



# 39<sup>th</sup> ANNUAL REPORT 2018 -19



**shree Rajasthan Syntex Limited**

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

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Vinod Kumar Ladia (DIN: 00168257)  
*Chairman & Whole Time Director*

Mr. Vikas Ladia (DIN: 00256289)  
*Managing Director & Chief Executive Officer*

Mr. Anubhav Ladia (DIN: 00168312)  
*Whole Time Director*

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

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

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

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

Mr. Raj Singh Nirwan (DIN: 00313799)  
*Independent Director*  
*Ceased with effect from June 1, 2019*

Mr. Ravinder Narain (DIN: 00059197)  
*Independent Director*  
*Ceased with effect from August 5, 2018*

Mr. Roshan Lal Kunawat (DIN: 00196938)  
*Independent Director*  
*Ceased with effect from August 10, 2018*

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ravina Soni

### CHIEF FINANCIAL OFFICER

Mr. Vinay Punjawat

### STOCK EXCHANGE WHERE COMPANY'S SECURITIES IS LISTED

BSE Limited

### REGISTERED & HEAD OFFICE

“SRSL HOUSE”, Pulla Bhuwana Road,  
 N.H. No. 8, Udaipur-313004 (Rajasthan)

### WEBSITE

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

### CORPORATE IDENTITY NUMBER (CIN)

L24302RJ1979PLC001948

### BANKERS

- IDBI Bank Ltd. • State Bank of India • Bank of Baroda

### REGISTRAR & SHARE TRANSFER AGENT (RTA)

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

### STATUTORY AUDITORS

M/s. Doogar & Associates, Chartered Accountants, New Delhi

### SECRETARIAL AUDITORS

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

### COST AUDITORS

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

### INTERNAL AUDITORS

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

### BOARD COMMITTEES

#### Audit Committee

Mr. Raj Singh Nirwan (Chairman)  
 Mr. Narendra Nath Agrawala  
 Mr. Sunil Goyal  
 Mr. Susheel Jain  
 Mr. Vinod Kumar Ladia

#### Nomination & Remuneration Committee

Mr. Narendra Nath Agrawala (Chairman)  
 Mr. Raj Singh Nirwan  
 Mr. Susheel Jain  
 Mr. Vinod Kumar Ladia

#### Stakeholders' Relationship Committee

Mr. Narendra Nath Agrawala (Chairman)  
 Mr. Anubhav Ladia  
 Mr. Vinod Kumar Ladia

#### Sub Committee

Mr. Anubhav Ladia  
 Mr. Narendra Nath Agrawala  
 Mr. Vikas Ladia  
 Mr. Vinod Kumar Ladia

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## NOTICE

Notice is hereby given that the 39<sup>th</sup> (Thirty Ninth) Annual General Meeting (“AGM / Meeting”) of the Members of Shree Rajasthan Syntex Limited will be held on Wednesday, September 25, 2019 at 2:30 P.M. at the Registered Office of the Company situated at 'SRSL HOUSE', Pulla Bhuwana Road, N. H. No. 8, Udaipur - 313004 Rajasthan, to transact the following business:

### **ORDINARY BUSINESS**

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

To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon.

#### **Item no. 2 - Appointment of Mr. Vinod Kumar Ladia as a director liable to retire by rotation**

To appoint a Director in place of Mr. Vinod Kumar Ladia (DIN: 00168257), who retires by rotation and, being eligible, seeks re-appointment.

### **SPECIAL BUSINESS**

#### **Item no. 3 - Ratification of Remuneration of the Cost Auditors for the financial year ending on March 31, 2020 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit Rules), 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 85,000/- (Rupees Eighty Five Thousand Only) plus applicable GST and reimbursement of traveling expenses and out of pocket expenses (at actual) incurred for the purpose of audit, payable to M/s. K.G. Goyal & Co., Cost Accountants (Firm Registration No.000017) Jaipur, who were re-appointed by the Board of Directors, as “Cost Auditors” to conduct the audit of the cost records maintained by the Company for financial year ending on March 31, 2020 be and is hereby ratified.

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

#### **Item no. 4 - Re-appointment of Mr. Vinod Kumar Ladia as Executive Chairman and Whole Time Director (“Key Managerial Personnel”) and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Articles of Association and all other applicable

Laws, Rules and Acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, as may be applicable, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and subject to the prior approval of the Banks before obtaining the approval of the shareholders in the ensuing Annual General Meeting, Mr. Vinod Kumar Ladia (DIN: 00168257) be and is hereby re-appointed as Executive Chairman and Whole Time Director (“the Chairman”) of the Company (“Key Managerial Personnel”) for a period of three (3) years with effect from June 1, 2019 to May 31, 2022 as per the terms and conditions including remuneration mentioned hereunder, with liberty to the Board of Directors to alter and vary the terms and conditions of re-appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Act or any statutory amendment(s) or modification(s) thereto or re-enactment(s) thereof and subject to the same not exceeding the ceiling limit as provided in this resolution:-

**TERMS OF REMUNERATION :** (Tenure - June 1, 2019 to May 31, 2022)

- I. **BASIC SALARY:** Rs. 2,60,000/- per month with effect from June 1, 2019.
- II. **PERQUISITES:** In addition to above, the following perquisites not exceeding the overall ceiling prescribed under Schedule V, annexed to the Act will be provided to Mr. Vinod Kumar Ladia, the Chairman:

#### **Category (A)**

1. **Housing:** Company shall not provide residential accommodation, he will be paid such housing allowance of Rs. 15,000/- per month as the Board may decide from time to time subject to the condition that the same does not exceed 60% of the basic salary and expenses on gas, electricity, water, furnishing and maintenance charges (at actual) will be borne by the Company.
2. **Medical Expenses Reimbursement:** Equal to one month's salary in a year or three months in three years.
3. **Leave Travel Concession:** For self, wife and dependent children, once in a year to and fro charges from any place on actual basis subject to a ceiling of one month's salary in a year.
4. **Personal Accident Insurance:** Actual premium on personal accident insurance.
5. **Ex gratia in lieu of bonus:** @ 8.33% of the basic salary.

#### **Category (B)**

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

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

#### Category (C)

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

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

#### Other Terms and Conditions:

1. Mr. Vinod Kumar Ladia will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
2. Either party may terminate the agreement by giving the other party six-month's prior notice in writing to that effect. If at any time Mr. Vinod Kumar Ladia ceases to be Director of the company for any reason whatsoever, he shall cease to be the Executive Chairman and Whole Time Director ("the Chairman") of the Company.
3. The terms and conditions as above including remuneration,

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

4. He shall be liable to retire by rotation.

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

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

**Item no. 5 - Re-appointment of Mr. Vikas Ladia as Managing Director and Chief Executive Officer ("Key Managerial Personnel") and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Articles of Association and all other applicable Laws, Rules and Acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, as may be applicable, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and subject to the prior approval of the Banks before obtaining the approval of the shareholders in the ensuing Annual General Meeting, Mr. Vikas Ladia (DIN: 00256289) be and is hereby re-appointed as Managing Director and Chief Executive Officer ("MD & CEO") of the Company ("Key Managerial Personnel") for a period of three (3) years with effect from June 1, 2019 to May 31, 2022 as per the terms and conditions including remuneration mentioned hereunder, with liberty to the Board of Directors to alter and vary the terms and conditions of re-appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Act or any

statutory amendment(s) or modification(s) thereto or re-enactment(s) thereof and subject to the same not exceeding the ceiling limit as provided in this resolution:-

**TERMS OF REMUNERATION :** (Tenure - June 1, 2019 to May 31, 2022)

- I. **BASIC SALARY:** Rs. 2,05,000/- per month with effect from June 1, 2019.
- II. **PERQUISITES:** In addition to above, the following perquisites not exceeding the overall ceiling prescribed under Schedule V, annexed to the Act will be provided to Mr. Vikas Ladia, MD & CEO:

**Category (A)**

1. **Housing:** The Company shall provide Free furnished residential accommodation and shall bear the actual cost of gas, electricity, water, furnishing and maintenance charges.
2. **Medical Expenses Reimbursement:** Equal to one month's salary in a year or three months in three years.
3. **Leave Travel Concession:** For self, wife and dependent children, once in a year to and fro charges from any place on actual basis subject to a ceiling of one month's salary in a year.
4. **Personal Accident Insurance :** Actual premium on personal accident insurance.
5. **Ex gratia in lieu of bonus :** @ 8.33% of the basic salary.

**Category (B)**

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

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

**Category (C)**

1. **Conveyance and Telephone:** Provision of use of car and telephone at the residence for the company's business will not be considered as perquisites. Personal calls on telephone and use of car for private purpose shall be billed by the

Company to Mr. Vikas Ladia.

2. **Reimbursement of Expenses:** Apart from the remuneration as aforesaid, Mr. Vikas Ladia shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.
3. **Sitting Fee etc.:** No sitting fee shall be paid to Mr. Vikas Ladia for attending the meetings of Board of Directors or any committee thereof.
4. **Payment of Life Insurance Premium:** Life Insurance Premium shall be payable in respect of only insurance of life on the actual basis by the company.
5. **Payment of Premium of the Medclaim Policy:** Premium paid towards Medclaim Policy for self, wife, and dependent children shall be payable on actual basis by the Company.

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

**Other Terms and Conditions:**

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

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

**RESOLVED FURTHER THAT** the Board of Directors of the

Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

**Item no. 6 - Re-appointment of Mr. Anubhav Ladia as Whole Time Director (“Key Managerial Personnel”) and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Articles of Association and all other applicable Laws, Rules and Acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, as may be applicable, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and subject to the prior approval of the Banks before obtaining the approval of the shareholders in the ensuing Annual General Meeting, Mr. Anubhav Ladia be and is hereby re-appointed as Whole Time Director (“WTD”) of the Company (“Key Managerial Personnel”) for a period of three (3) years with effect from June 1, 2019 to May 31, 2022 as per the terms and conditions including remuneration mentioned hereunder, with liberty to the Board of Directors to alter and vary the terms and conditions of re-appointment and / or remuneration, subject to the same not exceeding the limits specified under Schedule V of the Act or any statutory amendment(s) or modification(s) thereto or re-enactment(s) thereof and subject to the same not exceeding the ceiling limit as provided in this resolution:-

**TERMS OF REMUNERATION :** (Tenure - June 1, 2019 to May 31, 2022)

- I. **BASIC SALARY:** Rs. 1,55,000/- per month with effect from June 1, 2019.
- II. **PERQUISITES:** In addition to above, the following perquisites not exceeding the overall ceiling prescribed under Schedule V, annexed to the Act will be provided to Mr. Anubhav Ladia, Whole Time Director:

#### **Category (A)**

1. **Housing:** The Company shall provide Free furnished residential accommodation and shall bear the actual cost of gas, electricity, water, furnishing and maintenance charges.
2. **Medical Expenses Reimbursement:** Equal to one month's salary in a year or three months in three years.
3. **Leave Travel Concession:** For self, wife and dependent children, once in a year to and fro charges from any place on actual basis subject to a ceiling of one month's salary in a year.

4. **Personal Accident Insurance:** Actual premium on personal accident insurance.

5. **Ex gratia in lieu of bonus:** @ 8.33% of the basic salary.

#### **Category (B)**

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

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

#### **Category (C)**

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

Wherein in any financial year, the Company has no profits or its profits are inadequate, the minimum amount of remuneration and

benefits shall be paid to Mr. Anubhav Ladia subject to the applicable provisions of Schedule V of the Act or any amendment thereto as may be applicable at relevant time.

**Other Terms and Conditions:**

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

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

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

**Item no. 7 - To sell, transfer and / or dispose of the whole or substantially the whole of the undertaking of the Company under Section 180(1)(a) of the Companies Act, 2013 both present and future and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the relevant rules made thereunder, the enabling provisions in the Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), and subject to such approvals, sanctions, consents, registrations and permissions, as may be required, and subject to such terms, conditions, alterations, corrections, changes, variations and / or modifications, if any, as may be stipulated by any authority while granting such approvals, sanctions, consents, registrations and permissions, which may be agreed by the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) and subject to the approval of the Banks / Lenders, if required, consent, authority and approval of the members of the Company be and is hereby accorded to the Board to sell, transfer and / or dispose of the whole or substantially the whole of the undertaking of the Company for a value of the undertaking not exceeding Rs. 100 Crore and in the manner and on such terms and conditions as may be deemed fit by the Board.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing and varying the terms and conditions to sell, transfer and / or dispose of the whole or substantially the whole of the undertaking and take all necessary steps in the matter as it may in its absolute discretion deem necessary, desirable or expedient to give effect to the above resolution, and to settle any question and difficulty that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their consent, authority and approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution, to any Director(s) or to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to this resolution."

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



**RAVINA SONI  
Company Secretary cum  
Compliance Officer  
M. No. A43534**

Date : August 12, 2019  
Place : Udaipur  
Registered Office : 'SRSL HOUSE',  
Pulla Bhuwana Road, N. H. No. 8,  
Udaipur - 313004 Rajasthan

## NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the Special business under **Item no. 3 to 7** of the Notice, is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings (“Secretarial Standard”) issued by the Institute of Company Secretaries of India in respect of Directors seeking re-appointment at this AGM are also annexed.
2. ***A member entitled to attend and vote at the AGM is entitled to appoint a proxy / proxies to attend and vote on poll at the meeting instead of himself, and the proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy, provided that such person shall not act as proxy for any other person or shareholder. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid.***  

The instrument appointing the proxy / proxies in order to be effective, should be duly stamped, filled, signed and must be deposited at the registered office of the company not later than 48 hours before the commencement of the AGM. (*Proxy Form is annexed to this Annual Report*).

During the period beginning 24 hrs. before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
3. Corporate members intending to send their authorized representative(s) to attend the AGM, pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution / Authority letter / Power of Attorney, together with specimen signatures of the representative(s), authorizing their representative to attend and vote on their behalf at the AGM.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members/ proxies/ authorized representatives are requested to bring to the AGM necessary details of their shareholding, duly filled attendance slip and their Annual Report.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 19, 2019 to Wednesday, September 25, 2019 (both days inclusive) for the purpose of AGM.
7. The Annual Report for the financial year 2018-19 (“Annual Report”); Notice of 39<sup>th</sup> AGM along with the attendance slip and proxy form; notice of e-voting, etc. are being sent to the members through e-mail who have registered their email id's with the Company / Depository Participants (DPs) / Company's Registrar and Share Transfer Agent (“RTA”) unless such member has requested for a physical copy of the same. Members whose e-mail is not registered are being sent physical copies of the said Annual Report and Notice at their registered address by the permitted mode. Members may also note that even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request to the Company for the same.  

**To support the Green Initiative, the Members are requested to register their e-mail ids with the Company / DP / RTA which will be used for purpose of future communications. E-communication format are available at the website of the Company at [www.srsl.in](http://www.srsl.in). (*E-communication format is annexed along with Annual Report also*).**
8. Members holding shares in demat form are requested to address all their correspondence related to change or updation thereof of address and / or bank mandate to their DP.  

Members holding shares in physical form are requested to address all their correspondence related to change or updation thereof of address and / or bank mandate and other correspondence to the Company's RTA at the below mentioned address:  
**M/s. MAS Services Ltd.,  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase- II, New Delhi - 110 020  
Phone: 26387281/82/83 Fax: 26387384  
mail: [info@masserv.com](mailto:info@masserv.com) website: [www.masserv.com](http://www.masserv.com)**  
Members are requested to quote their Regd. Folio Number / DP and Client ID Nos. in all their correspondence with the Company or its RTA.
9. The Annual Report and Notice is also available under 'Corporate Governance' Section on the website of the Company at [www.srsl.in](http://www.srsl.in) and also on the website of the NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).



10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained u/s 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained u/s 189 of the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection by members at the Registered Office of the Company during business hours on all working days upto and including the date of the AGM.
11. Members desirous of getting any information about the financial statements and/or any agenda proposed in the Notice are requested to send their queries at least ten days before the date of AGM to the Company at its registered office address to enable the Company to collect the relevant information.
12. In compliance with Section 108 of the Act read with Rule 20 of The Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations, the Company is providing remote e-voting facility to the members to enable them to cast their votes electronically from a place other than the venue of the AGM ('remote e-voting') provided by NSDL. Please note that remote e-voting is optional and not mandatory. The facility for voting through polling paper shall be made available at the AGM and members who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 18, 2019 being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice and may cast their vote electronically. The remote e-voting facility would remain open from Saturday, September 21, 2019 (9.00 A.M.) to Tuesday, September 24, 2019 (5.00 P.M.). The voting right of the members shall be in the proportion to the equity shares held by them in the paid up equity share capital of the Company as on September 18, 2019 ('cut-off date'). The e-voting module shall be disabled by NSDL for voting thereafter.
13. CS Manoj Maheshwari, FCS 3355, Practicing Company Secretary, Jaipur has been appointed as a scrutinizer to scrutinize the remote e-voting and poll process, to be carried out at the AGM, in a fair and transparent manner.
14. The instructions for members relating to remote e-voting which inter alia would contain details about user ID and password are provided separately along with Annual Report.
15. A route map along with landmark for easy location to reach AGM venue is provided in this Annual Report.
16. Members who hold shares in the physical form in the multiple folios in identical names or joint holdings in the same order of

names are requested to send the Share Certificate to RTA for consolidation into single folio and further requested to dematerialize their physical holdings.

17. The Company has transferred the unpaid / unclaimed dividend and their respective shares for the f.y. 2010-11 on the due dates to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Members whose dividend / shares are transferred to IEPF can now claim their dividend / shares from the IEPF Authority (in Form No. IEPF-5) by following the Refund Procedure as detailed at <http://www.iepf.gov.in/IEPF/refund.html>
18. **The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to Company or its RTA by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative, Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective DP.**
19. **SEBI has mandated that - "except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository." Accordingly, the members are requested to note that request for transfer of shares held in physical form will not be processed after April 1, 2019 and it shall be mandatory to demat the securities for getting the shares transferred.**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")**

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

##### **Item no. 3**

The Board in its meeting held on May 25, 2019, on the basis of recommendation of the Audit Committee, has approved the re-appointment and recommended remuneration of Cost Auditor, M/s. K. G. Goyal & Co., Cost Accountants (Firm Registration No.000017) Jaipur to conduct the audit of the cost records maintained by the Company for financial year ending on March 31, 2020.

In accordance with the provisions of Section 148 of the Act read with rule 14 of The Companies (Audit and Auditors) Rules, 2014 and The Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the remuneration payable to the Cost Auditors amounting to Rs. 85,000/- (Rupees Eighty Five Thousand Only) plus applicable GST

and reimbursement of traveling expenses and out of pocket expenses (at actual) incurred for the purpose of audit, as recommended by the Audit Committee and approved by the Board of Directors, is subject to the ratification by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at **Item no. 3** of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending on March 31, 2020. None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at **Item no. 3** of the Notice. The Board recommends the Ordinary Resolution set out at **Item no. 3** of the Notice for approval by the members.

#### **Item no. 4**

Mr. Vinod Kumar Ladia (DIN: 00168257), was appointed as Executive Chairman and Whole Time Director (“the Chairman”) of the Company by the members at the AGM held on September 26, 2016 to hold office upto May 31, 2019.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on May 29, 2019 has approved his re-appointment as Executive Chairman and Whole Time Director (“the Chairman”) of the Company (“Key Managerial Personnel”) for a further period of 3 years with effect from June 1, 2019 to May 31, 2022 and remuneration thereon, subject to the approval of the shareholders by way of Special Resolution and subject to the prior approval of the Banks before obtaining the approval of the shareholders in the ensuing AGM.

Mr. Vinod Kumar Ladia satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under Section 196(3) of the Act except that, he has attained the age of 74 years and therefore his re- appointment requires approval of members by the way of Special Resolution.

Keeping in view that Mr. Vinod Kumar Ladia has rich and varied experience in the industry and has been involved in the operation of Company since inception, having vast expertise and being a technocrate and expert in textile matters, it would be in the interest of the Company to continue the employment of Mr. Vinod Kumar Ladia as Executive Chairman and Whole Time Director (“the Chairman”). Accordingly, the present proposal is to seek the member's approval for re- appointment of Mr. Vinod Kumar Ladia on terms and conditions, including remuneration, as mentioned in the resolution. The disclosures as required pursuant to Schedule V of the Act are as under:-

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

- 1. Nature of Industry:** The Company is in the business of manufacturing of Synthetic Grey Yarn, Dyed Yarn, Cotton Yarn and Polypropylene Multifilament Yarn.
- 2. Date of commencement of commercial production:** Subsequent to the incorporation of the Company on

November 15, 1979, the Company obtained Certificate of Commencement of business on January 19, 1980.

- 3. Financial Performance based on the given indicators:** The details of the financial performance of the Company for the financial year 2017-18 and 2018-19 are provided in the Annual Report 2018-2019 which accompanies this notice.
- 4. Foreign investments or collaborators, if any:** No Direct Foreign investments or collaborators.

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

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

Mr. Vinod Kumar Ladia, aged 74 years, is the main promoter and currently Executive Chairman and Whole Time Director (“the Chairman”) of the Company. He holds a degree in B.E. in Textile Engineering from Technological Institute of Textile, Bhiwani, and has completed his M.B.A. from Indian Institute of Management (IIM), Ahmedabad. He has a vast experience in the Textile Industry. He is associated with the company since its inception.

##### **2. Past Remuneration : Rs. 39,15,116/- p.a.**

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

He has been associated with a number of industrial organisations since the beginning of his career. He was past president of Indian Spinners Association, Past Chairman of The Synthetic & Rayon Textile Export Promotion Council, Past Chairman of Confederation of Indian Textile Industry, Past Chairman of Rajasthan Textile Mills Association (1992 - 2003). He became the Member of Expert Committee constituted by Govt. of India for formulating National Textile Policy 2013.

He is also awarded with UDHYOG PATRA AWARD from the President of India, Rashtriya Ekta Parishad Award for Contribution in the field of National Integration, Life time Achievement Award by Secretary Textile, Government of India.

##### **4. Job Profile and his suitability**

Being Executive Chairman and Whole Time Director upto May 31, 2019, he was looking after the affairs of the Company, subject to superintendence, control and direction of the Board of Directors. Taking into account his qualification, experience and the responsibilities placed on him as Executive Chairman and Whole Time Director of the Company and in view of his contribution to the Company since his appointment, the Board considers his remuneration to be in the best interest of Company.

##### **5. Remuneration proposed**

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

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

The remuneration is as per Section 197, 198 and the other

applicable provisions of the Act read with Schedule V and is comparable to the remuneration of Executive Chairman and Whole Time Director levels of similar sized Textile manufacturing Companies in India. The Company has paid up share capital of nearly 13.70 Crores and is presently listed on one Stock Exchange i.e. BSE with approx. 7,779 shareholders. Therefore, as per the profile of Mr. Vinod Kumar Ladia (as mentioned above) and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package with respect to industry and size of the Company.

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

None of the Directors or Key Managerial Personnel of the Company, except Mr. Vinod Kumar Ladia (being appointee), Mr. Vikas Ladia and Mr. Anubhav Ladia (being sons of Mr. Vinod Kumar Ladia) are concerned or interested, financially or otherwise, in the resolution set out at **Item no. 4** of the Notice.

**C. Other Details**

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

- The Company suffered due to extremely high cost of power. Further, the Company remained under financial stress leading to lower availability of working capital operations.

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

- The Company intends to start its captive thermal power plant to reduce the power cost.
- The Company is undertaking a financial restructuring to make the operations healthy.

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

(Rs. in Crore)

Particulars	F.Y. 2020-21	F.Y. 2021-22
Sales	207.00	278.00
Net Profit	1.03	8.75

**D. Disclosures**

As required, the information is provided under Corporate Governance Section of the Annual Report 2018-19. Further, Mr. Vinod Kumar Ladia has given:

1. his consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of The Companies (Appointment and Qualifications of Directors) Rules, 2014;
2. intimation in Form DIR-8 in terms of The Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act;
3. the disclosure of interest in Form MBP-1 in terms of Section 184(1) of the Act read with Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 and

Regulation 26 of Listing Regulations; and

4. declaration pursuant to SEBI Circular having ref. no. LIST/COMP/14/2018-19 dated June 20, 2018 confirming that he is not debarred / restrained from accessing the capital markets and / or holding the office of director in a Company pursuant to any SEBI order or any other such authority.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at **Item no. 4** of the Notice for Re-appointment of Mr. Vinod Kumar Ladia as Executive Chairman and Whole Time Director ("Key Managerial Personnel"). The Board recommends the Special Resolution set out at **Item no. 4** of the Notice for approval by the members. This Explanatory Statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

**Item no. 5**

Mr. Vikas Ladia (DIN: 00256289), was appointed as Managing Director and Chief Executive Officer ("MD & CEO") of the Company by the members at the AGM held on September 26, 2016 to hold office upto May 31, 2019.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on May 29, 2019 has approved his re-appointment as Managing Director and Chief Executive Officer ("MD & CEO") of the Company ("Key Managerial Personnel") for a further period of 3 years with effect from June 1, 2019 to May 31, 2022 and remuneration thereon, subject to the approval of the shareholders by way of Special Resolution and subject to the prior approval of the Banks before obtaining the approval of the shareholders in the ensuing AGM.

Mr. Vikas Ladia satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under Section 196(3) of the Act and therefore his re- appointment requires approval of members by the way of Special Resolution. Accordingly, the present proposal is to seek the member's approval for re- appointment of Mr. Vikas Ladia on terms and conditions, including remuneration, as mentioned in the resolution. The disclosures as required pursuant to Schedule V of the Act are as under:-

**A. General Information:**

1. **Nature of Industry:** The Company is in the business of manufacturing of Synthetic Grey Yarn, Dyed Yarn, Cotton Yarn and Polypropylene Multifilament Yarn.
2. **Date of commencement of commercial production:** Subsequent to the incorporation of the Company on November 15, 1979, the Company obtained Certificate of Commencement of business on January 19, 1980.
3. **Financial Performance based on the given indicators:** The details of the financial performance of the Company for the financial year 2017-18 and 2018-19 are provided in the Annual Report 2018-2019 which accompanies this notice.
4. **Foreign investments or collaborators, if any:** No Direct

Foreign investments or collaborators.

**B. Information about the Appointee:**

**1. Background details**

Mr. Vikas Ladia, aged 45 years, holds a degree in B. Tech in Computer Engineering from Manipal Institute of Technology, Manipal. He is currently Managing Director and Chief Executive Officer (“MD & CEO”) of the Company. Under his supervision two divisions were established, namely, Shree Rajasthan Texchem and Shree Rajasthan Polycot. In the year 2002, he had been given the entire responsibility of all the Plant operations at Dungarpur. He headed the project execution team of 9 MW captive power plants purchased from M/s. Wartsila, Finland. In 2007, he again headed the team for execution of 1 x 8 MW Thermal Power Plant at Dungarpur using latest DCS technology. He has successfully overseen the operations of the Company, modernization, expansion and up-gradation of production and plants.

**2. Past Remuneration : Rs. 29,12,164/- p.a.**

**3. Recognition or awards**

Mr. Vikas Ladia has represented various Associations and Organizations. He was Chairman of the Young Entrepreneur Group, at Confederation of Indian Textile Industry, New Delhi from 2005-2007.

**4. Job Profile and his suitability**

Being Managing Director and Chief Executive Officer (“MD & CEO”), he was looking after the affairs of the Company and the entire responsibility of all the Plant operations at Dungarpur, subject to superintendence, control and direction of the Management.

Taking into account his qualifications, experience and the responsibilities placed on him as Managing Director and Chief Executive Officer (“MD & CEO”) of the Company and in view of his contribution to the Company since his appointment, the Board considers his remuneration to be in the best interest of the Company.

**5. Remuneration proposed**

Remuneration is as set out above in the notice. The remuneration to Managing Director and Chief Executive Officer (“MD & CEO”) has the approval of the Board and Nomination and Remuneration Committee.

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

The remuneration is as per Section 197, 198 and the other applicable provisions of the Act read with Schedule V and is comparable to the remuneration of MD and CEO levels of similar sized Textile manufacturing Companies in India. The Company has paid up share capital of nearly Rs.13.70 Crores and is presently listed on one Stock Exchange i.e. BSE with approx. 7,779 shareholders. Therefore, as per the profile of Mr. Vikas Ladia (as mentioned above) and the responsibilities

shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package with respect to industry and size of the Company.

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

None of the Directors and Key Managerial Personnel of the Company, except Mr. Vikas Ladia (being an appointee), Mr. Vinod Kumar Ladia (father of Mr. Vikas Ladia) and Mr. Anubhav Ladia (brother of Mr. Vikas Ladia) are concerned or interested, financial or otherwise, in the resolution set out at **Item no. 5** of the Notice.

**C. Other Details**

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

- The Company suffered due to extremely high cost of power. Further, the Company remained under financial stress leading to lower availability of working capital operations.

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

- The Company intends to start its captive thermal power plant to reduce the power cost.
- The Company is undertaking a financial restructuring to make the operations healthy.

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

(Rs. in Crore)

Particulars	F.Y. 2020-21	F.Y. 2021-22
Sales	207.00	278.00
Net Profit	1.03	8.75

**D. Disclosures**

As required, the information is provided under Corporate Governance Section of the Annual Report 2018-19.

