAL (i to iv)</b>	<b>1,095.21</b>		<b>803.34</b>

<b>Net Deferred Tax Liabilities</b>	<b>3,257.51</b>		<b>3,016.19</b>
-------------------------------------	-----------------	--	-----------------

Net deferred tax expense of ₹ 241.33 Lacs (Previous Year ₹ 293.58 Lacs) has been charged for the year to Statement of Profit and Loss besides current tax net of MAT Credit ₹ NIL (Previous Year ₹ 1,264.56 Lacs) as per Income Tax Act, 1961.

### NOTE NO. '6' LONG TERM PROVISIONS

#### Provisions for Employee benefits

Gratuity	867.04		734.77
Less : Short Term	14.98	852.06	1.32
Leave Encashment	133.13		106.13
Less : Short Term	3.43	129.70	2.10
	<b>981.76</b>		<b>837.48</b>

### NOTE NO. '7' SHORT TERM BORROWINGS

#### A. Loans Repayable on Demand

##### (Cash credits and packing credits)

##### From Banks (Secured)

Punjab National Bank	16,849.85		13,687.06
Union Bank of India	6,248.14		3,913.12
Bank of Baroda	4,304.79		3,429.98
Bank of India	2,993.22	30,396.00	1,670.61
			22,700.77

<b>B. Loans from Related Parties (Unsecured)</b>	<b>455.00</b>		<b>300.00</b>
--	---------------	--	---------------

#### C. Other Loans (Unsecured)

Short Term Deposits	34.00		63.00
	<b>30,885.00</b>		<b>23,063.77</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

31<sup>st</sup> March, 201231<sup>st</sup> March, 2011**NOTE NO. '8' TRADE PAYABLES**

Micro, Small & Medium Enterprises@	12.18	20.15
Acceptances	1,472.81	1,461.21
Others	7,795.93	8,235.85
	<u>9,280.92</u>	<u>9,717.21</u>

@ 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)

12.18 20.15

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)	5,289.60	2,712.53
Deferred Payment Credits (Secured)	33.38	59.10
Fixed Deposit (Unsecured)	<u>615.15</u>	<u>527.85</u>
	5,938.13	3,299.58

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

116.25 83.52

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

171.60 119.29

**D. Other Payables**

Unclaimed Dividend	33.95	31.30
Securities Deposits	55.40	59.54
Statutory Liabilities	275.18	254.08
Other Liabilities	<u>566.83</u>	<u>686.50</u>
	<u>931.36</u>	<u>1,031.62</u>
	<u>7,157.35</u>	<u>4,534.01</u>

	As at 31 <sup>st</sup> March, 2012		(₹ In Lacs) As at 31 <sup>st</sup> March, 2011	
<b>NOTE NO. '10' SHORT TERM PROVISIONS</b>				
<b>A. Provisions for Employee benefits</b>				
For Gratuity	14.98		33.22	
For Leave Encashment	<u>3.43</u>	18.41	<u>2.10</u>	35.32
<b>B. Provision for Others</b>				
Proposed Dividend				
On Equity Shares	221.12		438.70	
On Preference Shares	<u>5.19</u>	226.31	<u>5.19</u>	443.89
Tax on Dividend				
Tax on Dividend (Equity Share)	35.87		71.17	
Tax on Dividend on Preference Share	<u>0.84</u>	36.71	<u>0.84</u>	72.01
For Entry Tax (Net of payment)		428.93		631.56
For Taxation				
For Income Tax	363.10		1,297.81	
Less : Advance Tax and TDS (As per Contra)	<u>363.10</u>	-	<u>1,138.29</u>	159.52
		<u>710.36</u>		<u>1,342.30</u>

**10.1** In view of Stay Order dated 10.03.2006 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 ₹ 103.95 Lacs (Previous Year ₹ 631.56 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 ₹ 428.93 Lacs (Previous Year ₹ 631.56 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	766.67	197.83	97.46	-	867.04
2.	Leave Encashment	106.12	140.88	113.87	-	133.13
3.	Proposed Dividend	443.89	226.31	443.89	-	226.31
4.	Tax on Proposed Dividend	72.01	36.71	72.01	-	35.71
5.	Taxation	1,297.81	349.34	1,284.05	-	363.10
6.	Entry Tax	631.56	103.95	306.58	-	428.93


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

(₹ in Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Disposals/ Adjustment	As at 31.03.2012	As at 01.04.2011	For the Year	Deductions/ Adjustments	Up to 31.03.2012	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS										
Lease Hold Land	367.62	-	-	367.52	30.22	3.98	-	34.20	333.42	337.41
Free Hold Land	106.63	89.53	-	196.16	-	-	-	-	196.16	106.63
Buildings & Road	9,849.67	1,936.99	-	1,1786.66	1,427.45	331.62	-	1759.07	10,027.59	8,422.22
Plant & Equipment	51,973.66	5,768.55	839.98	5,6902.23	17,280.78	3,699.89	529.48	2,0451.19	36,451.04	34,692.88
Building Machinery	1.38	-	-	1.38	1.31	-	-	1.31	0.07	0.07
Electric & Water	1,288.67	223.33	-	1,512.01	635.93	107.95	-	743.88	768.13	652.75
Supply Installation										
Furniture & Fixtures	599.53	127.70	0.98	826.26	370.80	81.56	0.11	452.25	374.01	328.73
Office Equipments	519.58	71.27	-	690.85	333.57	38.18	-	371.75	319.10	296.01
Vehides	526.49	46.36	36.93	536.42	136.76	47.91	11.43	173.24	363.18	389.73
Live Stock	0.07	-	0.07	-	-	-	-	-	-	0.07
TOTAL	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	45,216.50
Previous Year	51,068.45	14,991.27	655.63	65,403.10	17,261.61	3,402.45	477.46	20,186.60	45,216.50	33,805.84

Buildings & Road includes ₹ 331.32 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 ₹ 321.01 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 ₹ 151.34 Lacs) have formed part of cost of relevant tangible assets.

