



**WEARIT**  
GROUP

**HIND SYNTEX LTD.**



**Date:** October 10, 2017

The Manager (Listing)  
Department of Corporate Service  
Bombay Stock Exchange Limited  
P J Towers, Dalal Street, Fort  
Mumbai – 400 001.

The Manger (Listing Department)  
National Stock Exchange of India Ltd.  
Exchange Plaza, Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (E)  
Mumbai – 400 051

Dear Sir/Madam,

**Sub.: Annual Report for the year ended 31<sup>st</sup> March, 2017**

**Ref.: Scrip Code- 503881; Scrip ID- HINDSYNTEX**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) please find enclosed herewith a copy of Annual Report for the financial year ended 2016-17 containing Notice for AGM, Directors Report, Auditors Report, Balance Sheet as at 31<sup>st</sup> March, 2017, Statement of Profit and Loss for the year ended on that date, Cash Flow Statement and Notes to the Financial Statements duly approved and adopted by the members at its 36<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2017.

This is for your information and records.

Thanking you,

Yours faithfully,

**For Hind Syntex Limited**

**Nidhi Rath**  
Company Secretary



**Encl.: As above**

CIN : L17118MP1980PLC001697

Corporate Office : 5E & F, Crescent Tower, 229, A.J.C. Bose Road, Kolkata-700 020.

Ph : +91 33 4003 6164 / 6165. Fax : +91 33 4003 6158. Email : kolkata@wearitgroup.com

Indore Office : Sterling Tower, Office No. 214, 4th Floor, 2, M. G. Road, Indore-452 001. Madhya Pradesh

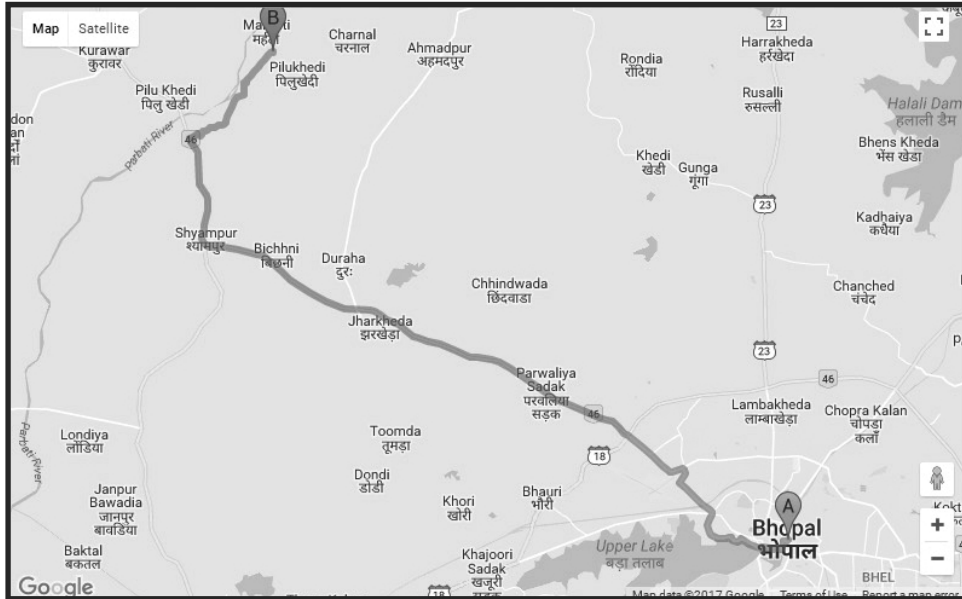
Ph : +91 731 4065347. Fax : +91 731 4064767. Email : indore@wearitgroup.com



**WEARIT**  
GROUP | HIND SYNTEX LTD.

**Annual Report**  
**2016 - 2017**

## Route Map to the Venue of AGM :



### Venue :

**HIND SYNTEX LIMITED**

**CIN : L17118MP1980PLC001697**

Registered Office: Plot No. 2, 3, 4 & 5 Sector A, Industrial Growth Centre  
Pillukhedi - 465667, Dist : Rajgarh, Madhya Pradesh Ph : +91 7375 2444350; +91 93015 28698  
Email: pillukhedi@wearitgroup.com Website: www.hindsyntextltd.com

**Date : September 23, 2017**

**Time : 11.30 AM**

# HIND SYNTAX LIMITED

## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	:	Shri Manish Kumar Shri Manadath Pillai Rajan Shri Viveck Somiah Crishna Shri Nirmal Kumar Maheshwari Shri Hemant Vasant Ambekar Smt. Shailja Haldia	Director Independent Director Independent Director Director Whole-time Director Independent Director
<b>CHIEF FINANCIAL OFFICER</b>	:	Shri Balesh Kumar Bagree	
<b>COMPANY SECRETARY</b>	:	Mrs. Nidhi Rathi	
<b>STATUTORY AUDITORS</b>	:	M/s. V. Singhi & Associates, Chartered Accountants	
<b>BANKERS</b>	:	HDFC Bank Bank of India State Bank of India Axis Bank Limited ICICI Bank Limited	
<b>REGISTERED OFFICE &amp; MANUFACTURING COMPLEX</b>	:	Plot No. 2, 3, 4 & 5, Sector A, Industrial Growth Centre, Pillukhedi, District - Rajgarh (M.P.) 465 667 Mob. No.: +91 93015 28698 Email : pillukhedi@wearitgroup.com	
<b>CORPORATE OFFICE</b>	:	5E & F , Crescent Tower, 229 A.J.C. Bose Road, Kolkata – 700 020 Tel.: +91 33 4003 6164 / 6165. Fax: +91 33 4003 6158, Email : compliance@wearitgroup.com	
<b>INDORE OFFICE</b>	:	Office No. 214, 4th Floor, Sterling Tower, 2 M.G. Road, Indore – 452 001 (M.P.) Tel.: + 91 731 4065347 Email : indore@wearitgroup.com	
<b>CIN</b>	:	L17118MP1980PLC001697	
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	:	M/s. Link Intime India Pvt. Ltd. C-101,247 Park, L.B.S Marg, Vikhroli (W), Mumbai – 400 083 E-mail: mumbai@linkintime.co.in Phone: +91 22 49186270/49186000	
<b>COMPANY WEBSITE</b>	:	www.hindsyntaxltd.com	

---

## WHAT'S INSIDE

### NOTICE

Notice of Annual General Meeting.....	02
---------------------------------------	----

### BOARD AND MANAGEMENT'S REPORTS

Director's Report.....	09
Management Discussion & Analysis Report.....	25
Report on Corporate Governance.....	26

### FINANCIAL STATEMENTS

Independent Auditor's Report.....	34
Balance Sheet.....	38
Statement of Profit & Loss .....	39
Cash Flow Statement .....	40
Notes to Financial Statements.....	41

## Notice of Annual General Meeting

**NOTICE** is hereby given that 36th Annual General Meeting of the Members of HIND SYNTEX LIMITED (CIN No. L17118MP1980PLC001697) will be held on Saturday, the 23rd September, 2017 at the Registered Office of the Company, at Plot No. 2, 3, 4 & 5 Sector –A, Industrial Growth Centre, Pillukhedi - 465667 Madhya Pradesh at 11.30 A.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2017, together with the Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Manish Kumar (DIN 00121900), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors & to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, and pursuant to recommendation of Audit Committee, M/s V. Singhi & Associates, Chartered Accountants (Firm Registration No. 311017E), be and are hereby re-appointed as Statutory Auditors of the Company for a period of 2 years to hold office from the conclusion of this Annual General Meeting until the conclusion of 38th Annual General Meeting of the Company at a remuneration to be fixed by Board of Directors of the Company in addition to the reimbursement of out of pocket expenses as may be incurred in connection with the audit of accounts of the Company and the said appointment be placed for ratification by the Members at the 37th Annual General Meeting of the Company."

### SPECIAL BUSINESS:

4. To consider and determine the fees for delivery of any document through a particular mode of delivery to a member and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member(s) by the company by sending it to him/her by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member(s) the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the member(s) for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company post the dispatch of such document by the company to the member(s)."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, directors or key managerial personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

5. To appoint Mr. Hemant Vasant Ambekar (DIN- 07644396) as a Whole-time Director and in this regard to consider and, if thought fit, to pass, with or without modification (s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, consent of the members be and is hereby accorded to the appointment of Mr. Hemant Vasant Ambekar (DIN- 07644396) as a Whole-time Director of the Company for a period of 5 years with effect from 10th November, 2016 to 9th November 2021 on the remuneration and on such terms and conditions as set out below as annexed to the notice convening this meeting, subject to the same not exceeding the limits specified under schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof and with the liberty and authority given to the Board of Directors and/or the Remuneration Committee to alter and vary the terms and conditions of the said appointment and/or remuneration in such manner as may be approved by the Board of Directors and acceptable to Mr. Hemant Vasant Ambekar, provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force."

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year of the Company during the term of office of Mr. Ambekar as a Whole Time Director, the remuneration payable to him shall be paid as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 or any statutory modifications thereof and all circulars/ notifications for managerial remuneration issued in this regard from time to time, as may be agreed to by the Board and Mr. Ambekar.

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

## Notice of Annual General Meeting - Continued

6. To appoint Mr. Nirmal Kumar Maheshwari (DIN- 07831337) as a Non-Executive Director and in this regard to consider and, if thought fit, to pass, with or without modification (s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152, 160 & 161 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder, Mr. Nirmal Kumar Maheshwari (DIN-07831337), who was appointed as an Additional Director on 27th May, 2017 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to file relevant forms with the Registrar of Companies, Madhya Pradesh and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment."

**Date: 27th May, 2017**  
**Place: Kolkata**

**By Order of the Board**  
**For Hind Syntax Limitd**

### Registered Office:

Plot No. 2,3,4 & 5, Sector-A,  
Industrial Growth Centre,  
Pillukhedi - (M.P.) 465667

**Sd/-**  
**Nidhi Rathi**  
**Company Secretary**

### NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to business under Item No. 4 to 6 set above in this Notice to be transacted at the AGM is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a Poll to vote instead of himself. The proxy need not be a member of the company. A blank form of proxy is enclosed herewith and, if intended to be used, it should be returned duly completed at the registered office of the company not less than forty eight hours before the scheduled time of the commencement of 36th annual general meeting. Revenue stamp should be affixed.
3. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. However, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send to the Company a Certified true copy of the resolution authorizing their representative to attend & vote on their behalf at the Meeting. Members holding equity shares in electronic form and proxies thereof, are requested to bring their DP ID and client ID for identification.
5. Members/Proxies/Authorized representatives are requested to bring to the AGM, the enclosed Attendance Slip sent along with the Annual Report duly completed and signed mentioning therein details of their DP ID and Client ID/Folio Number. Duplicate Attendance Slip and/or Copies of the Annual report shall not be issued/ available at the venue of the meeting.
6. The Register of Members and Share Transfer Book shall remain closed from Monday 18th September, 2017 to Saturday 23rd September, 2017 (both days inclusive) for purpose of 36th AGM of the Company.
7. The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
8. Brief profile and other relevant information about Directors seeking appointment/ reappointment at the Annual General Meeting in accordance with Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are attached to this Notice forming part of this Annual Report.
9. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. As per the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members are advised to make nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination with M/s Link Intime India Private Limited, Company's Registrar and Share Transfer Agents, whilst those Members holding shares in dematerialized mode should file their nomination with their Depository Participant(s).
11. Members holding shares in physical form are requested to promptly notify in writing any changes in their address/bank account details/e-mail address/mandates/nominations/ contact numbers etc., to Link Intime India Private Limited, C -101, 247 Park, L.B.S Marg, Vikhroli (W), Mumbai – 400 083, Tel : 022- 4918 6000.

## Notice of Annual General Meeting - Continued

12. Members holding shares in electronic form are requested to intimate immediately any changes pertaining to their address/ bank account details/ e-mail address/mandates, nomination/contact numbers etc., if any, directly to their Depository Participant(s) with whom they maintain their demat accounts.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Registrar.
14. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with rules made there under, Soft copy of the Notice of AGM along with the copy of Annual Report has been sent to those shareholders who have registered their e-mail IDs with the company or whose e-mail IDs have been made available by the Depositories. The aforesaid documents can also be accessed on the Company's website: [www.hindsyntextltd.com](http://www.hindsyntextltd.com).
16. To support the "Green Initiative" and for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically, company requests those members who have not yet registered their e-mail address, to register the same along with the contact numbers directly with their DP, in case shares are held in electronic form or with the company by sending details to [compliance\\_hsl@wearitgroup.com](mailto:compliance_hsl@wearitgroup.com) or with Link Intime India Private Limited at [Mumbai@linkintime.co.in](mailto:Mumbai@linkintime.co.in) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

For Members who have not registered their e-mail addresses, physical copies of the Annual Report along with the AGM Notice inter alia indicating, the process and manner of Remote e-Voting along with Attendance Slip and Proxy Form are being sent in the permitted mode. Further, Shareholders who have registered their e-mail addresses and wish to avail physical copies of the Notice / Annual Report will be provided the same upon request.