Further, Mr. Vikas Ladia has given:

1. his consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of The Companies (Appointment and Qualifications of Directors) Rules, 2014;
2. intimation in Form DIR-8 in terms of The Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act;
3. the disclosure of interest in Form MBP-1 in terms of Section 184(1) of the Act read with Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 26 of Listing Regulations; and
4. declaration pursuant to SEBI Circular having ref. no. LIST/COMP/14/2018-19 dated June 20, 2018 confirming that he is not debarred / restrained from accessing the capital markets and / or holding the office of director in a Company pursuant to any SEBI order or any other such authority.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at **Item no. 5** of the Notice for Re-appointment of Mr. Vikas Ladia as Managing Director & Chief Executive Officer (“Key Managerial Personnel”). The Board recommends the Special Resolution set out at **Item no. 5** of the Notice for approval by the members. This Explanatory Statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

**Item no. 6**

Mr. Anubhav Ladia (DIN: 00168312), was appointed as Whole Time Director (“WTD”) of the Company by the members at the AGM held on September 26, 2016 to hold office upto May 31, 2019.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, in their meeting held on May 29, 2019 has approved his re-appointment as Whole Time Director (“WTD”) of the Company (“Key Managerial Personnel”) for a further period of 3 years with effect from June 1, 2019 to May 31, 2022 and remuneration thereon, subject to the approval of the shareholders by way of Special Resolution and subject to the prior approval of the Banks before obtaining the approval of the shareholders in the ensuing AGM.

Mr. Anubhav Ladia satisfies all the conditions set out in Part-I of Schedule V of the Act and also conditions set out under Section 196(3) of the Act and therefore his re- appointment requires approval of members by the way of Special Resolution. Accordingly, the present proposal is to seek the member's approval for re- appointment of Mr. Anubhav Ladia on terms and conditions, including remuneration, as mentioned in the resolution. The disclosures as required pursuant to Schedule V of the Act are as under:-

**A. General Information:**

- 1. Nature of Industry:** The Company is in the business of manufacturing of Synthetic Grey Yarn, Dyed Yarn, Cotton Yarn and Polypropylene Multifilament Yarn.
- 2. Date of commencement of commercial production:** Subsequent to the incorporation of the Company on November 15, 1979, the Company obtained Certificate of Commencement of business on January 19, 1980.
- 3. Financial Performance based on the given indicators:** The details of the financial performance of the Company for the financial year 2017-18 and 2018-19 are provided in the Annual Report 2018-2019 which accompanies this notice.
- 4. Foreign investments or collaborators, if any:** No Direct Foreign investments or collaborators.

**B. Information about the Appointee:**

**1. Background details**

Mr. Anubhav Ladia, aged 42 years, holds a degree in B.Com (Hons) from Shree Ram College of Commerce, New Delhi in 1998. He Completed CA from Institute of Chartered Accountants of India, New Delhi and Articleship from M/s.

S.R. Batliboi & Co., New Delhi. He joined the Company in January 2002 as Special Executive. Currently, he is working as Whole Time Director (“WTD”) of the Company and looking after the financial and commercial aspects of the Company.

**2. Past Remuneration : Rs. 35,11,117/- p.a.**

**3. Recognition or awards**

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

**4. Job Profile and his suitability**

Being Whole Time Director (“WTD”), he was looking after the financial and commercial aspects of the group including all corporate affairs of the group subject to superintendence, control and direction of the Management. Taking into account his qualifications, experience and the responsibilities placed on him as Whole Time Director of the Company and in view of his contribution to the Company since his appointment, the Board considers his remuneration to be in the best interest of the Company.

**5. Remuneration proposed**

Remuneration is as set out above in the notice. The remuneration to Whole Time Director (“WTD”) has the approval of the Board and Nomination and Remuneration Committee.

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

The remuneration is as per Section 197, 198 and the other applicable provisions of the Act read with Schedule V and is comparable to the remuneration of WTD levels of similar sized Textile manufacturing Companies in India. The Company has paid up share capital of nearly Rs.13.70 Crores and is presently listed on one Stock Exchange i.e. BSE with approx. 7,779 shareholders. Therefore, as per the profile of Mr. Anubhav Ladia (as mentioned above) and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package with respect to industry and size of the Company.

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

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

**C. Other Details**

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

- The Company suffered due to extremely high cost of power. Further, the Company remained under financial stress leading to lower availability of working capital operations.
- 2. Steps taken or proposed to be taken for improvement**
- The Company intends to start its captive thermal power plant to reduce the power cost.
- The Company is undertaking a financial restructuring to make the operations healthy.
- 3. Expected increase in productivity and profits in measurable terms (approximate values are provided)**

(Rs. in Crore)

Particulars	F.Y. 2020-21	F.Y. 2021-22
Sales	207.00	278.00
Net Profit	1.03	8.75

#### D. Disclosures

As required, the information is provided under Corporate Governance Section of the Annual Report 2018-19. Further, Mr. Anubhav Ladia has given:

1. his consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of The Companies (Appointment and Qualifications of Directors) Rules, 2014;
2. intimation in Form DIR-8 in terms of The Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act;
3. the disclosure of interest in Form MBP-1 in terms of Section 184(1) of the Act read with Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 26 of Listing Regulations; and
4. declaration pursuant to SEBI Circular having ref. no. LIST/COMP/14/2018-19 dated June 20, 2018 confirming that he is not debarred / restrained from accessing the capital markets and / or holding the office of director in a Company pursuant to any SEBI order or any other such authority.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at **Item no. 6** of the Notice for Re-appointment of Mr. Anubhav Ladia as Whole Time Director

("Key Managerial Personnel"). The Board recommends the Special Resolution set out at **Item no. 6** of the Notice for approval by the members. This Explanatory Statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

#### Item no. 7

The Company is seeking a comprehensive restructuring package from its Banks. Further, as a part of restructuring proposal, the Company is planning to sale/ monetize its certain assets.

Accordingly, the Board of Directors is of the opinion that company may have to sell, transfer and / or dispose of (as the case may be), the immovable property(ies) and / or movable property(ies) to a person / any other entity, as a going concern or otherwise, at an agreed price with the mutual consent of the both the parties. Since the sale, transfer or disposing of the undertaking i.e. immovable / movable properties of the Company may involve selling, transferring and / or disposing of the whole or substantially the whole of an undertaking of the Company wherein

- (i) "undertaking" shall mean an undertaking in which the investment of the company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent of the total income of the company during the previous financial year;
- (ii) the expression "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year;

therefore it requires approval of the shareholders.

As per Section 180 (1) (a) and other applicable provisions of the Companies Act, 2013, approval of the members is sought by way of Special Resolution to sell, transfer and / or dispose of the whole or substantially the whole of the undertaking of the Company for a value of the undertaking not exceeding Rs. 100 Crore.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at **Item no. 7** of the Notice. The Board recommends the Special Resolution set out at **Item no. 7** of the Notice for approval by the members.

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

Date : August 12, 2019  
Place : Udaipur  
Registered Office : 'SRSL HOUSE',  
Pulla Bhuwana Road, N. H. No. 8,  
Udaipur - 313004 Rajasthan



**RAVINA SONI**  
Company Secretary cum  
Compliance Officer  
M. No. A43534

**ANNEXURE**
**DETAILS / PROFILE OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE 39<sup>TH</sup> AGM AS PER REGULATION 36(3) OF THE LISTING REGULATIONS AND SECRETARIAL STANDARD ON GENERAL MEETINGS ("SS-2")**

S. No.	Particulars	Details		
		Mr. Vinod Kumar Ladia	Mr. Vikas Ladia	Mr. Anubhav Ladia
1.	Name of the Director	Mr. Vinod Kumar Ladia	Mr. Vikas Ladia	Mr. Anubhav Ladia
2.	DIN	00168257	00256289	00168312
3.	Date of Birth	December 16, 1945	January 7, 1974	January 11, 1977
4.	Age	74 years	45 years	42 years
5.	Qualifications	B.E. (Textile Engineering), MBA-IIM, Ahmedabad	B. Tech in Computer Engineering from Manipal Institute of Technology, Manipal	B.Com (H), FCA
6.	Experience (including expertise in specific functional areas) / Brief Resume	As mentioned in the explanatory statement	As mentioned in the explanatory statement	As mentioned in the explanatory statement
7.	Terms and Conditions of Appointment / Re- appointment	As mentioned in the resolution	As mentioned in the resolution	As mentioned in the resolution
8.	Remuneration last drawn (including sitting fees, if any)	Rs. 39,15,116/- p.a.	Rs. 29,12,164/- p.a.	Rs. 35,11,117/- p.a.
9.	Remuneration proposed to be paid	Basic Salary : 2,60,000/- p.m. and perquisites as mentioned in the resolution	Basic Salary : 2,05,000/- p.m. and perquisites as mentioned in the resolution	Basic Salary : 1,55,000/- p.m. and perquisites as mentioned in the resolution
10.	Date of first appointment on the Board	November 15, 1979	January 15, 2001	September 01, 2005
11.	Shareholding in the Company	8,66,018	5,02,515	2,70,032
12.	Relationship with other Directors / Key Managerial Personnel	Mr. Vinod Kumar Ladia is father of Mr. Vikas Ladia and Mr. Anubhav Ladia	Mr. Vikas Ladia, son of Mr. Vinod Kumar Ladia and Brother of Mr. Anubhav Ladia	Mr. Anubhav Ladia, son of Mr. Vinod Kumar Ladia and Brother of Mr. Vikas Ladia
13.	Number of the meetings of the Board attended during the year	4	5	6
14.	Directorship of other Boards	Shree Shyam Industries Pvt. Ltd. Swan Industries Pvt. Ltd. Divine Fibres Pvt. Ltd. SRSL Securities Ltd. Shree Shyam Distributors and Marketing Pvt. Ltd.	The Synthetic and Rayon Textiles Export Promotion Council	SRSL Securities Ltd. Divine Fibres Pvt. Ltd. PBS Marketing Pvt. Ltd. Shree Shyam Distributors and Marketing Pvt. Ltd.
15.	Membership / Chairmanship of Committee of other Boards	NIL	NIL	NIL

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

Date : August 12, 2019  
Place : Udaipur  
Registered Office : 'SRSL HOUSE',  
Pulla Bhuwana Road, N. H. No. 8,  
Udaipur - 313004 Rajasthan



**RAVINA SONI**  
Company Secretary cum  
Compliance Officer  
M. No. A43534

**THE PROCEDURE AND INSTRUCTIONS FOR E-VOTING FOR THE 39<sup>TH</sup> AGM ARE PRODUCED HERE UNDER FOR REFERENCE:**

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

- i. Open e-mail and open PDF file viz."SRSL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL:<https://www.evoting.nsdl.com>.
- iii. Click on Shareholder-Login.
- iv. Put user ID and password as initial password noted in step (i) above. Click Login.
- v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits /characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- vii. Select "EVEN" of "**Shree Rajasthan Syntex Limited**"
- viii. Now you are ready for remote e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote casted successfully" will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to [cs.vmanda@gmail.com](mailto:cs.vmanda@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**II. In case of Members receiving Physical copy of Notice of 39<sup>th</sup> AGM (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**

- (i) Initial user ID and password is provided in the box overleaf.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

**Note-**

- A. in case of any queries, members may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the download section of <http://www.evoting.nsdl.com> or call on Toll free/phone No. 1800-222-990 or contact Mr Amit Vishal, Senior Manager,

National Securities Depository Ltd., Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 at the designated e mail IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or at telephone no +91 222 4994600 / +91 222 4994360 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the e mail ID - [cs@srsi.in](mailto:cs@srsi.in) or at the Registered Office address.

- B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 18, 2019.
- E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 18, 2019, may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Ltd. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- F. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- H. CS Manoj Maheshwari, FCS 3355, Practicing Company Secretary, Jaipur has been appointed as a scrutinizer to scrutinize the remote e-voting & poll process to be carried out at the AGM in a fair and transparent manner.
- I. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- J. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at [www.srsi.in](http://www.srsi.in) and also on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him and shall be communicated to the BSE Limited.



## BOARD'S REPORT

To

The Members,

Your Directors have pleasure in presenting the 39<sup>th</sup> Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended on March 31, 2019.

### 1. FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's financial summary and highlights are summarized below:-

(Rs. In Lakhs)

Particulars	Financial Year	
	March 31, 2019	March 31, 2018
Revenue from operations	<b>17,199.83</b>	22,662.05
Other Income	<b>201.50</b>	771.37
<b>Total Revenue (A)</b>	<b>17,401.33</b>	23,433.42
Expenses:-		
Cost of materials consumed	<b>10,614.22</b>	12,595.82
Purchase of Stock-in-trade	<b>0.00</b>	25.29
Changes in inventories of finished goods, Work in progress and stock-in-trade	<b>1,267.57</b>	2,849.38
Excise duty	<b>0.00</b>	47.47
Employees benefit expenses	<b>2,186.90</b>	2,263.22
Finance Costs	<b>1,592.67</b>	1,422.88
Depreciation and Amortization expenses	<b>448.54</b>	472.21
Other Expenses	<b>4,347.04</b>	4,622.23
<b>Total Expenses (B)</b>	<b>20,456.94</b>	24,298.50
<b>Profit/(loss) before exceptional items and tax (A) - (B)</b>	<b>(3,055.61)</b>	(865.08)
Exceptional items (gain)	<b>1,096.11</b>	0.00
<b>Profit / (Loss) before tax</b>	<b>(1,959.50)</b>	(865.08)
Less : Tax expense	<b>(186.74)</b>	(292.09)
<b>Profit / (Loss) for the period</b>	<b>(1,772.76)</b>	(572.99)
Other comprehensive Income (Net of Tax)	<b>36.12</b>	27.33
Total Comprehensive Income for the period (Comprising profit after tax and other comprehensive income after tax for the period)	<b>(1,736.64)</b>	(545.66)

### 2. FINANCIAL PERFORMANCE

During the year under review, the Company's operations continued to be affected due to high power cost and non availability of working capital for operations resulting in lower capacity utilisation and constrained margins due to high cost of Raw Material. Furthermore, the Company has not been able to

undertake necessary regular capital expenditure as per industry norms for proper maintenance and upkeep of plant and equipment due to paucity of funds. During the year under review your Company had a downfall in its performance. There was a loss during the year amounting to Rs. 1,772.76 Lakhs as compared to loss of Rs. 572.99 Lakhs in previous year. The total revenue of the company was Rs. 17,401.33 Lakhs as compared to Rs. 23,433.42 Lakhs of previous year due to lower capacity utilisation caused by non availability of working capital Funds. Your Directors and Management along with the entire team is taking all possible action to ensure that we are able to sustain our financial growth and business operational developments inspite of all adverse external conditions and competition.

### 3. STATE OF THE COMPANY'S AFFAIR

The business operations of the company during the year under review have not been satisfactory as compared to previous year.

The Company produced 9,739.21 M.T. of yarn valuing Rs.15,932.25 Lakhs during the period under review as against 12,456 M.T. of yarn valuing Rs. 19,812.67 Lakhs produced during the last year.

During the year, the Company had export of Rs. 1,857.62 Lakhs against export of Rs. 2,675.52 Lakhs during the previous year. The export constituted 10.93% of the total turnover of the Company.

The Company has exported its spun yarn in the established markets like Egypt and Turkey. The Company plans to further increase its exports to the existing markets and also tap potential export markets for which emphasis is being made on new and better quality products.

The state of Company' affair and performance of the Company is analyzed in detail in the Management Discussions and Analysis Report annexed to this report as **Annexure-6**.

### 4. DIVIDEND

In view of Loss in the current year, your Directors are unable to recommend any dividend for the year under review.

### 5. TRANSFER TO RESERVES

No amount is proposed to be transferred to the Reserves for the year under review.

### 6. UNPAID / UNCLAIMED DIVIDEND

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, Rs. 4,89,893 towards unpaid / unclaimed dividend and their respective 4,35,975 number of shares were transferred during the year to the Investor Education and Protection Fund. The details of unpaid / unclaimed dividend and their respective shares transferred by the Company to IEPF are available at the website of the Company at [http://www.srsl.in/documents/LIST\\_OF\\_SHAREHOLDERS\\_IEPF](http://www.srsl.in/documents/LIST_OF_SHAREHOLDERS_IEPF).

pdf and [www.srsl.in/documents/LIST-OF-SHAREHOLDERS-DIVIDEND-TRANSFERRED--\(IEPF\).pdf](http://www.srsl.in/documents/LIST-OF-SHAREHOLDERS-DIVIDEND-TRANSFERRED--(IEPF).pdf)

## 7. FIXED DEPOSITS

Your Company has accepted Unsecured Fixed Deposits from its members during the financial year 2018-19.

1. The details relating to deposits, covered under Chapter V of the Act are as under:-

- a) accepted during the year : Rs. 6,65,000/-
- b) remained unpaid or unclaimed as at the end : Nil  
of the year
- c) whether there has been any default in repayment of the deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved
  - i. at the beginning of the year : Nil
  - ii. maximum during the year : Nil
  - iii. at the end of the year : Nil

2. There are no deposits which are in non-compliance with the requirements of Chapter V of the Act.

## 8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Particulars of loans, guarantees or investments covered under Section 186 of the Act along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security, are provided in Notes to the Financial Statements. Please refer note 5, 6 and 14 to the Financial Statement.

## 9. CHANGE IN THE DIRECTORS AND KEY MANAGERIAL PERSONNEL

### (A) Directors

In accordance with the provisions of Section 152(6) of the Act read with the rules made thereunder and the Company's Articles of Association, Mr. Anubhav Ladia (DIN: 00168312) was re-appointed as director retire by rotation at the 38<sup>th</sup> AGM.

Further, Mr. Vinod Kumar Ladia (DIN : 00168257) is liable to retire by rotation at 39<sup>th</sup> AGM and being eligible, seeks re-appointment. The Board recommends his re-appointment.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 29, 2019 have approved the re-appointment of Mr. Vinod Kumar Ladia (DIN: 00168257) as Executive Chairman and Whole Time Director, Mr. Vikas Ladia (DIN: 00256289) as Managing Director and Chief Executive Officer, and Mr. Anubhav Ladia (DIN: 00168312) as Whole Time Director of the Company for a further term of 3 years commencing from June 1, 2019 to May 31, 2022 subject to the approval of the shareholders at the 39<sup>th</sup> AGM.

During the year under review, Mr. Narendra Nath Agrawala (DIN: 00168211), Mr. Raj Singh Nirwan (DIN : 00313799), Mr. Sunil Goyal (DIN: 00110601) and Mr. Susheel Jain (DIN: 00378678) were re-

appointed as Independent Directors for the second consecutive term commencing from April 1, 2019 to March 31, 2024 and the same was approved by the shareholders at the 38<sup>th</sup> AGM held on September 26, 2018.

Further, Mr. Ravinder Narain, Independent Director and Mr. Roshan Lal Kunawat, Non-Executive Director resigned from the post of directorship with effect from August 5, 2018 and August 10, 2018 respectively. The Board of Directors have expressed their sincere gratitude towards the valuable services and guidance rendered by Mr. Ravinder Narain and Mr. Roshan Lal Kunawat during their tenure of Directorship. The disclosure in this regard is available on the website of the Company at <http://www.srsl.in/documents/Resignation-Mr-Ravinder-Narain.pdf> and <http://www.srsl.in/documents/Resignation-Mr-Roshan-Lal-Kunawat.pdf>.

Also, Mr. Raj Singh Nirwan, Independent Director resigned from the post of directorship with effect from June 1, 2019. The Board of Directors have expressed their sincere gratitude towards the valuable services and guidance rendered by him during his tenure of Directorship. Although, the said change in board of directors occurred after the closure of financial year, however, your directors find it prudent to keep their shareholders informed about the said change. The disclosure in this regard is available on the website of the Company at <http://www.srsl.in/documents/Resignation-of-Director.pdf>

### (B) Key Managerial Personnel (KMP)

During the financial year 2018-19, there was no change in the structure of the Key Managerial Personnel.

## 10. MEETINGS OF THE BOARD

The Board of Directors met six times during the financial year 2018-19, i.e. on May 25, 2018, August 4, 2018, August 9, 2018, November 12, 2018, December 29, 2018 and February 14, 2019. Frequency and quorum at these meetings and the intervening gap between any two meetings were in conformity with the provisions of the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards issued by The Institute of Company Secretaries of India ("Secretarial Standards"). For further details, please refer report on Corporate Governance annexed to this report as **Annexure-7**.

## 11. COMMITTEES OF BOARD OF DIRECTORS

As on March 31, 2019, the Board have 4 Committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee and the Sub-Committee. A detailed note on the Composition of the Board and its Committees and other relevant details are provided in the report on Corporate Governance annexed to this report as **Annexure-7**.

## 12. FORMAL ANNUAL EVALUATION

The evaluation / assessment of the Directors and KMPs of the Company is to be conducted on an annual basis to satisfy the

requirements of the Act and Listing Regulations. The Company is having a Policy for performance evaluation of Independent Directors, Board, Committees and other Individual Directors which includes criteria for their performance evaluation. The said criteria provide certain parameters like Attendance, Availability, Time spent, Preparedness, Active participation, Analysis, Objective discussions, Probing and testing assumptions, Industry and Business knowledge, Functional expertise, Corporate Governance, Development of Strategy and Long Term Plans, Inputs in strength area, Director's obligation and discharge of responsibilities, Quality and value of contributions and Relationship with other Board Members etc. which is in compliance with applicable laws, regulations and guidelines.

During the year under review, a separate mechanism was carried out by the Board, internally at the time of meeting itself, for formal annual evaluation of its own performance and that of its Committee and individual directors, including the Chairman of the Board, on parameters as mentioned above. Performance evaluation of Independent Directors was carried out by the entire Board. Performance evaluation of the Chairman and non-independent directors was also carried out in the Meeting of Independent Directors separately.

### **13. NOMINATION AND REMUNERATION POLICY**

The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters, etc. is available on the website of the Company at [http://www.srsl.in/documents/NOMINATION\\_AND\\_REMUNERATION\\_POLICY.pdf](http://www.srsl.in/documents/NOMINATION_AND_REMUNERATION_POLICY.pdf).

### **14. DECLARATION BY INDEPENDENT DIRECTOR**

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

### **15. AUDITORS AND AUDIT REPORTS**

#### **I. Statutory Auditors and Audit Report**

M/s. Doogar & Associates, Chartered Accountants (Firm Registration No.000561N), New Delhi were appointed as the Statutory Auditors of the Company to hold office for a term of five consecutive years from the conclusion of the 37<sup>th</sup> AGM of the Company held on September 26, 2017, till the conclusion of the 42<sup>nd</sup> AGM to be held in the calendar year 2022. The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

As required under the provisions of Section 139(1) of the Act, the company has obtained a written certificate from the above mentioned Auditor to the effect that they confirm with the limits specified in the said Section and they have also given their eligibility certificate stating that they are not disqualified within the meaning of Section 141 of the Act.

The Audit Report on the Financial Statements for the financial year 2018-19 does not contain any qualifications, reservations or adverse remarks. The observations made by the Auditors are self explanatory and have been dealt with, in Independent Audit Report. The Notes to Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

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

In terms of Section 148 of the Act read with rule 3 of the Companies (Cost Records and Audit) Rules, 2014 the Company is required to maintain cost records for Textile business. The accounts and records are made and maintained accordingly by the Company.

M/s. K.G. Goyal & Co., Cost Accountants, (Firm Registration No.000017), Jaipur were appointed as Cost Auditors of the Company for conducting the Audit of cost records maintained by the Company for the financial year 2018-19. The Cost Audit Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark.

Further, the Board of Directors has approved the re-appointment of M/s. K.G. Goyal & Co., Cost Accountants (Firm Registration No.000017), Jaipur as Cost Auditors at their meeting held on May 25, 2019 for conducting the Audit of the cost records maintained by the Company for the financial year 2019-20. The Remuneration proposed to be paid to them requires ratification by the shareholders of the Company in this AGM. In view of this, the Board of Directors recommends a remuneration of Rs. 85,000/- (Rupees Eighty Five Thousand Only) plus applicable GST and reimbursement of traveling expenses and out of pocket expenses (at actual) to the Cost Auditors to be ratified by the shareholders at the 39<sup>th</sup> AGM.

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

M/s. V. M. & Associates, Company Secretaries (Firm Registration No.P1984RJ039200), Jaipur were appointed as Secretarial Auditors of the Company for conducting the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year 2018-19, in form MR-3, does not contain any qualification, reservation or adverse remark and is annexed to this report as **Annexure-1**. Further, the Company has undertaken an audit for the financial year 2018-19 under Regulation 24A of Listing Regulations. The Annual Secretarial Compliance Report has been submitted to the stock exchange within 60 days of the end of the financial year 2018-19.

Further, the Board of Directors has approved the re-appointment of M/s. V. M. & Associates, Company Secretaries (Firm Registration No.P1984RJ039200), Jaipur as Secretarial Auditors at their meeting held on May 25, 2019 for conducting the Secretarial Audit of the Company for the financial year 2019-20.

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

M/s. K.G. Bhatia & Co., Chartered Accountants (Firm Registration No.010370C), Udaipur were appointed as Internal Auditors of the Company for conducting Internal Audit for the financial year

2018-19. The Internal Audit Reports were received quarterly by the Company and the same were reviewed by the Audit Committee and Board of Directors for each quarter.

Further, the Board of Directors has approved the re-appointment of M/s. K.G. Bhatia & Co., Chartered Accountants (Firm Registration No.-010370C), Udaipur as Internal Auditors at their meeting held on May 25, 2019 for conducting the Internal Audit of the Company for the financial year 2019-20.

#### **16. REPORTING OF FRAUDS BY AUDITORS**

During the period under review, neither the statutory auditors nor the secretarial auditors nor cost auditors reported to the Audit Committee, under section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

#### **17. RISK MANAGEMENT POLICY**

The Company operates in conditions where economic, environment and social risk are inherent to its businesses. In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects. In line with Listing Regulations and as per the requirement of Section 134(3)(n) of the Act read with the rules made thereunder, as amended, the Board has already framed a comprehensive Risk Management Policy to oversee the mitigation plan including identification of element of risk, for the risk faced by the company, which in the opinion of the Board may threaten the existence of the Company. The object of the policy is to make an effective risk management system to ensure the long term viability of the company's business operations. During the year under review, the same was reviewed half yearly by Audit Committee of the Company. For a detailed discussion, please refer to report on Corporate Governance annexed to this report as **Annexure-7**.

#### **18. WHISTLE BLOWER POLICY / VIGIL MECHANISM**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a whistle blower policy wherein the directors and employees are free to report violations of law, rules, regulations or unethical conduct, actual or suspected fraud to their immediate supervisor or provide direct access to the Chairman of the Audit Committee in exceptional cases or such other persons as may be notified by the Board. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. The Whistle Blower Policy of the Company is also available on the website of the Company at <http://www.srsl.in/documents/WHISTLE-BLOWER-POLICY.pdf>.

During the year, no whistle blower event was reported and the mechanism is functioning well. Further, no personnel has been denied access to the Audit Committee. The details of the whistle blower policy/vigil mechanism is given in the report on Corporate

Governance annexed to this report as **Annexure-7**.

#### **19. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Company has constituted Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for reporting and conducting inquiry into the complaints made by the victim on the harassment at the work place.

The following is a summary of Sexual Harassment Complaints received and disposed off during the financial year 2018-19:-

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

#### **20. SOCIAL OBLIGATIONS**

The Company has generally taken corporate social responsibility initiatives. The Company made efforts for the betterment and upliftment of the living standards of Scheduled Castes and Scheduled Tribes dwelling in the adjoining areas of Dungarpur by providing them training and employment.

#### **21. EXTRACT OF ANNUAL RETURN**

Extract of Annual Return in Form MGT-9 containing details as on the financial year ended on March 31, 2019 as required under Section 92(3) of the Act, read with The Companies (Management and Administration) Rules 2014, is annexed to this report as **Annexure-2**.

#### **22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All Contracts/ arrangements/ transactions that were entered by the Company during the financial year 2018-19 are done on Arm's length basis.

Disclosure of particulars of contract/arrangements entered into by the company with Related Parties referred to in sub-section (1) of section 188 of the Act (in Form No. AOC -2) is annexed to this report as **Annexure-3**.

The related party transaction policy is available on the website of the company at the link <http://srsl.in/documents/RPT-POLICY.pdf>.

**23. PARTICULARS OF THE EMPLOYEES**

Pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 a detailed statement is annexed to this report as **Annexure-4**.