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

DESCRIPTION OF ASSETS	GROSS BLOCK		
	As at 01.04.2011	Additions	As at 31.03.2012
Capital Work In Progress for			
- Buildings & Road	648.88	1,384.51	<b>96.40</b>
- Plant & Equipment	917.02	7,322.31	<b>2,470.78</b>
- Water & Electric Installation	49.76	173.57	-
<b>TOTAL</b>	<b>1,615.66</b>	<b>8,880.39</b>	<b>2,567.18</b>
Previous Year	827.69	15,404.08	1,615.66

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	As at 31 <sup>st</sup> March, 2012	(₹ in Lacs) As at 31 <sup>st</sup> March, 2011
<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 of Banswara Fabrics Ltd. (Quotation not available)	30.00	30.00
<b>B) Unquoted</b>		
<b>Government &amp; other securities</b>		
National Savings Certificate (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 of Carreman Fabrics India Ltd. Application money for Equity Shares of Treves Banswara Pvt. Ltd.	620.07 59.00	620.07 -
<b>Sub Total (I)</b>	<u>709.20</u>	<u>650.20</u>
<b>II. Other</b>		
<b>A) Quoted</b>		
<b>In Equity Shares</b>		
10,114 Equity Shares of ₹ 10/- each of Union Bank of India	3.04	3.04
<b>B) Unquoted</b>		
<b>Unit in Mutual Fund</b>		
Ask Investment Managers Pvt. Ltd. Real Estate Special Opportunities Portfolio - 1	22.80	16.48
<b>Shares in Co-operative Bank</b>		
500 Equity Shares of ₹ 10/- each of New Indian Co-operative Bank Ltd.	0.05	0.05
<b>Sub Total (II)</b>	<u>25.89</u>	<u>19.57</u>
<b>Total (I + II)</b>	<u>735.09</u>	<u>669.77</u>
<b>Investments aggregate value of</b>		
<b>Quoted Investment</b>		
Book Value	33.04	33.04
Market Value	53.80	65.17
<b>Unquoted Investment</b>	702.05	636.73

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

### Unsecured, Considered good

(a) Capital Advances	776.02	764.67
(b) Security Deposit	290.29	253.05
(Including ₹ 80.00 Lacs (Previous Year ₹ 80.00 Lacs)- -to related parties)		
(c) Other Loans & Advances	65.26	73.35
	<u>1,131.57</u>	<u>1,091.07</u>



(₹ in Lacs)

As at  
31<sup>st</sup> March, 2012As at  
31<sup>st</sup> March, 2011**NOTE NO. '15' OTHER NON CURRENT ASSETS****Unsecured, Considered good****(i) Long Term Trade Receivables**

-

-

**(ii) Others**

MAT Credit Entitlement

582.27

232.93

Prepaid Expenses

4.96

587.23

2.28

235.21

587.23235.21

**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

8,522.69

9,398.55

Raw Material Transit

150.55

8,673.24

380.53

10,779.08

Stores &amp; Spares

1,714.78

1,581.83

Works-in-Process

1,877.56

1,884.29

Finished goods

Yarn

4,877.27

3,212.21

Yarn Transit

250.67

744.21

Cloth (Grey)

2,686.96

2,356.91

Cloth (Processed)

5,250.55

3,085.40

Cloth (Processed) in transit

865.28

722.08

Garment

992.46

14,923.19

382.55

11,303.36

Waste

67.53

51.53

27,256.3025,600.09

**16.1** Inventories include stocks lying with third parties ₹ 1,039.07 Lacs (Previous Year ₹ 1,224.01 Lacs)

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

Considered Good

1,084.74

272.23

Considered Doubtful

410.99

186.94

1,495.73

459.17

Less: Provision for Doubtful Debts

410.99

1,084.74

186.93

272.24

**Other Debts**

Considered Good

12,231.69

8,645.87

13,316.438,918.11

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(₹ in Lacs)

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

As at  
31<sup>st</sup> March, 2011

### NOTE NO. '18' CASH AND CASH EQUIVALENTS

<b>A. Cash On Hand</b>		<b>27.63</b>		<b>20.95</b>
<b>B. Balances with Bank</b>				
-Current Account	<b>380.16</b>		<b>114.98</b>	
-Other Bank Balances	<b>80.87</b>		<b>25.74</b>	
-Bank Deposits	<b>797.08</b>	<b>1,258.11</b>	<b>605.45</b>	<b>746.17</b>
		<b>1,285.74</b>		<b>767.12</b>
Balances with banks in unclaimed dividend accounts		<b>33.98</b>		<b>31.33</b>
Deposit accounts with more than 12 months maturities		<b>216.99</b>		<b>239.40</b>
Deposits with banks pledged with banks against- -guarantees, Letter of credits etc.		<b>523.46</b>		<b>427.81</b>

Cash and Cash equivalent include restricted cash and bank balance of ₹ 557.43 Lacs (Previous Year ₹ 459.14 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 or penalty on the principal.