### 17. E-Voting Facility:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015'), and in terms of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 36th Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Service (India) Limited (CDSL).

1. The Facility for voting, either through electronic voting system or ballot paper shall also be made available at the AGM and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their rights at the meeting through ballot paper.
2. 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.
3. The remote e-voting period commences on Wednesday, 20th September, 2017 (10.00 A.M) and ends on Friday, 22nd September, 2017 at 5.00 (P.M.) During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September, 16th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
4. The procedure and instructions for members for remote e-voting are as under:
  - i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - ii. Click on "Shareholders" tab.
  - iii. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT".
  - iv. Now Enter your User ID for Members holding shares in Demat Form:-
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID &
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - v. Next enter the Image Verification as displayed and Click on Login.
  - vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

## Notice of Annual General Meeting - Continued

vii. If you are a first time user follow the steps given below:

### For Members holding shares in Demat Form and Physical Form

PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.</p>

viii. After entering these details appropriately, click on "SUBMIT" tab.

- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in the PDF format in the system for the scrutinizer to verify the same.
  - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **Notice of Annual General Meeting - Continued**

5. 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 cutoff date of 16th September, 2017.
6. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of notice of AGM and holds shares as of the cut-off date i.e. 16th September, 2017, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or at [compliance\\_hsl@wearitgroup.com](mailto:compliance_hsl@wearitgroup.com). However, if you are already registered with CDSL 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.india.com](http://www.evoting.india.com) or contact CDSL at the following toll free no.: 1800-200-5533.  

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 General Meeting through ballot paper. A person who is not a Member as on the cut-off date should treat this Notice as for information purpose only.
7. M/s. Neelesh Gupta & Co., Practicing Company Secretaries, has been appointed as the scrutinizer to scrutinize the voting at AGM and remote e-voting process in a fair and transparent manner.
8. 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.
9. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the meeting or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
10. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.hindsyntaxltd.com](http://www.hindsyntaxltd.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the shares of the Company are listed.
11. A member can opt for only one mode i.e. either through e-voting or voting at the annual general meeting. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting at annual general meeting shall be treated as invalid.

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

#### **Item 3:**

In terms of Section 139(1) of the Companies Act, 2013, no listed company can appoint or re-appoint an audit firm (including its affiliate firm) as auditor for more than two (2) terms of five (5) consecutive years. The Act also provided for additional transition period of three (3) years from the commencement of the Act, i.e. from April 1, 2014.

The Members are informed that M/s. V. Singhi & Associates, Chartered Accountants, having Registration No. 311017E, are Statutory Auditors of the Company since 2014. The Audit Committee and the Board of Directors in their respective meetings held on May 27, 2017, have recommended appointment of M/s V. Singhi & Associates, Chartered Accountants (Firm Registration No. 311017E), as the Statutory Auditors of the Company for a further period of 2 years from the conclusion of 36th Annual General Meeting until the conclusion of 38th Annual General Meeting of the Company, subject to ratification of their appointment by the Members at 37th Annual General Meeting.

Consent and certificates u/s 139 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been received from M/s V. Singhi & Associates, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

The Board recommends the Ordinary Resolution set out at Item No. 3 for the approval of Members.

#### **Item No. 4:**

As per the provisions of Section 20 of the Companies Act, 2013, a member may request for any document through a particular mode, for which the member shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that actual expense borne by the Company for such dispatch will be paid in advance by the member to the company.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

The Board recommends the Ordinary Resolution set out at Item No. 4 for the approval of Members.

## Notice of Annual General Meeting - Continued

### Item No. 5:

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Hemant Vasant Ambekar was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 10th November, 2016 to hold office upto the date of Annual General Meeting. He was also appointed as Whole-time Director of the Company for a period of 5 years w.e.f. 10th November, 2016, subject to the approval of the Members.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from a Member signifying his intention to propose the appointment of Mr. Hemant Vasant Ambekar as a Director of the Company.

Mr. Hemant Vasant Ambekar graduated as B.Text (Textile Technology) in the year 1991 from GCTI Kanpur, one of the oldest Textile Institutes of India. During the tenure of almost 25 years worked with reputed companies like Vardhman in Punjab for 5 years, STI India Ltd. MP for 5 years, Indocount Industries Kolhapur, Maharashtra for 4 years & Overseas assignment with Indorama Inc. Indonesia at Sri Lanka Plant for 7 years and finally for last 3 years with Hind Syntex Ltd. Pillukhedi. Now with Hind Syntex Ltd. he is working as Techno-commercial executive with overall responsibility for smooth functioning at all levels in the organization. Having vast experience in spinning of all kinds of fibres including Cotton, Polyester, Viscose, Tencel, Modal, Excel, Nylon, Para Amide, Meta Amide in single and double with different proportion blending. Also worked with Linen blend yarns at Hind Syntex Ltd.

The remuneration and other terms and conditions of Mr. Ambekar's appointment as Whole-Time Director are set out below:

- I. Salary :: Rs. 12.30 lacs per annum which may be reviewed by the Board  
The increment payable every year will be subject to performance of Mr. Ambekar, as recommended by Nomination & Remuneration Committee and decided by Board of Directors in its absolute discretion.

- II. Perquisites :: Perquisites classified into categories A, B & C mentioned below restricted to Rs. 15.70 Lacs per annum.

#### CATEGORY 'A'

##### i) RESIDENTIAL ACCOMMODATION:

- (a) Housing I :: The Expenditure by Company on hiring unfurnished accommodation will be subject to a ceiling of 40% of the salary.

OR

- (b) Housing II :: In case the accommodation is owned by the Company, 20% of the salary of the appointee shall be deducted by the Company.

OR

- (c) Housing III :: In case no accommodation is provided by the Company, the appointee shall be entitled to House Rent Allowance subject to ceiling laid down in Housing I.

##### ii) MEDICAL REIMBURSEMENT:

Reimbursement of medical expenses incurred by the appointee and his family will be as per rules of the Company.

##### iii) LEAVE TRAVEL EXPENSES:

For the appointee and his family once in a year incurred in accordance with the Company policy.

##### iv) BONUS:

Bonus for the financial year will be as per Rules of the Company.

#### Note:

- For the purpose of Category 'A' 'Family' means the spouse, the dependent children and dependent parents of the appointee.
- The above perquisites and allowances shall be evaluated as per income-tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

#### CATEGORY 'B'

##### i) Contribution to Provident and Superannuation Funds:

Company's contribution towards Provident Fund, Superannuation Fund or Annuity Fund will be as per rules of the Company and will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

##### ii) Encashment of leave :

Encashment of leave at the end of the tenure shall be paid in accordance with rules of the Company and will not be included in the computation of the ceiling on perquisites.

##### iii) Gratuity:

Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act.

#### CATEGORY 'C'

##### I CAR:

Facility of Car with driver for official purpose.

## Notice of Annual General Meeting - Continued

### ii) TELEPHONE:

Reimbursement of Telephone expenses incurred for official purpose.

### iii) REIMBURSEMENT OF EXPENSES:

Reimbursement of entertainment, travelling, hotel and other expenses actually and properly incurred for the business of the Company subject, however, to a reasonable ceiling as may be fixed by the Board of Directors.

Mr. Ambekar is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Hemant Vasant Ambekar are, in any way, concerned or interested in the said resolution.

The Resolution as set out in item no. 5 of this Notice is recommended for your approval.

### Item No. 6:

The Board at its meeting held on May 27, 2017, appointed Mr. Nirmal Kumar Maheshwari as additional director with immediate effect pursuant to Section 161 of the Companies Act, 2013. Hence, he will hold office up to the date of the ensuing Annual General Meeting. The Company has received consent in writing to act as directors in Form DIR-2 and intimation in Form DIR-8 pursuant to Rule 8 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 Companies Act, 2013. The Company has also received notice under section 160 of the Companies Act, 2013 from a member proposing candidature of Mr. Nirmal Kumar Maheshwari as a Non-Executive Director of the Company in ensuing Annual general meeting of the Company.

Mr. Nirmal Kumar Maheshwari, a textile graduate, possesses a rich experience of 39 years in textile spinning industry, both in India and abroad. He was associated with Aditya Birla Group as President, Indo Thai Synthetics, Thailand and has worked in Philippines, Indonesia and Thailand. He was also associated as Director with Thai Carbon Black, Thailand.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his service as Director. Accordingly, the Board recommends the resolution No. 6, in relation to the appointment of Mr. Nirmal Kumar Maheshwari as Non-Executive Director, for the approval by the shareholders of the Company.

**Date: 27th May, 2017**

**Place: Kolkata**

**By Order of the Board  
For Hind Syntex Limitd**

### Registered Office:

Plot No. 2,3,4 & 5, Sector-A,  
Industrial Growth Centre,  
Pillukhedi - (M.P.) 465667

**Sd/-  
Nidhi Rathi  
Company Secretary**

<b>INFORMATION PURSUANT TO REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015, REGARDING THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN THE MEETING.</b>			
Name of the Director	Mr. Manish Kumar	Mr. Hemant Vasant Ambekar	Mr. Nirmal Kumar Maheshwari
DIN	00121900	07644396	07831337
Date of Birth	17.06.1969	29.08.1969	15.11.1956
Date of Appointment	23.03.2013	10.11.2016	27.05.2017
Qualification	Bachelors degree in Commerce & Diploma in Business Management from Harvard University, U.S.A.	Bachelors in Textile Technology.	Textile graduate
Expertise	Industrialist having rich experience in Finance and Management	Having vast experience in spinning of all kinds of fibres	Rich experience of 39 years in textile spinning industry
No. of equity shares held in HSL	956456	None	None
Directorship held in other Companies as on 31.03.2017	<ul style="list-style-type: none"> <li>Wearit Global Ltd</li> <li>Ritspin Synthetics Ltd</li> <li>SPBP Tea (India) Ltd</li> <li>SPBP Investments Pvt. Ltd</li> <li>SPBP Holdings Pvt. Ltd.</li> <li>Kolony Tea Estate Pvt. Ltd.</li> <li>Fresco Earth products Pvt. Ltd.</li> <li>Dhanterash Sale Pvt. Ltd.</li> <li>Textile Sector Skill Council</li> </ul>	None	Wearit Global Limited
Membership/Chairmanship of Committees of other Public Companies	Member of Audit Committee & Nomination & Remuneration Committee of SPBP Tea (India) Limited	None	None
Relationship with other Directors	None	None	None

## DIRECTORS' REPORT

### Dear Members,

The Directors of your Company have pleasure in presenting the 36th Annual Report on the affairs of the Company together with the Audited Financial Statements of the Company for the year ended 31st March, 2017.

#### 1. FINANCIAL RESULTS:

The Financial Results of the Company for the year under review are as under:-

(Rs. in Lakh)

PARTICULARS	2016-17	2015-16
Revenue from operations (including other income)	4072.60	4077.81
Profit / (Loss) before finance cost, depreciation & tax	30.88	78.6
Finance Cost	0.83	-
Depreciation	68.36	63.25
Profit/(Loss) before Tax	(38.31)	15.38
Tax Expenses	-	1.13
Profit/(Loss) after Tax	(38.31)	14.25
Earnings per Equity Share (EPS) Basic & Diluted	(0.30)	0.11

#### 2. STATE OF COMPANY'S AFFAIRS:

During the year under review the sales of the Company were Rs. 4043.52 Lakh as against Rs. 4042.91 Lakh in 2015-16 and net loss of Rs. (38.31) lakh during the current year against net profit of Rs. 14.25 lakh in the previous year.

Your Company anticipates that the moderation in the growth rates will show steady recovery in the short to medium term and the growth momentum will revive soon and it continues to be optimistic, as India is poised to recover moderately with industrial production gaining momentum.

#### 3. RESERVES:

The Company did not transfer any amount to reserves in view of the losses incurred by the Company during the year under review.

#### 4. DIVIDEND:

In view of losses incurred by the Company, your Directors do not recommend any dividend for the financial year 2016-17.

#### 5. SHARE CAPITAL:

The Paid up Equity Share Capital as on 31st March, 2017 was Rs. 12,71,86,000. During the year under review, the Company has neither issued shares with differential voting rights /convertible warrant nor has granted any stock options and nor sweat equity.

#### 6. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the year under review, there has been no change in the nature of business of the Company.

#### 7. PUBLIC DEPOSITS:

The Company has not invited or accepted any deposits from public covered u/s 73 of Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

#### 8. DIRECTORS & KEY MANAGERIAL PERSONNEL:

As per provisions of the Companies Act 2013, Mr. Manish Kumar, Director of the Company who will retire by rotation in the ensuing Annual General Meeting, and being eligible have offered himself for re-appointment. The Board of Directors recommends his re-appointment.

Brief resume of Mr. Manish Kumar as stipulated under SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 is given as annexure to the Notice convening the Annual General Meeting being sent to the members along with the Annual Report.

During the year under review, Mr. Vilas Agrawal, Whole-time Director stepped down from the Board w.e.f. 27.09.2016. The Board wishes to take on record its deep sense of appreciation for the valuable contribution made by him to the Board and the Company during his tenure as Director.