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

Sl. No	Name of the Employee	Designation of the Employee	Remuneration received (Rs.)	Nature of employment whether contractual or otherwise	Qualifications and experience of the employee	Date of Commencement of employment	The age of such employees (years) as on March 31, 2019	The last employment held by such employee before joining the company	The %age of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above
1	Mr. Suresh Chandra Joshi	Vice President (PA & IR)	14,71,890	Permanent	M. A. (Economics), P.G. Diploma in Labour Law, Labour Welfare and Personnel Management & L.L.B. Exp.- 32 years	18/06/2015	58 Years	RSWM Ltd.	0.00
2	Mr. Shyam Lal Tundwal	Sr. Vice President (Technical)	13,73,222	Permanent	B-Tech in Textile Exp.- 45 years	11/01/2016	70 Years	RSWM Ltd.	0.00
3	Mr. Vinay Punjawat	Chief Financial Officer	11,22,793	Permanent	MBA (Finance) Exp.- 25 years	11/07/2015	53 Years	Indian Steel Corporation Ltd.	0.00
4	Mr. Raj Kumar Mahasani	Astt. Vice President (Marketing)	9,62,850	Permanent	M.A. & P.G. Diploma in Sales & Marketing Exp.- 29 years	22/01/1990	56 Years	Shree Rajasthan Syntex Ltd.	0.00
5	Mr. Sunil Kumar Tailor	G.M. (Technical)	8,48,171	Permanent	B.E.(Textiles), Exp.- 23 Years	17/10/2015	50 Years	RTM, Bhawani mandi	0.00
6	Mr. Ravindra Kumar Choubey	G.M. (TPP)	8,32,925	Permanent	B.E.(Mechanical), Exp.- 30 Years	01/04/2017	55 Years	Prayagraj Power Generation Co.	0.00
7.	Mr. Narayan Lal Malpani	G.M.(Materials)	7,58,728	Permanent	B.Com Exp.- 36 Years	26/06/2017	59 years	Shayona Cement Corp, Malavi (Central Africa)	0.00
8	Mr. Kamleshwar Roy	Chief Engineer	7,31,542	Permanent	Polytechnic Diploma in Mechanical Exp.- 31 years	01/08/2011	54 Years	Punsumi India Ltd. Bhiwadi,	0.00
9	Mr. Radhey Shyam Choudhary	AVP(CAD)	7,11,493	Permanent	B.Com Exp.- 33 Years	01/02/2008	58 Years	Super Syncotex , Gulabpura	0.00
10	Mr. Sanjay Kumar Rana	Sr. Manager	6,89,100	Permanent	Diploma in Mechanics	10/07/2017	48 Years	Chinar Forge Limited, Jalandhar	0.00

\*None of the aforesaid employee is a relative of any director or manager of the Company.

**24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Your Company continuously strives to conserve energy, adopt

environment friendly practices and employ technology for more efficient operations.

Pursuant to Section 134 (3)(m) of the Act read with rule 8(3)

of The Companies (Accounts) Rules, 2014, relevant details of conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed to this report as **Annexure-5**.

#### **25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Regulation 34 of the Listing Regulations, the operations of the company are reviewed in detail in the Management Discussion and Analysis Report which is annexed to this report as **Annexure-6**.

#### **26. CORPORATE GOVERNANCE**

Your Company is compliant with the norms on Corporate Governance as provided in the Listing Regulations. Report on Corporate Governance for financial year 2018-19 is annexed to this report as **Annexure-7**.

#### **27. OTHER COMPLIANCES**

**27.1 Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:** There were no material changes occurred subsequent to the close of the financial year of the Company to which the Financial Statements relate and the date of the report which can affect the financial position of the company.

**27.2 Significant and material orders:** Please refer point no. 39 to the Financial Statements.

**27.3 Details in respect of adequacy of internal financial controls:** For detailed discussion with reference to adequacy of internal financial controls, please refer to Management Discussion and Analysis Report annexed to this report as **Annexure-6**.

**27.4 Disclosure of Accounting Treatment in preparation of Financial Statements:** The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS). The Ind AS are prescribed under section 133 of the Act, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**27.5 Details of Subsidiary/ Joint Ventures / Associate Companies / and its Performance:** Your company has no Subsidiary/Joint Ventures/Associate Companies.

#### **28. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors hereby confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **29. OTHER DISCLOSURES**

Other disclosures with respect to Board's Report as required under the Act and the Rules notified thereunder are either NIL or NOT APPLICABLE.

#### **30. ACKNOWLEDGMENT**

Your Directors wish to take this opportunity to place on record their gratitude and sincere appreciation for the timely and valuable assistance and support received from Bankers, Auditors, Customers, Suppliers, Share Transfer Agent and Regulatory Authorities and other stakeholders of the Company.

The Directors place on record their deep appreciation of the dedication of your Company's employees at all levels and look forward to their continued support in the future as well. Your Directors are thankful to the shareholders for their continued patronage.

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



**VIKAS LADIA**  
(Managing Director and  
Chief Executive Officer)  
DIN: 00256289



**ANUBHAV LADIA**  
(Whole Time Director)  
DIN: 00168312

Date : August 12, 2019  
Place : Udaipur  
Registered Office : 'SRSL HOUSE',  
Pulla Bhuwana Road, N. H. No. 8,  
Udaipur - 313004 Rajasthan

## ANNEXURE - 1

**Form No. MR-3**

### SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

Shree Rajasthan Syntex Ltd.

SRSL House, Pulla Bhuwana Road, N.H. 8

Udaipur - 313 004 (Rajasthan)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shree Rajasthan Syntex Ltd.** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (repealed w.e.f. 9<sup>th</sup> December, 2018) **Not applicable to the Company during the Audit Period)**
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 notified on 9<sup>th</sup> December, 2018; **(Not applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (repealed w.e.f. 11<sup>th</sup> September, 2018); **(Not applicable to the Company during the Audit Period)**
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 notified on 11<sup>th</sup> September, 2018; **(Not applicable to the Company during the Audit Period)**
- (k) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with BSE Limited;

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

#### **We further report that**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, independent director(s) were present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. A system

exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.`

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

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

**We further report that** during the audit period the company has not undertaken any event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc *however, Company has defaulted in repayment to Banks and Banks has migrated/classified Company's account as stressed asset.*

For V.M. & Associates  
Company Secretaries  
(ICSI Unique Code P1984RJ039200)



CS Manoj Maheshwari  
Partner

FCS3355

C P No. : 1971

Place: Jaipur

Date: May 25, 2019

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

### Annexure A

To,

The Members,

Shree Rajasthan Syntex Ltd.

SRSL House, Pulla Bhuwana Road, N.H. 8

Udaipur - 313 004 (Rajasthan).

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the

responsibility of management. Our examination was limited to the verification of procedures on test basis.

- The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For V.M. & Associates  
Company Secretaries  
(ICSI Unique Code P1984RJ039200)



CS Manoj Maheshwari  
Partner

FCS3355

C P No. : 1971

Place: Jaipur

Date: May 25, 2019

### ANNEXURE - 2

Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

#### I. REGISTRATION AND OTHER DETAILS

- CIN : L24302RJ1979PLC001948
- Registration Date : November 15, 1979
- Name of the Company : **SHREE RAJASTHAN SYNTEX LTD.**
- Category / Sub-Category : Company limited by shares, Indian of the Company public non - government company
- Address of the : 'SRSL HOUSE', Pulla Bhuwana Road, Registered office N.H. No.8, Udaipur-313004 (Rajasthan) and contact details Phone No:- 0294-2440334, Email:- [cs@srsi.in](mailto:cs@srsi.in); [houdr@srsi.in](mailto:houdr@srsi.in), Website:- [www.srsi.in](http://www.srsi.in)
- Whether listed company : Yes
- Name, Address and : **MAS Services Limited**, Contact details of : T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Registrar and Transfer Phase-II, New Delhi- 110020 Agent Contact person : **Mr. Sharwan Mangla** Phone No. :- 26387281/82/83 Fax:- 26387384, Email:- [info@masserv.com](mailto:info@masserv.com) Website:- [www.masserv.com](http://www.masserv.com)

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
01	Man made Fibre spun yarn	5509 (ITC Code)	98.78



**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL**
**IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as a percentage of total equity)**
**1. Category-wise Shareholding :-**

Category of shareholders	No. of shares held at the beginning of the year April 1, 2018				No. of shares held at the end of the year March 31, 2019				% change during the year
	Demat	Physical	Total	% of the share	Demat	Physical	Total	% of the share	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)
<b>A. Promoter and Promoter Group</b>									
<b>(1) Indian</b>									
a) Individual / HUF	23,99,627	0	23,99,627	17.51	23,99,627	0	23,99,627	17.51	0
b) Central Government	0	0	0	0.00	0	0	0	0.00	0
c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0
d) Bodies Corporate	40,95,584	0	40,95,584	29.89	40,95,584	0	40,95,584	29.89	0
e) Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0
f) Any Other	0	0	0	0.00	0	0	0	0.00	0
<b>Sub- Total A(1)</b>	<b>64,95,211</b>	<b>0</b>	<b>64,95,211</b>	<b>47.40</b>	<b>64,95,211</b>	<b>0</b>	<b>64,95,211</b>	<b>47.40</b>	<b>0</b>
<b>(2) Foreign</b>									
a.) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0
b.) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0
c.) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
d.) Banks / FI	0	0	0	0.00	0	0	0	0.00	0
e.) Any other	0	0	0	0.00	0	0	0	0.00	0
<b>Sub- Total A(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Total shareholding of promoters A= A(1)+A(2)</b>	<b>64,95,211</b>	<b>0</b>	<b>64,95,211</b>	<b>47.40</b>	<b>64,95,211</b>	<b>0</b>	<b>64,95,211</b>	<b>47.40</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	2,334	2,151	4,485	0.03	2,334	650	2,984	0.02	-0.01
b) Banks / Financial Institutions	0	660	660	0.01	0	50	50	0.00	-0.01
c) Central Government	0	0	0	0.00	0	0	0	0.00	0
d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Company	0	0	0	0.00	0	0	0	0.00	0
g) Foreign Institutional Investor (s)	0	150	150	0.00	0	100	100	0.00	0
h) Foreign Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0
i) Other (Specify)	0	0	0	0.00	0	0	0	0.00	0
<b>Sub- Total B(1)</b>	<b>2,334</b>	<b>2,961</b>	<b>5,295</b>	<b>0.04</b>	<b>2,334</b>	<b>800</b>	<b>3,134</b>	<b>0.02</b>	<b>-0.02</b>
<b>(2) Non-institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	11,04,010	2,56,120	13,60,130	9.93	11,40,233	2,24,852	13,65,085	9.96	0.03
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
<b>b) Individual</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	20,01,723	9,38,506	29,40,229	21.46	19,73,919	5,82,122	25,56,041	18.65	-2.81
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	23,84,229	1,00,200	24,84,429	18.13	24,07,984	1,00,200	25,08,184	18.30	0.17
<b>c) Any other</b>									
i) Non- Resident Indian/ OCB	96,014	72,011	1,68,025	1.23	1,03,142	5,887	1,09,029	0.80	-0.43
ii) Clearing Member	81,915	0	81,915	0.60	62,575	0	62,575	0.46	-0.13
iii) Trust	1,67,067	0	1,67,067	1.22	1,67,067	0	1,67,067	1.22	0
iv) Investor Education and Protection Fund	0	0	0	0.00	4,35,975	0	4,35,975	3.19	3.19
<b>Sub- Total B(2)</b>	<b>58,34,958</b>	<b>13,66,837</b>	<b>72,01,795</b>	<b>52.56</b>	<b>62,90,895</b>	<b>9,13,061</b>	<b>72,03,956</b>	<b>52.58</b>	<b>0.02</b>
<b>Total Public shareholding B= B(1) + B(2)</b>	<b>58,37,292</b>	<b>13,69,798</b>	<b>72,07,090</b>	<b>52.60</b>	<b>62,93,229</b>	<b>9,13,861</b>	<b>72,07,090</b>	<b>52.60</b>	<b>0</b>
C. Shares held by custodian for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0
<b>Grand Total (A+B+C)</b>	<b>1,23,32,503</b>	<b>13,69,798</b>	<b>1,37,02,301</b>	<b>100.00</b>	<b>1,27,88,440</b>	<b>9,13,861</b>	<b>1,37,02,301</b>	<b>100.00</b>	<b>0</b>

**2. Shareholding of Promoter & Promoter Group**

Sl. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
2(1)	<b>Promoter</b>							
1	Vinod Kumar Ladia	8,66,018	6.32	0	8,66,018	6.32	0	0
2(2)	<b>Promoter Group</b>							
2	SRSL Securities Ltd.	21,07,855	15.38	0	21,07,855	15.38	0	0
3	Shree Shyam Distributors and Marketing Private Limited	8,01,924	5.85	0	8,01,924	5.85	0	0
4	V K Texchem Pvt. Ltd.	7,44,871	5.44	0	7,44,871	5.44	0	0
5	Poonam Ladia	5,40,084	3.94	0	5,40,084	3.94	0	0
6	Vikas Ladia	5,02,515	3.67	0	5,02,515	3.67	0	0
7	Rajasthan State Industrial Development and Investment Corporation Limited	4,40,934	3.22	0	4,40,934	3.22	0	0
8	Anubhav Ladia	2,70,032	1.97	0	2,70,032	1.97	0	0
9	Vinod Kumar Ladia (HUF)	87,400	0.64	0	87,400	0.64	0	0
10	Vikas Ladia (HUF)	47,495	0.35	0	47,495	0.35	0	0
11	Anubhav Ladia (HUF)	35,000	0.26	0	35,000	0.26	0	0
12	Pooja Toshniwal	25,982	0.19	0	25,982	0.19	0	0
13	Puja Ladia	25,101	0.18	0	25,101	0.18	0	0
	<b>Total [2(1)+2(2)]</b>	<b>64,95,211</b>	<b>47.40</b>	<b>0</b>	<b>64,95,211</b>	<b>47.40</b>	<b>0</b>	<b>0</b>

**3. Change in Promoter's Shareholding :- NIL**
**4. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :-**

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning / end of the year	% of total shares of the company				No. of shares	% of total shares of the Company
1.	Ruchit Bharat Patel	4,00,000	2.92	01.04.2018				
		4,00,000	2.92	31.03.2019				
2.	Dattani Ceramics Pvt. Ltd.	63,160	0.46	01.04.2018				
				08.06.2018	2,700	purchase	65,860	0.48
				22.06.2018	27,780	sale	38,080	0.28
				27.07.2018	7,000	sale	31,080	0.23
				03.08.2018	5,080	sale	26,000	0.19
				10.08.2018	9,255	sale	16,745	0.12
				16.11.2018	10,055	sale	6,690	0.05
				23.11.2018	15,602	purchase	22,292	0.16
				30.11.2018	40,995	purchase	63,287	0.46
				07.12.2018	13,787	purchase	77,074	0.56
				14.12.2018	65,117	purchase	1,42,191	1.04
				21.12.2018	31,587	purchase	1,73,778	1.27
				28.12.2018	24,000	purchase	1,97,778	1.44
				31.12.2018	925	purchase	1,98,703	1.45
		04.01.2019	28,924	purchase	2,27,627	1.66		
		11.01.2019	11,709	purchase	2,39,336	1.75		
		18.01.2019	57,215	purchase	2,96,551	2.16		
		25.01.2019	269	purchase	2,96,820	2.17		
		22.02.2019	7,055	purchase	3,03,875	2.22		

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning / end of the year	% of total shares of the company				No. of shares	% of total shares of the Company
				15.03.2019	15,934	purchase	3,19,809	2.33
		<b>3,19,809</b>	<b>2.33</b>	<b>31.03.2019</b>				
3.	BJD Securities Private Ltd.	<b>3,09,324</b>	<b>2.26</b>	<b>01.04.2018</b>				
				01.06.2018	4,760	purchase	3,14,084	2.29
				22.06.2018	11,425	purchase	3,25,509	2.38
				29.06.2018	22,300	purchase	3,47,809	2.54
				03.08.2018	13,010	purchase	3,60,819	2.63
				10.08.2018	18,398	purchase	3,79,217	2.77
				24.08.2018	51,812	purchase	4,31,029	3.15
				31.08.2018	6,000	purchase	4,37,029	3.19
				07.09.2018	825	purchase	4,37,854	3.20
				14.09.2018	6,000	purchase	4,43,854	3.24
				16.11.2018	34,692	sale	4,09,162	2.99
				23.11.2018	59,419	sale	3,49,743	2.55
				30.11.2018	34,250	sale	3,15,493	2.30
				14.12.2018	33,545	sale	2,81,948	2.06
				21.12.2018	13,021	sale	2,68,927	1.96
				04.01.2019	5,219	sale	2,63,708	1.92
				11.01.2019	8,500	sale	2,55,208	1.86
				18.01.2019	17,460	sale	2,37,748	1.74
		<b>2,37,748</b>	<b>1.74</b>	<b>31.03.2019</b>				
4.	Hardik B. Patel	<b>2,00,000</b>	<b>1.46</b>	<b>01.04.2018</b>				
		<b>2,00,000</b>	<b>1.46</b>	<b>31.03.2019</b>				
5.	Rai Investments Ltd.	<b>2,03,487</b>	<b>1.49</b>	<b>01.04.2018</b>				
				01.06.2018	1,809	purchase	2,05,296	1.50
				22.06.2018	8,000	purchase	2,13,296	1.56
				29.06.2018	9,000	purchase	2,22,296	1.62
				10.08.2018	9,856	sale	2,12,440	1.55
				17.08.2018	6,000	sale	2,06,440	1.51
				02.11.2018	4,953	sale	2,01,487	1.47
				09.11.2018	2,308	sale	1,99,179	1.45
				21.12.2018	10,000	sale	1,89,179	1.38
		<b>1,89,179</b>	<b>1.38</b>	<b>31.03.2019</b>				
6.	Shree Rajasthan Syntex Limited Employees Welfare Trust	<b>1,67,067</b>	<b>1.22</b>	<b>01.04.2018</b>				
		<b>1,67,067</b>	<b>1.22</b>	<b>31.03.2019</b>				
7.	Bharat Jamnadas Dattani	<b>1,08,062</b>	<b>0.79</b>	<b>01.04.2018</b>				
				24.08.2018	8,000	purchase	1,16,062	0.85
				31.08.2018	10,300	purchase	1,26,362	0.92
				07.09.2018	22,500	purchase	1,48,862	1.09
				14.09.2018	19,515	purchase	1,68,377	1.23
				21.09.2018	6,800	purchase	1,75,177	1.28
				16.11.2018	521	sale	1,74,656	1.27
				21.12.2018	10,000	sale	1,64,656	1.20
				28.12.2018	974	sale	1,63,682	1.19
				11.01.2019	19,800	sale	1,43,882	1.05
				18.01.2019	7,500	sale	1,36,382	1.00
		<b>1,36,382</b>	<b>1.00</b>	<b>31.03.2019</b>				

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning / end of the year	% of total shares of the company				No. of shares	% of total shares of the Company
8.	Innovative Data Organisers Pvt. Ltd.	<b>1,73,780</b>	<b>1.27</b>	<b>01.04.2018</b>				
				15.06.2018	10,000	sale	1,63,780	1.20
				22.06.2018	26,000	sale	1,37,780	1.01
				27.07.2018	7,000	sale	1,30,780	0.95
				03.08.2018	13,000	sale	1,17,780	0.86
				10.08.2018	13,850	sale	1,03,930	0.76
				17.08.2018	31,348	sale	72,582	0.53
				24.08.2018	8,765	sale	63,817	0.47
				31.08.2018	19,817	sale	44,000	0.32
				07.09.2018	22,200	sale	21,800	0.16
				14.09.2018	15,915	sale	5,885	0.04
				16.11.2018	5,235	sale	650	0.00
				23.11.2018	6,550	purchase	7,200	0.05
				30.11.2018	31,323	purchase	38,523	0.28
				07.12.2018	2,500	purchase	41,023	0.30
				14.12.2018	17,356	purchase	58,379	0.43
				21.12.2018	10,011	purchase	68,390	0.50
				28.12.2018	7,000	purchase	75,390	0.55
				04.01.2019	10,000	purchase	85,390	0.62
		11.01.2019	5,525	purchase	90,915	0.66		
		18.01.2019	15,000	purchase	1,05,915	0.77		
		22.02.2019	10,800	purchase	1,16,715	0.85		
		15.03.2019	9,679	purchase	1,26,394	0.92		
		<b>1,26,394</b>	<b>0.92</b>	<b>31.03.2019</b>				
9.	Jay Bharat Dattani	<b>1,37,048</b>	<b>1.00</b>	<b>01.04.2018</b>				
				24.08.2018	6,034	purchase	1,43,082	1.04
				16.11.2018	5,897	sale	1,37,185	1.00
				21.12.2018	43,500	sale	93,685	0.68
				11.01.2019	11,524	sale	82,161	0.60
				18.01.2019	6,000	purchase	88,161	0.64
				22.02.2019	17,855	sale	70,306	0.51
		<b>70,306</b>	<b>0.51</b>	<b>31.03.2019</b>				
10.	Bansuri Bharat Dattani	<b>1,08,198</b>	<b>0.79</b>	<b>01.04.2018</b>				
				14.12.2018	10,000	sale	98,198	0.72
				21.12.2018	16,600	sale	81,598	0.60
				11.01.2019	13,000	sale	68,598	0.50
				08.03.2019	15,000	sale	53,598	0.39
				15.03.2019	1,000	sale	52,598	0.38
		<b>52,598</b>	<b>0.38</b>	<b>31.03.2019</b>				

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

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning / end of the year	% of total shares of the company				No. of shares	% of total shares of the Company
1.	Mr. Vinod Kumar Ladia (CM and WTD)	8,66,018	6.32	<b>01.04.2018</b>		Nil Movement during the year		
		<b>8,66,018</b>	<b>6.32</b>	<b>31.03.2019</b>				
2.	Mr. Vikas Ladia (MD and CEO)	5,02,515	3.67	<b>01.04.2018</b>		Nil Movement during the year		
		<b>5,02,515</b>	<b>3.67</b>	<b>31.03.2019</b>				

Sl. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning / end of the year	% of total shares of the company				No. of shares	% of total shares of the Company
3.	Mr. Anubhav Ladia (WTD)	2,70,032	1.97	01.04.2018		Nil Movement during the year		
		2,70,032	1.97	31.03.2019				
4.	Mr. Susheel Jain (NEID)	1,38,284	1.01	01.04.2018		Purchase		
				24.08.2018	300			
		1,38,584	1.01	31.03.2019				
5.	Mr. Ravinder Narain (NEID) Ceased w.e.f. 05.08.2018	6,000	0.04	01.04.2018		Nil Movement during the year		
		6,000	0.04	05.08.2018				
6.	Mr. Narendra Nath Agrawala (NEID)	3,384	0.02	01.04.2018		Nil Movement during the year		
		3,384	0.02	31.03.2019				
7.	Ms. Neelima Khetan (NEID)	-	-	01.04.2018		-		
		-	-	31.03.2019				
8.	Mr. Raj Singh Nirwan (NEID)	-	-	01.04.2018		-		
		-	-	31.03.2019				
9.	Mr. Roshan Lal Kunawat (NED) Ceased w.e.f. 10.08.2018	-	-	01.04.2018		-		
		-	-	10.08.2018				
10.	Mr. Sunil Goyal (NEID)	-	-	01.04.2018		-		
		-	-	31.03.2019				
11.	Mr. Vinay Punjawat (CFO)	10	0.00	01.04.2018		Nil Movement during the year		
		10	0.00	31.03.2019				
12.	Ms. Ravina Soni (CS)	-	-	01.04.2018		-		
		-	-	31.03.2019				

## V. INDEBTEDNESS

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

(Amount in Rs.)

Particulars	Secured loans excluding deposits	Unsecured Loans	Deposits (Unsecured Fixed Deposits)	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal amount	9,14,150,884	1,70,00,000	3,74,86,000	96,86,36,884
(ii) Interest due but not paid	74,807,400	-	7,845	74,815,245
(iii) Interest accrued but not due.	2,195,205	848,191	782,843	3,826,239
<b>Total (i+ii+iii)</b>	<b>991,153,489</b>	<b>17,848,191</b>	<b>38,276,688</b>	<b>1,047,278,368</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	117,410,239	2,145,880	1,187,450	120,743,569
* Reduction	81,618,740	-	-4,830,843	76,787,897
<b>Net change</b>	<b>35,791,499</b>	<b>2,145,880</b>	<b>-3,643,393</b>	<b>34,293,986</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal amount	866,546,440	17,500,000	34,103,000	918,149,440
(ii) Interest due but not paid	160,398,548	-	7,845	160,406,393
(iii) Interest accrued but not due.	-	2,494,071	522,450	3,016,521
<b>Total (i+ii+iii)</b>	<b>1,026,944,988</b>	<b>19,994,071</b>	<b>34,633,295</b>	<b>1,081,572,354</b>

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

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total amount
		Mr. Vinod Kumar Ladia (Chairman and Whole Time Director)	Mr. Vikas Ladia (Managing Director and Chief Executive Officer)	Mr. Anubhav Ladia (Whole Time Director)	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	30,80,000	24,30,000	18,30,000	73,40,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	8,35,116	4,82,164	16,81,177	29,98,457
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>39,15,116</b>	<b>29,12,164</b>	<b>35,11,177</b>	<b>1,03,38,457</b>
	Ceiling as per the Act*	<b>1,68,00,000</b>	<b>1,68,00,000</b>	<b>1,68,00,000</b>	<b>5,04,00,000</b>

Due to inadequacy of the profit in the financial year 2018-19 and pursuant to section 197 of the Act and Schedule-V (as amended) and pursuant to special resolution passed for appointment of such managerial personnel, the ceiling limit is being calculated amounting to Rs. 168 lakhs (84\*2) on the basis of effective capital as given in the Part-II of Schedule V, Section-II.

B. Remuneration to other Directors :-

(Amount in Rs.)

Sl. No.	Particulars of remuneration	Name of the Directors							Total amount
		Mr. Raj Singh Nirwan	Mr. Sunil Goyal	Mr. Narendra Nath Agrawala	Mr. Roshan Lal Kunawat	Mr. Susheel Jain	Mr. Ravinder Narain	Mrs. Neelima Khetan	
1	Independent Directors								
	* Fee for attending Board, Committee meetings	63,000	49,000	56,000	-	21,000	7,000	21,000	2,17,000
	* Commission	-	-	-	-	-	-	-	-
	* Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>63,000</b>	<b>49,000</b>	<b>56,000</b>	<b>-</b>	<b>21,000</b>	<b>7,000</b>	<b>21,000</b>	<b>2,17,000</b>
2	Other Non-Executive Directors								
	* Fee for attending Board, Committee meetings	-	-	-	28,000	-	-	-	28,000
	* Commission	-	-	-	-	-	-	-	-
	* Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,000</b>
	<b>Total = (1+2) Total Management remuneration</b>	<b>63,000</b>	<b>49,000</b>	<b>56,000</b>	<b>28,000</b>	<b>21,000</b>	<b>7,000</b>	<b>21,000</b>	<b>2,45,000</b>
	<b>Overall ceiling as per the Act*</b>	<b>1% of profit after tax</b>							

\*During the year under review, the other Directors have received the remuneration by way of sitting fees only pursuant to section 197(5) of the Companies Act, 2013 and the same is within the ceiling limit.

**C. Remuneration to Key Managerial Personnel other than MD / WTD / Manager :-**
**(Amount in Rs.)**

Sl. No.	Particulars of remuneration	Name of Key Managerial Personnel			Total amount
		Chief Executive Officer	Chief Financial Officer	Company Secretary	
		Mr. Vikas Ladia	Mr. Vinay Punjawat	Ms. Ravina Soni	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,30,000	6,42,000	3,00,000	33,72,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	4,82,164	4,80,793	1,67,349	11,30,306
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	
2	Stock option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commissioner - %age of profit - Others, specify.	- - -	- - -	- - -	
5	Others, please specify	-	-	-	
	<b>Total</b>	<b>29,12,164</b>	<b>11,22,793</b>	<b>4,67,349</b>	<b>45,02,306</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**ANNEXURE - 3**
**Form No. AOC- 2**
**CONTRACTS & ARRANGEMENTS WITH THE RELATED PARTIES**
*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts /arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into by the company during the financial year ended March 31, 2019 which were not at arms' length basis.

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

Particulars	Details	
<b>Name(s) of the related party</b>	<b>Shree Shyam Distributors &amp; Marketing Private Limited</b>	<b>V K Texchem Private Limited</b>
<b>Nature of Relationship</b>	Director is the Director in the said Company	Director is the Director in the said Company
<b>Nature of contracts/ arrangements/ transactions</b>	Sale, purchase or supply of any goods or materials Availing or rendering of any services	Sale, purchase or supply of any goods or materials Availing or rendering of any services
<b>Duration of the contracts / arrangements / transactions</b>	5 Financial Years	5 Financial Years
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 100 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.	Ceiling Limit for Sale, purchase or supply of any goods or materials - Rs. 100 Cr. Ceiling Limit for Availing or rendering of any services - Rs. 25 Cr.
<b>Date(s) of approval by the Board</b>	August 6, 2016	August 6, 2016
<b>Amount paid as advances, if any</b>	NIL	NIL

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

Date : August 12, 2019  
Place : Udaipur  
Registered Office : 'SRSL HOUSE', Pulla  
Bhuwana Road, N. H. No. 8,  
Udaipur - 313004 Rajasthan

  
VIKAS LADIA  
(Managing Director and  
Chief Executive Officer)  
DIN: 00256289

  
ANUBHAV LADIA  
(Whole Time Director)  
DIN: 00168312



#### ANNEXURE - 4

##### DISCLOSURE ON THE REMUNERATION OF THE MANAGERIAL PERSONNEL

Details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2019

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

###### Directors-

1. Mr. Vinod Kumar Ladia (Chairman & WTD) : 34.25 : 1
2. Mr. Vikas Ladia (MD & CEO) : 27.00 : 1
3. Mr. Anubhav Ladia (WTD) : 20.42 : 1

\*Other Directors receives Sitting Fees only

- ii. the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;-

- 1) Mr. Vinod Kumar Ladia (Chairman & WTD) : 8.33
- 2) Mr. Vikas Ladia (MD & CEO) : 7.89
- 3) Mr. Anubhav Ladia (WTD) : 10.71
- 4) Mr. Vinay Punjawat (CFO) : 0.00
- 5) Ms. Ravina Soni (CS) : 0.00

\*Other Directors receives Sitting Fees only

- iii. the percentage increase in the median remuneration of employees in the financial year; 7.02

- iv. the number of permanent employees on the rolls of Company; 1186

- v. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

- Average increase in the remuneration of all employees excluding KMPs: 10.07%
- Average increase in the remuneration of KMPs: 7.71%
- Justification: *KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.*

*It is be and hereby affirmed that the remuneration is as per the remuneration policy of the Company.*

#### ANNEXURE-5

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

###### A. CONSERVATION OF ENERGY

- (i) the steps taken or impact on conservation of energy; In order to conserve energy, the company has taken various steps for efficient consumption of energy like use of synthetic tapes, light weight bobbins, soft starters, energy efficient motors, energy saving spindles etc.
- (ii) the steps taken by the company for utilising alternate sources of energy; The Company is exploring renewal resources like bio fuel and is in active discussion with experts to start the Thermal Plant on such fuel.
- (iii) the capital investment on energy conservation equipments; The Company makes substantial investment on energy conservation while procurement of its equipments to ensure that the most effective energy cost is charged to the company.