### NOTE NO. '19' SHORT TERM LOANS AND ADVANCES

#### Unsecured

Advances recoverable in cash or kind		<b>2,223.49</b>		<b>1,966.15</b>
Considered Doubtful	<b>29.57</b>		<b>29.57</b>	
Less : Provision	<b>29.57</b>	<b>-</b>	<b>29.57</b>	<b>-</b>
Loans & Advances to Employees		<b>156.34</b>		<b>102.09</b>
Prepaid Expenses		<b>257.50</b>		<b>213.01</b>
Income Tax Refundable		<b>8.08</b>		<b>-</b>
Income Tax Under Protest		<b>7.81</b>		<b>-</b>
Advance Income Tax and Tax deducted at source	<b>575.52</b>		<b>1,138.29</b>	
Less: Provision for Taxation (as per contra)	<b>363.10</b>	<b>212.42</b>	<b>1,138.29</b>	<b>-</b>
		<b>2,865.64</b>		<b>2,281.25</b>

### NOTE NO. '20' OTHER CURRENT ASSETS

Duty Entitlement Pass Book		<b>256.23</b>		<b>1,103.08</b>
Other Export Receivables				
Considered Good	<b>1,418.69</b>		<b>961.30</b>	
Considered Doubtful	<b>29.42</b>		<b>-</b>	
	<b>1,448.11</b>		<b>961.30</b>	
Less : Provision	<b>29.42</b>	<b>1,418.69</b>	<b>-</b>	<b>961.30</b>
Claim Receivable under TUFS		<b>999.71</b>		<b>1,184.81</b>
Other Claim Receivables		<b>256.70</b>		<b>73.89</b>
		<b>2,931.33</b>		<b>3,323.08</b>



	As at 31 <sup>st</sup> March, 2012	(₹ in Lacs) As at 31 <sup>st</sup> March, 2011
<b>NOTE NO. '21' Contingent Liabilities</b>		
1. Contingent liabilities not provided for in respect of: -		
a. Bills discounted with banks remaining outstanding		
(i) Against foreign LC	5,284.22	5,412.28
(ii) Others	1,469.02	2,247.15
b. Letter of Credit established with banks :-		
(i) Revenue account	298.09	720.62
(ii) Capital account	692.13	424.27
c. Guarantees given by the bankers on behalf of the company for which FDRs ₹ 92.23 Lacs (Previous Year ₹ 30.39 Lacs) pledged with them	790.36	264.59
d. Guarantee given by Company to Banks for loan to Carreman Fabrics India Ltd [Outstanding as on 31.03.2012 ₹ 1,092.00 Lacs (Previous Year ₹ 1,346.81 Lacs)]	1,950.00	1,950.00
e. Claims against the company not acknowledged as debt: -		
(i) Under Tax Laws	126.49	80.60
(ii) By Others:		
(a) On Revenue account	1.84	5.74
(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 ₹ 1,597.45 Lacs (Previous Year ₹ 1,566.08 Lacs) and export obligation against EPCG licenses ₹ 6,699.28 Lacs (Previous Year ₹ 11,020.11 Lacs). The Company has also committed to contribute ₹ 25.00 Lacs to Real Estate Opportunity Portfolio-1 out of which ₹ 25.00 Lacs are paid.

	Current Year 31 <sup>st</sup> March, 2012	(₹ in Lacs) Previous Year 31 <sup>st</sup> March, 2011
<b>NOTE NO. '23' REVENUE FROM OPERATIONS</b>		
(a) Sale of products		
Yarn	38,605.60	33,684.33
Cloth	37,513.65	32,568.33
Garment	11,386.64	7,906.87
Power	4.74	-
Waste	381.10	294.13
Fibre	85.39	1,108.28
Scrap	303.53	237.58
	88,280.65	75,799.52
(b) Sale of services		
Job Income	2,530.13	1,860.97
Sale of Products & Services (Gross)	90,810.78	77,660.49
(c) Other Operating Revenue		
Export Benefits	5,915.96	6,140.22
Bad Debts Recovered	0.87	4.50
	5,916.83	6,144.72
	96,727.61	83,805.21
Less : Excise Duty	4,343.20	2,955.32
	92,384.41	80,849.89

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	Current Year 31 <sup>st</sup> March, 2012	(₹ in Lacs) Previous Year 31 <sup>st</sup> March, 2011
<b>NOTE NO. '24' OTHER INCOME</b>		
Interest Income	401.63	331.51
Rental Income	4.46	3.76
Dividend Income	2.48	3.59
Profit on Sale of Tangible Assets	48.04	49.28
Other Non Operating Income	78.96	78.31
	<u>535.57</u>	<u>466.45</u>

## NOTE NO. '25' COST OF MATERIALS CONSUMED

### Raw Material Consumed

Opening stock	10,779.10	7,302.59	
Add :Purchases	41,485.16	39,883.87	
	52,264.26	47,186.46	
Less : Closing stock	<u>8,673.24</u>	<u>10,779.09</u>	36,407.37
<b>Dyes &amp; Chemicals Consumed</b>	<b>3,188.42</b>		2,569.20
Purchase : Cloth	803.23	969.32	
Yarn	<u>1,625.77</u>	<u>1,056.99</u>	<u>2,026.31</u>
	<u>49,208.44</u>		<u>41,002.88</u>

## NOTE NO. '26' CHANGES IN INVENTORIES

### A. Finished Goods

#### Opening Stock

Yarn	3,956.42	2,114.01
Cloth	3,807.49	3,470.78
Garment	682.55	438.96
	<u>8,446.46</u>	<u>6,023.75</u>