Mr. Hemant Ambekar was appointed as an Additional cum Whole-time Director of the Company w.e.f. 10.11.2016 subject to the approval of shareholders in the ensuing Annual General Meeting.

Mr. Nirmal Kumar Maheshwari was also appointed as an Additional Director on the Board of the Company w.e.f. 27.05.2017.

## **DIRECTORS' REPORT - Continued**

The Company has received declarations from all the independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under section 149(6) of the Companies Act 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. The Independent Directors have confirmed that they have complied with the Company's code of conduct.

### **9. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) of SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

### **10. CORPORATE GOVERNANCE REPORT:**

The Company has in place a comprehensive system of Corporate Governance. A separate report on Corporate Governance is annexed as part of the Annual Report of the Company. A certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Regulation 34(3) of the SEBI (LODR) Regulations, 2015 is set out in the annexure forming part of this Report.

### **11. BOARD/COMMITTEES MEETINGS:**

The details of the Board & Committee meetings held during the year and Board's Committees composition are furnished in the Corporate Governance Report, which forms part of this Report.

### **12. REMUNERATION POLICY AND BOARD EVALUATION:**

The Policy on Directors appointment and remuneration, including criteria for determining qualifications, positive attributes and independence of the Directors and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 and Listing Regulations, adopted by the Board is enclosed as '**Annexure-A**' to the Director's Report and also available on Company's website [www.hindsyntextltd.com](http://www.hindsyntextltd.com).

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Board has carried out the annual performance evaluation of its own performance, of the Directors individually (including the Independent Directors) as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship Committees respectively.

At the meeting of the Board, all the relevant factors that are material for evaluating the performance of individual Directors, the Board and its various Committees, were discussed in detail. A structured questionnaire each in line with circular issued by SEBI, for evaluation of the Board, its various Committees and individual Directors, was prepared and recommended to the Board by the Nomination & Remuneration Committee, for doing the required evaluation, after taking into consideration the inputs received from the Directors/ Committee members, covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance, etc.

A separate meeting of the Independent Directors of the Company was held on February 11, 2017 to evaluate the performance of Non-Independent Directors and the Board as a whole, who were evaluated on parameters such as attendance, level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its stakeholders, etc. The Independent Directors expressed their satisfaction on the performance and effectiveness of the Board, individual Non-Independent Board members. They also expressed satisfaction with the quality, quantity and timeliness of flow of information between the company management and the Board. The performance evaluation of the independent Directors was carried out by the entire Board excluding the Director being evaluated. The Directors expressed their satisfaction with the evaluation process.

The performance evaluation concluded on the note that each of the individual directors, Committees and the Board as a whole, were performing efficiently and effectively and shared a common vision to turning organization goals into reality.

### **13. LISTING OF SECURITIES:**

The Company's Equity Shares are listed on National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid the annual listing fees to the said stock exchanges for the financial year 2016-17.

### **14. SUBSIDIARIES, ASSOCIATES & JOINT VENTURE:**

During the year under review, your Company does not have any subsidiary, joint venture and associate Company.

### **15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

### **16. DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Board of Directors of the Company hereby confirm that:

- a) In the preparation of the annual accounts for the year ended March 31, 2017 the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit and loss of the Company for the year ended on that date;

## **DIRECTORS' REPORT - Continued**

- c) Proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Annual accounts have been prepared on a 'going concern' basis;
- e) Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **17. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business and do not attract the provisions of Section 188 of the Companies Act, 2013. A statement of all Related Party transactions is placed before the Audit Committee for its approval on quarterly basis. There were no materially significant transactions with related parties during the financial year that have any potential conflict with interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by Accounting Standard (AS)-18 has been made in the Notes to Financial Statements.

The Board of Directors of the Company has, on the recommendation of the Audit Committee adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is available on the Company's website under Investor Relation Section at <http://www.hindsyntexltd.com>.

### **18. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

The Company has in place a policy for prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. An Internal Complaints Committees have been framed to redress complaints received regarding sexual harassment. During the year under review, the Company has not received any complaint from any employee related to sexual harassment.

### **19. VIGIL MECHANISM /WHISTLE BLOWER POLICY:**

The Company has in place a Vigil Mechanism for Directors / employees and others to raise good faith concerns about violation of any applicable law/ Code of Conduct of the Company, to report genuine concerns about any wrongful conduct with respect to the Company or its business or affairs. This policy covers malpractices, misappropriation of funds, fraud, negligence causing danger to public health and safety, abuse of authority or unethical behavior, manipulations and to protect the individuals who take such actions from retaliation and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time. The details of the Vigil Mechanism are also available on the Company's website [www.hindsyntexltd.com](http://www.hindsyntexltd.com).

### **20. AUDITORS:**

#### **a) STATUTORY AUDITORS:**

In terms of Section 139(1) of the Companies Act, 2013, no listed company can appoint or re-appoint an audit firm (including its affiliate firm) as auditor for more than two terms of five consecutive years. The Act also provided for additional transition period of three years from the commencement of the Act, i.e. from April 1, 2014. M/s. V. Singhi & Associates, Chartered Accountants, having Registration No. 311017E, are Statutory Auditors of the Company since 2014 and retire at the conclusion of the ensuing Annual General Meeting and are eligible for further re-appointment.

The Board of Directors of your Company, on the basis of recommendation of the Audit Committee, has recommended the re-appointment of M/s. V. Singhi & Associates, Chartered Accountants as Statutory Auditors for a period of 2 years to hold office from the conclusion of the 36th Annual General Meeting till the conclusion of the 38th Annual General Meeting to the shareholders subject to the ratification by them every year. M/s. V. Singhi & Associates have confirmed their eligibility under Section 141 of the Act, and the Rules framed thereunder, for their appointment as Auditors of the Company.

#### **b) SECRETARIAL AUDITORS:**

M/s. Neelesh Gupta & Co, Indore, Practicing Company Secretaries, were appointed to conduct the secretarial audit of the Company for the financial year 2016-17, as required under Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

#### **c) INTERNAL AUDITORS:**

The Board of Directors of the Company has appointed M/s Fadnis Gupte & Co, Chartered Accountants to conduct Internal Audit of the Company for the financial year ended 31st March, 2017.

### **21. COMMENTS ON AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT:**

#### **Auditors' Report:**

The Statutory Auditors of the Company have submitted Auditors' Report on the Financial Statements of the Company for the financial year ended 31st March, 2017. The Statutory Auditors have drawn your attention towards certain notes attached to the accounts. The same are, however, self-explanatory and requires no comments.

## DIRECTORS' REPORT - *Continued*

### Secretarial Auditors' Report:

The Secretarial Audit Report for financial year 2016-17 issued by M/s Neelesh Gupta & Co., Practicing Company Secretaries, in Form MR-3 is annexed as 'Annexure-B' to the Director's Report. The Secretarial Audit Report does not contain any adverse qualification, reservation or remark.

### 22. INTERNAL FINANCIAL CONTROL SYSTEM:

The internal financial control with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the statutory auditors of the Company for inefficiency or inadequacy of such controls. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company. Based on the report of the internal auditor, respective departments undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

### 23. PARTICULARS OF EMPLOYEES:

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### 24. EXTRACT OF ANNUAL RETURN:

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the Annual Return of the company in form MGT-9 is furnished in 'Annexure C' to this Report.

### 25. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's operations in future.

### 26. MATERIAL CHANGES AND COMMITMENTS AFTER THE BALANCE SHEET DATE:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report.

### 27. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as 'Annexure D' to this Report.

### 28. INDIAN ACCOUNTING STANDARDS (IND AS):

The company has adopted Indian Accounting Standards (Ind As) with effect from 1st April, 2017 pursuant to Ministry of Corporate affairs notification of the Companies (Indian Accounting Standards) Rules, 2015.

### 29. RISK MANAGEMENT:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company by way of Risk Management Policy. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and mitigating risks associated with the business. The policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In today's challenging and competitive environment, strategies for mitigating inherent risks associated with business and for accomplishing the growth plans of the Company, are imperative. The common risks inter alia are risks emanating from; Regulations, Competition, Business, Technology obsolescence, Investments, retention of talent, finance, politics and fidelity. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same. The Risk Management Policy is also hosted on the Company's website [www.hindsyntextltd.com](http://www.hindsyntextltd.com).

### 30. CORPORATE SOCIAL RESPONSIBILITY:

Your Company is not required to spend any amount on Corporate Social Responsibility (CSR) activities during the year under review as the provisions of Companies Act, 2013 regarding CSR are not attracted to the Company. However, the Company has spent Rs. 2,68,219 and Rs. 10,65,194 on CSR activities for the year 2014-15 as well as 2015-16 in this financial year due to the non-compliance of the relevant Section in the respective financial years on account of bonafide misunderstanding of the words "during any financial year" which were actually to be read as "during any three preceding financial years". Report on CSR activities is enclosed as Annexure-E to this Report.

### 31. ACKNOWLEDGEMENT:

Your Directors express their gratitude to all investors, customers, vendors, banks and regulatory and the State and the Central governmental authorities / departments for their continued support. They also take this opportunity to record their appreciation of the valuable contribution made by the employees in the successful operations of the Company during the year.

For and on behalf of the Board of Directors

Date: 27th May, 2017  
Place: Kolkata

Sd/-  
(Manish Kumar)  
Director  
DIN: 00121900

Sd/-  
(Hemant Vasant Ambekar)  
Whole-Time Director  
DIN: 07644396

**ANNEXURE-A**  
**NOMINATION AND REMUNERATION POLICY**

**1. PREFACE:**

In terms of the provisions of Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

Upon the recommendations of Nomination and Remuneration Committee, the Board of Directors of Hind Syntex Limited ("HSL") in their meeting held on 10th November, 2016 made certain amendments in the existing policy and thereafter replaced the existing policy with the amended policy.

The amended policy is as under:-

**2. APPLICABILITY:**

The policy is applicable to:

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel or such other persons of the Company as the Committee may deem fit for that purpose.

**3. TERMS OF REFERENCE/ROLE OF THE COMMITTEE:**

The Terms of Reference of the Nomination and Remuneration Committee are as follows:

- a. To identify persons who are qualified to become Directors (Executive and Non-Executive) and who may be appointed in Senior Management and Key Managerial positions in accordance with the criteria laid down in the policy and recommend to Board their appointment and removal.
- b. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- c. To recommend to the Board on Remuneration payable to the Directors (whole time Directors, Executive Directors etc), Key Managerial Personnel and employees of Senior Management while ensuring the following:-
  - i) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
  - ii) That relationship of remuneration to performance in respect of Directors, Key Managerial Personnel and employees of Senior Management is clear and meets appropriate performance benchmarks.
  - iii) That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the Company and its goals.
- d. To formulate criteria for evaluation of every Director including Independent Director and the Board.
- e. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation by the Board.
- f. To enable the company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company effectively and successfully.
- g. To provide to Key Managerial Personnel and Senior Management, reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- h. To devise a policy on Board diversity from time to time; and
- i. To develop a succession plan for the Board and to regularly review the plan.

**4. STATUTORY POWERS OF THE COMMITTEE:**

- a) The committee shall have a power to express opinion whether the Director possesses the requisite qualification for the practice of the profession, when remuneration is proposed to be paid for the services to be rendered in any other capacity and such services to be rendered are of a professional nature.
- b) Where in any Financial Year during the currency of tenure of a managerial person, a Company has no profits or its profits are inadequate, the Committee may approve the payment of remuneration as per Section II of Part II of Schedule V to the Companies Act, 2013.

**5. COMPOSITION OF THE COMMITTEE:**

- a. The Committee shall consist of a minimum 3 Non-Executive Directors, majority of them being Independent Directors.
- b. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c. Membership of the Committee shall be disclosed in the Annual Report.
- d. Term of the Committee shall be continued unless terminated by the Board of Directors.

**6. CHAIRMAN:**

- a. The Chairman of the Committee shall be an Independent Director.
- b. The Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one of the Independent Directors amongst them to act as Chairman.
- d. The Chairman of the Committee shall endeavor to be present at the Annual General Meeting or, in his absence any other member of the committee as authorized shall attend the Annual General Meeting.

## **DIRECTORS' REPORT - Continued**

### **7. FREQUENCY OF MEETINGS:**

The Committee shall meet as per the requirement of Companies Act, 2013 rules made there under read with requirement of SEBI (LODR) Regulations, 2015. The meeting of the Committee shall be held at such regular intervals as may be required.

### **8. COMMITTEE MEMBERS' INTERESTS:**

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, functional heads and outside experts, as it considers appropriate, to be present at the meetings of the Committee.

### **9. SECRETARY:**

The Company Secretary of the Company shall act as Secretary of the Committee.