###### B. TECHNOLOGY ABSORPTION

- i. the efforts made towards technology absorption; Company has absorbed the technique of cleaning the yarn electronically and that of Splicing instead of knotting in finishing department. It has adopted sturdy drafting in speed frame and also replaced open type Flyers with closed type for achievement of higher speed in existing speed frames.
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution as result of the above: Company achieved higher productivity and improved yarn quality.
- iii. In case of imported technology (imported during last 3 years reckoned from the beginning of the financial years) : N/A
- iv. Expenditure on R & D:

(Rs. in Lakhs)

1. Capital	:	0
2. Recurring	:	26.88
3. Total	:	26.88
4. Total R & D Expenditure as a % of total turnover	:	0.16%

###### C. FOREIGN EXCHANGE EARNINGS & OUTGO.

The Company has exported its spun yarn in the established markets like Egypt and Turkey.

Particulars	2018-19 (Rs. in Lakhs)	2017-18 (Rs. in Lakhs)
1. Total foreign exchange used	149.85	305.88
2. Total foreign exchange earned	1495.62	2311.52

## ANNEXURE - 6

### MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The management of Shree Rajasthan Syntex Limited is presenting the Management Discussion and Analysis Report covering the operations and financial performance of the Company for the financial year 2018-19. The core business of the Company is manufacturing and marketing of synthetic blended yarn, cotton yarn and polypropylene multifilament yarn.

#### ➤ BUSINESS OVERVIEW

The Company is one of the important players in man made fibre spinning with following capacity:

Units	Location	Products	Capacity
Syntex - Division	Simalwara Road Dungarpur	Synthetic Yarn	27,744 SPINDLES
Texchem - Division	Simalwara Road Dungarpur	(i) Synthetic Yarn  (ii) Polypropylene Multi filament Yarn	31,488 SPINDLES 2,000 TPA
Polycot - Division	Simalwara Road Dungarpur	Cotton yarn	20,568 SPINDLES

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

#### ➤ INDUSTRY STRUCTURE AND DEVELOPMENTS

- The textile industry is one of the most significant industries for the Indian economy. The industry is one of the largest employers in India, employing more than 45 million people directly and 60 million people indirectly.
- Due to its fragmented nature, the textile industry employs more in the unorganized sector especially in the rural areas and hence, it is of vital importance.
- The textile industry can be segmented into Natural fibres and Man Made Fibres (MMFs) based on the use of basic raw material, cotton or crude derivative respectively. Among the various MMF product in the synthetic and cellulosic segments, polyester and viscose forms about 80% of total domestic consumption. Globally man-made fibres is the most dominantly consumed textile fibre.
- Due to the long term structural reforms implemented between FY 2016-18, the Indian economy faced multiple short term challenges such as slowdown in consumption demand, dwindling investment growth, stressed banking sector, and widening deficits. The adverse impact was seen in annual GDP growth, which decelerated from 8.2% in FY 2016, to 7% in FY 2019 as per the 2nd Advanced Estimates released by MoSPI.
- Realizing the importance of the textile industry to the Indian economy, the government undertakes various measures through multiple governing bodies viz. Ministry of Textile, Ministry of Finance, Ministry of Rural Development, and Ministry of Human Resource Development. The government has allowed 100% FDI under the automatic route in the textile and clothing sector

#### ➤ INDUSTRY OPPORTUNITIES

- The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand.
- The Indian Textile Industry is among the oldest in the country. It is projected to reach USD 250 billion by 2020 from around USD 150 billion.
- The Skill India and Make-in India programs of Central government headed by Prime Minister Shri Narendra Modi is helping the industry in getting required skilled manpower and good market for textile products. It is an opportunity for the textile industry to upgrade their technology and implement ERP to streamline supply chain and enhance customer relations management activities.
- The structural reform of The Goods and Services Tax (GST) is expected to provide a boost to the economic growth and investments in the long run.

#### ➤ INDUSTRIAL CHALLENGES

Even though India's textile industry is a huge contributor in terms of exports, industrial output and employment, like China's, India's domestic industry is not without its challenges.

##### 1. Higher input costs compared to competing nations

India has one of the highest costs of capital compared to most competing countries which affects the cost of production and thus its competitiveness. Also, the power cost in India is much higher compared to competing nations.

##### 2. Low technology level

The Textile Industry suffers from the use of low and outdated technologies. In general, spending on R&D, product development etc. by textile companies in India is quite low.

##### 3. Cyclical ups and downs & Demand adversities

There has never been a continuous positive growth rate in textiles products for a longer time periods. Some times it was treated as a cyclical ups and downs, some times the demand adversities have really dented the growth.

##### 4. Foreign Trade Policy (FTP) disappointing for Textile

The current Foreign Trade Policy has not provided any additional benefits to the textiles sector, though measures announced for improving ease of doing business and simplified procedures would be beneficial to the textile sector, among others. The policy will have continuity during the 5 years period and only a midterm review will be made.

##### 5. High debt servicing cost:

The industry requires to give high debt servicing cost and with the lending rates in India in the range of 12 to 14%, they are significantly higher in comparison to the competing countries like China. The complete textile chain is not covered in the TUF Scheme and thus a large capital investment needs to be made at a very high rate of interest.

➤ **RISK AND CONCERNS**

**a. Raw material availability**

Though India is having sufficient availability of raw materials, namely, cotton, man made fibres and silk but factors such as low rain fall in the cotton growing areas, increase in crude oil prices in the international markets for basic raw materials of man made fibres and increase in logistic cost may effect the availability of raw material and competitiveness of the industry.

**b. Power availability**

Most of the textile mills in India, particularly in north and western parts are dependent on power supply by self-generation using coal as fuel due to low quality of availability of power from the government. Because of increase in cost of coal the cost of generation of power is increasing which may affect the competitiveness of the Industry.

**c. Currency risk**

Since the textile industry has a major portion of its revenue from exports, Indian rupee relationship with foreign currencies such as US Dollar is important. The industry hedges currency risks by forward currency cover against sale contracts. Hence movement in foreign currency vis-à-vis rupee has direct impact on exports realization and import cost. The volatile movement of Rupee against the US Dollar is a serious concern for the industry.

**d. Government Policies**

The Textile Industry is highly dependent on the Government Policies on various matters. Frequent changes in the taxation policies bring instability in the industry.

➤ **PRODUCT WISE PERFORMANCE OF THE COMPANY**

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

(Rs. In Lakhs)

Revenue from operations	2018-19	2017-18	2016-17
Domestic	15,131.92	19,776.61	21,929.59
Export	1,857.62	2,675.52	3,700.73

The current yarn portfolio of SRS� can be classified into 4 main categories-Grey yarn, dyed yarn, cotton yarn and PPMF yarn.

- **Grey Yarn:** Grey yarn is produced using blends of different synthetic fibre such as polyester/viscose, 100% viscose yarn, 100% polyester fibre yarn and pure cotton. These qualities are produced in Shree Rajasthan Texchem division and Shree Rajasthan Polycot division of the Company. The Company has niche markets for 100% viscose fibre yarn. Specialty fibre yarns were developed for industrial and home textile applications.
- **Dyed yarns:** Dyed yarn is produced at Syntex division of the Company. These yarns are relatively higher value added products and made according to customers specifications of blend, counts and shades. The Company has speciality in producing home textile dyed yarns for end use such as carpets, tapestry and upholstery. Further the Company has now developed melange yarns for weaving and knitting applications.
- **Cotton Yarn:** It is produced at Polycot division. These yarns are

mainly consumed for woven fabrics and terry towel application. The Company produces high quality cotton yarns and have a strong customer base.

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

➤ **OPERATIONS**

During the year under review, the Company's operations continued to be affected due to non availability of working capital for operations resulting in lower capacity utilisation and constrained margins due to high cost of Raw Material at uneconomical buying. Furthermore, the Company has not been able to undertake necessary regular capital expenditure as per industry norms for proper maintenance and upkeep of plant and equipment due to paucity of funds. The Company's financial highlights is summarized below:

(Rs. In Lakhs)

Particulars	Financial Year	
	March 31, 2019	March 31, 2018
Revenue from operations	17,199.83	22,662.05
Other Income	201.50	771.37
<b>Total Revenue (A)</b>	<b>17,401.33</b>	<b>23,433.42</b>
Expenses:-		
Cost of materials consumed	10,614.22	12,595.82
Purchase of Stock-in-trade	0.00	25.29
Changes in inventories of finished goods, Work in progress and stock-in-trade	1,267.57	2,849.38
Excise duty	0.00	47.47
Employees benefit expenses	2,186.90	2,263.22
Finance Costs	1,592.67	1,422.88
Depreciation and Amortization expenses	448.54	472.21
Other Expenses	4,347.04	4,622.23
<b>Total Expenses (B)</b>	<b>20,456.94</b>	<b>24,298.50</b>
<b>Profit/(loss) before exceptional items and tax (A) - (B)</b>	<b>(3,055.61)</b>	<b>(865.08)</b>
Exceptional items (gain)	1,096.11	0.00
<b>Profit / (Loss) before tax</b>	<b>(1,959.50)</b>	<b>(865.08)</b>
Less : Tax expense	(186.74)	(292.09)
<b>Profit / (Loss) for the period</b>	<b>(1,772.76)</b>	<b>(572.99)</b>
Other comprehensive Income (Net of Tax)	36.12	27.33
<b>Total Comprehensive Income for the period (Comprising profit after tax and other comprehensive income after tax for the period)</b>	<b>(1,736.64)</b>	<b>(545.66)</b>

➤ **OUTLOOK**

Out look for the textile industry is positive and the Directors of the Company are hopeful that with the dismantling of quotas, penetration in the new global scenario, change in product mix, cost effectiveness and development of new qualities, it would be possible to meet the challenges being faced by the Indian Textile Industry. It is also expected that the Company would be able to increase its price in the export market to offset the change in foreign currency rates. It is also expected that Ministry of Commerce, Government of India would give additional export incentives to the industry to offset the change in foreign currency rates. There is a significant scope for converting the raw cotton in to yarn, both for overseas and domestic markets. The investments in the downstream segments of weaving and processing will ensure that our company is always able to effectively utilize its installed capacity and its expansion in future.

➤ **DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company believes in acquisition, retention and betterment of talented team players. HRD activities are taken in the Company involving positive approach to develop employees to take care of productivity, quality and customer needs. The Company has to make constant efforts to manage labour shortages. To develop skilled labour, training facilities are provided to the employees in house or by deputing them to the machinery suppliers and to training institutes for specific training.

The Company has well developed management information system giving daily, monthly and periodical information to the different levels of management. Such reports are being analyzed and effective steps are taken to control the efficiency, utilization, productivity and quality in the Company.

➤ **KEY FINANCIAL RATIOS AND DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

Particulars	Financial Year		Explanation for Change
	2018-19	2017-18	
Inventory Turnover	9.40	5.60	Better inventory management
Interest Coverage Ratio	-	0.72	Lower EBITDA in the current year
Operating Profit Margin (%)	(17.77)	(3.82)	Due to higher losses in the current year

➤ **RETURN ON NET WORTH**

The Company have negative Return on Networth in both current and previous year due to negative Total Comprehensive Income.

➤ **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal control system commensurate with its size and nature of business. The internal control systems are complemented by various Management information System (MIS) reports covering all areas. The management reviews and strengthens the controls periodically.

Apart from self-monitoring of the internal controls, there is a Chartered Accountant firm appointed to conduct internal audit of the Company's operations as approved by the Audit Committee. This firm presents their important observations to the Audit Committee that is chaired by an Independent Director. The internal auditors provide a reassurance to the affirmation given by the Management that the control systems are effective, operational and adequate.

The Audit Committee takes due cognizance of the observations made by the auditors and gives their suggestions for improvement. The suggestions of the Audit Committee further ensure the quality and adequacy of the control systems.

The Company has appointed internal auditors for all the 4 units. The internal control ensures that all assets were safeguarded and protected against loss through unauthorized use or disposition and transactions were authorized, recorded noticed and reported correctly. While operating managers ensure compliance with their areas, internal auditors carry out audit test on randomly selected samples and report on non-compliance or weakness if any through internal audit reports of the respective unit/areas. These reports are reviewed by the management and then by Audit Committee of the Board for follow up action.

A report of Auditors pursuant to Sec 143(3)(i) of Companies Act, 2013 certifying the adequacy of Internal Financial Control is annexed with the Auditor's Report.

➤ **CAUTIONARY STATEMENT**

Statements in the Management Discussions and Analysis report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable security laws and regulation. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand and supply and price conditions in domestic and overseas market in which the company operates, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factor.

## ANNEXURE - 7

### REPORT ON CORPORATE GOVERNANCE

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

The Company believes that Corporate governance provides a structure that works for the benefit of everyone concerned, by ensuring that the enterprise adheres to ethical standards, laws and accepted best practices. It imbibes the basic business ethics and values that need to be adhered to in letter and spirit. We believe that a transparent, ethical and responsible corporate governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the culture of the organisation. The Company has sought to consistently focus on good corporate governance by increasing transparency and accountability to its Shareholders and other Stakeholders. The Company wishes to be a responsible partner in society, acting with integrity towards its shareholders, customers, employees and the Government. Therefore, we ensure highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI). We believe, Corporate Governance is just not a destination, but a journey to constantly improve sustainable value creation. It is an upward moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in the following pages.

##### ➤ Ethics / Governance Policies

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

##### ➤ Observance of Secretarial Standards issued by the Institute of Company Secretaries of India

The Secretarial Standards on the Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, are adhered to by the Company.

#### 2. Board of Directors

##### 2.1 Composition and Category of Directors

The Company is having an optimum combination of Executive and Non-Executive Directors to maintain its independence and separate its function of governance and management. Listing Regulations mandate that for a company with an Executive Chairman, at least half of the Board should be Independent Directors. As on March 31, 2019, the Company's Board comprise of eight Directors as detailed below:-

##### a) Three Executive Directors

1. Mr. Vinod Kumar Ladia, Chairman and Whole Time Director, Promoter
2. Mr. Vikas Ladia, Managing Director and Chief Executive Officer, Promoter Group
3. Mr. Anubhav Ladia, Whole Time Director, Promoter Group

##### b) Five Non-Executive Directors

1. Mr. Narendra Nath Agrawala, Independent Director
2. Mrs. Neelima Khetan, Independent Director
3. Mr. Raj Singh Nirwan, Independent Director
4. Mr. Sunil Goyal, Independent Director
5. Mr. Susheel Jain, Independent Director

A majority of the Board i.e. 5 (five) out of 8 are Independent Directors, i.e. 62.5% of the Board strength which is more than the requirement of Listing Regulations. In the opinion of the Board, the Independent directors fulfill the conditions specified in these regulations and are independent of the management.

Mr. Vinod Kumar Ladia, Mr. Vikas Ladia and Mr. Anubhav Ladia are related to each other. Mr. Vinod Kumar Ladia being father of Mr. Vikas Ladia and Mr. Anubhav Ladia. Further, no other relationship exists between the Directors inter-se.

Mr. Ravinder Narain, Independent Director and Mr. Roshan Lal Kunawat, Non-Executive Director resigned from the post of directorship, due to personal reasons, with effect from August 5, 2018 and August 10, 2018 respectively. The disclosure in this regard is available on the website of the Company at

<http://www.srsl.in/documents/Resignation-Mr-Ravinder-Narain.pdf> and <http://www.srsl.in/documents/Resignation-Mr-Roshan-Lal-Kunawat.pdf>. Further, there was no material reason for resignation other than those provided.

Also, Mr. Raj Singh Nirwan, Independent Director resigned from the post of directorship with effect from June 1, 2019. The detailed reason and confirmation by such director as required under Listing Regulations is available on the website of the Company at <http://www.srsl.in/documents/Resignation-of-Director.pdf>

The Executive and Non-Executive Director are appointed/ re-appointed by the Board and the shareholders, based on the recommendation of the Nomination and Remuneration Committee which considers their overall experience, expertise and industry knowledge. The Board as a part of its succession planning exercise, reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company.

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

- a) **Executive Directors:** Remuneration as per their terms of appointment and reimbursement of expenses actually incurred for the business of the Company, within the approved terms and conditions.

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

## 2.2 Attendance and Directorship held

The Board of Directors met six times during the financial year 2018-19, i.e. on May 25, 2018, August 4, 2018, August 9, 2018, November 12, 2018, December 29, 2018 and February 14, 2019. Notices of the meetings and agenda along with explanatory notes, for each meeting were sent to the Directors within prescribed time.

As mandated by Listing Regulations, none of the Directors are members of more than ten committees nor they are Chairman of more than five Committees across all listed entities in which they are directors. Further, all the Directors have confirmed that they do not serve as an Independent Director in more than seven listed entities or where they are Whole Time Director in any listed entity, then they do not serve as Independent Director in more than three listed entities.

**The details of categories of the Director on the Board, their attendance at Board Meetings during the year and at last Annual General Meeting (“AGM”), and the number of Directorship, Committee memberships and Committee Chairmanship held by them in various other Companies and Names of such listed entities where the person is a director and category of directorship, are as under:-**

Sr. No.	Name of the Director and DIN	Category	No. of Board Meetings entitled to attend	No. of Board Meetings Attended	Attendance at Last AGM	No. of other Directorship(s) <sup>(1)</sup>	No. of Committee Membership(s) <sup>(1)(2)</sup>	No. of Committee Chairmanship(s) <sup>(1)(2)</sup>	No. of shares held	Names of the listed entities where the person is a director and its category
1.	Mr. Vinod Kumar Ladia (DIN: 00168257)	ED	6	4	Yes	6	-	-	8,66,018	-
2.	Mr. Vikas Ladia (DIN: 00256289)	ED	6	5	Yes	1	-	-	5,02,515	-
3.	Mr. Anubhav Ladia (DIN: 00168312)	ED	6	6	Yes	4	-	-	2,70,032	-
4.	Mr. Narendra Nath Agrawala (DIN: 00168211)	NEID	6	4	No	-	-	-	3,384	-
5.	Mrs. Neelima Khetan (DIN: 05113000)	NEID	6	3	No	-	-	-	0	-
6.	Mr. Raj Singh Nirwan (DIN: 00313799)	NEID	6	5	No	-	-	-	0	-
7.	Mr. Sunil Goyal (DIN: 00110601)	NEID	6	4	No	2	2	2	0	Vaibhav Global Limited (Independent Director)
8.	Mr. Susheel Jain (DIN: 00378678)	NEID	6	2	No	2	-	-	1,38,584	-
9.	Mr. Ravinder Narain* (DIN: 00059197)	NEID	2	1	No	-	-	-	6,000	-
10.	Mr. Roshan Lal Kunawat# (DIN: 00196938)	NED	3	2	No	-	-	-	0	-

**Notes:-**

- ◆ ED - Executive Director
- ◆ NED - Non- Executive Director
- ◆ NEID - Non- Executive Independent Director

\* Mr. Ravinder Narain ceased to be Director with effect from August 5, 2018

# Mr. Roshan Lal Kunawat ceased to be Director with effect from August 10, 2018

- (1) Excluding Directorship / Membership in Committees of Shree Rajasthan Syntex Limited.
- (2) As required under Regulation 26 of the Listing Regulations, the disclosure includes membership / chairmanship of the Audit Committee and Stakeholders' Relationship Committee in other companies.

**2.3 Familiarization Programme for Independent Directors**

The objective of a familiarization programme is to ensure that the Non-Executive Directors are updated on the business environment and overall operations of the Company. This enables the Non-Executive Directors to make better informed decisions in the interest of the Company and its shareholders. In compliance with the requirements of Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model, etc.

During the year, Familiarization programmes were conducted for Non-Executive Directors to update them about business related issues and new initiatives of the Company. At such meetings, the Executive Directors share point of views and leadership thought on relevant issues. An overview of the familiarization programme is placed on the Company's website at the link <http://www.srsl.in/documents/Familiarization-Programme - ID.pdf>

**2.4 Key Board qualifications, expertise and attributes**

The Board of Directors of the Company comprises of persons with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees.

The following list summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its Members possess: 1. Leadership 2. Corporate Governance 3. Knowledge of Textile Industry 4. Analytical skills to diagnose situation 5. Financial Analysis 6. Relevant Legal understanding

**2.5 Information supplied to the Board**

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

1. Annual operating plans of business and budgets including capital budgets and any updates
2. Quarterly results of the Company and its operating divisions or business segments
3. Company's Annual Financial Results, Financial Statements, Auditors Report and Board's Report
4. Minutes of meetings of the Audit Committee and other Committees of the Board
5. Non compliance of any regulatory, statutory or listing requirements and shareholder's service, such as dividend non payment, share transfer delay (if any) among others
6. Appointment, remuneration and resignation of Directors
7. Formation/reconstitution of Board Committees
8. Terms of reference of Board Committees
9. Declaration by Independent Directors at the time of appointment / annually
10. Disclosures of Director's interest and their shareholding
11. The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary
12. Show cause, demand, prosecution notices and penalty notices, which are materially important, if any
13. Fatal or serious accidents, dangerous occurrences and any material effluent or pollution problems, if any
14. Any material default in financial obligations to and by the Company or substantial non payment for goods sold by the Company, if any
15. Any issue which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company
16. Significant labour problems and their proposed solutions. Any significant development in human resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
17. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business
18. Details of Foreign Exchange Exposures and the steps taken by management to limit the risks of adverse exchange rate, if material
19. Annual Secretarial Audit Reports submitted by Secretarial Auditors
20. Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made
21. Significant changes in accounting policies and internal control system

22. Statement of significant transactions, related party transactions and arrangements
23. Appointment of and fixing of remuneration of the auditors as recommended by the Audit committee
24. Internal Audit findings and External Audit Reports (through the Audit Committees)
25. Status of business risk exposures, its management and related action plans
26. Making of loans and investment of surplus funds
27. Borrowing of monies, giving guarantees or providing security in respect of loans
28. Brief on statutory developments, changes in government policies, among others with impact thereof,
29. Director's Responsibilities arising out of any such developments
30. Compliance Certificate certifying compliances with all laws as applicable to the Company
31. Various quarterly / half-yearly Compliances as mentioned below:-
  - a. Reconciliation of Share Capital Audit Report under Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 / 2018.
  - b. Compliance Certificate ensuring maintenance of physical and electronic transfer facility as per Regulation 7(3) of Listing Regulations.
  - c. Statement of Investor Complaints as per Regulation 13(3) of Listing Regulations.
  - d. Corporate Governance Report as per Regulation 27 of Listing Regulations.
  - e. Shareholding Pattern as per Regulation 31 of Listing Regulations.
  - f. Certificate from Practicing Company Secretary under Regulation 40(9) of Listing Regulations.

### 2.6 Code of Conduct

The Company has laid down a Code of Conduct for all the members of the Board of Directors, Key Managerial Personnels (KMPs) and Senior Management Personnels (SMPs) for avoidance of conflict of interest. All the Directors, KMPs and SMPs have confirmed compliance with Code of Conduct for the financial year 2018-19. A copy of the Code is available on the Company's website at <http://www.srsl.in/documents/CODE.pdf> also. The Chief Executive Officer has given a certificate of compliance with the Code of Conduct which forms part of report on Corporate Governance as required under Regulation 34 read with Schedule V of Listing Regulations.

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

### 3. Audit Committee

#### 3.1 Composition, Meetings and Attendance

As on March 31, 2019 the Audit Committee is constituted as per the requirement of Section 177 of the Companies Act, 2013 ("the Act") and Regulation 18 of Listing Regulations who possess financial / accounting expertise / exposure. Four meetings of the Audit Committee were held during the financial year 2018-19, on May 25, 2018, August 9, 2018, November 12, 2018 and February 14, 2019. The accounts and financial positions were reviewed and recommended by the Audit Committee and thereafter placed before the Board for their consideration. The details of meetings and attendance were duly minutised.

The details of members and their categories, their attendance at Audit Committee Meetings during the year are as under:-

Sr. No.	Name of the Directors	Position held in the committee	Category	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. Raj Singh Nirwan	Chairman	NEID	4	4
2.	Mr. Narendra Nath Agrawala	Member	NEID	4	4
3.	Mr. Sunil Goyal	Member	NEID	4	3
4.	Mr. Susheel Jain	Member	NEID	4	1
5.	Mr. Vinod Kumar Ladia	Member	WTD	4	3
6.	Mr. Roshan Lal Kunawat*	Member	NED	2	2

#### Notes:-

- NED - Non- Executive Director
- NEID - Non- Executive Independent Director
- WTD - Whole Time Director

\* Mr. Roshan Lal Kunawat ceased to be Director and member of Audit Committee with effect from August 10, 2018.

The Chief Financial Officer and Auditors are invitees to the Audit Committee Meetings. Mr. Raj Singh Nirwan, Chairman of the Audit Committee, authorised Mr. Vinod Kumar Ladia, Member, on his behalf, to attend the 38<sup>th</sup> AGM of the Company, which was held on September 26, 2018. Ms. Ravina Soni, Company Secretary cum Compliance Officer is the Secretary of the Committee.

#### 3.2 Powers of the Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### 3.3 Brief description of terms of reference of the Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the



financial statement is correct, sufficient and credible;

2. Recommendation of the appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company;
3. Approving of payment to statutory auditors, including cost auditors, for any other services rendered by them;
4. Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:-
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by the management;
  - d. Significant adjustments made in financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statement;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing and monitoring the auditors independence and performance and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management system;
11. Reviewing with the management, performance of statutory auditors, cost auditors and internal auditors, adequacy of internal control systems;
12. Discussion with internal auditors on any significant findings and follow up thereof;
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
14. Approval of appointment of Chief Financial Officer of the Company;
15. To review the functioning of the Whistle Blower Mechanism;
16. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
17. Reviewing the following information:-

- a. The management discussions and analysis of financial condition and results of operations.
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c. Management letters/letters of internal control weaknesses issued by the statutory auditors.
- d. Internal auditor reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of internal auditors/ chief internal auditor.

#### 4. Nomination and Remuneration Committee

##### 4.1 Composition, Meetings and Attendance

As on March 31, 2019 the Nomination and Remuneration Committee is constituted as per the requirement of Section 178 of the Act and Regulation 19 of Listing Regulations. Three meetings of the Nomination and Remuneration Committee were held during the financial year 2018-19, on May 25, 2018, August 8, 2018 and February 14, 2019. The details of meetings and attendance were duly minuted.

**The details of members and their categories, their attendance at Nomination and Remuneration Committee Meetings during the year are as under:-**

Sr. No.	Name of the Directors	Position held in the committee	Category	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. Narendra Nath Agrawala	Chairman	NEID	3	3
2.	Mr. Raj Singh Nirwan	Member	NEID	3	3
3.	Mr. Vinod Kumar Ladia	Member	WTD	3	2
4.	Mr. Susheel Jain <sup>5</sup>	Member	NEID	1	0
5.	Mr. Roshan Lal Kunawat*	Member	NED	2	2

##### Notes:-

- ♦ NED - Non- Executive Director
- ♦ NEID - Non- Executive Independent Director
- ♦ WTD - Whole Time Director

<sup>5</sup>Mr. Susheel Jain was inducted as a new member of the Nomination and Remuneration Committee with effect from August 9, 2018.

\* Mr. Roshan Lal Kunawat ceased to be Director and member of the Nomination and Remuneration Committee with effect from August 10, 2018

Mr. Narendra Nath Agrawala, Chairman of the Nomination and Remuneration Committee, authorised Mr. Vinod Kumar Ladia, Member, on his behalf, to attend the 38<sup>th</sup> AGM of the Company,

which was held on September 26, 2018. Ms. Ravina Soni, Company Secretary cum Compliance Officer is the Secretary of the Committee.