#### Closing Stock

Yarn	5,127.94	3,956.42
Cloth	6,115.83	3,807.48
Garment	992.46	682.55
	<u>12,236.23</u>	<u>8,446.45</u>

(3,789.77)

(2,422.70)

### B. Work-in Progress

#### Opening Stock

Yarn	1,346.06	1,091.12
Cloth	2,856.91	1,970.50
Garment	538.23	274.62
	<u>4,741.20</u>	<u>3,236.24</u>

#### Closing 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>

176.69

(1,504.96)

### C. Waste

#### Opening Stock

	51.53	32.85
--	-------	-------

#### Closing Stock

	<u>67.53</u>	<u>51.53</u>
--	--------------	--------------

(16.00)

(18.68)

(3,629.08)

(3,946.34)





	Current Year		(₹ in Lacs)	
	31 <sup>st</sup> March, 2012		Previous Year	
			31 <sup>st</sup> March, 2011	
<b>NOTE NO. '27' MANUFACTURING EXPENSES</b>				
Stores & Spare Parts Consumed		3,144.76		2,576.21
Packing Material Consumed		1,393.63		1,232.65
Power		750.01		2,098.28
Fuels		8,151.53		6,024.35
Job Charges		2,116.22		2,452.09
Repairs to : Plant & Machinery	600.33		501.59	
Building	388.23		284.85	
Others	90.81	1,079.37	54.49	840.93
Excise Duty*		21.23		7.53
		<u>16,656.75</u>		<u>15,232.04</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.	9,402.58	7,988.89
Contribution to Provident & Other Funds	969.71	816.71
Workmen & Staff Welfare Expenses	353.29	328.68
	<u>10,725.58</u>	<u>9,134.28</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 ₹ 690.65 lacs (Previous Year ₹ 583.78 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**

	Gratuity As At		Leave Encashment As At	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
(₹ In Lacs)				
<b>I. Assumptions</b>				
Mortality	LIC(1994-96) UIT		LIC(1994-96)UIT	
Discount Rate	8.30%	8.30%	8.30%	8.30%
Rate of increase in compensation	4.00%	4.00%	4.00%	4.00%
Rate of return (expected) on plan assets withdrawal rates	0.80%	0.80%	0.80%	0.80%
Expected average remaining service (years)	31.85	32.60	35.59	35.80
<b>II. Changes in Present Value of Obligations (PVO)</b>				
PVC at beginning of period	766.67	589.66	106.12	112.27
Interest Cost	59.59	44.66	4.08	6.30
Current Service Cost	149.95	140.36	48.52	33.13
Benefits paid	(97.46)	(62.81)	(113.87)	(66.92)
Actuarial (gain)/loss on obligation	11.71	54.80	88.27	21.34
PVC at end of period	867.04	766.67	133.13	106.12

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(₹ In Lacs)

	Gratuity As At		Leave Encashment As At	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
<b>III. Amounts to be recognized in the Balance Sheet</b>				
FVO at end of period	867.04	766.67	133.13	106.12
Fair Value of Plan Assets at end of period	-	-	-	-
Funded Status	(867.04)	(766.67)	(133.13)	(106.12)
Unrecognized Actuarial Gain/(Loss)	-	-	-	-
Net Asset/(Liability) recognized in the balance sheet	(867.04)	(766.67)	(133.13)	(106.12)
<b>IV. Expense recognized in the Statement of Profit and Loss</b>				
Current Service Cost	149.95	140.36	48.52	33.13
Interest Cost	59.59	44.66	4.08	6.30
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss recognized for the period	11.71	54.80	88.27	21.34
Expense recognized in the Statement of Profit and Loss	197.83	239.82	140.88	60.77
<b>V. Movements in the liability recognized in Balance Sheet</b>				
Opening Net Liability	766.67	589.66	106.12	112.27
Expenses as above	197.83	239.82	140.88	60.77
Benefits paid	(97.46)	(62.81)	(113.87)	1(66.92)
Closing Net Liability	867.04	766.67	133.13	106.12

(₹ In Lacs)

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

Previous Year  
31<sup>st</sup> March, 2011

### NOTE NO. '29' FINANCE COST

Interest Expense	6,911.40	3,836.04
Other Borrowing Cost	608.40	409.94
	<u>7,519.80</u>	<u>4,245.98</u>

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

Leasehold Land Written Off	3.98	3.98
Depreciation	<u>4,307.11</u>	<u>4,311.09</u>
(Including prior period ₹ 16.00 Lacs)	<u>4,311.09</u>	<u>3,402.45</u>



(₹ in Lacs)

**Current Year**  
**31<sup>st</sup> March, 2012****Previous Year**  
**31<sup>st</sup> March, 2011****NOTE NO. '31' OTHER EXPENSES****Administrative Expenses**

Rent	71.73		45.86	
Rates and Taxes	144.23		141.01	
Insurance Charges	25.04		51.35	
Payment to Auditors				
As Auditors -Fees	7.00		4.80	
-Expenses	1.10		1.41	
In other capacity				
-Tax Audit Fees	1.40		0.81	
-Certification	6.75		5.45	
-Taxation Matters	3.40		2.57	
-Other Services	0.30		-	
-Service tax	-		0.24	
Director's Fees	6.08		6.28	
Travelling Expenses	88.73		71.39	
Director's Travelling Expenses	11.03		16.04	
Foreign Travelling Expenses	111.30		107.02	
Communication Expenses	99.27		104.93	
Legal & Professional Expenses	180.73		156.89	
Charity & Donation	13.98		29.03	
Loss on forward exchange contracts	387.03		79.39	
Exchange Rate Fluctuation	234.87		22.20	
Entry Tax (Refer Note No. 10.1)	-		631.56	
Loss on Sale of Tangible Assets	143.54		67.21	
Miscellaneous Expenses	638.78	2,176.29	570.17	2,115.61