### **10. VOTING:**

- a. Decisions of the Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### **11. MINUTES OF COMMITTEE MEETING:**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board Meetings

### **12. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT:**

#### **1. Appointment Criteria and Qualifications:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person in one or more fields of finance, law, management, sales, marketing, administration, public administrative services, research, corporate governance, technical operations or any other discipline related to the Company's business for appointment as Director, KMP or at Senior Management level and recommend to the Board for his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole Time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d) As per Selection Criteria of Senior Management shall mean employees hired at the level of Divisional Heads and Corporate Functional Heads or equivalent positions. The policy provides that the candidate should have appropriate qualifications, skills and experience for discharging the role. The qualifications, skills and experience of each such position shall be defined in the job description, which will be maintained by the HR function.

#### **2. Term/Tenure:**

##### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **b) Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Board on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.
- The candidate proposed to be appointed as Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under the Companies Act or under the SEBI (LODR) Regulations, 2015 requirements.

#### **3. Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

#### **4. Removal:**

Due to reasons for any disqualification mentioned in the Act or under any applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**5. Retirement :**

The Director KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**13. BOARD DIVERSITY:**

The Board shall consist of such number of Directors, including at least one women Director and not less than fifty percent of the Board of Directors comprising non-executive directors, as is necessary to effectively manage the Company of its size.

When the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise independent directors and in case the Company does not have a regular non-executive Chairman or in case the regular non-executive Chairman is a promoter of the Company, at least half of the Board comprise independent directors.

The Committee will lead the process for Board appointments. All Board appointments will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Committee shall seek to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience. The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

Additionally the Board may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing and business development, operations management etc. so as to bring diversified skill sets on board or succeed any outgoing director with the same expertise.

**14. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:**

**1. Remuneration to Managing/Whole-time/Executive Director, KMP and Senior Management Personnel:**

The Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to the Executive Directors and Key Managerial Personnel. The Board and the Committee considers the provisions of the Companies Act, 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration to the Executive Directors and Key Managerial Personnel and Senior Management Personnel.

The Remuneration/ Compensation / Commission etc. to be paid to Director/ Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**2. Remuneration to Non-Executive/Independent Director:**

The Non-Executive Independent Director may receive remuneration/ compensation/ commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under for the time being in force or as may be decided by the Committee / Board / Shareholders from time to time.

**15. PERFORMANCE EVALUATION :**

The process approved by the Nomination and Remuneration Committee requires the Chairman to initiate the performance evaluation process in the month of April every year. The performance evaluation is conducted based on approved criteria in the evaluation forms. The process highlights are as under:

- a) Board:** Each Board member completes the self-evaluation form. Independent Directors discuss the self-evaluation forms in a separate meeting and share their feedback with the Chairman of the Company. The Chairman discusses with the entire Board at the Board Meeting.
- b) Committees:** Each Committee member completes the self-evaluation form and shares feedback with the Chairman of the Committee. The Chairman of the Committee discusses the evaluation form analysis with the Whole-time Director and later with the entire Board at the Board Meeting.
- c) Independent Directors:** Each Board member completes the peer evaluation form. Independent Directors discuss the peer evaluation forms in a separate meeting and share their feedback with the Chairman. The Chairman conveys feedback individually to the concerned Directors.

The evaluation of individual directors including Independent Directors shall be done by the Board as a whole keeping in view the inputs provided by Nomination & Remuneration Committee.

**16. DISSEMINATION:**

The policy shall be published on Company's website and accordingly disclosed in the Annual Report as part of Board's Report therein.

**17. EFFECTIVE DATE:**

This policy will be effective from 10th November, 2016 and may be amended subject to the approval of Board of Directors.

**18. REVIEW AND AMENDMENT:**

The Nomination & Remuneration Committee or the Board may review the policy as and when it deems necessary and it may be amended or substituted by the Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

## DIRECTORS' REPORT - Continued

### ANNEXURE-B Form No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE : FINANCIAL YEAR ENDED 31ST MARCH, 2017 [Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Board of Directors,  
**HIND SYNTEX LIMITED**  
Plot No.2, 3, 4 & 5 Industrial Growth Centre  
Dist.- Rajgarh, Pillukhedi - 465667, (M.P.)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hind Syntex Limited (hereinafter called 'the Company'). The 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.

The Company's Board of Directors is responsible for the matters of Compliances of the various provisions of the Companies Act, 2013 and other applicable laws. Our responsibility is to conduct the audit of the Compliances made during the year upon test check basis. We have adopted such methods and procedure and based on our verification of the books, papers, minutes book, 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 ended on 31st March, 2017 has 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, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- (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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (i) **Secretarial Standards issued by The Institute of Company Secretaries of India.**

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, 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, and 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

#### **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.

## **DIRECTORS' REPORT - Continued**

### **We further report that:-**

During the audit period of the company, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaboration.

However Company has received notice regarding violation of Section 135 read with Section 134(3) (o) of the Companies Act, 2013, however Company has filed the reply of the same.

Date: 27/05/2017  
Place: Indore

For Neelesh Gupta & Co.,  
Company Secretaries

CS. Neelesh Gupta  
Proprietor  
C.P. No.6846

To,  
The Board of Directors,  
**HIND SYNTEX LIMITED**  
Plot No.2, 3, 4 & 5 Industrial Growth Centre  
Dist.- Rajgarh, Pillukhedi - 465667, (M. P.)

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

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
  - Company has held all requisite no. of Board Meetings/Audit Committee meetings/ Nomination & Remuneration Committee complied with the provisions of Companies Act, 2013.
  - Management properly maintained minutes book and duly authenticated by the Chairman.
  - Management has kept and properly entered records in all statutory books in their registered office
  - No request for transfer or transmission of shares have been received by the Company during the year
  - Notice of Board meetings were duly sent to all the directors.
  - Notice of Annual General Meeting has been duly sent to all the members.
  - Company has not obtained secured loans from banks / financial institutions, however company has given Corporate Guarantee and the same were entered in statutory register.
  - Company has not directly indirectly advanced any loans to any of the its Director or KMP or any other person in whom the director is interested or given any guarantee or provided any security in connection with any loan taken by him or such other person (under section 185 & 188)
  - Company has not accept any deposit (u/s 73)
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

Date: 27/05/2017  
Place: Indore

For Neelesh Gupta & Co.,  
Company Secretaries

CS. Neelesh Gupta  
Proprietor  
C.P. No.6846

# DIRECTORS' REPORT - Continued

## ANNEXURE-C Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2017 of HIND SYNTEX LTD [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		
(i)	CIN	: L17118MP1980PLC001697
(ii)	Registration Date	: 03/12/1980
(iii)	Name of the Company	: HIND SYNTEX LIMITED
(iv)	Category/Sub-Category of the Company	: Company Limited by Shares
(v)	Address of the Registered office and contact details:	: Plot no.2, 3, 4 & 5, Sector –A, Industrial Growth Centre, Pillulkedi -465667, District – Rajgarh, Madhya Pradesh
(vi)	E-Mail	: Compliance_hsl@wearitgroup.com
(vii)	Website	: www.hindsyntextltd.com
(viii)	Whether listed Company	: Yes Bombay Stock Exchange Limited & National Stock Exchange of India Ltd.
(ix)	Name, Address and Contact details of Registrar and Transfer Agent, if any	: Saili Lad   Client Relations- Corporate Registry LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, L. B. S. Marg, Vikhroli(W), Mumbai-400083.

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 Product	NIC Code of the Product	% to total turnover of the Company		
1.	Income from Job Work	17114	97.79		
2.	Sale of Products – Synthetic & Blended Yarn		0.53		
III.	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES				
Sl. No.	Name &Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Nil					

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup As Percentage of Total Equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of shares held at the beginning of the year ( 01.04.16)				No. of shares held at the end of the year ( 31.03.17)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoters</b>									
<b>(1) Indian</b>									
Individual/HUF	3689263	-	3689263	29.00	3689263	-	3689263	29.00	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.	-	-	-	-	-	-	-	-	-
Bodies Crop.	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Any other- Trust	2445919	-	2445919	19.24	2445919	-	2445919	19.23	-
<b>Sub Total (A)(1)</b>	<b>6135182</b>	<b>-</b>	<b>6135182</b>	<b>48.24</b>	<b>6135182</b>	<b>-</b>	<b>6135182</b>	<b>48.24</b>	<b>-</b>

**DIRECTORS' REPORT - Continued**

Category of Shareholders	No. of shares held at the beginning of the year ( 01.04.16)				No. of shares held at the end of the year ( 31.03.17)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
NRIs Individuals	-	-	-	-	-	-	-	-	-
Other individuals	-	-	-	-	-	-	-	-	-
Bodies Crop.	-	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-	-
Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding									
<b>(A) = (A)(1) + (A)(2)</b>	<b>6135182</b>	<b>-</b>	<b>6135182</b>	<b>48.24</b>	<b>6135182</b>	<b>-</b>	<b>6135182</b>	<b>48.24</b>	<b>-</b>
<b>B. Public</b>									
Shareholding									
1. Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Public Fin Ins	1840100	9933	1850033	14.54	1840000	9933	1849933	14.54	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt.	-	-	-	-	-	-	-	-	-
(e) Venture Cap	-	-	-	-	-	-	-	-	-
(f) Insurance Co.	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Cap.Fund	-	-	-	-	-	-	-	-	-
(i) Others	1000	-	1000	0.0079	1100	-	1100	0.0086	0.0007
<b>Sub Total (B)(1)</b>	<b>1841100</b>	<b>9933</b>	<b>1851033</b>	<b>14.55</b>	<b>1841100</b>	<b>9933</b>	<b>1851033</b>	<b>14.55</b>	<b>-</b>
<b>2. Non Institutions</b>									
(a) Bodies Crop									
(i) Indian	815829	129350	945179	7.44	794899	129350	924249	7.27	0.17
(ii) Overseas	-	102000	102000	0.80	-	102000	102000	0.80	-
(b) Individuals									
(i) Individual Shareholder Holding share Cap. upto Rs.2lakh	2110220	649180	2759400	21.69	2171926	640430	2812356	22.11	-
(ii) Individual Shareholder Holding Share Cap.in excess of Rs.2 lakh	543957	28000	571957	4.50	658006	28000	686006	5.40	-
(c) Others	341249	12600	353849	2.78	195174	12600	20774	1.6337	-
<b>Sub Total (B)(2)</b>	<b>3811255</b>	<b>921130</b>	<b>4732385</b>	<b>37.21</b>	<b>3820005</b>	<b>912380</b>	<b>4732385</b>	<b>37.21</b>	<b>-</b>
Total Public Shareholding									
<b>(B)=(B)(1)+(B)(2)</b>	<b>5652355</b>	<b>931063</b>	<b>6583418</b>	<b>51.76</b>	<b>5661105</b>	<b>922313</b>	<b>6583418</b>	<b>51.76</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>11787537</b>	<b>931063</b>	<b>12718600</b>	<b>100.00</b>	<b>11796287</b>	<b>922313</b>	<b>12718600</b>	<b>100.00</b>	<b>-</b>

## DIRECTORS' REPORT - Continued

V. Shareholding of Promoters								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% 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	
1	Manish Kumar	956456	7.52	-	956456	7.52	-	-
2	Ritika Kumar	2732807	21.49	-	2732807	21.49	-	-
3	RDM Family Trust	747348	5.88	-	747348	5.88	-	-
4	Devmanu Family Trust	1698571	13.36	-	1698571	13.36	-	-
	<b>Total</b>	<b>6135182</b>	<b>48.24</b>	<b>-</b>	<b>6135182</b>	<b>48.24</b>	<b>-</b>	<b>-</b>

VI. Change in Promoters' Shareholding (Please specify, if there is no change)							
Sl. No.	Particulars	Date	Reason	Share holding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
A	At the beginning of the year	NO CHANGE DURING THE YEAR					
B	Changes during the year						
C	At the end of the year						

## VII. Shareholding pattern of top ten shareholders (other than Directors, Promoters And Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year 01.04.16		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Asset Reconstruction Company (India) Ltd.	1840000	14.46	1840000	14.46
2.	Stock Path Advisors LLP	234623	1.84	232001	1.82
3.	Gunny Chem Tex India Limited	145128	1.14	145128	1.14
4.	Rajyovars Capital Private Limited	162554	1.27	-	-
5.	Ashok Kumar Damani	118100	0.93	118100	0.93
6.	Impact Labs Pvt. Ltd.	101829	0.80	123329	0.96
7.	RajendraKumar MakhanLal Gupta Vimala RajendraKumar Gupta	108097	0.85	110897	0.87
8.	Ivana Holdings Limited	102000	0.80	102000	0.80
9.	State Bank of Saurashtra	98000	0.77	98000	0.77
10.	Nusarwar Merchants Priavte Limited	94958	0.75	-	-
11.	Umesh Kumar Narsaria	77494	0.61	77508	0.61
12.	Kusum Dhelia	-	-	99438	0.78

## VIII. Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (1st April 2016)		Increase/decrease during the year Specifying the reason	Shareholding at the end of the year (31st March 2017)	
		No. of shares	% of total Shares of the Company		No. of shares	% of total Shares of the Company
1.	MR. MANISH KUMAR	956456	7.52	-	956456	7.52