#### 4.2 Brief description of terms of reference of the Nomination and Remuneration Committee

- Identifying persons who are qualified to become Directors, Key Managerial Personnel (KMP) and recommend to the Board their appointment/re-appointment and removal
- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, and KMP.
- Formulating the criteria for evaluation of Independent Directors and the Board and shall carry out evaluation of every director's performance;
- The Committee shall be in position to recommend to the Board, extension or continuation of the terms of appointment/re-appointment of Independent Director, on the basis of the performance evaluation of Independent Director;
- Devising a policy on Board diversity;
- Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;
- All information about the Directors / Managing Directors / Whole time Directors / KMP i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders, where required;
- The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Act for appointing and fixing remuneration of Managing Directors / Whole-time Directors and KMP;
- While approving the remuneration / revision in the remuneration (including sitting fees), the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- The Committee shall be in a position to bring about objectivity in determining the remuneration package Directors and KMP while striking the balance between the interest of the Company and the shareholders;
- The Committee shall perform all such other activities as determined by the Board and also required under the laws applicable to the Company.

#### 4.3 Performance Evaluation Criteria For Directors

The Company has devised criteria for evaluation of the Directors including Independent Directors. The said criteria provide certain parameters like Attendance, Availability, Time spent, Preparedness, Active participation, Analysis, Objective discussions, Probing and testing assumptions, Industry and Business knowledge, Functional expertise, Corporate Governance, Development of Strategy and Long Term Plans, Inputs in strength

area, Director's obligation and discharge of responsibilities, Quality and value of contributions and Relationship with other Board Members etc. which is in compliance with applicable laws, regulations and guidelines.

#### 4.4 Nomination and Remuneration Policy ('Policy')

The Company has formulated The Nomination and Remuneration Policy which is available at Company's website at [http://www.srsl.in/documents/Revised\\_Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.srsl.in/documents/Revised_Nomination_and_Remuneration_Policy.pdf).

The policy briefly includes:-

- Appointment/re-appointment Criteria and Qualifications of Director, KMPs, SMPs and other employees as may be decided by the Board of Directors.
- Term / Tenure of Director, KMPs, SMPs and other employees.
- Familiarization programme for Independent Directors.
- Criteria for evaluation.
- Removal and Retirement of Directors, KMPs, SMPs and other employees.
- Provisions relating to remuneration of Director, KMPs, SMPs and other employees.
- Policy on Board Diversity

#### 4.5 Disclosures with respect to remuneration

##### a. Details of all elements of Remuneration paid to Directors for the financial year 2018-19 and period of service contract.

(Amount in Rs.)

Sr. No.	Name and designation of director	Period of service contract	Salary	Allowances	Perquisites	Sitting fee	Total
1.	Mr. Vinod Kumar Ladia (CM & WTD)	3 yrs.	30,80,000	5,49,600	2,85,516	-	39,15,116
2.	Mr. Vikas Ladia (MD & CEO)	3 yrs.	24,30,000	2,91,600	1,90,564	-	29,12,164
3.	Mr. Anubhav Ladia (WTD)	3 yrs.	18,30,000	2,91,600	13,89,577	-	35,11,177
4.	Mr. Narendra Nath Agrawala (Director)	5 yrs.	-	-	-	56,000	56,000
5.	Mrs. Neelima Khetan (Director)	5 yrs.	-	-	-	21,000	21,000
6.	Mr. Raj Singh Nirwan (Director)	5 yrs.	-	-	-	63,000	63,000
7.	Mr. Sunil Goyal (Director)	5 yrs.	-	-	-	49,000	49,000
8.	Mr. Susheel Jain (Director)	5 yrs.	-	-	-	21,000	21,000
9.	Mr. Ravinder Narain (Director)*	5 yrs.	-	-	-	7,000	7,000
10.	Mr. Roshan Lal Kunawat (Director) <sup>†</sup>	-	-	-	-	28,000	28,000

**Notes:-**

- ♦ CM - Chairman
- ♦ WTD - Whole Time Director
- ♦ MD & CEO - Managing Director and Chief Executive Officer
- ♦ ED - Executive Director
- ♦ NED - Non- Executive Director
- ♦ NEID - Non- Executive Independent Director

\* Mr. Ravinder Narain ceased to be Director with effect from August 5, 2018

# Mr. Roshan Lal Kunawat ceased to be Director with effect from August 10, 2018

**b. Employment agreements with Whole Time Directors**

Key details of Appointments / Re-appointment and Notice period of Whole Time Directors are as below:-

1. Appointment and terms thereof (including remuneration) of Mr. Vinod Kumar Ladia, Chairman and Whole Time Director, has been approved for 3 years with effect from June 1, 2016 to May 31, 2019 with 6 months notice period.
2. Appointment and terms thereof (including remuneration) of Mr. Vikas Ladia, Managing Director and Chief Executive Officer, has been approved for 3 years with effect from June 1, 2016 to May 31, 2019 with 6 months notice period.
3. Re-appointment and terms thereof (including remuneration), of Mr. Anubhav Ladia, Whole Time Director, has been approved for 3 years with effect from June 1, 2016 to May 31, 2019 with 6 months notice period.

**c. The remuneration to Executive / Whole Time Directors is paid as determined/ recommended by the Nomination and Remuneration Committee, Board of Directors and Shareholders.**

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

**e. Non-Executive Director's remuneration**

Non-Executive Directors are being paid Sitting fee plus reimbursement of the expenses, for each meeting of the Board of Directors and Audit Committee.

**f. No severance fees has been paid during the year.**
**5. Stakeholders' Relationship Committee**
**5.1 Composition, Meetings and Attendance**

As on March 31, 2019 the Stakeholders' Relationship Committee is constituted as per the requirement of Section 178 of the Act and Regulation 20 of Listing Regulations. The Stakeholders' Relationship Committee is primarily responsible to review all grievances connected with the Company's transfer of securities and redressal of shareholders'/investors'/security holders'

complaints. Four meetings of the Stakeholders' Relationship Committee were held during the financial year 2018-19, on May 25, 2018, August 8, 2018, November 12, 2018 and February 14, 2019. The details of meeting and attendance are duly minutised.

**The details of members and their categories, their attendance at Stakeholders' Relationship Committee Meetings during the year are as under:-**

Sr. No.	Name of the Directors	Position held in the committee	Category	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. Roshan Lal Kunawat*	Chairman*	NED	2	2
2.	Mr. Narendra Nath Agrawala <sup>#</sup>	Member / Chairman	NEID	4	4
3.	Mr. Vinod Kumar Ladia	Member	WTD	4	3
4.	Mr. Anubhav Ladia <sup>§</sup>	Member	WTD	2	2

**Notes:-**

- ♦ NED - Non- Executive Director
- ♦ NEID - Non- Executive Independent Director
- ♦ WTD - Whole Time Director

\* Mr. Roshan Lal Kunawat ceased to be Director and member / chairman of the Stakeholders' Relationship Committee with effect from August 10, 2018.

<sup>#</sup> Due to resignation of Mr. Roshan Lal Kunawat, Mr. Narendra Nath Agrawala was appointed as the chairman of the Stakeholders' Relationship Committee.

<sup>§</sup>Mr. Anubhav Ladia was inducted as a new member of the Stakeholders' Relationship Committee with effect from August 9, 2018.

Mr. Narendra Nath Agrawala, Chairman of the Stakeholders' Relationship Committee, authorised Mr. Vinod Kumar Ladia, Member, on his behalf, to attend the 38<sup>th</sup> AGM of the Company, which was held on September 26, 2018. Ms. Ravina Soni, Company Secretary is the Compliance Officer of the Company.

**5.2 Brief description of terms of reference of the Stakeholders' Relationship Committee**

1. Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend etc.;
2. Recommend methods to upgrade the standard of services to investors;
3. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment/ modification as may be applicable;
4. Perform such other functions as may be necessary or appropriate for the performance of its duties.

### 5.3 Number of Shareholders' complaints received and resolved during the financial year 2018-19

Details of queries and grievances received and addressed by the Company during financial year 2018-19 is given in the below Table.

Nature of Complaints	Number
Number of complaints received from the investors comprising non-receipt of dividend warrants, non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / SEBI (SCORES) and so on	2
Number of complaints resolved	2
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2019	Nil
Number of complaints pending as on March 31, 2019	Nil

### 6. Sub-Committee

#### 6.1 Composition, Meetings and Attendance

As on March 31, 2019 the Sub-Committee of the company comprises of 4 Directors. The Sub-Committee deals with various matters which includes:-

- To Borrow Money (otherwise than by issue of shares and debentures)
- To invest the funds of the Company
- To grant loan or give guarantee or provide the security in respect of loans
- To carry out the Banking Functions
- To delegate authority and such other matters as authorised by the Board of Directors.

Seven meetings of Sub-Committee of the Board were held during the financial year 2018-19, Two members constitute the quorum for each meeting. The meetings were held on April 17, 2018, June 2, 2018, July 4, 2018, October 22, 2018, December 11, 2018, December 27, 2018 and February 11, 2019. The details of meeting and attendance are duly minutised. Ms. Ravina Soni, Company Secretary cum Compliance Officer is the Secretary of the Committee.

**The details of members and their categories, their attendance at Sub-Committee Meetings during the year are as under:-**

Sr. No.	Name of the Directors	Position held in the committee	Category	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. Anubhav Ladia	Member	WTD	7	7
2.	Mr. Narendra Nath Agrawala	Member	NEID	7	6
3.	Mr. Vikas Ladia	Member	MD	7	0
4.	Mr. Vinod Kumar Ladia	Member	WTD	7	4
5.	Mr. Roshan Lal Kunawat*	Member	NED	3	3

#### Notes:-

- ♦ MD - Managing Director
- ♦ NED - Non- Executive Director
- ♦ NEID - Non- Executive Independent Director
- ♦ WTD - Whole Time Director

\*Mr. Roshan Lal Kunawat ceased to be Director and member of the Sub-Committee with effect from August 10, 2018.

#### 6.2 Brief description of terms of reference of the Sub-Committee

- Exercise all powers to borrow monies (otherwise than by issue of shares and debentures) within the limits approved by the Board and taking necessary actions connected therewith including refinancing for optimisation of borrowing costs.
- Borrow monies by way of loan for the purpose of financing debt, refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments within the limits approved by the Board.
- Carry out, rescind or vary/modify all or any of the financial arrangement with / assistance from Banks, Institutions, companies, corporations, societies, firms, person or persons on behalf of the Company within the prescribed limits.
- Invest the funds of the Company within the limit approved by the Board.
- Giving of loans / guarantees / issuing letters of comfort / providing securities in respect of loans within the limits approved by the Board.
- Provide corporate guarantee/performance guarantee by the Company within the limits approved by the Board.
- Approve opening, closing and operation of Accounts (including internet banking facilities) with banks and delegate authority to directors / executives / officers to operate the bank accounts.
- Delegate authorities from time to time to the directors / executives / authorised persons to implement the decisions of the Committee.
- Delegate the authority in part or in full to the directors/ executives/ officers of the Company to deal with the Court, any State/Central Government Office, any Executive, Quasi Judiciary, Judiciary and/or other Government authorities and to deal with such other authorities / department necessary to carry out the functioning of the Company.
- Delegate authority to director / executives / officers to deal with any specific matter.
- Carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

## 7. General Body Meetings

### 7.1 Annual General Meetings

- a. Location and time, where last 3 Annual General Meetings were held:-

Financial Year	Date	Time	Location
2017-18	September 26, 2018	2.30 P.M.	SRSL House, Pulla Bhuwana Road, NH 8, Udaipur -313 004 (Rajasthan)
2016-17	September 26, 2017	2.30 P.M.	SRSL House, Pulla Bhuwana Road, NH 8, Udaipur -313 004 (Rajasthan)
2015-16	September 26, 2016	2.30 P.M.	SRSL House, Pulla Bhuwana Road, NH 8, Udaipur -313 004 (Rajasthan)

- b. Special Resolutions passed in the previous three Annual General Meetings:-

Sr. No.	AGM held on	Special Resolution passed
1.	September 26, 2018	1.Re-appointment of Mr. Narendra Nath Agrawala (DIN: 00168211) as an Independent Director 2.Re-appointment of Mr. Raj Singh Nirwan (DIN: 00313799) as an Independent Director 3.Re-appointment of Mr. Sunil Goyal (DIN: 00110601) as an Independent Director 4.Re-appointment of Mr. Susheel Jain (DIN: 00313799) as an Independent Director 5.Revision in terms of appointment of Mr. Vinod Kumar Ladia, Executive Chairman and Whole Time Director of the Company
2.	September 26, 2017	No special resolution was passed in this meeting
3.	September 26, 2016	1.Appointment of Mr. Vinod Kumar Ladia (DIN: 00168257) as an Executive Chairman and Whole Time Director 2.Appointment of Mr. Vikas Ladia (DIN: 00256289) as Managing Director and Chief Executive Officer 3.Re-appointment of Mr. Anubhav Ladia (DIN: 00168312) as an Executive Director of the Company 4.Issue of Preference Shares 5.To issue Convertible Warrants to Promoter / Promoter Group of the Company on preferential basis.

\*No Extraordinary General Meeting was held during the year.

### 7.2 Postal Ballot

During the year, no resolution was passed through postal ballot. Also, no special resolution is proposed to be conducted through postal ballot. Further, none of the business proposed to be transacted in the ensuing AGM requires passing through postal ballot.

## 8. Means of Communication

(a) **Quarterly Results:-** The Company's quarterly, half yearly and yearly results as per the format prescribed under Listing Regulations were duly sent to the Stock Exchange, where the shares are listed and were also made available on company's website at [www.srsl.in](http://www.srsl.in).

(b) **Newspaper wherein results were published:-** As stipulated under Regulation 47 of the Listing Regulations, the quarterly results were published in one English National Newspaper and one Hindi Newspaper within 48 hours of the conclusion of the Board meeting in which the results were approved. During the year, notice and financial results (Audited / Unaudited) were published in Financial Express and Nafa-nuksan / Business Remedies within the prescribed time.

(c) **Website:-** The Company's website [www.srsl.in](http://www.srsl.in) contains 2 separate sections viz. 'Corporate Governance' and 'Investor / Shareholder' where shareholders information are available. The Company's Annual Report is also made available in a user friendly and download-able form.

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

(e) **News releases, presentations, among others:-** Official news releases and official media releases, if any, were sent to Stock Exchange and also made available on company's website at [www.srsl.in](http://www.srsl.in).

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

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

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

(g) **Contact person for IEPF and Grievance Redressal:-**

Ms. Ravina Soni, Nodal Officer  
Company Secretary Cum Compliance Officer  
Phone No.:-0294-2440334, E-mail:- [ravina@srsl.in](mailto:ravina@srsl.in)

## 9. General Shareholder Information:-

### a. Annual General Meeting-

Date : September 25, 2019  
Time : 2.30 P.M.  
Venue : Registered Office of the Company at 'SRSL HOUSE', Pulla Bhuwana Road, N. H. No. 8, Udaipur - 313004 Rajasthan

**b. Financial year** : April 1, 2018 - March 31, 2019

**\* Financial Calendar Particulars April 1, 2018 to March 31, 2019**

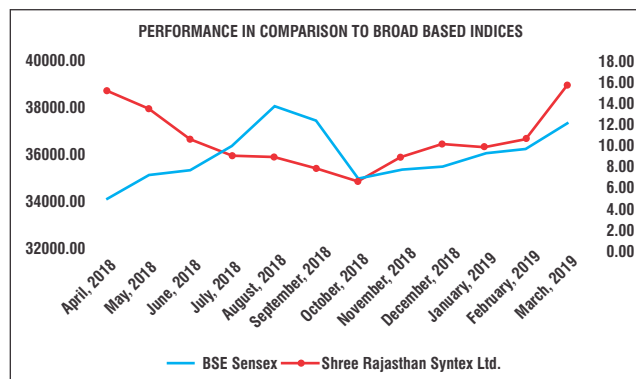
Unaudited Financial : August 09, 2018  
Results for qtr. ended June 30, 2018  
Unaudited Financial Results for : November 12, 2018  
Half Year ended September 30, 2018  
Unaudited Financial Results for : February 14, 2019  
Third qtr. ended December 31, 2018  
Audited Financial Results for the : May 25, 2019  
Year ended March 31, 2019

As per Regulation 33 of the Listing Regulations quarterly Results were submitted to the Stock Exchange within 45 days of end of each quarter (except last quarter) and year to date Standalone Financial Results within 60 days of end of last quarter.

**\* Financial Calendar Particulars April 1, 2019 to March 31, 2020 (Tentative)**

1. First quarter Results : In or before the 2<sup>nd</sup> week of August, 2019
  2. Second quarter and Half Yearly Results : In or before the 2<sup>nd</sup> week of November, 2019
  3. Third quarter and Nine-months Results : In or before the 2<sup>nd</sup> week of February, 2020
  4. Fourth quarter and Annual Results : In or before the 4<sup>th</sup> week of May, 2020
- \* **Annual General Meeting 2019-20** : Last week of September, 2020 (Tentative schedule)
- \* **Date of Book Closure** : Thursday, September 19, 2019- Wednesday, September 25, 2019 (Both days inclusive)
- c. **Dividend Payment Date** : Not Applicable
- d. **Name and Address of Stock Exchange** : Equity shares of the company are listed at BSE Limited., 25<sup>th</sup> Floor, P. J. Towers, Dalal Street Fort, Mumbai - 400 001 The Annual Listing fees for the financial year 2018-19 to BSE Limited has been paid.
- e. **Payment of Depository Fees** : Annual Custody/Issuer fee for the financial year 2018-19 has been paid by the Company to NSDL and CDSL on receipt of the invoices.
- f. **Stock Code** : 503837 with BSE Limited.
- g. **Market price data and Performance in comparison to broad based indices :**

Month	Shree Rajasthan Syntex Ltd.		BSE Sensex	
	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)
April, 2018	16.50	13.65	35213.30	32972.56
May, 2018	14.80	12.05	35993.53	34302.89
June, 2018	12.36	08.65	35877.41	34784.68
July, 2018	09.72	08.14	37644.59	35106.57
August, 2018	09.72	07.83	38989.65	37128.99
September, 2018	08.45	07.07	38934.35	35985.63
October, 2018	07.02	06.01	36616.64	33291.58
November, 2018	10.70	06.84	36389.22	34303.38
December, 2018	11.44	08.58	36554.99	34426.29
January, 2019	10.90	08.60	36701.03	35375.51
February, 2019	10.80	10.26	37172.18	35287.16
March, 2019	10.79	10.00	38748.54	35926.94



- h. **Registrar to an issue and transfer agents** : M/s. MAS Services Ltd., T-34, 2nd Floor, Okhla Industrial Area, Phase- II, New Delhi - 110 020, Phone: 26387281/82/83 Fax: 26387384 mail: info@masserv.com website: www.masserv.com
- i. **Share Transfer System** : Share transfers are normally effected within a period of 15 days from the date of receipt, if all required documentation is submitted. The share transfer requests are dealt by the Registrar and Share Transfer Agent (RTA) of the Company. Pursuant to Regulation 40 of the Listing Regulations, Board of Directors has delegated the power of transfer and transmission of shares, issue of duplicate share certificate, approving the split, consolidation requests, demat requests and other matters relating to Securities, etc. to the RTA of the Company. Therefore, the share transfer requests are dealt and approved by the RTA and the status of the share transfers are reported to the Board in each of subsequent Board Meeting which are noted by the Board. The Company obtains from a Company Secretary in Practice, Half-yearly Certificate of compliance with the share transfer formalities as required under Regulation 40 of Listing Regulations and file a copy of the said certificate with Stock Exchange.

**j. Distribution of Shareholding**  
**Shareholding pattern by size :**

Shareholding of Nominal value (Rs.)	No. of shareholders	Shareholders (%)	Total No. of shares	% of share holding
1 - 5,000	6,796	87.36	9,57,285	6.99
5,001 - 10,000	444	5.71	3,50,954	2.56
10,001 - 20,000	200	2.57	2,98,353	2.18
20,001 - 30,000	75	0.96	1,88,732	1.38
30,001 - 40,000	60	0.77	2,10,987	1.54
40,001 - 50,000	27	0.35	1,28,777	0.94
50,001 - 1,00,000	75	0.96	5,29,370	3.86
1,00,001 & above	102	1.32	1,10,37,843	80.55
<b>Total</b>	<b>7,779</b>	<b>100.00</b>	<b>1,37,02,301</b>	<b>100.00</b>

**Shareholding pattern by ownership :**

Shareholders	No. of shares held	% of total shares held
Promoter and Promoter group	64,95,211	47.40
Foreign Institutional Investors	100	0.00
Mutual Funds /UTI	2,984	0.02
Banks	50	0.00
Corporate Bodies	13,65,085	9.96
Non -Resident Indian / OCB's	1,09,029	0.80
Public	57,29,842	41.82
<b>Total</b>	<b>1,37,02,301</b>	<b>100.00</b>

**Shareholding Pattern Category wise :**

Category	Number of shareholders	Shareholders (%)	Number of shares held	Shareholding (%)
Electronic	4,178	53.44	1,27,88,440	93.33
Physical	3,640	46.56	9,13,861	06.67
<b>Total</b>	<b>7,818</b>	<b>100.00</b>	<b>1,37,02,301</b>	<b>100.00</b>

Note: 39 holders are common in demat and physical

**k. Dematerialization of Shares and Liquidity :** As on March 31, 2019, 93.33% of the Company's equity shares have been dematerialized. The Company has entered into an agreement with both National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) whereby shareholders have the option to dematerialize their shares with the Depositories. *International Securities Identification Number (ISIN) of the Company is INE796C01011.*

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

**m. Disclosures of commodity price risks or foreign exchange risk and commodity hedging activities:** The Company is an exporter and has natural hedging for its foreign currency exposures and the Company has zero defaults in repaying any of the foreign currency borrowings.

**n. Plant Locations**

i) Shree Rajasthan Syntex Ltd., Village - Udaipura, Simalwara Road, Dungarpur - 314 001 (Raj.) Tel: 02964 - 302400 Fax: 02964 - 302500

ii) Shree Rajasthan Polycot (A Div. of Shree Rajasthan Syntex Ltd.), Simalwara Road Dungarpur- 314001 (Raj.) Tel: 02964 - 302400 Fax: 02964- 302503

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

**o. Address for correspondence**

'SRSL House', Pulla Bhuwana Road, N.H. No. 8, Udaipur, -313 004 (Rajasthan.)

**p. Credit Ratings**

Company is rated by CARE Rating Limited as under :-

1. Long-term Bank Facilities : CARE D(Single D)
2. Short-term Bank Facilities : CARE D (Single D)
3. Fixed Deposits : CARE D (FD) [Single D (Fixed Deposit)]

**10. Governance and Compliance**
**1. Insider Trading / Formulation and Adoption of Code of Fair disclosures and Code of Conduct Related to Insider Trading of Shares as per SEBI (Prohibition of Insider Trading) Regulations, 2015**

The Company adheres to the SEBI (Prohibition of Insider Trading) Regulations 2015 to prevent insider trading in the shares of the Company. Accordingly, the company has already formulated and adopted the following codes:-

01. Code of Practices And Procedures For Fair Disclosure of Unpublished Price Sensitive Information.
02. Code Of Conduct To Regulate, Monitor And Report Trading By its Employees and Other Connected Persons towards achieving compliance with regulations.

During the year, the Company has amended the aforesaid Codes as and when required.

**2. Compliance Officer and Role of Company Secretary in overall Governance process**

The Company Secretary plays a key role in ensuring that the Board (including the committees thereof) procedures are followed and regularly reviewed. Ms. Ravina Soni, Company Secretary, has been designated by the Board as the Compliance Officer for complying with requirements of the Act and Rules made there under, Securities Laws and Listing Regulations. As per the requirement of the Act, she is also a part of Key Managerial Personnel.

**3. Risk Management**

The Company has a well defined risk management framework in place. Under this framework, the management identifies and monitors business risks on continuous basis and initiated appropriate risk mitigation steps as and when deemed necessary. The Company has established plans and procedures to periodically place before the Board, risk assessment and minimization procedures being followed by the Company and the steps taken to mitigate those risks through this framework. Given below is the Risk Management Plan:-

The risk management plan comprised of the following 5 steps :

- i) Identification of risk
- ii) Defining the risk in detail
- iii) Analyzing the risk
- iv) Evaluating various aspects linked to the risk
- v) Treatment of risk

**4. BSE Corporate Compliance and Listing Centre (The Listing**

## Centre)

BSE's Listing Centre is a web based application designed for corporate. All periodical compliances filings like shareholding pattern, corporate governance report, among others are also filed electronically on the Listing Centre.

### 5. SEBI Complaints Redressal System (SCORES)

The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### 11. Other Disclosures

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

None of the RPT have potential conflict with the interests of Company at large. Further, the details of Related Party Transactions are provided in form AOC-2 attached under the head of Board's Report as **Annexure-3**. The Related Party Transaction Policy is also available at the website of the Company at the link <http://www.srsl.in/documents/RPT-POLICY.pdf>

#### b) Details of non-compliance by the Company, penalties and strictures imposed on the company by Stock Exchange(s) or the SEBI, or any statutory authority, on any matter related to capital markets, during last three years.

There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or the SEBI or any statutory authority.

#### c) Whistle Blower Policy / Vigil Mechanism

Pursuant to Section 177 (9) and (10) of the Act and as per Listing Regulations, the Vigil Mechanism / Whistle Blower Policy was formulated to provide an opportunity to employees and an avenue to raise concerns about the unethical behavior actual or suspected fraud or violation of the Company's code or ethics policy and to access in good faith the Audit Committee, to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication, in case they observe unethical and improper practices or any other wrongful conduct in the Company, to provide necessary safeguards for protection of employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse action against those employees.

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

#### a) Internal Policy and Protection under Policy.

#### b) Safeguards against Harassment or Victimization:

#### c) False Allegation and Legitimate Employment Action.

#### d) Disclosure to the Head of Department/Audit Committee

#### e) Accountability - Head of Department/ Managing Director/Audit Committee.

#### f) Procedure of vigil mechanism.

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

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

#### d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Listing Regulations.

The Company complies with all the requirements of the Listing Regulations. Your Company has complied with the mandatory requirements and has ensured the implementation of non-mandatory items such as:-

❖ Separate person to the post of Chairman, and CEO and MD.

❖ Unmodified audit opinions / reporting.

#### e) Total fees for all services paid by the company to the Statutory Auditor and all the entities in the network firm/network entity of which statutory auditor is a part.

The details of total fees for all the services paid by the company to the Statutory Auditor are provided in Notes to the Financial Statements. Please refer note 37 to the Financial Statement.

### 12. Declarations

1. A certificate from M/s. V. M. & Associates, Company Secretaries, Jaipur stating that none of the directors on the board of the company have been debarred from being appointed or continue as directors of the Companies by SEBI / Ministry of Corporate Affairs or any such statutory authority *forms part of report on Corporate Governance.*

2. Compliance Certificate taken from M/s. Doogar & Associates, Statutory Auditor, New Delhi, regarding compliance of conditions of Corporate Governance *forms part of report on Corporate Governance.*

3. Non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Para C to Schedule V of the Listing Regulations : The Company has complied with all the requirements in this regard, to the extent applicable.

4. The Company is in compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.



**Declaration affirming compliance with Code Of Conduct**

I hereby confirm & declare that all the Board members, Key Managerial Personnel and Senior Management Personnel have individually affirmed compliance with the Code of Conduct adopted by the Company for the financial year ended March 31, 2019.

Place : Udaipur  
Date : May 25, 2019

  
**VIKAS LADIA**  
*(Chief Executive Officer)*  
DIN: 00256289

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015*

To,  
The Members,  
Shree Rajasthan Syntex Ltd.  
SRSL House, Pulla Bhuwana Road N.H. 8  
Udaipur- 313004 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Shree Rajasthan Syntex Ltd.** having **CIN: L24302RJ1979PLC001948** and having registered office at **SRSL House, Pulla Bhuwana Road N.H. 8, Udaipur-313004 (Rajasthan)** (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No	Name of the Director	DIN
1	Susheel Jain	00378678
2	Vikas Ladia	00256289
3	Vinod Kumar Ladia	00168257
4	Anubhav Ladia	00168312
5	Raj Singh Nirwan	00313799
6	Sunil Goyal	00110601
7	Narendra Nath Agrawala	00168211
8	Neelima Khetan	05113000

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For V. M. & Associates**  
**Company Secretaries**  
**(ICSI Unique Code P1984RJ039200)**

  
**CS Manoj Maheshwari**  
Partner  
FCS 3355  
C P No.: 1971

Place : Jaipur  
Date : August 12, 2019

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**Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To

**The Members of Shree Rajasthan Syntex Limited**

1. We, Doogar & associates, Chartered Accountants, the statutory Auditors of Shree Rajasthan Syntex Limited ("the Company"), have examined the compliance conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

**Management's Responsibility**

2. The compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance of the conditions of Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

4. We have examined the books of account and other relevant records documents maintained by the company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the company.

5. We have carried out an examination of the relevant records of the company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

8. Based on our examination of the relevant records according to the information and explanations provided to us and the representation provided by the Management, We certify that the company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended on March 31, 2019.