**Selling Expenses**

Commission to Selling Agents	1,130.21		1,221.98	
Brokerage and Discounts	474.48		314.65	
Freight, Octroi and Forwarding Charges	1,952.63		1,999.23	
Claims	239.94		281.05	
Advertisements	93.28		25.86	
Provision for Doubtful Debts	224.05		71.75	
Bad Debts Write Off	0.91		41.14	
Others	105.58	4,221.08	67.72	4,023.38
		<u>6,397.37</u>		<u>6,138.99</u>

**NOTE NO. '32' EXTRAORDINARY ITEMS**

Forward Contract Difference on MTM	-	-	(144.90)	(144.90)
		-		(144.90)

**32.1** Extraordinary items represent write back of provision made in previous year on maturity of foreign exchange financial instruments which were recognized on mark to market basis.

		Current Year 31 <sup>st</sup> March, 2012	(₹ In Lacs) Previous Year 31 <sup>st</sup> March, 2011
<b>NOTE NO. '33' EARNINGS PER SHARE</b>			
a) Amount used as the numerator profit after tax, dividend on preference shares and tax thereon	₹ In lacs	1,482.69	4,686.79
b) Weighted average number of equity shares used as the denominator in computing basic earning per share.	Nos.	1,47,41,211	1,46,23,102*
Add: Potential no. of equity shares that could arise on conversion of warrants into equity shares.	Nos.	NIL	NIL
Weighted average number of shares used in computing Diluted Earning per Share	Nos.	1,47,41,211	1,47,40,936*
c) Nominal value per share	₹	10.00	10.00
d) Earnings Per Share:			
- Basic	₹	10.06	32.05
- Diluted	₹	10.06	31.79

\* Includes 16,50,000 Share Warrants allotted to the persons other than Promoters and converted into equal no. of equity shares at the meeting of Board of Directors held on 27<sup>th</sup> April, 2010. The Basic and Diluted Earnings Per Share for the year has been calculated accordingly.

## Note No.'34' 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 besides power generation. Revenue from power generation of the year is less than 10% of the total revenue. 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. '35' 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



**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

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	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>SALES</b>								
Cloth	0.37	0.29	-	-	2.16	28.66	-	-
Yarn	-	0.72	-	-	-	-	-	-
Other	38.22	15.42	-	-	-	-	-	-
<b>PURCHASE</b>								
Cloth	473.98	315.48	-	-	-	157.47	-	9.00
Yarn	0.20	-	-	-	-	-	-	-
Other	54.21	129.01	-	-	-	-	-	-
<b>JOB CHARGES</b>								
Weaving	978.29	958.05	-	-	-	-	-	-
Mending	0.53	-	-	-	-	-	-	-
<b>EXPENSES</b>								
Rent	-	-	-	-	2.40	2.40	7.20	7.20
Remuneration	-	-	234.03	490.58	-	-	-	-
Interest	21.37	16.35	2.51	3.09	10.14	-	12.31	16.19
<b>INCOMES</b>								
Rent	0.18	0.18	-	-	-	-	-	-
Job Charges	80.24	99.94	-	-	-	-	-	-
<b>FINANCE</b>								
Fixed Deposit Accepted	-	-	-	10.00	255.00	-	28.00	72.00
Fixed Deposit Repayment	-	-	-	5.00	-	-	8.00	55.50
<b>OUTSTANDING</b>								
Fixed Deposits	-	-	32.00	32.00	255.00	-	170.25	153.75
Amount Receivable	130.93	97.49	-	-	2.17	-	-	-
Amount Payable	492.99	426.47	-	-	-	-	-	-
Property Deposit	-	-	-	-	20.00	20.00	60.00	60.00
Capital Contribution	709.07	650.07	-	-	-	-	-	-

In respect of the outstanding balance recoverable as at 31<sup>st</sup> March, 2012 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.

## Note No. '36' 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 realization:

As at	No. of Contracts	US Dollar Equivalent (In Lacs)	INR Equivalent (In Lacs)
31.03.2012	25	182.70	9,299.53
31.03.2011	29	204.37	9,112.72

- b) Foreign Currency exposure that are not hedged by financial instruments or forward contracts as at 31<sup>st</sup> March, 2012 amount to US Dollar 216.47 Lacs equivalent to ₹ 11,018.39 Lacs (Previous Year US Dollar 197.40 Lacs equivalent to ₹ 8,802.01 Lacs)

## Note No. '37' 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.
- b) The above Joint Venture Company is incorporated in India. The company's share of assets and liabilities as on 31<sup>st</sup> March, 2012 and income and expenses for the year ended on that date in respect of joint venture entities as per Financial Statements is given below:

	31.03.2012	31.03.2011
(₹ In Lacs)		
<b>A. Assets</b>		
Long Term Assets	1,183.96	1,184.37
Current Assets	222.09	304.44
Total (A)	<u>1,406.05</u>	<u>1,488.81</u>
<b>B. Liabilities</b>		
Long Term Liabilities	441.96	585.51
Current Liabilities	208.69	159.20
Total (B)	<u>650.65</u>	<u>744.71</u>
<b>C. Contingent Liability</b>	Nil	Nil
<b>D. Capital Commitments</b>	Nil	Nil
<b>E. Incomes</b>	506.26	561.66
<b>F. Expenditures</b>	491.66	549.59

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 31.03.2012 ₹ 1,092.00 Lacs (Previous Year ₹ 1,346.81 Lacs)].