Note: No other Directors except above hold any shares in the Company

## DIRECTORS' REPORT - Continued

IX. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment: NIL				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year 01.04.16</b>				
(i) Principal Amt.				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change Indebtedness during the financial year</b>				
Addition				
Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year 31.03.17</b>				
(i) Principal Amt.				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>X. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>				
<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>				
Sl. No.	Particulars of Remuneration	Name of MD/MTD/Manager		Total
		Mr.Hemant Vasant Ambekar	Mr. Vilas Agrawal	Amount (in ₹)
1	Gross Salary			
	(a) Salary as per provisions contained in Sec 17(1) of the Income Tax Act, 1961	5,12,380	8,87,419	13,99,799
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3,63,684	8,13,507	11,77,191
	(c) Profits in lieu of salary u/s17(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 (A)</b>		<b>8,76,064</b>	<b>17,00,926</b>	<b>25,76,990</b>
<b>Ceiling as per the Act</b>				
<b>B. Remuneration to other directors : NIL</b>				
Sl. No.	Particulars of Remuneration paid during 1.04.16 to 31.03.2017	Name of Directors		Total Amount
1.	Independent Directors -Fee for attending Board Committee Meetings -Commission -Others			
	<b>Total (1)</b>			

**DIRECTORS' REPORT - Continued**

Sl. No.	Particulars of Remuneration paid during 1.04.16 to 31.03.2017	Name of Directors	Total Amount
2.	Other Non-Executive Directors -Fee for attending Board Committee Meetings -Commission -Others		
	<b>Total (2)</b>	NIL	NIL
	<b>Total (B) = (1) + (2)</b> <b>Total Managerial Remuneration</b> <b>Overall Ceiling as per the Act</b>	NIL	NIL

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sl. No.		Key Managerial Personnel	
Particulars of Remuneration		Mr. Balesh Kumar Bagree, CFO	Ms. Nidhi Rathi, Company Secretary
	Gross Salary		
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	12,00,000	1,48,129
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2,45,000	2,11,829
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil
2	Stock Option	--	---
3	Sweat Equity	--	---
4	Commission		
	- As % of Profit		
	- Others, specify	--	---
5	Others, please specify	--	---
	<b>Total</b>	<b>14,45,000</b>	<b>3,59,958</b>

**XI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

Sl. No.	Type	Section of the Companies Act	Brief Description	Details of Penalties/Punishment/Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any
A.	Company Penalty Punishment Compounding			Nil		
B.	Directors Penalty Punishment Compounding			Nil		
C.	Other Officers in default Penalty Punishment Compounding			Nil		

## DIRECTORS' REPORT - Continued

### ANNEXURE-D

Information on Conservation of energy, Technology absorption, Foreign exchange earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided hereunder:

#### A. CONSERVATION OF ENERGY

##### I. Steps taken or impact on conservation of energy:

Energy Conservation is a need of the day and several steps were taken in order to get this done at all levels. Company has considered steps in two ways one is without any investment & another with some investment to achieve the target saving in the energy conservation. Every individual was trained and educated regarding this and a special drive was taken to do so. Suggestions were invited from all and were implemented after giving due discussions on every suggestion. Right from input point Transformers till the end point Machines giving production studies were taken for cost of energy to produce per kgs of yarn. This gives a clear cut idea payback period after investing on the project of energy conservation. Company has prioritized the areas and going forward to invest on these lines. Expected saving in UKG is around 10 – 15% from the current level. Major areas are Loss in Transformers, old motors, introduction of Inverter drives wherever needed, LED Lights, use of Solar Energy etc.

##### II. Steps taken for utilizing alternate sources of energy:

Now a days Solar Energy is widely promoted by state as well as Govt. of India, company has also started sourcing power from Solar Sector, which is not only economical but also helping nature. Company is planning to increase use of Solar energy where there is no heavy load is required like lighting etc.

##### III. Capital investment on energy conservation equipments:

In the financial year 2016-17 the investment would be around +Rs. 50 lacs which includes inverters, led tube lights etc.

#### Power and Fuel Consumption:

Particulars	Current year ended on March 31, 2017	Previous year ended on March 31, 2016
1. Electricity		
Purchase Unit	283,41,921	296,92,174
Total Amount	1646,16,634	1633,18,007
Rate/Unit	5.81	5.50

#### Consumption per unit of production:

Particulars	Current year ended on March 31, 2017	Previous year ended on March 31, 2016
Product (with details)	Synthetic Blended yarn	Synthetic Blended yarn
Unit	Kg	Kg
Electricity	3.68 (Units)	3.43 (Units)

#### B. TECHNOLOGY ABSORPTION

##### I. Efforts made towards technology absorption:

Company has adopted practice of introducing Inverter driven machines rather than using old technology machines. This has helped in lesser mechanical & Electrical B'downs and also improved the quality of the product.

##### II. Benefits derived:

R&D department has worked very hard on RM cost reduction, introduction of new products for new sectors. For the first time company started using Tencel fibre and established in new sector of Tencel yarn. RM cost has also reduced marginally after due trials.

##### III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil

(a) Details of technology imported: No import of technology only Imported fibre like Tencel, Bamboo & Nylon was introduced during the period under review.

(b) Year of import: N.A.

(c) Whether the technology has been fully absorbed: N.A.

(d) If not fully absorbed, areas where absorption has not taken place, & the reasons thereof: N.A.

##### IV. Expenditure incurred on Research and Development: Nil

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

**DIRECTORS' REPORT - Continued****Annexure – E****Report on Corporate Social Responsibility as per Rule 8 of Companies  
(Corporate Social Responsibility Policy) Rules, 2014**

The Company has decided to spend amount under promoting education.

**1. Average Net Profit of the Company for last three financial years:****For the financial year ended 31st March, 2015**

	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Net Profit of 3 years	(1,78,16,881)	17,56,52,403	(11,76,02,731)
Total Net Profit of 3 years	4,02,32,791		
Average Net Profit for the preceding three financial years	1,34,10,930		

**2. Prescribed CSR Expenditure (2% of Average Net Profit): ₹. 2,68,219****3. Details of CSR spend for the financial year 2014-2015:**

- Total amount spent for the financial year: ₹. 2,68,219
- Amount unspent, if any: Nil

**4. Average Net Profit of the Company for last three financial years:****For the financial year ended 31st March, 2016**

	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
Net Profit of 3 years	(19,43,564)	(1,78,16,881)	(17,56,52,403)
Total Net Profit of 3 years	15,97,79,086		
Average Net Profit for the preceding three financial years	5,32,59,695		

**5. Prescribed CSR Expenditure (2% of Average Net Profit): ₹. 10,65,194****6. Details of CSR spend for the financial year 2015-2016:–**

- Total amount spent for the financial year: ₹. 10,65,194
- Amount unspent, if any: Nil

**c. Manner in which the amount spent during the financial year is detailed below:**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>Sl. No</b>	<b>CSR Project/ activity</b>	<b>Sector in which the Project is covered</b>	<b>Projects/ Programs Local Area/ Specify state &amp; district where projects or programs were undertaken</b>	<b>Amount outlay project/ program s wise (₹. in Lacs)</b>	<b>Amount spent on project/ programs Subheads* 1. Direct Expenditure on Projects 2. Overheads</b>	<b>Cumulative spend up to the reporting period (₹. in Lacs)</b>	<b>Amount spent: Direct/ through implementing agency</b>
<b>1.</b>	Promoting Education	Education	Kolkata	2,68,219	-	-	Anand Education Trust
<b>2.</b>	Promoting Education	-do-	Kolkata	10,65,194	-	-	Anand Education Trust

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Overall Review

The Indian economy grew at 7.1% in 2016-17 as compared to 7.6% in 2015-16 and is projected to grow at over 7.4% to 7.6% in 2017-18. The main reason for this dip in last financial year was mainly due to demonetization in the month of November 2016. This dip is also because of the weakness of exports (because of declining world markets) and private investment. At the same time, the improvement in growth has been uneven, powered only by private consumption and public investment. For sustainable and rapid medium term growth, private sector investment and exports need to revive. The real economy is showing signs of recovery.

Goods and Services Tax (GST) is expected to be introduced from 1st July, 2017. Industry will have to reorganise its business as the country switches to the GST regime, which will bring more small companies into the tax net. While lower GST may lead to a decline in inflation, the transition to the new GST system will affect economic growth in the short term even though it will benefit both industry and the government in the medium term.

### 2. Textile Sector Review & Outlook

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 15 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The textile industry employs about 51 million people directly and 68 million people indirectly. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

The Indian textiles industry, currently estimated at around US\$ 120 billion and is expected to reach US\$ 230 billion by 2020. The Indian Textile Industry contributes approximately 4 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP). India is the 2nd largest textile and apparel industry after China, although there is big gap between India and China.

Last financial year was badly hit in 3rd & 4th Quarter due to government's demonetization decision in the month of November 2016. Textile is a huge sector stating from farmers - RM production to garmenting , marketing & selling to the customer. Majority of the sectors were totally on cash transactions which were badly hit after November 2016. Now after April 2017, things are coming back to track and we are presuming better performance of textile sector in current year.

### 3. Company Performance Review and Outlook

During the year 2016-17, the Company's operating margins were under pressure. However, it has continued with its long term business strategy of investing in modernization of facilities, expansion of capacities of production, increasing emphasis on Product Development and expanding distribution systems.

Our Company has made focused effort in improving product quality, lowering operating costs and improving operating efficiencies. The Company has also taken major steps in strengthening its senior management, with a greater emphasis on performance and accountability.

### 4. Company's Financial Performance & Analysis

During the year under review, the Company has recorded its revenue from operations as Rs. 4043.52 lakhs against revenue recorded of Rs. 4042.91 lakhs in the previous year and net loss of Rs. (38.31) Lakhs. The Basic Earnings per Equity Share (of face value of Rs. 10 each) is (0.30) compared to (0.11) in the previous year.

### 5. Opportunity & Threats

It is expected that Synthetic Blended yarn industry will perform better due to growth in domestic and export market and also likely to withstand with the global competition due to economic measures taken by Government of India.

### 6. Risk & Concern

Risk is inherent in all kinds of business and is an integral part of the textile business. The textile business, like other businesses, is susceptible to various risks. The primary risk factor is raw material prices, mainly cotton, which is the largest component of cost. Since cotton is an agriculture produce, it suffers from climatic volatility in the major cotton producing countries. This in turn creates uncertainties for textile manufacturers.

Another important issue is the availability, quality and price of power. The availability of good quality power at reasonable prices is critical for sustainability of the industry. However, the cost of power has been continuously increasing, adding to input cost pressure in the industry. The non-availability of skilled manpower along with high labour cost prevailing in the country is growing concern area for textile industry.

We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements, diversification of products, rationalization of costs, training the workforce on the continued basis, improving efficiencies and creating a strong customer oriented approach.

### 7. Internal Control System & their adequacy

The Company has adequate internal control system. There is a system of continuous Internal Audit which aims at ensuring effectiveness and efficiency of systems and operations. The internal audit is conducted by external agency/professionals. The scope of the Internal Audit is not limited to accounts only but includes operations, inventories, costing records, physical verifications of immovable and movable assets etc. on regular basis.

The Audit Committee of the Board of Directors approves and reviews audit plans for the year based on internal risk assessment. Audits are conducted on an on-going basis and significant deviations are brought to the notice of the Audit Committee following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps.

### 8. Human Resources Development/Industrial Relations

Human resource is one of the key elements to achieve the objectives and strategies of the Company. The Company, therefore, looks at its employees as "Capital Assets". It provides to its employees a fair and equitable work environment in which senior colleagues provide ample support to their junior colleagues with a view to develop their skills and capabilities. The Company continuously nurtures this environment to keep its employees highly motivated, result oriented and adaptable to changing business environment.

### 9. Cautionary Statement

Statements in this report on Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections, estimates, expectations or predictions may be forward-looking, considering the applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.

## CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance assumes a great deal of importance in the business life of the Company. Hind Syntex Limited is committed to the Corporate Governance Philosophy and believes in adopting best corporate governance practices. The Corporate Governance practices followed by the Company include the corporate structure, its culture, policies and practices, personal belief, timely and accurate disclosure of information, commitment to enhancing the shareholder while protecting the interests of all the stakeholders. The Company has established procedures and systems for fairness, transparency, accountability and responsibility to meet the requirements of good corporate governance practices.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has executed fresh Listing Agreements with the Stock Exchanges. The Company is in compliance with the requirements stipulated under erstwhile Clause 49 of the Listing Agreements and Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (LODR) Regulations, as applicable, with regard to Corporate Governance.