9. We 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.

**Restriction on Use**

10. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

**For Doogar & Associates**  
**Chartered Accountants**  
Firm's Registration No. 000561N



**Vardhman Doogar**  
Partner  
Membership No. 517347  
**Place:** - New Delhi  
**Date:-** August 12, 2019  
**UDIN:-19517347AAAACO4007**

## INDEPENDENT AUDITOR'S REPORT

To The Members of  
Shree Rajasthan Syntex Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Shree Rajasthan Syntex Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
<b>Litigation, Disputed Demands and Claims Recoverable (as described in note 16 &amp; 39 of the financial statements)</b>	
<p>The Company is involved in various litigations related to disputed demands and recoverability of its claims which are pending adjudication at various forums as indicated in Note 39.</p> <p>The amount of recoverable claims and disputed demands may be significant. Assessment of recoverability of claims and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgement.</p> <p>Accordingly, this matter has been determined to be a key matter, since the aforementioned matters requires significant judgements by management, including that obtained from its legal advisors</p>	<p>Our audit procedures included the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of Key litigations, disputed demands and recoverable claims.</li> <li>• Evaluated management's assessment of the likely outcome and potential exposures arising from ongoing court and arbitration proceedings and considered the requirements for any provision.</li> <li>• Inquired with both legal and finance personnel in respect of ongoing litigations, inspected relevant correspondence and obtained legal confirmation letters on sample basis from external legal counsels.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on

whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended;
  - e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 of the act, as amended in our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 39 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

**For Doogar & Associates**  
Chartered Accountants  
Firm Registration No. 000561N



**Vardhman Doogar**  
Partner  
Membership No. 517347

**Place : New Delhi**  
**Date : May 29, 2019**

## **Annexure “A” to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shree Rajasthan Syntex Limited of even date)

### **Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 (“the Act”)**

- i. In respect of the Company's fixed assets: -
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The company has conducted physical verification of its inventories (excluding materials in transit and stock lying with third parties) at reasonable intervals. No material discrepancies were noticed during physical verification.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans, to a company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of such loan:
  - a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - c. There is no overdue amount remaining outstanding as at the year-end for more than 90 days.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to the loans and investments made.
- v. The Company has accepted deposits. To the best of our knowledge & belief, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the same.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a delay in a few cases.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Sales Tax, Goods and Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they become payable.

c. Details of the dues of Income Tax, Duty of Custom, Duty of excise, goods & service tax and Value Added Tax which have not been deposited by the Company as at March 31, 2019 on account of any dispute are given below–

Sl. No.	Nature of Statute	Nature of dues	Forum where dispute is pending	Period(s) to which the amount relates (F.Y.)	Amount (Rs. in Lakhs)	
					Gross	Amount deposited under protest
1.	Rajasthan Stamp Act	Stamp Duty	Tax Board, Ajmer	2012-13	2.70	0.90
2.	Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry tax and interest	High Court	2001-02 to 2005-06	252.32	252.32
3.	Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry tax and interest	High Court	2006-07 to 2014-15	314.52	231.06
4.	Central Excise Act, 1994	Excise Duty and Custom Duty	Dy Commissioner / Asst Commissioner	1997 & onwards	30.81	1.33
5.	Central Excise Act, 1994	Excise Duty and Custom Duty	Commissioner Appeals	1994-95 & 1995-96	19.64	0.34
6.	Central Excise Act, 1994	Excise Duty and Custom Duty	CESTAT	2001-02	0.66	-
7.	Service Tax	Service Tax	Dy Commissioner / Asst Commissioner	1998-99 to 1999-2000	6.5	-
8.	Service Tax	Service Tax	Commissioner Appeals	2007 & onwards	20.84	19.39
9.	Service Tax	Service Tax	CESTAT	2007 & onwards	17.51	6.06
10.	Service Tax	Service Tax	High Court	2007 & onwards	13.26	2.08
11.	Rajasthan Value Added Tax 2003	Value added tax with RIPS	High Court	2007-08 to 2011-12	298.19	72.54
12.	Rajasthan Value Added Tax 2003	Value added tax with RIPS	DC (A)	2012-13 to 2015-16	556.8	-
13.	Rajasthan Value Added Tax 2003	Value added tax with RIPS	DC (A)	2016-17	47.46	-
14.	Income Tax Act, 1961	Income Tax	CIT(A)	2013-14	33.69	-

viii. The Company has made default in repayment of its bank loans and interest due thereon. There were overdue loans amounting to Rs 1,797.97 Lakhs including interest of Rs 1,603.99 Lakhs on balance sheet date as per revised sanction letters, implementation of the package is under process and shall be executed in the year 2019-20.

Name of the lender	Installment	Interest	Period
IDBI	34.96	13.80	June, 2018 to March, 2019
BOB	103.33	595.14	April, 2017 to March, 2019
SBI	56.02	995.05	June, 2017 to March, 2019



The above amounts are based on internal working of the Company.

- ix. According to the information and explanations given to us, money raised by way of the term loans have been applied by the Company for the purposes for which they were raised. The Company has neither raised any moneys by way of initial public offer / further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.
- x. According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation and records made available by the company, the Company has complied with the provision of Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation give to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For Doogar & Associates**  
Chartered Accountants  
Firm Registration No. 000561N



**Vardhman Doogar**  
Partner  
Membership No. 517347

**Place : New Delhi**  
**Date : May 29, 2019**

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## **Annexure “B” to the Independent Auditor's Report**

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Shree Rajasthan Syntex Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Shree Rajasthan Syntex Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

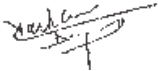
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Doogar & Associates**

Chartered Accountants  
Firm Registration No. 000561N



**Vardhman Doogar**

Partner  
Membership No. 517347

**Place : New Delhi**

**Date : May 29, 2019**

**BALANCE SHEET AS AT MARCH 31, 2019**

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	7,709.07	8,282.34
(b) Capital work-in-progress		-	-
(c) Intangible assets	4	0.46	0.68
(d) Financial assets			
(i) Investments	5	-	0.15
(ii) Loans	6	72.98	78.75
(iii) Other financial assets	7	156.25	125.46
(e) Deferred tax assets (net)	8	485.20	314.74
(f) Other non-current assets	9	11.44	2.84
<b>Total non-current assets</b>		<b>8,435.40</b>	<b>8,804.96</b>
<b>Current Assets</b>			
(a) Inventories	10	1,064.87	2,592.89
(b) Financial Assets			
(i) Trade receivables	11	297.34	990.32
(ii) Cash and cash equivalents	12	1,329.53	36.82
(iii) Bank balances other than (ii) above	13	84.23	75.17
(iv) Loans	14	5.77	-
(v) Other financial assets	15	1.56	2.72
(c) Other current assets	16	5,448.14	5,956.42
(d) Current tax assets	17	35.29	25.98
<b>Total current assets</b>		<b>8,266.73</b>	<b>9,680.32</b>
<b>TOTAL ASSETS</b>		<b>16,702.13</b>	<b>18,485.28</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	18	1,370.23	1,370.23
(b) Other equity	19	(349.77)	1,386.87
(c) Money received against allotment of Share Warrants	20	-	-
<b>Total Equity</b>		<b>1,020.46</b>	<b>2,757.10</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	4,236.82	4,478.93
(ii) Other financial liabilities	22	166.88	163.18
(b) Provisions	23	249.77	278.78
<b>Total Non-current liabilities</b>		<b>4,653.47</b>	<b>4,920.89</b>
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	24	4,497.46	4,969.82
(ii) Trade payables	25		
- Due to micro enterprises and small enterprises		35.61	2.89
- Due to creditors other than micro enterprises and small enterprises		3,879.98	4,106.01
(iii) Other financial liabilities	26	2,288.42	1,492.19
(b) Provisions	27	159.77	168.17
(c) Other current liabilities	28	166.96	68.21
<b>Total Current liabilities</b>		<b>11,028.20</b>	<b>10,807.29</b>
<b>Total Liabilities</b>		<b>15,681.67</b>	<b>15,728.18</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,702.13</b>	<b>18,485.28</b>

See accompanying notes to the financial statements

1 to 49

As per our report of even date

**For Doogar & Associates**

Chartered Accountants

Firm's registration no. 000561N



**VARDHMAN DOOGAR**  
PARTNER  
M. NO 517347



**NARENDRA NATH AGRAWALA**  
INDEPENDENT DIRECTOR  
DIN: 00168211

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


**VIKAS LADIA**  
MANAGING DIRECTOR & CEO  
DIN: 00256289



**ANUBHAV LADIA**  
WHOLE TIME DIRECTOR  
DIN: 00168312

 Place : New Delhi  
Date : May 29, 2019

 Place : Jaipur  
Date : May 29, 2019



**VINAY PUNJAWAT**  
CHIEF FINANCIAL OFFICER



**RAVINA SONI**  
COMPANY SECRETARY  
M.No. A43534

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(Rs. in Lakhs)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I. Revenue from operations	29	17,199.83	22,662.05
II. Other income	30	201.50	771.37
<b>III Total Income (I+II)</b>		<b>17,401.33</b>	<b>23,433.42</b>
<b>IV Expenses :</b>			
Cost of material consumed	31	10,614.22	12,595.82
Purchases of stock-in-trade	32	-	25.29
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	1,267.57	2,849.38
Excise duty		-	47.47
Employee benefit expenses	34	2,186.90	2,263.22
Finance costs	35	1,592.67	1,422.88
Depreciation and amortisation expense	36	448.54	472.21
Other expenses	37	4,347.04	4,622.23
<b>Total expenses (IV)</b>		<b>20,456.94</b>	<b>24,298.50</b>
<b>V Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>(3,055.61)</b>	<b>(865.08)</b>
VI Exceptional items (gain)	48	1,096.11	-
<b>VII Profit/(Loss) before tax (V+VI)</b>		<b>(1,959.50)</b>	<b>(865.08)</b>
<b>VIII Tax expense:</b>			
Current tax		-	-
Deferred tax		(269.94)	(292.09)
Tax adjustment of earlier years		83.20	-
<b>Total tax expenses (VIII)</b>		<b>(186.74)</b>	<b>(292.09)</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>(1,772.76)</b>	<b>(572.99)</b>
<b>X Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains/(loss) on defined benefit plans		52.50	37.61
Income tax expense relating to items that will not be reclassified to profit or loss		(16.38)	(10.28)
<b>Total Other Comprehensive Income (X)</b>		<b>36.12</b>	<b>27.33</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>(1,736.64)</b>	<b>(545.66)</b>
<b>XII Earnings per equity share of Rs. 10 each</b>	38		
- Basic		(12.94)	(4.27)
- Diluted		(12.94)	(4.27)

See accompanying notes to the financial statements

1 to 49

As per our report of even date

For Doogar & Associates  
Chartered Accountants  
Firm's registration no. 000561N

  
**VARDHMAN DOOGAR**  
PARTNER  
M. NO 517347

  
**NARENDRA NATH AGRAWALA**  
INDEPENDENT DIRECTOR  
DIN: 00168211

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

  
**VIKAS LADIA**  
MANAGING DIRECTOR & CEO  
DIN: 00256289

  
**ANUBHAV LADIA**  
WHOLE TIME DIRECTOR  
DIN: 00168312

Place : New Delhi  
Date : May 29, 2019

Place : Jaipur  
Date : May 29, 2019

  
**VINAY PUNJAWAT**  
CHIEF FINANCIAL OFFICER

  
**RAVINA SONI**  
COMPANY SECRETARY  
M.No. A43534

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
Net profit before tax	(1,959.50)	(865.08)
Adjustments for Depreciation	448.54	472.21
Sundry balances / Excess Liabilities written back	12.78	(10.30)
Unrealised Foreign Exchange Fluctuation (Net) (Gain)/Loss	13.33	(12.55)
Allowances for expected credit loss	53.68	-
Bad Debts	2.91	-
Interest Expense	1,501.15	1,313.15
Loss/(Profit) on sale of fixed assets	(1,095.68)	17.19
Interest Income	(148.24)	(198.98)
<b>Operating profit before working capital changes</b>	<b>(1,171.03)</b>	<b>715.64</b>
Adjustments for:-		
Inventories	1,528.02	2,918.36
Trade Receivables	663.97	(249.36)
Other financial assets	(30.79)	31.42
Other non-financial assets	446.01	(1,366.00)
Trade payables	(193.29)	(880.55)
Other financial liabilities	(257.47)	(609.92)
Other non-financial liabilities	98.75	(25.60)
Non Current & Current Provisions	15.08	(9.68)
<b>Cash generated from operations</b>	<b>1,099.25</b>	<b>524.31</b>
Income tax paid	(9.40)	(7.06)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,089.85</b>	<b>517.26</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure	(6.66)	(17.51)
Sale proceeds of fixed assets	1,227.30	19.98
Sale proceeds of investments	0.10	-
Interest Received	149.39	198.98
<b>Net cash inflow / (outflow) from investing activities</b>	<b>1,370.13</b>	<b>201.45</b>
<b>C. Cash inflow/(outflow) from financing activities</b>		
Increase /(Decrease) in Long-Term Borrowings	(16.06)	977.70
Increase /(Decrease) in Short-Term Borrowings	(472.36)	(409.81)
Issue of Shares	-	65.00
Change in Money received against allotment of Share Warrants	-	(16.25)
Interest paid	(669.80)	(1,313.16)
<b>Net cash inflow / (outflow) used in financing activities</b>	<b>(1,158.21)</b>	<b>(696.52)</b>
Net changes in cash and cash equivalents	1,301.77	22.19
Opening Cash and cash equivalents	111.99	89.79
<b>Closing Cash and cash equivalents</b>	<b>1,413.76</b>	<b>111.99</b>

**Note:**

- (i) Statement of cash flows has been prepared using Indirect method in accordance with Ind AS-7  
 (ii) Refer note no. 11 and 12 for components of cash and cash equivalents


See accompanying notes to the financial statements 1 to 49

As per our report of even date

For Doogar &amp; Associates

 Chartered Accountants  
 Firm's registration no. 000561N


**VARDHMAN DOOGAR**  
 PARTNER  
 M. NO 517347


  
**NARENDRA NATH AGRAWALA**  
 INDEPENDENT DIRECTOR  
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**VINAY PUNJAWAT**  
 CHIEF FINANCIAL OFFICER


  
**RAVINA SONI**  
 COMPANY SECRETARY  
 M.No. A43534

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**
**A. Equity Share Capital**

(Rs. in Lakhs)

Balance as at April 1, 2017	Movement during the year 2017-18	Balance as at March 31, 2018	Movement during the year 2018-19	Balance as at March 31, 2019
1,305.23	65.00	1,370.23	-	1,370.23

**B. Other Equity**

(Rs. in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	General Reserve	Capital Redemption Reserve	Share Premium	Securities Premium	Retained Earnings	Re-measurement of the net defined benefit plans	
<b>Balance as at April 1, 2017</b>	177.12	500.00	1,998.42	718.82	(1,490.63)	28.80	<b>1,932.53</b>
Profit for the year	-	-	-	-	(573.00)	-	<b>(573)</b>
Other comprehensive income (loss) for the year (net of income tax)	-	-	-	-	-	27.34	<b>27.34</b>
<b>Balance as at March 31, 2018</b>	<b>177.12</b>	<b>500.00</b>	<b>1,998.42</b>	<b>718.82</b>	<b>(2,063.63)</b>	<b>56.14</b>	<b>1,386.87</b>
Profit for the year	-	-	-	-	(1,772.76)	-	<b>(1,772.76)</b>
Other comprehensive income (loss) for the year (net of income tax)	-	-	-	-	-	36.12	<b>36.12</b>
<b>Balance as at March 31, 2019</b>	<b>177.12</b>	<b>500.00</b>	<b>1,998.42</b>	<b>718.82</b>	<b>(3,836.39)</b>	<b>92.25</b>	<b>(349.77)</b>

See accompanying notes to the financial statements 1 to 49

As per our report of even date

For Doogar &amp; Associates

Chartered Accountants

Firm's registration no. 000561N



**VARDHMAN DOOGAR**  
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**NARENDRA NATH AGRAWALA**  
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 Place : New Delhi  
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 Place : Jaipur  
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**VINAY PUNJAWAT**  
CHIEF FINANCIAL OFFICER



**RAVINA SONI**  
COMPANY SECRETARY  
M.No. A43534

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**Note – 1 – Company overview**

Shree Rajasthan Syntex Limited ("The Company") was incorporated on November 15, 1979. We at SRSL have served the Textile Raw Material chain for several years. This has been possible due to our fair and ethical business practices and contribution of all members of staff and workers of the company. Using best available manufacturing practices and technology from our machinery partners, we have always aimed at delivering "Efficient Solutions" to our customers.

**Note – 2 – Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost conversion on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and relevant amendments rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the company.

**2.1 Summary of significant accounting policies**
**a. Revenue recognition**

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective method of adoption. Under the modified retrospective approach, there are no significant adjustments required to the retained earnings at 1 April 2018 in financial statement. Also, the application of Ind AS 115 does not have any significant impact on recognition and measurement of revenue and related items in the financial statement.

Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is inclusive of excise duty and net of returns, discounts and exclusive of Goods and Services Tax.

The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

**(i) Sales of goods**

Revenue from the sale of goods is recognised when the

significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from export sales is recognized on the basis of bill of lading while other sale of goods is recognised on the basis of ex-factory dispatch.

**(ii) Export Incentives**

Export benefits/incentives are accounted for on accrual basis.

**(iii) Insurance and Other Claims**

In accordance with the consistent practice, insurance and other claims, to the extent considered recoverable, are accounted for in the year relevant to claim while the balance is accounted for on settlement.

**b. Employee benefits**
**(i) Short term Employee Benefits**

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.

**(ii) Post Employment Benefits**
**(a) Defined Contribution Plans**
**Provident Fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

**(b) Defined benefit plans**
**Gratuity**

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried at the year end 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. The obligation is measured at the present value of the estimated future cash flows. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- (a) The date of the plan amendment or curtailment, and
- (b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

**Compensated absences**

Benefits under the Company's leave encashment constitute other employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year-end using the Projected Unit Credit Method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

**c. Property, plant and equipment**

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and others non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Cotton Yarn Unit (Polycot Yarn Division) is stated at cost without availing CENVAT, and Thermal Power Plant is stated without availing Service CENVAT. All costs including financing costs till commencement of commercial production and adjustment arising from exchange rate variations relating to borrowings attributable to the Property, plant and equipment are capitalized.

Property, plant and equipment under construction are disclosed as capital work in progress.

**Recognition:**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are

recognized in the Statement of profit and loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**d. Intangible assets**

Intangible asset represents computer software acquired by the Company carried at cost of acquisition less amortisation. The cost of an item of intangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss, unless such expenditure forms part of the carrying value of another asset.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangibles recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangibles.

**e. Depreciation and amortisation expenses**

Depreciation on Property, plant and equipment is provided on the straight-line method, as per useful life prescribed in Schedule II to the Companies Act, 2013. Further for amortisation of intangible assets useful life is 3 years to 5 years.

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has aligned the depreciation rates based on the useful lives as specified in Part 'C' of Schedule II to the Act.

Assets costing Rs.5000/- or less acquired on or after 1.7.1993 are fully depreciated.

The company provides for depreciation on following plant & machinery considering the same as continuous process plant.

(i) Filament Yarn Division, Spun Yarn Division and Cotton Yarn Division

(ii) Power Generation Equipments

Freehold land and leasehold land are not depreciated.

Depreciation on additions is provided on a pro-rata basis from

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

the date of acquisition/installation. Depreciation on sale/deduction from fixed assets is provided for upto the date of sale/adjustment, as the case may be.

**f. Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories includes all costs incurred in bringing the inventories to their present location and condition. Cost of inventories has been determined as under:

Raw Material	At Batch cost
Work in progress	a) Preparatory stage - at cost b) Yarn stage-at cost or net realisable value, whichever is lower
Finished Goods	At cost or net realizable value whichever is lower.
Traded stock	At Cost of purchase or net realizable value whichever is lower.
Stores and Spares	At First In First Out method.
Waste and scrap	At Net realisable value
Fuel	Monthly moving weighted average

**g. Borrowing costs**

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

**h. Leases**
**Where the Company is lessee**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term, unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**i. Income taxes**

Income tax expense represents the sum of current and deferred tax (including MAT). Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet approach. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are

generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**j. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value.

**k. Foreign Currency Transactions**

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupee.

Export Sales in foreign currency are accounted for at the exchange rate prevailing on the date of bill of lading, where such sales are not covered by forward contracts. Outstanding export documents pending negotiation when not covered by foreign exchange forward contracts are accounted for at the prevailing conversion rates at the end of each reporting date and difference if any in actual realization of such documents is

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

accounted for in foreign exchange fluctuation account to be credited/charged to the Statement of Profit and Loss account in the year of realization.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency is translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in profit or loss in the period in which they arise. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

**i. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) Initial Recognition and measurement**

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss. Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

**(ii) Subsequent measurement**
**Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit or loss (FVTPL)**

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

**Financial liabilities**

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**m. Impairment of assets**
**(i) Financial assets**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in Statement of Profit or Loss.

**(ii) Non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Ind AS 36 'Impairment of Assets', to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

**n. Cash and cash equivalents**

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of three months or less from the balance sheet date, which are subject to an insignificant risk of changes in value.

**o. Provisions and Contingencies**

A provision is recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources in respect of which a reliable estimate can be made. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised.

**p. Recent Accounting Pronouncements**

**i. Ind-AS 116 Leases :-**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

**ii. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :-**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax

Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

**iii. Amendment to Ind AS 12 – Income taxes :-**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

**iv. Amendment to Ind AS 19 – plan amendment, curtailment or settlement :-**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

**2.2. Significant accounting judgements, estimates and assumptions**

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**a) Contingent Liabilities:**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and constructive claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events

**b) Estimates and Assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the

higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the company.

**c) Taxes:**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**d) Defined benefit plans:**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**3. Property, plant and equipment**

(Rs. in Lakhs)

Particulars	Leasehold Land	Freehold Land	Building	Tube Well	Plant and Machinery	Electric Installation	Water Supply Installations	Material Handling Equipment	Air Conditioner	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Gross carrying amount</b>													
As at April 1, 2017	13.76	23.88	2,856.12	9.31	18,066.98	1,026.30	94.77	25.64	17.20	164.75	95.10	77.82	22,471.63
Additions	-	-	-	-	4.79	0.10	-	-	1.49	8.37	2.02	-	16.77
Disposal/Adjustments	-	-	-	-	474.42	-	-	-	-	0.01	0.36	-	474.79
<b>As at March 31, 2018</b>	<b>13.76</b>	<b>23.88</b>	<b>2,856.12</b>	<b>9.31</b>	<b>17,597.35</b>	<b>1,026.40</b>	<b>94.77</b>	<b>25.64</b>	<b>18.69</b>	<b>173.11</b>	<b>96.76</b>	<b>77.82</b>	<b>22,013.61</b>
Additions	-	-	-	0.56	0.29	-	-	-	0.97	3.59	1.25	-	6.66
Disposal/Adjustments	-	20.59	304.29	0.18	26.53	18.50	-	-	-	0.58	0.19	6.63	377.49
<b>As at March 31, 2019</b>	<b>13.76</b>	<b>3.29</b>	<b>2,551.83</b>	<b>9.69</b>	<b>17,571.11</b>	<b>1,007.90</b>	<b>94.77</b>	<b>25.64</b>	<b>19.66</b>	<b>176.12</b>	<b>97.82</b>	<b>71.19</b>	<b>21,642.78</b>
<b>Accumulated Depreciation</b>													
As at April 1, 2017	-	-	1,260.03	8.42	11,321.74	758.88	32.66	19.03	15.38	147.12	84.27	49.21	13,696.74
Depreciation for the year	-	-	72.60	0.09	346.21	37.85	3.58	0.37	0.45	2.77	3.20	5.03	472.15
Disposal/reversal	-	-	-	-	437.26	-	-	-	-	0.01	0.35	-	437.62
<b>As at March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>1,332.63</b>	<b>8.51</b>	<b>11,230.69</b>	<b>796.73</b>	<b>36.24</b>	<b>19.40</b>	<b>15.83</b>	<b>149.88</b>	<b>87.12</b>	<b>54.24</b>	<b>13,731.27</b>
Depreciation for the year	-	-	126.23	0.14	288.25	18.94	3.58	0.37	0.76	2.84	2.54	4.67	448.32
Disposal/reversal	-	-	197.73	0.17	24.83	16.31	-	-	-	0.54	0.11	6.19	245.88
<b>As at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>1,261.13</b>	<b>8.48</b>	<b>11,494.11</b>	<b>799.36</b>	<b>39.82</b>	<b>19.77</b>	<b>16.59</b>	<b>152.18</b>	<b>89.55</b>	<b>52.72</b>	<b>13,933.71</b>
<b>Net Carrying amount</b>													
As at March 31, 2018	13.76	23.88	1,523.49	0.80	6,366.66	229.67	58.53	6.24	2.86	23.23	9.64	23.58	8,282.34
As at March 31, 2019	13.76	3.29	1,290.70	1.21	6,077.00	208.54	54.95	5.87	3.07	23.94	8.27	18.47	7,709.07

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**4 Intangible assets**

(Rs. in Lakhs)

Particulars	Computer Softwares
<b>Gross carrying amount</b>	
As at April 1, 2017	0.33
Additions	0.73
Disposal/Adjustments	-
<b>As at March 31, 2018</b>	<b>1.06</b>
Additions	-
Disposal/Adjustments	-
<b>As at March 31, 2019</b>	<b>1.06</b>
<b>Accumulated amortisation</b>	
As at April 1, 2017	0.32
Amortisation during the year	0.06
Disposal/Adjustments	-
<b>As at March 31, 2018</b>	<b>0.38</b>
Amortisation during the year	0.22
Disposal/Adjustments	-
<b>As at March 31, 2019</b>	<b>0.60</b>
<b>Net Carrying amount</b>	
As at March 31, 2018	0.68
As at March 31, 2019	0.46

**5 Non-current investments**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investment in equity instruments (Unquoted)</b>		
National Saving Certificates *	-	0.15
<b>Total</b>	<b>-</b>	<b>0.15</b>

\* Pledged with Sales Tax Authorities

**6 Loans**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assets at amortized cost</b>		
<b>Unsecured, considered good</b>		
Loan & Advances to related parties (SRTL Employees Welfare Trust )	72.98	78.75
<b>Total</b>	<b>72.98</b>	<b>78.75</b>

**7 Other non-current financial assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assets at amortized cost</b>		
<b>Unsecured, considered good</b>		
Security deposits	156.25	125.46
<b>Total</b>	<b>156.25</b>	<b>125.46</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**8 Deferred tax assets (net) # (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	2,232.26	2,038.53
Deferred tax liability	(1,971.23)	(2,031.08)
MAT Credit entitlement	224.17	307.29
<b>Total</b>	<b>485.20</b>	<b>314.74</b>

# Refer note no.48

**9 Other non-current assets (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non financial assets at amortized cost</b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	11.44	2.84
<b>Total</b>	<b>11.44</b>	<b>2.84</b>

**10 Inventories (at cost or net relisable value, whichever is lower) (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Raw materials</b>		
- Man made fibre	171.69	232.97
- Fibre Stock in Deptt.	17.99	65.30
- Stock in transit	16.07	146.14
Work-in-progress	197.13	378.54
Finished Goods	478.99	1,507.06
Stock-in-trade	2.19	4.29
<b>Stores and spares</b>	<b>169.21</b>	<b>225.52</b>
- Stock in transit	5.44	18.24
<b>Others</b>		
- Waste & Scrap	6.16	14.83
<b>Total</b>	<b>1,064.87</b>	<b>2,592.89</b>

**11 Trade receivables (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables Considered good - secured	-	-
Trade receivables Considered good - unsecured	297.34	990.32
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
	<b>297.34</b>	<b>990.32</b>
Less: Allowance for impairment loss	-	-
<b>Total</b>	<b>297.34</b>	<b>990.32</b>

**12 Cash & cash equivalents (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	5.59	3.82
Cheques, drafts on hand	0.35	3.01



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Balances with banks		
- In current accounts #	1,301.80	6.51
- In deposit accounts with maturity less than three months	21.79	23.48
<b>Total</b>	<b>1,329.53</b>	<b>36.82</b>

# Rs. 1,300 Lakhs lying with IDBI Bank (Lien account).

**13 Bank balances other than cash and cash equivalents (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Dividend accounts	-	4.43
Bank deposit (maturity above 3 and upto 12 months)	84.23	70.74
<b>Total</b>	<b>84.23</b>	<b>75.17</b>

**14 Loans (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assets at amortized cost</b>		
<b>Unsecured considered good</b>		
Loans & advances to related parties (SRSI Employees Welfare Trust )	5.77	-
<b>Total</b>	<b>5.77</b>	<b>-</b>

**15 Other current financial assets (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assets at amortized cost</b>		
<b>Unsecured considered good</b>		
Interest accrued but not due	1.56	2.72
<b>Total</b>	<b>1.56</b>	<b>2.72</b>

**16 Other current assets (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured considered good</b>		
Advances to suppliers	50.99	208.33
Other advance recoverable in cash or kind	71.17	104.70
Balance with government authorities	549.04	852.19
Interest Subsidy Recoverable (TUFS)	293.91	342.56
Claims and exports incentives receivables	4,406.53	4,381.66
Others	76.50	66.98
	<b>5,448.14</b>	<b>5,956.42</b>
<b>Unsecured considered doubtful</b>		
Claims and exports incentives receivables	58.67	-
Less: Allowances for expected credit loss	(58.67)	-
	-	-
<b>Total</b>	<b>5,448.14</b>	<b>5,956.42</b>

**17 Current tax assets (net) (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance taxes including TDS receivable (net of provision for tax)	35.29	25.98
<b>Total</b>	<b>35.29</b>	<b>25.98</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**18 Equity share capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
<b>Authorised</b>				
Equity shares of Rs. 10 each	2,60,00,000	2,600.00	2,60,00,000	2,600.00
11% non convertible cumulative redeemable preference shares of Rs. 100 each#	1,70,000	170.00	1,70,000	170.00
<b>Total</b>	<b>2,61,70,000</b>	<b>2,770.00</b>	<b>2,61,70,000</b>	<b>2,770.00</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Rs. 10 each *	1,37,02,301	1,370.23	1,37,02,301	1,370.23
<b>Total</b>	<b>1,37,02,301</b>	<b>1,370.23</b>	<b>1,37,02,301</b>	<b>1,370.23</b>

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

# 11% non convertible cumulative redeemable preference shares of Rs. 100 each are classified as financial liability (Refer Note 21)

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period :**

Particulars	As at March 31, 2019 Number of shares	As at March 31, 2018 Number of shares
Shares at the beginning of the year	1,37,02,301	1,30,52,301
Movement during the year	-	6,50,000
<b>Shares outstanding at the end of the year</b>	<b>1,37,02,301</b>	<b>1,37,02,301</b>

**(b) Rights, preferences and restrictions attached to equity shares**

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

**(c) Detail of shareholders holding more than 5% shares of the aggregate shares in the Company**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	% holding	Number	% holding
<b>Equity shares of ` 10 each fully paid</b>				
SRSL Securities Ltd.	21,07,855	15.38	21,07,855	15.38
V.K. Ladia	8,66,018	6.32	8,66,018	6.32
Shree Shyam Distributors & Maktg. (P) Ltd.	8,01,924	5.85	8,01,924	5.85
V.K. Texchem Private Limited	7,44,871	5.44	7,44,871	5.44

**19 Other equity**
**(Rs. in Lakhs)**

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	General Reserve	Capital Redemption Reserve	Share Premium	Securities Premium	Retained Earnings	Re-measurement of the net defined benefit plans	
<b>Balance as at April 1, 2017</b>	<b>177.12</b>	<b>500.00</b>	<b>1,998.42</b>	<b>718.82</b>	<b>(1,490.63)</b>	<b>28.80</b>	<b>1,932.53</b>
Profit for the year	-	-	-	-	(573.00)	-	(573.00)
Other comprehensive income (expense) (net of tax)	-	-	-	-	-	27.34	27.34
<b>Balance as at March 31, 2018</b>	<b>177.12</b>	<b>500.00</b>	<b>1,998.42</b>	<b>718.82</b>	<b>(2,063.63)</b>	<b>56.14</b>	<b>1,386.87</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	General Reserve	Capital Redemption Reserve	Share Premium	Securities Premium	Retained Earnings	Re-measurement of the net defined benefit plans	
Profit for the year	-	-	-	-	(1,772.76)	-	<b>(1,772.76)</b>
Other comprehensive income (expense) (net of tax)	-	-	-	-	-	36.12	<b>36.12</b>
<b>Balance as at March 31, 2019</b>	<b>177.12</b>	<b>500.00</b>	<b>1,998.42</b>	<b>718.82</b>	<b>(3,836.39)</b>	<b>92.26</b>	<b>(349.77)</b>

**Note :-**
**(i) General reserve**

General Reserve represents the statutory reserve in accordance with Indian Corporate law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a company can declare dividend. However, under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.