- c) Company has also entered into joint venture agreement with Treves S.A. France on 20.01.2012 has 50% ownership interest in the jointly controlled entity Treves Banswara Pvt. Ltd. 50% share in assets and liabilities as on 31<sup>st</sup> March, 2012 and income and expenses incurred in respect of joint venture entity as per unaudited financial statements for the period ended on that date is as below :

	(₹ In Lacs) 31.03.2012
<b>A. Assets</b>	
Long Term Assets	11.44
Current Assets	61.93
Total (A)	<u>73.37</u>
<b>B. Liabilities</b>	
Long Term Liabilities	Nil
Current Liabilities	17.16
Total (B)	<u>17.16</u>
<b>C. Contingent Liability</b>	Nil
<b>D. Capital Commitments</b>	114.50
<b>E. Incomes</b>	0.10
<b>F. Expenditures</b>	4.25

**Note No. '38' 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. '39' Value of Imports on CIF basis:**

	(₹ In Lacs) 2011-12	2010-11
(i) Raw Material	2,268.65	3,078.85
(ii) Dyes & Chemicals	80.76	112.86
(iii) Components & Spare Parts	954.07	586.29
(iv) Capital goods	4,526.08	5,324.20

**Note No. '40' Value of Raw Materials, Components & Spare parts consumed:**

	Amount (₹ In Lacs)		Percentage (%)	
	2011-12	2010-11	2011-12	2010-11
<b>(a) Raw Materials</b>				
(i) Imported	3,268.11	3,083.68	7.50	8.47
(ii) Indigenous	40,322.91	33,323.69	92.50	91.53
	<u>43,591.02</u>	<u>36,407.37</u>	<u>100.00</u>	<u>100.00</u>
<b>(b) Components &amp; Spare Parts</b>				
(i) Imported	701.52	660.90	25.38	28.58
(ii) Indigenous	2,062.70	1,651.39	74.62	71.42
	<u>2,764.22</u>	<u>2,312.29</u>	<u>100.00</u>	<u>100.00</u>
<b>(c) Dyes &amp; Chemicals: -</b>				
(i) Imported	182.58	437.32	5.73	17.02
(ii) Indigenous	3,005.84	2,131.88	94.27	82.98
	<u>3,188.42</u>	<u>2,569.20</u>	<u>100.00</u>	<u>100.00</u>
<b>(d) Expenses in foreign Currency (In respect of): -</b>				
(i) Professional & Consultancy Charges	₹ 22.03 Lacs (Previous Year ₹ 25.01 Lacs)			
(ii) Others	₹ 1,883.62 Lacs (Previous Year ₹ 1,879.34 Lacs)			
<b>(e) Earning in Foreign Currency (in respect of): -</b>				
(i) Exports of goods on FOB basis	₹ 45,063.00 Lacs (Previous Year ₹ 42,368.92 Lacs)			
(ii) Other realization	₹ 1,606.85 Lacs (Previous Year ₹ 3,070.78 Lacs)			

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### Note No. '41' Details Regarding remittance of Dividend in Foreign Currency:-

Particulars	Current Year 31 <sup>st</sup> March, 2012	Previous Year 31 <sup>st</sup> March, 2011
Total No. of Non-resident shareholders		
Equity Shares	5	6
Preference Shares	1	1
Amount of Dividend remitted in Foreign Currency (In ₹)		
-Final Dividend (2009-10) on 1,02,340 Equity Shares	-	2,04,680
-Final Dividend (2009-10) On 1,73,000 Preference Shares	-	5,19,000
-Interim Dividend (2010-11) On 12,340 Equity Shares	-	24,680
-Final Dividend (2010-11) On 12,340 equity Shares	37,020	-
-Final Dividend (2010-11) On 1,73,000 Preference Shares	5,19,000	-

**Note No. '42'** 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. '43'** The Revised Schedule VI became effective from April 1, 2011 for the preparation of Financial Statements. Hence, current year Financial Statements are prepared in accordance with Revised Schedule VI. Since Previous Year presentation was made as per Old Schedule VI, the Previous Year figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

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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  
Date : 21<sup>st</sup> May, 2012

R.L. TOSHNIWAL  
Chairman

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

RAVINDRA KUMAR TOSHNIWAL  
Managing Director

SHALEEN TOSHNIWAL  
Jt. Managing Director

Directors  
P. KUMAR  
D.P. GARG  
S.D. AGARWAL  
VIJAY KUMAR AGARWAL  
P.K. BHANDARI  
VIJAY MEHTA  
A.N. JARIWALA  
C.P. RAVINDRANATH



**Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2012, pursuant to the Listing Agreement with Stock Exchanges, Mumbai**

(₹ In Lacs)