### 2. THE BOARD OF DIRECTORS

#### (a) Composition of the Board:

As on 31st March, 2017, the Board comprises of 6 (six) directors out of which one is Executive Director and five are Non-executive Directors including one woman director. The half of the Board comprises of Independent Directors. The Board of the Company is composed of eminent individuals from diverse fields. The composition of the Board represents an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. Details of composition of the board are as under:

Name of Director	Category of Director	No. of Directorship held in other Public Companies	Committee Positions (#)	
			Member in other Companies	Chairman in other Companies
Mr. Manish Kumar	Promoter & Non-Executive Director	3	1	-
Mr. M. P. Rajan	Non-Executive Independent Director	1	1	-
Mr. V S Crishna	Non-Executive Independent Director	None	None	-
Mr. Hemant Vasant Ambekar	Professional & Whole-time Director	None	None	-
Mr. Alok Krishana Agarwal	Professional & Non- Executive Director	8	5	-
Mrs. Shailja Haldia	Non-Executive Independent Director	3	2	-

(#) Board Committees for this purpose includes Audit Committee and Stakeholders Relationship Committee of other public limited companies.

#### (b) Board Meetings and attendance of Directors:

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative date of the Meeting is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. The members of the Board have been provided with the requisite information mentioned in the Listing Regulations well before the Board Meetings.

**During the financial year 2016-17, the Board of Directors met 5 (five) times on:**

(1) 17/05/2016	(2) 13/08/2016	(3) 27/09/2016	(4) 10/11/2016	(5) 11/02/2017
----------------	----------------	----------------	----------------	----------------

The Interval between two consecutive meetings of the Board of Directors of the Company did not exceed one hundred and twenty days.

## CORPORATE GOVERNANCE REPORT - Continued

The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31st March, 2017 and of the last Annual General Meeting is as under:

Sl. No.	Name of Director	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at the last AGM
1	Mr. Manish Kumar	5	4	No
2	Mr. M. P. Rajan	5	5	Yes
3	Mr. V. S. Crishna	5	5	Yes
4	Mr. Alok Krishna Agarwal	5	5	Yes
5	Mr. Hemant Vasant Ambekar	5	1	No
6	Mrs. Shailja Haldia	5	1	No

### Notes:

- None of the present directors are "Relative" of each other defined in Sec 2 (77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definition Details) Rules 2014.
- None of the Directors hold the office of director in more than the permissible number of companies under the Companies Act, 2013 or Regulation 25 and 26 of the Securities and Exchange Board of India, (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### (c) Change in Directorship:

During the financial year 2016-17, Mr. Vilas Agrawal was ceased from the directorship of the Company w.e.f. 27th September, 2016 and Mr. Hemant Vasant Ambekar was appointed as an Additional Director being Whole-time Director on the Board of the Company w.e.f. 10th November, 2016.

### (d) Details of Directors Seeking Appointment / Re-Appointment:

The brief profile of the directors seeking appointment/re-appointment is provided in the Notice convening the Annual General Meeting, which forms part of Annual Report.

### (e) Familiarization Programme For Independent Directors:

The Board members are provided with necessary documents, reports and internal policies enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Updates on relevant statutory changes are regularly circulated to the Directors. The details of such familiarization programmes for Independent Directors are available on the Company's website under Investor Relation Section at <http://www.hindsyntextltd.com>.

### (f) Independent Directors Meeting:

Independent directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations read with Section 149(6) of the Companies Act, 2013 ("Act").

The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.

During the year, a separate meeting of the independent directors was held on 11th February, 2017 inter-alia reviewed the performance of Non-Independent Directors and the Board as a whole.

All the Independent Directors were present at the meeting.

## 3. BOARD COMMITTEES:

### (i) Audit Committee:

The Company has an Audit Committee in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015, which comprises three Independent Directors i.e. Mr. M. P. Rajan, Chairman, Mr. V. S. Crishna, and Mrs. Shailja Hadia, Members. The Company Secretary acts as a Secretary of the Committee. Statutory Auditors and Head of Finance & Accounts Department are the permanent invitees to the Committee. The terms of reference of the Audit Committee is based on the role of the Audit Committee as mentioned in Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations.

The Audit Committee met 4 times during the year on 17.05.2016, 13.08.2016, 10.11.2016, 11.02.2017. The attendance of the members of the Committee is as under:

Name of the Members	Category	No. of meetings attended
Mr. M. P. Rajan, Chairman	Non-Executive Independent Director	4
Mr. V. S. Crishna, Member	Non-Executive Independent Director	4
Mrs. Shailja Hadia, Member	Non-Executive Independent Director	1

## CORPORATE GOVERNANCE REPORT - Continued

### (ii) Nomination & Remuneration Committee:

The Company has Nomination & Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, which comprises of three Non-Executive Directors i.e. Mr M.P. Rajan, Chairman, Mr. Alok Krishna Agarwal and Mr. V. S. Crishna, Members, of which majority of them are Independent Directors of the Company. Terms of references of the Committee is in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations. The brief description of Terms of Reference of Nomination and Remuneration Committee is to guide the Board in relation to the appointment and removal, identifying persons and to recommend/review remuneration of the directors including Whole-time/Executive Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.

Two meetings were held during the year on 17.05.2016 and 10.11.2016 and all the members were present at the meetings. The Attendance Record of each member of Nomination & Remuneration Committee during F.Y 2016-17 is as under:

Name of the Members	Category	No. of meetings attended
Mr. M. P. Rajan, Chairman	Non-Executive Independent Director	2
Mr. V. S. Crishna, Member	Non-Executive Independent Director	2
Mr. Alok Krishna Agarwal, Member	Non-Executive Independent Director	2

The selection and remuneration criteria of directors, senior management personnel and performance evaluation of directors/board/committee are defined in the Nomination and Remuneration Policy which forms part of the Annual Report.

### (iii) Stakeholders Relationship Committee:

The Company has a Stakeholders' Relationship Committee to look into the redressal of stakeholders complaints/grievances on various issues like transfer/transmission of shares, non-receipt of balance sheets, non-receipt of declared dividends, issue of duplicate share certificate, Monitoring the performance of Company's Registrar & Transfer Agent etc.

The members of the Committee are Mr. M. P. Rajan, Chairman, Mr. V. S. Crishna and Mr. Manish Kumar- Members. The Committee met once during the year on 17.05.2016 and all members were present at the meeting.

During the financial year 2016-17, the Company received complaints from the Investors in the 2nd Quarter i.e. during 30th June, 2016 - 30th September, 2016 and the Company thereafter resolved all the complaints received from the investors. There were no pending complaints of transfers as on March 31, 2017.

Mrs. Nidhi Rathi, Company Secretary of the Company acts as the Compliance Officer of the Company.

## 4. CODE OF CONDUCT

The Board has lay down a Code of Conduct for all Board Members and Senior Management Personnel (SMP) of the Company. The Code is posted on Company's website. The code of conduct includes the duties of Independent Directors as per companies Act, 2013. All the Board members and SMP have given their affirmations of compliance with the Code. A declaration to this effect signed by Mr. Hemant Vasant Ambekar, (WTD) forms part of the Annual Report.

## 5. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance towards sexual harassment at the workplace and has formed committees called Internal Complaints Committee at corporate office and at all offices for prevention and prohibition of sexual harassment and redressal against complaints of sexual harassment of working women at the workplace as per Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 read with Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Rules, 2013. This Internal Complaints Committee has the power/ jurisdiction to deal with complaints of sexual harassment of working women as per the rules specified therein. All the employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year 2016-17, no such complaints were received across the organisation.

## 6. GENERAL BODY MEETINGS

(a) The details of Annual General Meetings held during the last three financial years are as under:

Financial Year	EGM/ AGM	Date	Time	Venue
2013-14	33rd AGM	27th September, 2014	11.00 am	Regd. Office Plot No. 2, 3, 4 & 5, Sector-A, Industrial Growth Centre, Pillukhedi, Dist: Rajgarh, MP -465667
2014-15	34th AGM	8th August, 2015	11.00 am	-----do-----
2015-16	35th AGM	27th September, 2016	11.00 am	-----do-----

The Company has not passed any resolution through postal ballot, during the financial year 2016-2017. No Extraordinary General Meeting was held during the year.

There is no proposal for passing any resolution through postal ballot.

## CORPORATE GOVERNANCE REPORT - Continued

(b) The Details of special resolution passed in the previous 3 AGM are given hereunder :-

Date	Matter
27.09.2014	(1) Inter Corporate loan or giving guarantee or providing security in connection with a loan
08.08.2015	(1) To give remuneration to Shri Vilas Agrawal as Whole-time Director (2) To Approve Related Party Transaction (3) Authority to Create Charge on the assets of the Company (4) Authority to make loans, give guarantees or provide security and make investments in other bodies corporate (5) Authority for adoption of new set of Articles of Association of the Company in place of existing one.
27.09.2016	Nil

## 7. DISCLOSURES

### A) Related Party transactions:

All transaction entered into with Related Parties as defined under Companies Act, 2013 and Regulation 23 of the Listing Regulations, 2015 during the financial year were in ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of Companies Act, 2013. The Company does not have any materially significant related party transactions with its Promoters, Directors or Management, their relatives, etc. which may have potential conflict with the interest of the Company at large. Suitable disclosures as required under Accounting Standard (AS 18) on related party transactions have been made in notes to Financial Statements. A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval. As required under Regulation 23(1) of the Listing Regulation, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. [www.hindsyntextltd.com](http://www.hindsyntextltd.com).

### B) Non-compliances / Penalties:

There has not been any non-compliance made by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or SEBI or any other Statutory Authority during the last three years.

### C) Accounting Treatment

The company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

### D) Vigil Mechanism Policy (Whistle Blower Policy)

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulation, the Company has formulated Vigil Mechanism/Whistle Blower Policy for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. [www.hindsyntextltd.com](http://www.hindsyntextltd.com).

### E) Policy for Material Subsidiaries

In accordance with the provisions of the Listing Regulations, the Company has framed a policy for Material Subsidiaries in order to determine the Material Subsidiaries and to provide governance framework for such subsidiaries. The said policy has been placed on the website of the Company [www.hindsyntextltd.com](http://www.hindsyntextltd.com).

### F) Risk Management

The Company has adopted a well-defined procedure for risk management. The Risk Management Policy of the Company provides procedures for identification and mitigation of internal as well as external risks of the Company. The Risk Management Policy is disclosed on the website of the Company under Investor Relation Section at <http://www.hindsyntextltd.com>.

### G) Details of Compliance with Mandatory requirements and adoption of Non-mandatory / discretionary requirements

The Company has complied with all the mandatory requirements of the Listing Regulations.

### H) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

### I) This corporate governance report of the Company for the financial year ended as on March 31, 2017 is in compliance with the requirements of Corporate Governance under Listing Regulations.

## CORPORATE GOVERNANCE REPORT - Continued

### 8. MEANS OF COMMUNICATION

Quarterly Results	The Un-audited Quarterly Results are announced within 45 days from the end of the quarter and the Annual Audited Results are announced within 60 days from the end of the financial year as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
Newspapers wherein results normally published	Free Press, Bhopal, Swadesh, Bhopal.
Any website, where displayed	www.hindsyntexltd.com
The Company's website also displays official News releases.	
No Presentations were made to Institutional Investors or to Analyst during the year under review.	

### 9. GENERAL SHAREHOLDERS INFORMATION

#### I. Annual General Meeting:

Day, Date & Time	Saturday, 23/09/2017 at 11.30 A.M.
Venue	Plot No. 2, 3, 4 & 5, Sector-A, Industrial Growth Centre, Pillukhedi, Dist: Rajgarh, Madhya Pradesh - 465667
Financial Year	1st April to 31st March as the financial year of the Company
Book Closure date	Monday 18th September, 2017 to Saturday 23rd September, 2017 (Both days inclusive)
Listing on Stock Exchange	a. The Bombay Stock Exchange Ltd. 27th Floor, New Trading Ring, P.J. Towers, Dalal Street Fort, Mumbai- 400 001  b. The National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051  The Annual Listing fees for Financial Year 2017-18 have been paid to both the Exchanges. The Securities of the Company have not been suspended from trading during the Financial Year.
Script Code for BSE	503881
Script code for NSE	HINDSYNTEX
ISIN for CDSL & NSDL	INE155BO1012

#### Tentative Calendar for Financial Year ending March 31, 2018

Results for the quarter ending	Tentative Time of Reporting
30th June, 2017	On or before 14th August 2017
30th September, 2017	On or before 14th November 2017
31st December, 2017	On or before 14th February 2018
31st March, 2018	On or before 30th May 2018

#### II. Registrar and Share Transfer Agent (RTA):

The new Address, Telephone no., Fax no., of the Share Transfer Agent is:

Link Intime India Pvt. Ltd.,

C-101, 247 Park, L.B.S Marg, Vikhroli (W),

Mumbai – 400 083

Telephone No. 022 - 4918 6000

Fax No. 022 – 4918 6060

Email: mumbai@linkintime.co.in, rnt.helpdesk@linkintime.co.in

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## CORPORATE GOVERNANCE REPORT - Continued

### III. Stock Market Price Data:

The details of Month wise data of Market Price (high & low) of Equity Shares traded in stock exchanges where Company's shares are listed during the financial year 2016-17 are as under:

(In ₹ per share)

Month	Bombay Stock Exchange Limited		National Stock Exchange Limited	
	High	Low	High	Low
April, 2016	26.74	13.40	26.35	15.60
May, 2016	25.45	14.00	27.30	16.25
June, 2016	15.81	12.95	16.15	13.30
July, 2016	18.79	14.15	19.25	14.00
Aug, 2016	18.00	16.10	19.50	14.25
Sep, 2016	16.65	14.05	16.25	13.10
Oct, 2016	16.50	13.51	17.65	13.15
Nov, 2016	14.25	8.85	14.50	8.45
Dec, 2016	11.76	10.96	11.90	10.00
Jan, 2017	12.74	10.08	13.20	10.10
Feb, 2017	12.14	10.91	12.40	10.30
March, 2017	12.68	10.39	12.60	10.20

### IV. Share Transfer System:

The Company has authorised RTA for transfer/transmission/dematerialization/rematerialization etc., who process the formalities related thereto on an average once in a week. Shareholders/Investor Grievance Committee is authorized to approve transfer of shares in the physical segment. A status report, of valid physical transfer/transmission etc. and objectionable cases, receive from RTA is placed before the board of directors periodically. The share certificates are returned/dispatched to the shareholders by RTA after necessary endorsements normally within 15 days from the date of receipt, if the documents are clear in all respects.