**(ii) Capital Redemption Reserve**

Capital Redemption reserve is a statutory, non-distributable reserve created on account of redemption of debentures as per the provisions of Companies Act, 2013 which can be utilised for issue of bonus shares.

**(iii) Share Premium**

Share premium represents the amount received in excess of par value of securities. Section 52 of Companies Act, 2013 specify restriction and utilisation of share premium.

**(iv) Securities Premium**

Securities Premium represents reserve created at the time of amalgamation.

**(v) Retained Earnings**

Retained earnings represents the undistributed profits of the company.

**(vi) Other Comprehensive Income**

Other comprehensive income represents the balance in equity for items to be accounted in other comprehensive income.

**20 Money Received Against Allotment of Share Warrants**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	-	16.25
Money Received against allotment of 13,00,000 share warrants issued	-	48.75
Less :- 6,50,000 warrants converted in to equity shares of Rs. 10/- each ( 6,50,000 warrants, at the rate Rs. 2.5 per warrant)	-	(65.00)
<b>Total</b>	<b>-</b>	<b>-</b>

**21 Non-current borrowings**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A. Term loans (Secured)</b>		
From banks	4,173.55	4,173.55
Less : Current maturities of long term debt	(451.42)	(231.92)
Less : Unamortised processing fee	(0.55)	(1.86)
	<b>3,721.58</b>	<b>3,939.77</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>B. Redeemable preference share capital</b>	194.94	178.48
	<b>194.94</b>	<b>178.48</b>
<b>C. Fixed Deposits (Unsecured)</b>		
- from directors	6.38	10.17
- from related parties	334.65	364.69
	<b>341.03</b>	<b>374.86</b>
Less : Current maturities of long term debt	(20.73)	(14.18)
	<b>320.30</b>	<b>360.68</b>
<b>Total</b>	<b>4,236.82</b>	<b>4,478.93</b>

**a) Details of security for term loan**

Term Loans from IDBI Bank Ltd. (IDBI), State Bank of India (SBI), and Bank of Baroda (BOB) are secured by a joint equitable mortgage, by deposit of title deeds over the company's immovable assets and a charge by way of hypothecation of all movable assets (except Plant & Machinery exclusively charged in favour of BOB for Loan of Rs. 1010.00 Lakhs (March 31, 2018 Rs. 1010.00 Lakhs)) present and future subject to prior charges on specified movables created in favour of company's Bankers along with personal guarantee of two directors. The mortgage and charges created shall rank pari-passu inter-se amongst the financial Institution and Banks.

The term loans of the company have been restructured by all the banks with effect from 1st April 2017. The Company has received the sanction letters for the same. The implementation of the package is under process and shall be executed in the year 2019-20. The impact of the above sanctions have been taken in the financial statements. During the current year, the Company has accounted for the various terms and conditions of the sanction with effect from 1st April 2017. Further few conditions of the sanction are proposed to be modified.

**b) Terms and conditions for preference shares**

1.7 Lakhs (March 31, 2017: 1.7 Lakhs) 11% non convertible cumulative redeemable preference shares of Rs. 100 each are redeemable at par on or before September 05, 2027.

**c) Maturity Profile of Secured Term Loans from Banks are as set out below :**

(Rs. in Lakhs)

Repayment Due in Financial Years	As at March 31, 2019	As at March 31, 2018
2018-2019	-	231.92
2019-2020	451.42	332.08
2020-2021	475.04	624.32
2021-2022	689.84	876.96
2022-2023	804.96	581.04
2023-2024	852.10	609.04
2024-2025	425.58	425.58
2025-2026	321.61	329.61
2026-2027	153.00	163.00
<b>Total</b>	<b>4,173.55</b>	<b>4,173.55</b>

**d) Maturity Profile of Unsecured Deposits are as set out below :**

(Rs. in Lakhs)

Repayment Due in Financial Years	As at March 31, 2019	As at March 31, 2018
2018-2019	-	14.18
2019-2020	20.73	40.38
2020-2021	320.30	320.30
<b>Total</b>	<b>341.03</b>	<b>374.86</b>

**e) Interest Rates are lending Bank's MCLR (Y) + 3.80 TO 5.40 %.**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**22 Other non-current financial liabilities**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current Financial liabilities at amortized cost</b>		
Deposit & Advances	166.88	163.18
<b>Total</b>	<b>166.88</b>	<b>163.18</b>

**23 Non-current provisions**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (refer note no. 41)	249.77	278.78
<b>Total</b>	<b>249.77</b>	<b>278.78</b>

**24 Current borrowings**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
Working capital loans from banks #		
-Foreign Currency Loan	-	263.90
-Rupee Loan	4,492.46	4,705.92
	<b>4,492.46</b>	<b>4,969.82</b>
<b>Unsecured</b>		
Inter corporate loans	5.00	-
	<b>5.00</b>	<b>-</b>
<b>Total</b>	<b>4,497.46</b>	<b>4,969.82</b>

**# Details of security for working capital loans**

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

The term loans of the company have been restructured by all the banks with effect from 1st April 2017. The Company has received the sanction letters for the same. The implementation of the package is under process and shall be executed in the year 2019-20. The impact of the above sanctions have been taken in the financial statements. During the current year, the Company has accounted for the various terms and conditions of the sanction with effect from 1st April 2017. Further few conditions are proposed to be modified.

**25 Trade payables**
**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Trade payables</b>		
(i) Due to micro and small enterprises	35.61	2.89
(ii) Due to others	2,497.52	2,493.41
<b>Acceptances #</b>	<b>1,382.46</b>	<b>1,612.60</b>
<b>Total</b>	<b>3,915.59</b>	<b>4,108.90</b>

# Represents credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within one year.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**26 Other current financial liabilities (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial liabilities at amortized cost</b>		
(i) Current maturities of long term borrowings #	451.42	231.92
(ii) Current maturities of deposits from related parties	14.35	11.49
(iii) Current maturities of deposits from directors	6.38	2.69
(iv) Interest accrued and due on borrowing	1,603.99	748.07
(v) Employees related payables	168.30	191.51
(vi) Deposit & advances	26.20	31.24
(vii) Bank overdraft	12.48	240.98
(viii) Interest accrued but not due on borrowing	5.22	29.78
(ix) Unclaimed dividend	-	4.43
(x) Unclaimed Interest on PFD	0.08	0.08
<b>Total</b>	<b>2,288.42</b>	<b>1,492.19</b>

# Refer note no. 21 for security and other terms related to borrowings

**27 Current provisions (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Provison for employee benefits (refer note no.41)	159.77	168.17
<b>Total</b>	<b>159.77</b>	<b>168.17</b>

**28 Other current liabilities (Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers	4.62	18.34
Statutory dues payable	61.08	44.45
Other liabilities	101.26	5.42
<b>Total</b>	<b>166.96</b>	<b>68.21</b>

**29 Revenue from operations (Rs. in Lakhs)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Sale of products</b>		
- Domestic	15,131.92	19,776.61
- Export	1,857.62	2,675.52
<b>Sale of services</b>		
- Job work	133.15	66.73
<b>Other operating revenues</b>		
- Export incentives	58.93	96.67
- Insurance charges recovered on dispatches	-	24.50
- Insurance claims of damaged goods	18.20	-
- Depot charges on sales	-	21.85
- Miscellaneous Income	0.01	0.17
<b>Total revenue from operations</b>	<b>17,199.83</b>	<b>22,662.05</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

<b>30 Other income</b> <span style="float: right;">(Rs. in Lakhs)</span>		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Interest income :-</b>		
- Interest recovered from customers	19.99	30.09
- Interest received on bank FDR's, loans & others	148.24	198.98
Income related to previous years	-	498.66
Gain on Foreign currency transactions	-	12.55
Insurance claims	-	1.03
Sundry balances / excess liability written back	33.09	29.70
Rental income /lease rent Received	0.18	0.36
<b>Total other income</b>	<b>201.50</b>	<b>771.37</b>
<b>31 Cost of material consumed</b> <span style="float: right;">(Rs. in Lakhs)</span>		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fibre Consumption	10,213.95	12,055.08
Dyes & Chemical Consumption	191.08	241.79
Packing Material Consumption	209.19	295.63
Others	-	3.32
<b>Total cost of material consumed</b>	<b>10,614.22</b>	<b>12,595.82</b>
<b>32 Purchases of Stock-in-trade</b> <span style="float: right;">(Rs. in Lakhs)</span>		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Yarn	-	25.29
<b>Total purchases of stock-in-trade</b>	<b>-</b>	<b>25.29</b>
<b>33 Changes in inventories</b> <span style="float: right;">(Rs. in Lakhs)</span>		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Inventories at the beginning of the year</b>		
Yarn	1,507.06	3,784.40
Work in process	443.85	1,014.44
Waste & Scrap	14.83	16.27
Fabrics	4.29	4.29
	<b>1,970.03</b>	<b>4,819.41</b>
<b>Inventories at the end of the year</b>		
Yarn	478.99	1,507.06
Work in process	215.12	443.85
Waste & Scrap	6.16	14.83
Fabrics	2.19	4.29
	<b>702.46</b>	<b>1,970.03</b>
<b>Total changes in inventories</b>	<b>1,267.57</b>	<b>2,849.38</b>
<b>34 Employee benefits expense</b> <span style="float: right;">(Rs. in Lakhs)</span>		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries & wages including bonus	1,911.99	1,915.91
Contribution to provident and other funds	257.26	328.53
Staff welfare expenses	17.65	18.78
<b>Total employee benefit expenses</b>	<b>2,186.90</b>	<b>2,263.22</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(Rs. in Lakhs)		
35 Finance cost		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Interest expenses on :-</b>		
- term loans #	582.59	410.68
- other bank borrowings facilities #	856.59	841.32
- other	45.51	52.67
Dividend on redeemable preference shares	16.46	8.48
<b>Other borrowing costs</b>		
- bank and finance charges	78.19	109.73
Loss on foreign currency transactions & translation	13.33	-
<b>Total finance cost</b>	<b>1,592.67</b>	<b>1,422.88</b>

# The finance cost has been calculated as per the current sanction letter of the banks after restructuring. The package is under implementation. If the package is not implemented, the finance cost would be higher by Rs. 346.86 Lakhs ( FY 2017-18 Rs. 337.87 Lakhs).

(Rs. in Lakhs)		
36 Depreciation and amortisation expenses		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on tangible assets	448.32	472.15
Amortisation of intangible assets	0.22	0.06
<b>Total depreciation and amortisation expense</b>	<b>448.54</b>	<b>472.21</b>

(Rs. in Lakhs)		
37 Other expenses		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Manufacturing expenses:</b>		
Stores & spares	55.48	75.28
Packing expenses	21.78	25.42
Power & fuel	2,989.77	3,104.38
<b>Repairs &amp; maintenance on:</b>		
- Plant & machinery	235.17	348.31
- Building	18.08	15.19
- General	4.14	6.89
Sundry manufacturing expenses	123.30	142.21
Job work charges	6.58	19.52
<b>Administrative &amp; other expenses:</b>		
Directors sitting fees	2.45	2.87
Directors remuneration	73.40	67.40
Rent, rates & taxes	44.39	39.10
Travelling (including directors travelling)	52.43	52.32
Insurance charges	18.28	22.21
Vehicle upkeep	14.67	14.55
Office expenses	27.75	28.92
Legal & professional expenses	49.20	18.37
Telephone expenses	5.42	9.60
Fees & cess	7.05	7.82
Printing & Stationery	9.29	11.66
Loss on sale of fixed assets	0.43	17.19
Postage expenses	2.78	4.14
Misc. expenses	70.81	87.43
Allowances for expected credit loss	53.68	-



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Sundry balances written off / claim settlement	45.87	19.40
<b>Auditors remuneration:</b>		
Audit fee	3.30	3.30
Tax audit fee	0.93	0.93
Other services	0.77	1.10
Audit expenses	2.70	2.50
Internal audit fee & expenses	2.02	2.05
Cost audit fee & expenses	0.99	1.06
<b>Selling expenses:</b>		
Commission & brokerage	131.77	187.92
Freight & forwarding (net of recoveries)	257.24	280.95
Rebate & claim	3.76	1.59
Others	11.40	0.65
<b>Total other expenses</b>	<b>4,347.04</b>	<b>4,622.23</b>

**Details of payment to auditors (excluding applicable taxes)**

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(i) Auditors' remuneration</b>		
a) Audit fee	3.30	3.30
b) Tax audit fee	0.93	0.93
c) Limited review fee	0.77	0.98
d) In other capacities		
Certification services	-	0.12
Reimbursement of expenses	2.70	2.50
<b>(ii) Internal audit fee &amp; Expenses</b>	<b>2.02</b>	<b>2.05</b>
<b>(iii) Cost audit fee &amp; Expenses</b>	<b>0.99</b>	<b>1.06</b>
<b>Total payment to auditors</b>	<b>10.71</b>	<b>10.94</b>

**38 Earnings per share**

The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share" given as under: -

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2019
Profit/(Loss) attributable to equity shareholders (Rs.) (A)	(1,772.76)	(572.99)
Weighted average number of outstanding equity shares (B)	1,37,02,301	1,34,06,685
Nominal value per equity share (Rs.)	10.00	10.00
Basic EPS (Rs. in Lakhs) (A/B)	(12.94)	(4.27)
Diluted EPS (Rs. in Lakhs) (A/B)	(12.94)	(4.27)

**39 Contingent liabilities and commitments**
**(i) Contingent liabilities**

Particulars	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
a) Bills discounted with banks	-	462.94
b) Guarantees issued by bank on behalf of the Company	296.11	225.27
c) Disputed demands under excise, customs & service tax	109.22	173.28
d) Claims against the company not acknowledged as debt	Nil	5.69

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

- e) The Apex Income tax authorities have decided cases for the assessment year from 1998-99 to 2016-17 in favour of the Company. The department/ company has referred the cases to the Hon'ble High Court of Rajasthan, ITAT, CIT(A). The advance Income tax/ MAT paid by the Company shall be adjusted on the decision of the Hon'ble High Court of Rajasthan, ITAT, CIT(A).

Assessment of Income Tax has been completed up to the assessment year 2016-17.

In view of carry forward losses no provision is required towards Income Tax.

- f) Assessment of Sales Tax/GST for the assessment years 2017-18 and 2018-19 are pending, liabilities if any, arising thereon shall be accounted for in the year of assessment.
- g) In case of Disputed demands under excise, customs and service tax, the company has deposited Rs. 29.20 Lakhs (previous year Rs. 29.20 Lakhs) under protest.

**Legal Cases**

- h) The Company has received various demands of ESI aggregating to Rs. 25.01 Lakhs. (Previous year Rs.25.01 Lakhs). Since the matter is pending in appeal and the Company does not envisage any liability, no provision has been made. Amount deposited under Protest Rs. 2.38 Lakhs. (Previous year Rs. 0.93 Lakhs).
- i) The Company suffered losses due to breaches/non-fulfillment of the terms and conditions of the Contract with M/s. Kirloskar Oil Engines Ltd. in respect of 2 Nos. DG set of 2.5 MW supplied by them. These losses have been partly recovered by the Company by encashment of Bank Guarantee taken under the Contract with the party. For balance recovery of Rs. 234.23 Lakhs suit against KOEL is filed. M/s Kirloskar Oil Engines Ltd has also filed a counter claim of Rs. 603.57 Lakhs for recovery of invoked bank guarantees including Rs.53.56 Lakhs as interest and Rs.50 Lakhs compensation.
- j) The Hon'ble Supreme court in the case of Jindal Stainless Ltd. has held levy of Entry Tax unconstitutional. It has also directed all the High Courts to look in to the constitutional validity of respective Entry Tax. Consequent to that 5 High Courts namely Allahabad, Punjab, Haryana, Jharkhand and Kerela has held the respective Entry Tax to be constitutionally invalid . The Hon'ble High Court of Rajasthan in the case of Dinesh Pouches has also held the levy of Entry Tax by the Government of Rajasthan as unconstitutional. As per legal opinion obtained amount paid by the company towards Entry Tax pursuant to Rajasthan Entry Tax Act 1999 has become refundable since inception. It filed refund claim of Entry Tax aggregating to Rs. 252.32 Lakhs, for the year 2001-02 to 2005-06.

The Company is not liable to pay Entry Tax pursuant to the above said decision of Supreme Court, as such the Company has not provided for Entry Tax for the year 2006-2007 to 2014-15 aggregating to Rs. 233.73 Lakhs, interest Rs. 80.62 Lakhs and penalty of Rs. 0.17 Lakhs.

The aggrieved State Governments including Government of Rajasthan filed appeals with Hon'ble Supreme Court of India.

Various High Courts, including the Hon'ble High Court of Rajasthan rejected all the cases relating to Entry Tax. Aggrieved by the judgement of Hon'ble High Court of Rajasthan, the "Trade" had filed SLP with Hon'ble Supreme Court of India with Stay Application. While disposing off stay petition Hon'ble High Court has given Interim Order for deposit of 50% of principal demand and for balance 50% Bank Guarantee to be submitted to Govt through assessing authorities. The company has deposited Rs. 231.06 Lakhs against principal demand of Rs. 233.73 Lakhs up to 2014-15 ( From February 2015 the company is regularly paying Entry Tax).

SLP filed before Hon'ble Supreme Court has been decided vide order Dated 11<sup>th</sup> November, 2016, Hon'ble Supreme Court has decided SLP confirming that state can levy Entry Tax. However, state cannot discriminate the levy of Entry Tax. In view of this judgement we have sought opinion that whether on the point of discrimination we are required to file separate petition before Hon'ble Supreme Court or respective High Court jurisdiction. On this point Hon'ble Supreme Court has further directed that we should go on the point of discrimination to respective High Court. The Company has filed writ before Hon'ble High Court of Jodhpur, Rajasthan.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

- k) The company has filed writ petitions with Hon'ble high court of Rajasthan against disallowances of benefits receivable under Rajasthan Investment Promotion Scheme 2003 (RIPS) on expansion and modernization towards interest subsidy and wage and employment subsidy. These benefits aggregate to Rs. 854.99 Lakhs from the assessment year 2007-08 to 2015-16 inclusive of interest Rs. 296.54 Lakhs. As per legal opinion obtained, the company, is accounting these benefits in its books of account on accrual basis. It has also filed appeal before respective authority and deposited under protest Rs. 72.54 Lakhs (Previous year Rs. 60.85 Lakhs). Further, for the assessment year 2016-17, the company has submitted rectification application against demand of Rs. 47.46 Lakhs which is pending before Dy Commissioner (State Tax), Udaipur. The Company is eligible for subsidy under Rajasthan Investment Promotion Scheme and has accounted Rs. 108.28 Lakhs (including interest Rs. 10.42 Lakhs) under Investment and Employment Subsidy for its modernization and expansion project (Previous year Rs. 108.28 Lakhs including interest Rs. 10.42 Lakhs) and Rs. 47.24 Lakhs under Electricity Duty benefit (Previous year Rs. 37.40 Lakhs). The commissioner of industries & state level screening committee rejected the revision and the company has filed writ before Hon'ble High Court of Rajasthan.
- l) As per legal opinion Urban Cess and Water Cess levied by State of Rajasthan is not leviable on the company being established at RIICO Industrial land. The entire amount of Rs.245.95 Lakhs paid upto 31.03.2012 was charged to profit and loss account has become recoverable. The company has accounted this amount of Rs.245.95 Lakhs under the head demand deposited under Protest recoverable Account in previous year. A sum of Rs. 1208.10 Lakhs paid from financial Year 2010-11 to 2018-19 stands recoverable under the head Urban Cess/Water Cess deposited under Protest recoverable Account (Previous year Rs. 1171.77 Lakhs). The company has also accounted the interest recoverable of Rs. 339.83 Lakhs (Previous year Rs. 268.43 Lakhs) based on the legal opinion obtained. The company has filed SLP in Supreme Court for the recovery of entire amount. During the current year the AVVNL has stopped charging Urban Cess.
- m) The company has filed a writ petition with Hon'ble High Court of Rajasthan towards the payment of cross subsidy surcharge to AVVNL for the period April 2014 to November 2016. The disputed amount paid so far is Rs. 223.52 Lakhs (Previous year Rs. 247.33 Lakhs) up to 31.03.2019 including interest amount of Rs. 54.30 Lakhs (Previous year Rs. 78.11 Lakhs).
- n) The AVVNL has recovered Rs. 23.84 Lakhs towards late payment Surcharge (LPS) on incentive disallowed towards power factor. The Company has deposited the same under protest and filed an appeal in the Hon'ble Rajasthan high Court for the entire amount.
- o) AVVNL has unilaterally charged 3% transformation losses amounting to Rs. 12.56 Lakhs on entire consumption instead of over and above of 5 MVA on pro-rata basis as per the earlier notification date 19.07.2004. Being aggrieved with the order, the Company has taken legal advice from the advocate and filed civil writ petition before the Hon'ble Rajasthan high Court
- p) As legally opined, the electricity duty levied by AVVNL on electricity supplied by Tata Power Trading Co. Ltd is unconstitutional and hence illegal and not leviable. The Company has filed writ petitions against this levy with Hon'ble High Court of Rajasthan. The Company disputes this levy and has deposited Rs 471.97 Lakhs under protest up to this financial year (Previous year Rs. 471.97 Lakhs). The company has also accounted the interest recoverable of Rs. 78.98 Lakhs (Previous year Rs. 50.67 Lakhs) based on the legal opinion obtained.
- q) The Rajasthan Electricity Regulatory Commissioner levied additional surcharge @ Rs. 1/- per unit on open access purchases on 12.05.2016. The order was challenged by the company and other consumers in the Hon'ble High Court of Rajasthan and also before the Hon'ble Tribunal (APTEL) on the ground of natural justice. The order of the Commissioner was set aside by these courts and referred back to State Commission. The State Commission reconsidered the matter and refixed the additional surcharge @ 0.80/- per unit. The matter was taken up by RTMA and it filed Review petition with the State Commission and also an appeal before Hon'ble Tribunal (APTEL). The matter is still pending with the above judicial authorities. The company has paid Rs. 508.06 Lakhs under protest up to this financial year (Previous year Rs. 508.06 Lakhs). The company has also accounted the interest recoverable of Rs. 67.91 Lakhs (Previous year Rs. 37.43 Lakhs) based on the legal opinion obtained.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

- r) The company has received demand notice from Electricity Inspection department for Rs. 18.44 Lakhs, in respect of Inspection fees from Electricity Inspectorate, Kota for the period 1994-1995 to 2012-13. In above matter company accepted demand of Rs. 7.40 Lakhs in respect of years 1994-1995 to 2001-2002 and deposited Rs. 5.17 Lakhs against it, balance amount of Rs. 13.27 Lakhs is deposited under protest. Further company has also received demand notice of Rs.18.32 Lakhs in Texchem division and Rs.3.97 Lakhs for Syntex Division . Being aggrieved with the order, company has filed writ petition before Hon'ble High court of Rajasthan, Jodhpur. Stay has been granted by Hon'ble High Court, Jodhpur in above matter on pre-condition to deposit advance amount of Rs. 11.98 Lakhs. Company has deposited the amount under protest and matter is pending before Hon'ble High Court, Jodhpur.
- s) The company has shown TUF Subsidy receivable for the period Oct.2012 to Mar.2017 Rs. 290.28 lacs in the books of accounts (Previous year Rs. 290.28 lacs) on Term loan of Rs. 1625 lacs from SBI. The company has also accounted the interest recoverable of Rs. 75.23 lacs (Previous year Rs. 57.82 lacs) on the subsidy amount. The matter is pending with NABCONS, an agency appointed by Ministry of Textiles, to reconcile the committed liability data for all units where TUFs subsidies are pending.
- t) The company has paid Rs. 18.70 Lakhs to M/s TUSCON ENGINEERS LTD. as per arbitration award given against the company. The company has filed an appeal with Hon'ble High Court of Rajasthan against the arbitration award.
- u) The company is entitled to receive pending Rebate Claim of Rs 43.42 Lakhs towards Excise Duty recoverable on export clearance, out of which claims of Rs. 28.48 Lakhs were rejected by Jt. Secretary (RA) against which company has filed writ petition in Hon'ble High Court of Jodhpur, The Hon'ble High Court, Jodhpur rejected the writ petition filed by the company. The Company has submitted Revision Application before Hon'ble High Court of Jodhpur. Further claims of Rs. 14.94 Lakhs are pending before the Revision Authority Joint Secretary, Ministry of Finance, Department of Revenue, New Delhi.
- v) The company received Rs 64.94 Lakhs and 57.09 Lakhs against excise duty recoverable on export clearance from Central Excise Department in previous year. However the Department has deducted a sum of Rs 43.97 Lakhs and 28.18 Lakhs respectively from claims payable to company on account of interest and other liability in the matter of sales tax incentive case. The company does not agree with above deductions made by Central Excise Department. The Company has gone in appeal for both the matters, for Rs. 43.97 Lakhs presently matter is pending before CESTAT New Delhi and in the matter of Rs. 28.18 Lakhs the Commissioner Appeals has remanded the matter to adjudicating authority to decide the matter on the principal of natural justice.
- w) In respect of the supplies of coal from Ms Anik Industries Ltd, a quality claim as per purchase order was made by the company which was not accepted by the supplier. The matter was referred in arbitration where it was held that the coal supplied by the supplier was not of the quality as mentioned in the purchase orders. However, in respect of counter claim by company an amount of Rs. 71.46 Lakhs (including interest of Rs. 31.06 Lakhs) is under litigation.