	2011-12	2010-11
<b>A) Cash Flow From Operating Activities</b>		
Net Profit After tax as per Statement of Profit and Loss	1,488.70	4,692.84
Adjustment for		
Provision for Taxation and Deferred Tax liabilities	241.33	1,558.14
Net profit before tax and after extra ordinary items	1730.03	6,250.98
Adjusted for		
Depreciation	4,311.09	3,402.45
Profit/ Loss on Sale of fixed assets (net)	129.03	17.93
Interest paid	7,519.80	4,245.98
Rent received	(4.46)	(3.76)
Dividend received	(2.48)	(3.59)
Extraordinary Items	-	-
Operating profit before working capital changes	11,952.98	7,514.11
Adjusted for		
Increase in trade & other receivable	(4,593.65)	(4,545.40)
Increase in inventories	(1,656.21)	(7,931.93)
Increase/(-)Decrease in trade & other payable	771.33	6,012.11
Cash generated from operations	6,661.82	7,299.87
Net Tax Inflow / (-)Outflow	(349.34)	(1,283.15)
<b>Net cash from operating activities (A)</b>	<b>6,312.48</b>	<b>6,016.72</b>
<b>B) Cash Flow From Investing Activities</b>		
Increase(-)/Decrease (+) in capital work-in-progress	(992.02)	69.32
Purchase of Fixed assets	(8,120.82)	(14,983.78)
Purchase of investment	(65.32)	(2.47)
Sale of Fixed assets	207.91	152.76
Rent received	4.46	3.76
Dividend received	2.48	3.59
<b>Net cash used in investing activities (B)</b>	<b>(8,963.31)</b>	<b>(14,756.82)</b>
<b>C) Cash Flow From Financing Activities</b>		
Proceeds from issue of Share Capital/ (Application Money)	0.13	511.87
Proceeds from long term borrowings	6,218.47	9,416.28
Repayment of long term borrowings	(3,299.58)	(2,244.61)
Interest paid	(7,434.75)	(4,245.98)
Increase/(Decrease) in bank borrowings	7,695.23	6,693.81
Proceeds from unsecured loan	509.95	(476.05)
Dividend and tax thereon Paid	(520.00)	(654.86)
<b>Net cash from financing activities (C)</b>	<b>3,169.45</b>	<b>9,000.46</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents(A+B+C)</b>	<b>518.62</b>	<b>260.36</b>
Opening balance of cash and cash equivalents	767.12	506.76
<b>Closing balance of cash and cash equivalents</b>	<b>1,285.74</b>	<b>767.12</b>

In terms of our Audit Report of even date:

For KALANI & COMPANY  
Chartered Accountants  
FRN - 000722CK.L. JHANWAR  
Partner  
M.No. 014080Place : Mumbai  
Date : 21<sup>st</sup> May, 2012R.L. TOSHNIWAL  
ChairmanJ.K. JAIN  
Sr. Vice President (Fin. & Comm.)  
& Company SecretaryRAVINDRA KUMAR TOSHNIWAL  
Managing DirectorSHALEEN TOSHNIWAL  
Jt. Managing DirectorDirectors  
P. KUMAR  
D.P. GARG  
S.B. AGARWAL  
VIJAY KUMAR AGARWAL  
P.K. BHANDARI  
VIJAY MEHTA  
A.N. JARIWALA  
C.P. RAVINDRANATH

## ANNUAL REPORT 2011-12

### 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

10 Nos.-415/380 volt step down transformers are fixed in lighting to increase the life of Fluorescent tubes.

###### Machines

- 1) Monitoring of compressed air leakages in BSL and Unit BFL was carried out & leakages were attended resulting in saving of around 60,000 units/month in BSL and Unit BFL.
- 2) Continuous condition monitoring of electric motors of all the departments in BSL & Unit BFL has resulted in 40% reduction of motors burning and saving of around ₹ 15,000/- per month in rewinding cost in addition to reduction of breakdowns of machines.
- 3) Invertors were fixed in winter season on fans and pumps of HNV plants of spinning plants of worsted, BSL and Thermal Power Plants resulting into saving of electrical energy.

###### Compressor

Peer to peer arrangement is fixed to avoid the bye pass of compressed air whenever demand is less on Centac Compressor in BSL and Unit BFL.

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

For assessment and saving in steam energy in unit BTM and Dye House, steam energy audit is awarded to M/s Forbes Marshal P. Ltd. Pune, which will result in saving steam of around ₹100 lacs/annum, 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.

Marginal impact on overall cost of production.

##### 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. 40 (d) & (e) annexed to the Balance Sheet as at 31<sup>st</sup> March, 2012.

#### FORM-A

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

##### A. POWER AND FUEL CONSUMPTION

Sr. Particulars No.	Current Year 2011-12	Previous Year 2010-11
1. Electricity		
a) Purchased Units (Lacs)	140.16	476.54
Total Amount (₹ in lacs)	750.01	2,098.28
Rate/Unit (₹)	5.35	4.40
b) Own generation		
i) Through Coal based		
Thermal Powerplant Unit (lacs)	1,614.05	1,107.32
Units per Kg. of Coal (No's)	0.919	0.984
Cost/Unit (₹)	3.79	3.67
ii) Through Furnace Oil		
Generator unit (Lacs)	0.86	59.88
Units per Kg. of Furnace Oil	4.48	4.21
Cost/Unit (₹)	7.59	6.53
iii) Through Diesel Generator unit		
Units per Ltr. of Diesel Oil (No's)	3.22	3.02
Cost/Unit (₹)	13.29	13.13
2. Coal Qty. (MT)	1,40,287	1,43,599
Total Cost (₹ in lacs)	5,246.69	5,088.97
Average Rate/MT (₹)	3,740	3,544
3. Lignite Qty. (MT)	75,135	580
Total Cost (₹ in lacs)	2,050.54	16.44
Average Rate/MT (₹)	2,729	2,837
4. Petcoke Qty. (MT)	2,368	-
Total Cost (₹ in lacs)	234.56	-
Average Rate/MT (₹)	8,179	-
5. LPG Qty. (MT)	484	742
Total Cost (₹ in lacs)	261.33	316.75
Average Rate/MT (₹)	54,011	42,689
6. Furnace Oil Qty. (Kgs.) lacs	5.47	17.63
Total Amount (₹ in lacs)	206.70	480.36
Average Rate/Kg. (₹)	37.76	27.24
7. Diesel Qty. (Ltrs.) lacs	0.47	0.69
Total Amount (₹ in lacs)	18.07	24.87
Average Rate/Ltr. (₹)	38.24	35.89
8. Other/Internal generation	Not applicable	Not applicable