Pursuant to Regulation 40(9) of the Listing Regulations, certificates, on half yearly basis have been issued by a Company Secretary-in-Practice for due compliance of Share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulation, 1996, certificates have been received from a Company Secretary-in-Practice for timely dematerialization of Shares and for reconciliation of the Share Capital of the Company on a quarterly basis.

### V. Distribution of Shareholding as on 31st March, 2017:

The shareholding distribution of equity shares of face value of Rs. 10/- each as at 31st March, 2017 is given below :

RANGE No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	Voting Strength (%)
Upto 500	3403	72.74	745704	5.86
501 – 1000	606	12.95	520580	4.09
1001 – 2000	356	7.61	585470	4.60
2001 – 3000	100	2.14	257098	2.02
3001 – 4000	72	1.54	269080	2.12
4001 – 5000	35	0.74	165898	1.30
5001 – 10000	62	1.33	456531	3.59
10001 and above	44	0.94	9718239	76.41
<b>Total</b>	<b>4678</b>	<b>100.00</b>	<b>12718,600</b>	<b>100.00</b>

### VI. SHAREHOLDING PATTERNAS ON 31ST MARCH, 2017 :

Sr. No.	Category of the shareholders	No. of Shares	%
1.	Promoters / Promoters Group	6135182	48.28
2.	Banks / Financial Institutions	1851033	14.55
3.	Foreign Institutional Investor	0	0
4.	Other Bodies Corporate	924249	7.26
5.	Overseas Corporate Bodies	102000	0.80
6.	Hindu Undivided Family	109540	0.85
7.	Clearing Members	29571	0.23
8.	Public	3498362	27.50
9.	NRI's	68663	0.53
	<b>Total</b>	<b>12718600</b>	<b>100.00</b>

**VII. Dematerialization of Shares:**

About 92.75% of total equity share capital is held in dematerialised form with NSDL and CDSL as on March 31, 2017.

**VIII. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on Equity:**

The Company has not issued GDRs/ADRs or any commercial instrument during the year under review.

**IX. Commodity Price Risk/Foreign Currency Risk/Hedging Activities:**

The Company has not made any commodity risk or hedging activities during the year under review.

**X. Plant Location:**

Regd. Office:

Plot Nos: 2, 3, 4 & 5, Sector-A

Industrial Growth Centre, Pillukhedi,

Dist. Rajgarh, Madhya Pradesh – 465667

Tel : 07375-244350/74, 9301528698,

E-mail: pillukhedi@wearitgroup.com

**XI. Address for Correspondence:**

Shareholders may send their correspondence to the Company's Registrar & Transfer Agents (RTA) at the address mentioned in point (II).

Shareholders may also contact Mrs. Nidhi Rath, Company Secretary & Compliance Officer at the Corporate Office of the Company at the following address:

5E & F, Crescent Tower, 5th Floor

229, A.J.C. Bose Road, Kolkata – 700020

Ph. No. – 033 4003 6164/6165

Email: compliance@wearitgroup.com

Shareholders holding shares in dematerialisation form should address all their correspondence to their respective Depository Participants (DP).

**10. AUDITOR'S CERTIFICATE ON COMPLIANCE**

Certificate from the Statutory Auditors on the compliance is given in this Annual Report.

**11. CEO/CFO CERTIFICATION**

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Whole-time Director and the Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended on March 31, 2017 which is annexed to this Report.

**DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT**

The Company has adopted the Code of Conduct for all Board members and Senior Management Personnel of the Company.

It is hereby affirmed that all the Directors and Senior Management Personnel have complied with the Code of Conduct and have given confirmation in this regard.

**For HIND SYNTEX LTD**

Sd/-

**(Hemant Vasant Ambekar)**  
**Whole-time Director**

Place : Kolkata

Date : 27th May, 2017

**CERTIFICATE OF WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER**

To,  
The Members of  
HIND SYNTEX LIMITED

We have reviewed financial statements and cash flow statement for the year ended 31st March, 2017 and to the best of our knowledge and our belief :

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (iii) No transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct. Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee:
  - a) deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
  - b) Significant changes in internal control over financial reporting during the year;
  - c) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - d) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board**

Place: Kolkata  
Date: 27th May, 2017

Sd/- <b>(Balesh Kumar Bagree)</b> Chief Financial Officer	Sd/- <b>(Hemant Vasant Ambekar)</b> Whole-time Director DIN – 07644396
---	---

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members of  
HIND SYNTEX LIMITED

We have examined the compliance of conditions of Corporate Governance by Hind Syntex Limited for the year ended March 31, 2017, as stipulated in regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Collectively referred to as "SEBI Listing Regulations, 2015").

The Compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was Limited to procedures and implementation there of, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

For V. Singhi & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 311017E

Place: Kolkata  
Date: 27th May, 2017

Sd/-  
**(V. K. Singhi)**  
Partner  
Membership No. 050051

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Hind Syntex Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of HIND SYNTEX LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, and the rules made thereunder including the accounting standards and matters which are required to be included in the Audit Report.

We conducted our audit in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncement require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

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 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 31st March, 2017, its loss and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and records of the company as we consider appropriate and according to the information and explanation given to us, we give in the Annexure– A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

## INDEPENDENT AUDITOR'S REPORT - *Continued*

- 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", and
- g) 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, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. the Company had disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 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 were no amounts due which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. the Company has provided requisite disclosure in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the Company

**For V. SINGHI & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 311017E

**(V.K.SINGHI)**

**Partner**

Membership No. 050051

Place : Kolkata

Date: 27th May, 2017

## **Annexure - A to the Independent Auditor's Report**

(Referred to in paragraph-1 on Other Legal and Regulatory Requirements of our Report of even date to the members of Hind Syntex Limited on the Financial Statements of the Company for the year ended 31st March, 2017)

- i. a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of its Fixed Assets.
  - b) As explained to us, Fixed Assets have been physically verified by the management at regular intervals, and as informed 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 inventories have been physically verified during the year at reasonable intervals by the management. The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, clause 3(iii)(a), (b) and (c) of the Order are not applicable.
- iv. According to the information and explanations given to us, the Company has given corporate guarantees to banks for loans taken by an associate company and terms and conditions of which are not prima facie prejudicial to the interest of the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of sections 73 to 76 of the Act and the rules framed there under to the extent notified.
- vi. In our opinion and according to information and explanations given to us, maintenance of cost records has been specified by the Central Government of India u/s 148(1) of the Act and such account and records have been made and maintained.
- vii. a) As per records of the Company and according to the information and explanations given to us, the Company is generally regular in depositing undisputed applicable statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities and there are no undisputed amount payable in respect of the same which were in arrears as on 31st March, 2017 for a period of more than six months from the date the same became payable.
  - b) According to the information and explanations given to us, the Company has not deposited the following dues on account of disputes with the appropriate authorities :

**INDEPENDENT AUDITOR'S REPORT - Continued**

<b>Name of the statute</b>	<b>Nature of the dues</b>	<b>Amounting Rs.</b>	<b>Period to which the amount relate</b>	<b>Forum where dispute is pending</b>
Entry Tax Act, 1976	Entry Tax	4,10,968	1997-98	High Court, Indore
Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	10,83,267	April 2008 to December 2010	Employees' Provident Fund Appellate Delhi Tribunal, New

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of Loan to Bank.
- ix. According to the information and explanations given to us and on an overall examination of the records, we report that the Term-Loan has been applied for the purpose for which the same has been obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor we have been informed of any such case by the management.
- xi. According to the information and explanations given to us, and based on our examination of the records of the Company, the managerial remuneration paid or provided is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable and the details in respect of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, clause 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and on our examination of the records of the Company, We report that the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **V. SINGHI & ASSOCIATES**

**Chartered Accountants**  
**Firm Registration No. 311017E**

**(V.K. SINGHI)**  
**Partner**

Membership No. 050051

Place : Kolkata  
Date : 27th May, 2017

## **INDEPENDENT AUDITOR'S REPORT - Continued**

### **Annexure – B to the Independent Auditor's Report**

(Referred to in paragraph-2(f) on Other Legal and Regulatory Requirements of our Report of even date to the members of Hind Syntex Limited on the Financial Statements of the Company for the year ended 31st March, 2017)

Report on the Internal Financial Controls 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 Hind Syntex Limited ("the Company") as of 31st March, 2017 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 issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Act.

#### **Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent 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, 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 31st March, 2017, 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 **V. SINGHI & ASSOCIATES**

**Chartered Accountants**  
**Firm Registration No. 311017E**

**(V.K. SINGHI)**  
**Partner**

Membership No. 050051

Place : Kolkata  
Date : 27th May, 2017

# HIND SYNTEX LIMITED

## Balance Sheet as at 31st March 2017

	Particulars	Note No.	As at 31st March, 2017		As at 31st March, 2016	
			₹	₹	₹	₹
I.	<b>EQUITY AND LIABILITIES</b>					
1	<b>Shareholders' Funds</b>					
	(a) Share Capital	2	12,72,72,250		12,72,72,250	
	(b) Reserves and Surplus	3	<u>(6,07,08,812)</u>	6,65,63,438	<u>(5,68,77,300)</u>	7,03,94,950
2	<b>Non Current Liabilities</b>					
	(a) Long Term Borrowings	4	4,42,644		-	
	(b) Long Term Provisions	5	<u>42,49,685</u>	46,92,329	<u>30,98,623</u>	30,98,623
3	<b>Current Liabilities</b>					
	(a) Trade Payables	6	1,79,67,789		1,49,51,008	
	(b) Other Current Liabilities	7	15,82,02,943		12,17,31,750	
	(c) Short Term Provisions	8	<u>73,93,948</u>	18,35,64,680	70,47,981	14,37,30,739
	<b>TOTAL</b>			<u>25,48,20,447</u>		<u>21,72,24,312</u>
II.	<b>ASSETS</b>					
1	<b>Non Current Assets</b>					
	(a) Property, Plant and Equipment	9	16,77,56,790		16,75,66,746	
	(b) Intangible Assets	9	42,042		1,64,220	
	(c) Capital Work in Progress	9	-		4,50,000	
	(d) Non Current Investments	10	31,350		-	
	(e) Long Term Loans and Advances	11	<u>2,03,73,168</u>	18,82,03,350	<u>1,89,78,244</u>	18,71,59,209
2	<b>Current Assets</b>					
	(a) Inventories	12	85,82,266		94,49,145	
	(b) Trade Receivables	13	4,56,667		75,582	
	(c) Cash and Cash Equivalents	14	49,53,500		19,40,926	
	(d) Short Term Loans and Advances	15	<u>5,26,24,664</u>	6,66,17,097	<u>1,85,99,449</u>	3,00,65,102
	<b>TOTAL</b>			<u>25,48,20,447</u>		<u>21,72,24,312</u>
	<b>Significant Accounting Policies</b>	1				

The accompanying notes form an integral part of the Financial Statements.

As per our Report annexed

**For V. SINGHI & ASSOCIATES**

Chartered Accountants

Firm Registration. No. 311017E

**(V. K. SINGHI)**

**Partner**

**Membership No. : 050051**

Place: Kolkata

Date: 27th May, 2017

**For and on behalf of the Board of Directors Hind Syntex Limited**

Manish kumar  
Hemant Vasant Ambekar  
Balesh Kumar Bagree  
Nidhi Rathi

Director  
Wholetime Director  
Chief Financial Officer  
Company Secretary

# HIND SYNTEX LIMITED

## Statement of Profit and Loss for the year ended 31st March, 2017

	Particulars	Note No.	For the year ended ended 31st March, 2017 ₹	For the year ended ended 31st March, 2016 ₹
I	Revenue from Operations	16	4,04,35,20,76	40,42,91,362
II	Other Income	17	29,07,821	34,89,845
III	Total Revenue (I + II)		<u>40,72,59,897</u>	<u>40,77,81,207</u>
IV	Expenses:			
	Cost of Materials Consumed	18	2,60,463	1,91,70,732
	Changes in Inventories of Finished Goods and Work in Progress	19	16,22,605	13,88,334
	Employee Benefits Expense	20	17,11,67,374	15,81,34,636
	Finance Costs	21	83,163	-
	Depreciation and Amortization Expense		68,36,486	63,25,438
	Other Expenses	22	23,11,21,318	22,12,24,132
	Total Expenses		<u>41,10,91,409</u>	<u>40,62,43,272</u>
V	Profit before Tax (III-IV)		(38,31,512)	15,37,935
VI	Tax Expense:			
	- For earlier years		-	1,13,024
VII	Profit for the Year (V-VI)		<u>(38,31,512)</u>	<u>14,24,911</u>
VIII	Earnings per Equity Share of Rs.10/- each Basic & Diluted		(0.30)	0.11
	Significant Accounting Policies	1		

The accompanying notes form an integral part of the Financial Statements.