**(ii) Commitments**

Particulars	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil
(ii) Export commitments against import of capital goods and stores & spares under EPCG scheme (Duty saved amount)	Nil	Nil

**40 Disclosures required under Micro, Small and Medium Enterprises Development Act, 2006**

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below:-

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due outstanding	35.61	2.89
Interest due on (1) above and unpaid	3.37	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year.	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

**41 Employee benefits**
**a) Defined contribution plans: -**

The Company has recognized following expense in respect of the defined contribution plans : -

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Contribution to provident fund	142.70	172.88
Contribution to employee state insurance	60.27	73.90
<b>Total</b>	<b>202.97</b>	<b>246.78</b>

**b) Defined benefit plans: -**

Below tables sets forth the changes in the projected benefit obligation and amounts recognised in the balance sheet as at March 31, 2018 and March 31, 2017, being the respective measurement dates: -

**(i) Movement in present value of obligations**

(Rs. in Lakhs)

Particulars	Gratuity (unfunded)	Leave encashment (unfunded)
<b>Present value of obligation as at April 1, 2017</b>	<b>332.51</b>	<b>47.39</b>
Current service cost	57.39	(0.03)
Interest cost	22.01	2.96
Benefits paid	(28.28)	(5.10)
Remeasurement- Actuarial loss/(gain) on obligation	(38.68)	0.42
<b>Present value of obligation as at March 31, 2018</b>	<b>344.95</b>	<b>45.64</b>
Current service cost	31.72	(0.97)
Interest cost	22.95	2.70
Benefits paid	(24.43)	(3.88)
Remeasurement- Actuarial loss/(gain) on obligation	(53.29)	(4.01)
<b>Present value of obligation as at March 31, 2019</b>	<b>321.90</b>	<b>39.48</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**(ii) Expenses recognised in the Statement of profit & loss**
**(Rs. in Lakhs)**

Particulars	Gratuity (unfunded)	Leave encashment (unfunded)
Current service cost	57.39	(0.03)
Interest cost	21.13	2.96
Administrative Exp	3.23	-
Remeasurement - Actuarial loss/(gain)	-	0.42
<b>For the year ended March 31, 2018</b>	<b>81.75</b>	<b>3.35</b>
Current service cost	31.72	(0.97)
Interest cost	21.87	2.71
Administrative Exp	0.70	-
Remeasurement - Actuarial loss/(gain)	-	(4.01)
<b>For the year ended March 31, 2019</b>	<b>54.29</b>	<b>(2.27)</b>

**(iii) Expenses recognised in the Other Comprehensive Income**
**(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurement - actuarial gain/(loss) on gratuity	(52.50)	(37.61)

**(iv) The principal actuarial assumptions used are set out below: -**
**(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Mortality rate	100% of India Assured Lives 2006-08 Mod Ult	100% of India Assured Lives 2006-08 Mod Ult
Discount rate	7.70%	7.00%
Expected rate of increase in compensation	3.50%	3.50%
Expected average remaining service	19.90	19.90
Employee attrition rate	11.10%	11.10%

**(v) Sensitivity Analysis**
**(Rs. in Lakhs)**

Particulars	Change in assumption	Effect on gratuity	Effect on Leave encashment
Discount Rate	+ 1%	(1,217.00)	(125.00)
Discount Rate	- 1%	1,337.00	137.00
Salary growth rate	+1%	1,412.00	164.00
Salary growth rate	- 1%	(1,317.00)	(152.00)
Attrition rates up 10.0%	+10%	228.00	28.00
Attrition rates down 10.0%	-10%	(259.00)	(30.00)

**(vi) Estimate of expected benefit payments (in absolute terms i.e. undiscounted)**
**(Rs. in Lakhs)**

Particulars	Gratuity (unfunded)	Leave encashment (unfunded)
1 April 2019 to 31 March 2020	95.02	16.60

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**42 a) Income tax expense**
**(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	-	-
Deferred tax	(269.94)	(292.09)
Income tax earlier years	83.20	-
<b>Total tax expenses</b>	<b>(186.74)</b>	<b>(292.09)</b>

**b) Reconciliation of estimated income tax to income tax expense**

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

**(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit before tax (A)	(1,959.50)	(865.08)
Enacted tax rate in India (B)	31.20%	30.90%
Expected income tax expense at statutory tax rate (A*B)	(611.36)	(267.31)
<b>Tax effect of the amount not deductible for computing taxable income</b>		
Expenses not deductible in determining taxable profits	556.00	287.37
Earlier Year Adjustments	83.20	-
Changes in recognised temporary differences	(269.94)	(292.09)
Effect of brought forward business losses	55.36	(20.06)
<b>Tax expense reported</b>	<b>(186.74)</b>	<b>(292.09)</b>

**c) Deferred tax**

The significant component of deferred tax assets / (liabilities) and movement during the year are as under: **(Rs. in Lakhs)**

Particulars	Deferred tax liability/ (asset) as at March 31, 2018	Recognised/(reversed) in statement of profit & loss	Recognised/ (reversed) in OCI	Deferred tax Liability/ (Asset) as at March 31, 2019
<b>Gross deferred tax liabilities</b>				
Property, plant and equipment	2,030.50	(59.85)	-	1,970.66
Upfront amortisation on borrowings	0.58	-	-	0.58
	<b>2,031.08</b>	<b>(59.85)</b>	-	<b>1,971.23</b>
<b>Gross deferred tax assets</b>				
Provision for gratuity / leave encashment	138.10	(10.24)	(16.38)	111.48
Disallowances under Income tax	231.15	304.01	-	535.16
Brought forward losses	1,669.20	(83.67)	-	1,585.54
Discounting of security deposits	0.08	-	-	0.08
	2,038.53	210.11	(16.38)	2,232.26
<b>Deferred Tax ( Assets) / Liability</b>	<b>(7.45)</b>	<b>(269.94)</b>	<b>16.38</b>	<b>(261.03)</b>

**43 Leases**

The Company has leased facilities under cancellable operating lease arrangements with a lease term ranging from 11 months to 108 months, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice for 1 to 3 months and initial lock in period of 36 months. The lease rent expenses recognised during the year amounts to Rs. 42.77 Lakhs (March 31, 2018: Rs. 39.10 Lakhs).

**44 Expenditure towards Corporate Social Responsibility**

In accordance with the provisions of Section 135 of the Companies Act, 2013, the company is not required to contribute any amount towards Corporate Social Responsibility, due to losses during the three immediately preceding financial years

**45 Related party disclosures**

The related party disclosures in accordance with the requirements of Ind AS - 24 "Related Party Disclosures" has been given below:-

**(a) Name and nature of related party relationships****(i) Directors**

Mr. Vinod Kumar Ladia (Chairman and Whole Time Director)  
Mr. Vikas Ladia (Managing Director and Chief Executive Officer)  
Mr. Anubhav Ladia (Whole Time Director)  
Mr. Roshan Lal Kunawat (Non Executive Director) (upto 09-08-2018)  
Mr. Raj Singh Nirwan (Independent Director)  
Mr. Narendra Nath Agrawala (Independent Director)  
Mrs. Neelima Khetan (Independent Director)  
Mr. Sunil Goyal (Independent Director)  
Mr. Susheel Jain (Independent Director)  
Mr. Ravinder Narain (Independent Director) (upto 04-08-2018)

**(ii) Key Managerial Personnel**

Mr. Vinod Kumar Ladia (Chairman and Whole Time Director)  
Mr. Vikas Ladia (Managing Director and Chief Executive Officer)  
Mr. Anubhav Ladia (Whole Time Director)  
Mr. Vinay Punjawat (Chief Financial Officer)  
Ms. Ravina Soni (Company Secretary)

**(iii) Relatives of Directors and Key Managerial Personnel**

Mrs. Monika Ladia  
Mrs. Puja Ladia  
Master Aman Ladia  
Vinod Kumar Ladia (HUF)  
Anubhav Ladia (HUF)

**(iv) Enterprises over which Key Managerial personnel are able to exercise significant influence**

M/s. Kunawat & Associates  
M/s. A. M. Traders  
M/s. Madan Chand & Sons  
M/s. Shree Shyam Distributors and Marketing Private Limited  
M/s. V K Texchem Private Limited  
M/s. PBS Marketing Private Limited  
M/s. Divine Fibres Private Limited  
M/s. Shree Shyam Industries Private Limited  
M/s. SRSL Employees Welfare Trust  
M/s. SRSL Educational Society  
M/s. SRSL Charitable Trust



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**(b) Description of the nature of transactions with the related parties (Rs. in Lakhs)**

Details of transactions	Financial Year ended March 31, 2019			Financial Year ended March 31, 2018		
	Related to KMP/ Enterprises over KMP are able to exercise significant influence	Transactions with Directors	Total	Related to KMP/ Enterprises over KMP are able to exercise significant influence	Transactions with Directors	Total
a. Loan taken	3.75	2.90	6.65	332.86	5.03	337.89
b. Loan repayment	33.79	6.69	40.48	523.36	28.67	552.03
c. Raw material purchase	114.06	-	114.06	698.94	-	698.94
d. Repayment received - SRSL welfare trust	-	-	-	1.50	-	1.50
e. Interest expenses	31.33	0.34	31.67	31.00	1.52	32.52
f. Remuneration	21.85	103.38	125.23	21.41	87.14	108.55
g. Professional charges	1.03	-	1.03	1.11	-	1.11
h. Lease rent paid	8.21	-	8.21	8.30	-	8.30
i. Sale of assets	-	-	-	-	-	-
j. MEIS License Sale	-	-	-	16.43	-	16.43
k. Issue of Equity shares	-	-	-	35.00	30.00	65.00
l. Issue of Equity warrants	-	-	-	-	-	-
m. Board meeting fees	-	2.45	2.45	-	2.87	2.87
n. Issue of Preference Shares	-	-	-	170.00	-	170.00

**(c) Amount due to/ from related parties (Rs. in Lakhs)**

Details of transactions	Financial Year ended March 31, 2019			Financial Year ended March 31, 2018		
	Related to KMP/ Enterprises over KMP are able to exercise significant influence	Transactions with Directors	Total	Related to KMP/ Enterprises over KMP are able to exercise significant influence	Transactions with Directors	Total
<b>a. Payables</b>						
i. Fixed deposits payable	334.65	-	334.65	364.69	-	364.69
ii. Loan payables - fixed deposits	-	6.38	6.38	-	10.17	10.17
iii. Fees payable	0.93	-	0.93	1.77	-	1.77
iv. Rent payable	1.67	-	1.67	4.77	-	4.77
<b>b. Receivables</b>						
i. Loan receivables	78.75	-	78.75	78.75	-	78.75
ii. Security deposits refundable	62.00	-	62.00	62.00	-	62.00
iii. Receivables from sale of property	-	-	-	-	-	-
iv. Security deposits recoverables	-	-	-	10.00	-	10.00

**46 Segment reporting**

The Company is primarily engaged in Production of Textile products having similar economic characteristics, Revenue from other segment is less than 10% of total revenue.

The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind-AS 108 'Operating Segments'. The entity wide disclosures required by Ind-AS 108 are made as follows: -

**A. Entity Wide Disclosures:**
**Geographical Information:**
**(i) Revenue from external customers**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**(Rs. in Lakhs)**

Particulars	Within India	Outside India	Total
Financial Year ended March 31, 2019	15,265.07	1,857.62	17,122.69
Financial Year ended March 31, 2018	19,843.32	2,675.52	22,518.84

**(ii) Non Current assets**

The Company has common non-current operating assets located in India for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

**(B) Revenue from major products and services**
**(Rs. in Lakhs)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Synthetic Blended Yarn	15,240.43	20,162.35
Filament Yarn	1,882.26	2,356.49
<b>Total</b>	<b>17,122.69</b>	<b>22,518.84</b>

**47 Financial instruments**
**a) Capital management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from borrowings from banks and financial institutions.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents while equity includes all capital and reserves of the Company.

**(Rs. in Lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Long term borrowings	4,236.82	4,478.93
Current maturities of long term debt	472.15	246.10
Short term borrowings	4,497.46	4,969.82
Less: Cash and cash equivalent	(1,329.53)	(36.82)
Less: Bank balances other than cash and cash equivalents	(84.23)	(75.17)
<b>Net debt</b>	<b>7,792.68</b>	<b>9,582.86</b>
<b>Total equity</b>	<b>1,020.46</b>	<b>2,757.10</b>
<b>Gearing ratio</b>	<b>7.64</b>	<b>3.48</b>

**b) Fair value measurement**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**(a) Financial assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying value	Fair value	Carrying value	Fair value
<b>(i) Measured at amortised cost</b>				
Non-current investments	-	-	0.15	0.15
Non-current loans	156.25	156.25	125.46	125.46
Trade receivables	297.34	297.34	990.32	990.32
Cash and cash equivalents	1,329.53	1,329.53	36.82	36.82
Bank balances other than cash and cash equivalents	84.23	84.23	75.17	75.17
Loans	78.75	78.75	78.75	78.75
Other financial assets	1.56	1.56	2.72	2.72
<b>Total financial assets</b>	<b>1,947.67</b>	<b>1,947.67</b>	<b>1,309.38</b>	<b>1,309.39</b>

**b) Financial liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying value	Fair value	Carrying value	Fair value
<b>(i) Measured at amortised cost</b>				
Long term borrowings	4,236.82	4,236.82	4,478.93	4,478.93
Other financial liabilities - Non Current	166.88	166.88	163.18	163.18
Short term Borrowings	4,497.46	4,497.46	4,969.82	4,969.82
Trade payables	3,915.59	3,915.59	4,108.90	4,108.90
Other financial liabilities	2,288.42	2,288.42	1,492.19	1,492.19
<b>Total financial liabilities</b>	<b>15,105.18</b>	<b>15,105.17</b>	<b>15,213.02</b>	<b>15,213.02</b>

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties in an orderly market transaction, other than in a forced or liquidation sale.

**Fair value hierarchy**

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

**c) Financial risk management**

The Company has an Audit Committee of the Boards which has the responsibility to identify the risk and suggest the management the mitigation plan for the identified risks in accordance with the risk management policy of the Company. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency.

These risks include market risk (including currency risk and interest rate risk), liquidity risk and credit risk.

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**(i) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

**Foreign currency risk management**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD, GBP and EURO. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

<b>Foreign currency exposure</b>			<b>(Amount in USD)</b>
<b>Particulars</b>	<b>Currency</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Financial assets</b>			
Trade receivables	USD	-	530,473.16
<b>Financial liabilities</b>			
Trade payables	USD	53,737.30	-
Working capital loans	USD	-	-
<b>Total</b>		<b>(53,737.30)</b>	<b>530,473.16</b>

**Foreign currency sensitivity**

The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities on account of reasonably possible change in USD, GBP and EURO exchange rates (with all other variables held constant) will be as under:

<b>(Rs. in Lakhs)</b>			
<b>Particulars</b>	<b>Change in currency exchange rate</b>	<b>Effect on profit before tax for the year ended March 31, 2019</b>	<b>Effect on profit before tax for the year ended March 31, 2018</b>
USD	5.00%	(1.86)	17.24
	-5.00%	1.86	(17.24)

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like demand loans and working capital loans.

The following table provides a break-up of the Company's fixed and floating rate borrowings: -

<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Fixed rate borrowings*	194.94	178.48
Floating rate borrowings	9,011.49	9,516.37
<b>Total borrowings</b>	<b>9,206.44</b>	<b>9,694.85</b>

\* adjusted with unmamortised processing fee

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
**(ii) Liquidity risk management**

Liquidity risk refers to the risk of financial distress or high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Financial liabilities:**

The table below provides details regarding the remaining contractual maturities of financial instruments at the reporting date.

<b>Financial liabilities:</b>				<b>(Rs. in Lakhs)</b>
<b>As at March 31, 2019</b>	<b>Upto 1 year</b>	<b>&gt; 1 years</b>	<b>Total</b>	
<b>Financial liabilities</b>				
Long term borrowings	-	4,236.82	<b>4,236.82</b>	
Current maturities of long term debt	472.15	-	<b>472.15</b>	
Short term borrowings	4,497.46		<b>4,497.46</b>	
Trade payables	3,915.59	-	<b>3,915.59</b>	
Other financial liabilities	1,983.16	-	<b>1,983.16</b>	
<b>Total financial liabilities</b>	<b>10,868.35</b>	<b>4,236.82</b>	<b>15,105.18</b>	

<b>Financial assets:</b>				<b>(Rs. in Lakhs)</b>
<b>As at March 31, 2019</b>	<b>Upto 1 year</b>	<b>&gt; 1 years</b>	<b>Total</b>	
<b>Financial assets</b>				
Investments	-	-	-	
Trade receivables	297.34	-	<b>297.34</b>	
Cash and cash equivalents	1,329.53	-	<b>1,329.53</b>	
Bank balances other than (ii) above	84.23	-	<b>84.23</b>	
Loans	5.77	72.98	<b>78.75</b>	
Other financial assets	157.81	-	<b>157.81</b>	
<b>Total financial assets</b>	<b>1,874.69</b>	<b>72.98</b>	<b>1,947.67</b>	

<b>Financial liabilities:</b>				<b>(Rs. in Lakhs)</b>
<b>As at March 31, 2018</b>	<b>Upto 1 year</b>	<b>&gt; 1 years</b>	<b>Total</b>	
<b>Financial liabilities</b>				
Long term borrowings	-	4,478.93	<b>4,478.93</b>	
Current maturities of long term debt	246.10	-	<b>246.10</b>	
Short term borrowings	4,969.82	-	<b>4,969.82</b>	
Trade payables	4,108.90	-	<b>4,108.90</b>	
Other financial liabilities	1,409.26	-	<b>1,409.26</b>	
<b>Total financial liabilities</b>	<b>10,734.08</b>	<b>4,478.93</b>	<b>15,213.02</b>	

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

Financial assets:			(Rs. in Lakhs)
As at March 31, 2018	Upto 1 year	> 1 years	Total
<b>Financial assets</b>			
Investments	-	0.15	<b>0.15</b>
Trade receivables	990.32	-	<b>990.32</b>
Cash and cash equivalents	36.82	-	<b>36.82</b>
Bank balances other than (ii) above	75.17	-	<b>75.17</b>
Loans	-	78.75	<b>78.75</b>
Other financial assets	128.18	-	<b>128.18</b>
<b>Total financial assets</b>	<b>1,230.49</b>	<b>78.90</b>	<b>1,309.39</b>

**(iii) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

Particulars	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Trade receivables	297.34	990.32
Loss allowances	-	-
<b>Trade receivables</b>	<b>297.34</b>	<b>990.32</b>

Note : Trade receivables are net of provision for doubtful debt and bills discounted.

**48 Exceptional items includes:**

The Company had its filament plant at Bagru-Ravan, Jaipur which was shifted to Dungarpur in the year 2014. During the year FY 2018-19, the land at Bagru-Ravan was sold at a gain of Rs. 10.96 crores ( Net-off building carrying amount of Rs. 1.08 crores)


**49** Previous year figures have been regrouped/rearranged, wherever considered necessary to conform to current year's classification.

See accompanying notes to the financial statements 1 to 49

As per our report of even date


For Doogar & Associates  
Chartered Accountants  
Firm's registration no. 000561N

  
**VARDHMAN DOOGAR**  
PARTNER  
M. NO 517347

  
**NARENDRA NATH AGRAWALA**  
INDEPENDENT DIRECTOR  
DIN: 00168211

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

  
**VIKAS LADIA**  
MANAGING DIRECTOR & CEO  
DIN: 00256289

  
**ANUBHAV LADIA**  
WHOLE TIME DIRECTOR  
DIN: 00168312

Place : New Delhi  
Date : May 29, 2019

Place : Jaipur  
Date : May 29, 2019

  
**VINAY PUNJAWAT**  
CHIEF FINANCIAL OFFICER

  
**RAVINA SONI**  
COMPANY SECRETARY  
M.No. A43534

**FORM NO. MGT 11  
PROXY FORM**

*(Pursuant to section 105(6) of the Companies Act, 2013) and rule 19(3) of the Companies (Management and Administration) Rules, 2014*

CIN : **L24302RJ1979PLC001948**  
 Name of the Company : **SHREE RAJASTHAN SYNTEX LIMITED**  
 Registered Office : **'SRSL HOUSE', PULLA BHUWANA ROAD, N. H. NO. 8, UDAIPUR - 313004 (RAJASTHAN)**  
 Name of the member (s) : .....  
 Registered address : .....  
 E-mail Id : .....  
 Folio No : .....  
 DP ID/ Client Id : .....

I / We, being the member(s) of above named Company, holding.....shares, hereby appoint

1 Name : .....  
 Address : .....  
 E-mail ID : .....  
 Signature : ....., or failing him/her  
 2 Name : .....  
 Address : .....  
 E-mail ID : .....  
 Signature : ....., or failing him/her  
 3 Name : .....  
 Address : .....  
 E-mail ID : .....  
 Signature : .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 39<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, September 25, 2019 at 2.30 p.m. at 'SRSL HOUSE', Pulla Bhuwana Road, N. H. No. 8, Udaipur - 313004 Rajasthan, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
<b>ORDINARY BUSINESS</b>	
1	Adoption of Audited Financial Statements
2	Appointment of Mr. Vinod Kumar Ladia as a director liable to retire by rotation
<b>SPECIAL BUSINESS</b>	
3	Ratification of Remuneration of the Cost Auditors for the financial year ending on March 31, 2020
4	Re-appointment of Mr. Vinod Kumar Ladia as Executive Chairman and Whole Time Director ("Key Managerial Personnel")
5	Re-appointment of Mr. Vikas Ladia as Managing Director and Chief Executive Officer ("Key Managerial Personnel")
6	Re-appointment of Mr. Anubhav Ladia as Whole Time Director ("Key Managerial Personnel")
7	To sell, transfer and / or dispose of the whole or substantially the whole of the undertaking of the Company under Section 180(1)(a) of the Companies Act, 2013

Signed this.....day of.....2019

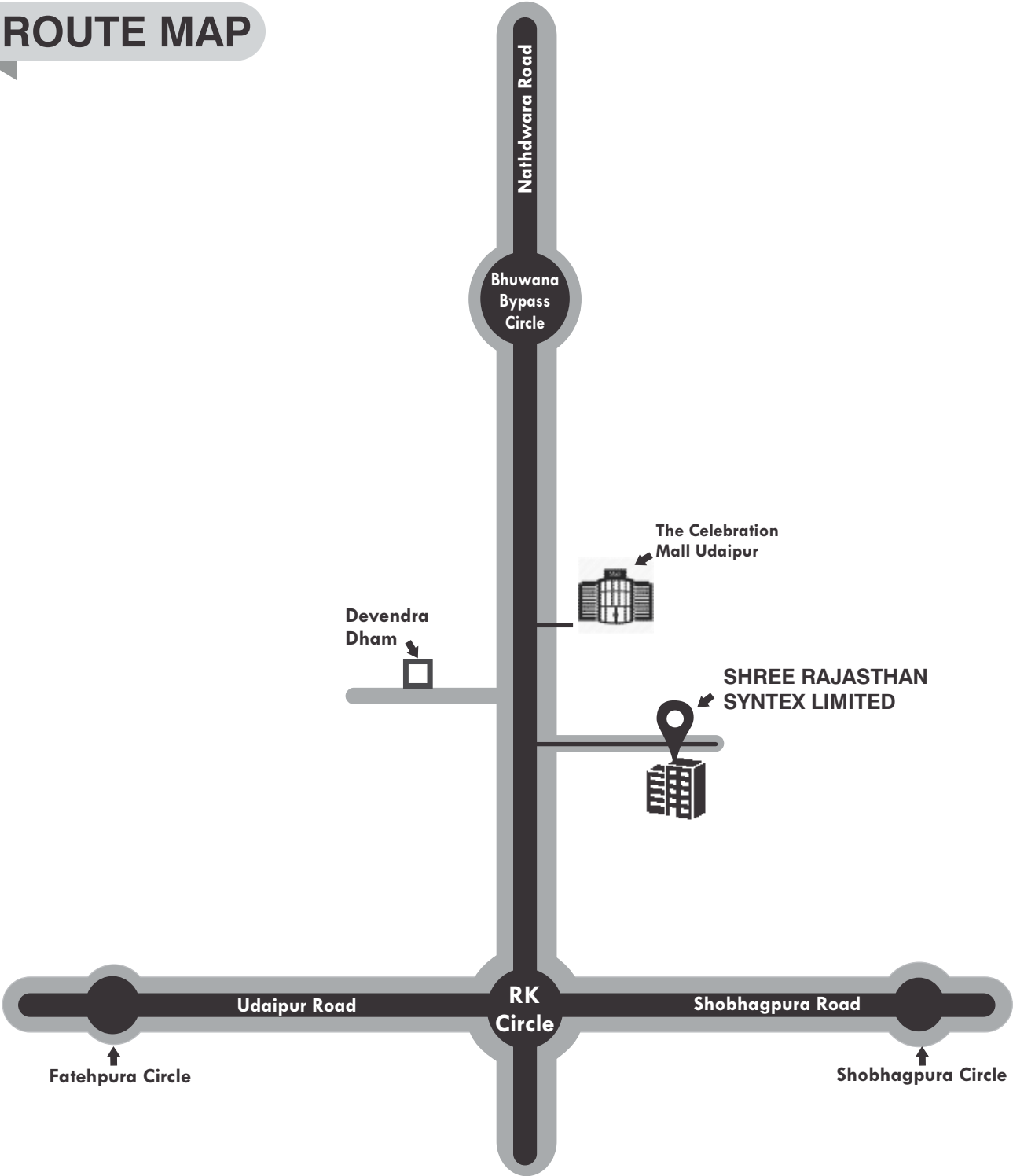
Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp of  
Rs. 1/-

*Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hrs. Before the commencement of the meeting.*

# ROUTE MAP







## **SHREE RAJASTHAN SYNTEX LIMITED**

Regd. Office : "SRSL HOUSE", Pulla Bhuwana Road, N.H. No. 8, Udaipur -313004 (Rajasthan)  
CIN: L24302RJ1979PLC001948 Phone No: 0294-2440334 Fax: 0294-2440946 Email: [cs@srsi.in](mailto:cs@srsi.in)

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### **ELECTRONIC VOTING PARTICULARS**

<b>EVEN (Electronic Voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD</b>	<b>NO. OF SHARES</b>

The E-voting facility will be available during the following voting period :

<b>Commencement of e-voting</b>	<b>From 09.00 A.M. (IST) on Saturday, September 21, 2019</b>
<b>End of e-voting</b>	<b>Upto 05.00 P.M. (IST) on Tuesday, September 24, 2019</b>

The Cut-off date (i.e. the record date) for the purpose of e-voting is **September 18, 2019**.

----- **TEAR HERE** -----



## **SHREE RAJASTHAN SYNTEX LIMITED**

Regd. Office : "SRSL HOUSE", Pulla Bhuwana Road, N.H. No. 8, Udaipur -313004 (Rajasthan)  
CIN: L24302RJ1979PLC001948 Phone No: 0294-2440334 Fax: 0294-2440946 Email: [cs@srsi.in](mailto:cs@srsi.in)

### **ATTENDANCE SLIP**

I/We hereby record my presence at the 39<sup>th</sup> Annual General Meeting held on **Wednesday, September 25, 2019 at 2.30 P.M.** at Regd. Office : "SRSL HOUSE", Pulla Bhuwana Road, N.H. No. 8, Udaipur -313004 (Rajasthan)

Name of the Shareholders or Proxy (In Block Letters) : \_\_\_\_\_

No. of Shares Held : \_\_\_\_\_

Regd. Folio No./ DPID - CLID : \_\_\_\_\_

Signature of the Shareholder/Proxy : \_\_\_\_\_

**Note:**

**Please Complete This Attendance Slip And Hand It Over At The Entrance Of The Hall.**

# THE PROCEDURE AND INSTRUCTIONS FOR E-VOTING FOR THE 39<sup>TH</sup> AGM ARE PRODUCED HERE UNDER FOR REFERENCE:

## THE PROCEDURE AND INSTRUCTIONS FOR E-VOTING FOR THE 39<sup>TH</sup> AGM ARE PRODUCED HERE UNDER FOR REFERENCE:

- I. **In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**
  - i. Open e-mail and open PDF file viz."SRSL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
  - ii. Launch internet browser by typing the following URL:<https://www.evoting.nsd.com>.
  - iii. Click on Shareholder-Login.
  - iv. Put user ID and password as initial password noted in step (i) above. Click Login.
  - v. Password change menu appears. Change the password with new password of your choice with minimum 8 digits /characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - vii. Select "EVEN" of "**Shree Rajasthan Syntex Limited**"
  - viii. Now you are ready for remote e-voting as Cast Vote page opens.
  - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - x. Upon confirmation, the message "Vote casted successfully" will be displayed.
  - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to [cs.vmanda@gmail.com](mailto:cs.vmanda@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. **In case of Members receiving Physical copy of Notice of 39<sup>th</sup> AGM (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**
  - (i) Initial user ID and password is provided in the box overleaf.
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

### Note-

- A. in case of any queries, members may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the download section of <http://www.evoting.nsd.com> or call on Toll free/phone No. 1800-222-990 or contact Mr Amit Vishal, Senior Manager, National Securities Depository Ltd., Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013 at the designated e mail IDs: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [AmitV@nsdl.co.in](mailto:AmitV@nsdl.co.in) or at telephone no +91 222 4994600 / +91 222 4994360 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the e mail ID - [cs@srs.in](mailto:cs@srs.in) or at the Registered Office address.
- B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 18, 2019.
- E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 18, 2019, may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited.  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.
- F. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- H. CS Manoj Maheshwari, FCS 3355, Practicing Company Secretary, Jaipur has been appointed as a scrutinizer to scrutinize the remote e-voting & poll process to be carried out at the AGM in a fair and transparent manner.
- I. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- J. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at [www.srs.in](http://www.srs.in) and also on the website of NSDL at [www.evoting.nsd.com](http://www.evoting.nsd.com) immediately after the declaration of result by the Chairman or a person authorized by him and shall be communicated to the BSE Limited.