\* Including 4554340 KWH given to Carreman Fabrics India Ltd. for job weaving done for the Company (Previous year 2904440 KWH)

##### 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 - 2011-2012  
RESEARCH AND DEVELOPMENT (R & D)**

**1. Specific areas in which R & D carried out by the Company.**

The Company has set up fabric testing laboratory as per the National and International standards, according to ISO, RDSO (Directorate of Indian Railways), AATCC, ASTM, Levis & Co, Marks & Spencer, Coach, Indian Standard test methods & testing protocol.

Upgraded the laboratory for testing of Fire Retardant & technical fabric for supply to Indian Railways for A/C coaches.

Set up a new laboratory in dye house for yarn dyeing for technical fabric with latest technology, fully Auto dispensing dyeing technique, Data color photometer, Mechbath IIIrd light box and fully automatic sample dyeing machines for fibre and yarn dyeing.

It is having latest testing equipment as per the requirement of these standards.

The laboratory has successfully achieved accreditation of Levis & Co, Marks & Spencer, Coach, and is undergoing ISO 17025 NABL and Coach Accreditation. The laboratory has a facility of providing on-line testing services to various departments to achieve excellent quality and productivity.

The Company has a well developed fabric designing department and has created a garment studio at Mumbai for improvement in fabric and garment designs. The Company has also procured computer software to create and develop new designs for manufacturing Jacquard fabrics.

The Company has imported low cost Chinese spinning and weaving machines, which are cheaper than LMW/Indian machines.

**2. Benefits derived as a result of the above R & D**

As a result of the above, the products of the company are meeting international quality standards and are, therefore, globally well accepted. The fabric sample can be tested in the Company's laboratory as per customers' requirement/ International standard, thereby saving time and cost.

The Company has developed three layer high altitude fabric, fire retardant fabric and, two zone fabric etc. for Worsted suiting; the Company has installed and developed latest dyeing and radio frequency drying machine for wool dyeing activities to enhance quality of the product. The company has started shirting activities in linen and cotton etc. with modernized high speed looms.

Further to this, the company has installed latest finishing machines like Shearing & cropping, milling & Scouring, Damping, Pressing for the processing of 100% woolen and Worsted finished Fabric.

Similarly, the laboratory is also being expanded for testing with the latest testing equipment for technical fabrics.

**3. 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. Latest Spinning, Weaving and Processing Machines are being installed as per the continuous increase in the demand of quality/ production of yarns and fabrics.

Similarly, testing activities are being expanded in spinning and Finished fabric testing by importing latest testing equipment like UT-5/UT-3 (evenness Tester), Friction Tester, Tensorapid, and other equipments (for worsted Spinning). Fully automatic 6kg. sample yarn dyeing machine (HP & HT) for dye House Laboratory.

For the garment division, the Company has imported Jackets stitching machinery which has been installed in garment factory at Surat.

**4. Expenditure on R & D**

a) Capital expenditure is approx. ₹ 165 lacs

b) Recurring Normal running expenditure ₹ 114 lacs.

c) Total ₹ 279 lacs.

d) Total R & D expenditure as a 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 their technicians to upgrade their technical & intellectual levels by making them to attend various Technical Seminars and Training programs on various subjects like Testing, Spinning, Weaving and Processing etc. both in India and Overseas.

The Company Designing and Marketing team regularly attend various Seminars and Exhibitions both in India and overseas to understand and upgrade the latest trends in designing and development whereby to stand in pace with the other competitors.

The Company has started a new joint venture (J.V.) with Traves, S.A., France for manufacturing of automotive fabric for supplying of high valued automotive fabric to reputed brand like Nissan, Reynold, Toyota, TATA and other luxurious 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 depending on out side yarn Dyer for texturised filament yarn dyeing. The introduction and increase in the capacity of cotton / texturised filament yarn dyeing facility at Banswara has enabled the 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. During the fabric processing, the Company could get the same quality standards even by reducing some of the production process. The company has also developed special yarns in-house which are used for fabric designing. It is a part of our 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  
Date : 21<sup>st</sup> May, 2012

**R.L. TOSHNIWAL**  
Chairman

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## 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: (including joint holders, if any, in block letters)	
Registered address of the sole/first named Member/Beneficial Owner	
No. of shares held	
e-mail ID	

\*applicable to investors holding shares in dematerialized form

## BANSWARA SYNTEX LIMITED

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

Dear Shareholders,

SEBI, vide its letter No.DCC/FITTCIF-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 suffixing 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 :

## 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	

36<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 11<sup>th</sup> August, 2012 and at any adjournment thereof.

Signed this day \_\_\_\_\_ of \_\_\_\_\_ 2012

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	

36<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 11<sup>th</sup> August, 2012 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  
Under Postal Certificate

# **ANNUAL REPORT 2011-2012**

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)-257676,677,679-681

Fax : +91-2962-240692