As per our Report annexed

For and on behalf of the Board of Directors Hind Syntex Limited

**For V. SINGHI & ASSOCIATES**

Chartered Accountants

Firm Registration. No. 311017E

**(V. K. SINGHI)**

Partner

Membership No. : 050051

Place: Kolkata

Date: 27th May, 2017

Manish kumar  
Hemant Vasant Ambekar  
Balesh Kumar Bagree  
Nidhi Rathi

Director  
Wholetime Director  
Chief Financial Officer  
Company Secretary

# HIND SYNTEX LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the period ended 31st March, 2017		For the year ended 31st March, 2016	
	₹	₹	₹	₹
<b>A. Cash Flow from Operating Activities</b>				
Net profit before tax & extraordinary items		(38,31,512)		15,37,935
<b>Adjustments for :</b>				
Depreciation	68,36,486		63,25,438	
Liability no longer require Written back	(1,93,152)		(24,721)	
(Profit)/Loss on sale of Fixed assets	23,08,922		(1,90,566)	
Interest & Finance Charges received	(7,43,134)		(10,20,797)	
Interest & Finance Charges paid	83,163	82,92,284	-	50,89,354
Operating profit before working capital changes		<b>44,60,773</b>		<b>66,27,289</b>
<b>Adjustments for :</b>				
(Increase)/ decrease in Inventories	8,66,879		13,70,392	
(Increase)/ decrease in Trade and other Receivables	(3,74,84,195)	(3,66,17,317)	<b>2,81,77,348</b>	2,95,47,740
Increase/ (decrease) in Trade Other Payables		<b>4,08,03,493</b>		<b>(3,55,62,309)</b>
Income Tax (Paid)/Refund		86,46,949		6,12,720
<b>Net cash inflow from operating activities</b>		<b>16,82,976</b>		<b>30,13,713</b>
		<b>1,03,29,925</b>		<b>36,26,433</b>
<b>B. Cash flow from Investing Activities</b>				
Acquisition of Fixed Assets		(1,40,22,931)		(78,35,528)
Purchase of Shares		(31,350)		-
Sale of Fixed Assets		52,59,658		31,61,998
Interest received		7,43,134		10,20,797
<b>Net cash outflow from investing activities</b>		<b>(80,51,489)</b>		<b>(36,52,733)</b>
<b>C Cash flow from Financing Activities</b>				
Increase/ (Decrease) in Secured Loan		8,17,301		-
Finance Cost Paid		(83,163)		-
<b>Net cash outflow from Financing activities</b>		<b>7,34,138</b>		-
Net cash inflow/ (outflow) during the year (A+B+C)		30,12,574		(26,300)
Cash and cash equivalents at the beginning of the year		19,40,926		19,67,226
<b>Cash and cash equivalents at the end of the year</b>		<b>49,53,500</b>		<b>1,94,09,26</b>
<b>Notes:-</b>				
1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement notified by the Companies (Accounting Standards) Rules, 2006 (as amended)				
		<b>31.03.2017</b>		<b>31.03.2016</b>
		₹		₹
2) Cash and Cash Equivalents Include:				
<b>Cash in hand</b>		5,78,760		1,30,643
<b>Balances with Banks</b>				
In Current Accounts		<b>43,74,740</b>		<b>18,10,283</b>
		<b>49,53,500</b>		<b>19,40,926</b>
3) Previous year's figures have been regrouped/ rearranged wherever necessary. This is the Cash Flow Statement referred to in our report of even date.				

The accompanying notes form an integral part of the Financial Statements.

As per our Report annexed

For and on behalf of the Board of Directors Hind Syntex Limited

For V. SINGHI & ASSOCIATES

Chartered Accountants

Firm Registration. No. 311017E

(V. K. SINGHI)

Partner

Membership No. : 050051

Place: Kolkata

Date: 27th May, 2017

Manish kumar  
Hemant Vasant Ambekar  
Balesh Kumar Bagree  
Nidhi Rathi

Director  
Wholetime Director  
Chief Financial Officer  
Company Secretary

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

## 1. SIGNIFICANT ACCOUNTING POLICIES :

### a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for tangible assets which are being carried at revalued amounts, pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all the material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.

### b) USE OF ESTIMATES:

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumption's and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

Management believes that the estimates used in the presentation of the financial statements are prudent and reasonable. Actual result could differ from these estimates.

### c) PROPERTY, PLANT AND EQUIPMENT'S :

- i) Tangible Assets are stated at cost. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving the purchase price.

Cost of fixed assets not ready to use before Balance Sheet date are disclosed under Capital Work in Progress.

- ii) Capital work in progress is stated at cost plus directly attributable costs.
- iii) Intangible Assets are stated at acquisition cost net of accumulated amortization.

### d) IMPAIRMENT OF TANGIBLE ASSETS:

The Company identifies impairable assets at the year end in accordance with guiding principles of Accounting Standard – 28 issued by the Institute of Chartered Accountants of India, for the purpose of arriving at impairment loss thereon, being the difference in the book value and recoverable value of the relevant assets. Impairment loss, when crystallizes, are charged against revenues for the year.

### e) INVENTORIES:

Raw Materials and Stores & Spares are valued at lower of cost or net realizable value. Cost of Inventories is net of CENVAT claim wherever applicable and is ascertained on FIFO basis.

Finished Goods produced are valued at lower of cost or net realizable value.

Work in progress is valued at cost. Finished Goods and work in progress includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Packing Materials are valued at cost.

Wastes are valued at net realizable value.

### f) DEPRECIATION:

Pursuant to the Companies Act, 2013 the Company has reassessed the useful life of all tangible fixed assets based on the independent technical evaluation by the approved Chartered Engineer.

The residual value of all assets for depreciation purpose is considered as 5% of the original cost of the assets.

Depreciation has been allocated on the basis of useful life of the assets on Straight Line Method.

Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal.

Value of land acquired on lease is amortised on the basis of the balance life of the project. Value of leasehold land is amortised on the basis of lease period or balance life of the project whichever is earlier.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

## g) EMPLOYEE BENEFITS:

(I) Post Employment Benefit Plans

### Defined Contribution Plan:

Contribution as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

### Defined Benefit Plan :

Liability in respect of Employees' Group Gratuity Cash Accumulation Cum-Life Assurance Scheme is funded by way of contribution to Life Insurance Corporation of India.

### (ii) Other Benefits

Provision has been made in respect of leave standing to the credit of the employees on the basis of actuarial valuation method.

## h) TAXES ON INCOME:

Tax Expense comprises of current and deferred tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred Tax is calculated at current statutory Income Tax Rates as applicable and is recognized on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred Tax Assets subject to consideration to prudence are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

## I REVENUE RECOGNITION :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition has also been met before revenue is recognized.

### Sale of Goods

Revenue from sale of goods is recognized when all significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods.

### Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

## j) EXPENDITURE RECOGNITION :

All expenditures are accounted for on accrual basis.

## k) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting period. These estimates are reviewed at each reporting date and adjusted to reflect the current based estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements by way of Note.

Contingent Assets are neither recognized nor disclosed in the financial statements.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

## Note 2 SHARE CAPITAL

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	₹	Number	₹
(a) <b>Authorised Share Capital</b>				
Equity shares, ₹ 10 each	1,60,00,000	16,00,00,000	1,60,00,000	16,00,00,000
		<b><u>16,00,00,000</u></b>		<b><u>16,00,00,000</u></b>
(b) <b>Issued, Subscribed and paid up</b>				
Equity shares of ₹ 10 each fully paid up	1,27,18,600	12,71,86,000	1,27,18,600	12,71,86,000
Shares forfeited	30,350	86,250	30,350	86,250
<b>Total</b>		<b><u>12,72,72,250</u></b>		<b><u>12,72,72,250</u></b>

- c) Out of the above Shares, 81,58,950 Equity Shares of Rs. 10/- each have been allotted as fully paid up Bonus Shares by capitalisation of General Reserve on 2nd, December 1993 and 16th January, 1998.
- d) 18,40,000 Equity Shares of Rs. 10/- each issued at par to Asset Reconstruction Company (India) Limited, Mumbai against conversion of Funded Interest Term Loan (FITL) into equity, as per terms of CDR.
- e) The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 10/- each.
- f) Each holder of Equity Shares is entitled to one vote per share.
- g) The Equity Shareholders have the right to approve dividend, as proposed by the Board of Directors for any financial year, to be paid to the members according to their rights and interest in the profits. However, no larger dividend shall be declared than is recommended by the Board of Directors.
- h) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

### I Name of the Shareholders holding more than 5% shares

Name of Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	No of shares	% of holding	No of shares	% of holding
Assets Reconstruction Company (India) Limited	18,40,000	14.47	18,40,000	14.4
Mr. Manish Kumar	9,56,456	7.52	9,56,456	7.52
Mr. Manish Kumar (Trustee of RDM Family Trust)	7,47,348	5.88	7,47,348	5.8
In The Name of Trustee of Devmanu Family Trust	16,98,571	13.36	16,98,571	13.36
Mrs. Ritika Kumar	27,32,807	21.49	27,32,807	21.49

As per records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

## Note 3 RESERVES AND SURPLUS

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹	₹	₹	₹
(a) Capital Reserve				
(i) Central Investment Subsidy				
- As per last Financial Statement	15,00,000		15,00,000	
(ii) State Investment Subsidy				
- As per last Financial Statement	25,00,000		25,00,000	
(iii) Diesel Generator Set Subsidy				
- As per last Financial Statement	4,46,371		4,46,371	
(iv) Others				
- As per last Financial Statement	<u>17,93,09,492</u>		<u>17,93,09,492</u>	
(Refer Note No. 21)		18,37,55,863		18,37,55,863
(b) Power Subsidy Reserve				
- As per last Financial Statement		44,71,489		44,71,489
(c) General Reserve				
- As per last Financial Statement		28,65,18,693		28,65,18,693
<b>Surplus</b>				
- As per last Financial Statement	(53,16,23,345)		(53,30,48,256)	
Add: Profit for the year as per Statement of Profit and Loss	<u>(38,31,512)</u>	<u>(53,54,54,857)</u>	<u>14,24,911</u>	<u>(53,16,23,345)</u>
<b>Total</b>		<u><b>(6,07,08,812)</b></u>		<u><b>(5,68,77,300)</b></u>

## Note 4

### LONG TERM BORROWINGS

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹	₹	₹	₹
(Secured Term Loan)				
From ICICI Bank Limited*				
<b>Gross Amount</b>	8,17,301		-	
Less: Repayable within one year	<u>3,74,657</u>	4,42,644	-	-
<b>Total</b>		<u>4,42,644</u>		-

\*\*(Secured by Hypothecation of Vehicle Purchased there against, Repayable in 36 equal monthly instalments of Rs 36,442/- including interest ending on 1st April, 2019)

## Note 5

### LONG TERM PROVISIONS

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹	₹	₹	₹
Leave Encashment		42,49,685		30,98,623
<b>Total</b>		<u>42,49,685</u>		<u>30,98,623</u>

## Note 6

### TRADE PAYABLES

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹	₹	₹	₹
Payables for Goods and Materials Purchased To Related Parties (Refer Note No.28)	-		14,97,234	
To Others	<u>1,79,67,789</u>	<u>1,79,67,789</u>	<u>1,34,53,774</u>	<u>1,49,51,008</u>
<b>Total</b>		<u>17,967,789</u>		<u>14,951,008</u>

As required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and to the extent such parties are identified on the basis of information available with the Company, there are no Micro enterprises or Small Scale Enterprises to whom the Company owes any amount which are outstanding as at 31st March, 2017.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

## Note 7 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹	₹	₹	₹
Current Maturities of Long term Borrowing (Refer Note -4)		3,74,657		-
Security Deposit from Customers		-		1,35,703
Advance Against Job Work:				
From Related Parties (Refer Note No. 28)		11,38,31,987		8,35,17,301
Advance from Customers		2,82,925		6,25,702
Advance from Others		29,58,532		29,58,532
Liabilities for Expenses		2,14,65,566		2,06,70,705
Payable to Statutory Authorities		22,88,346		21,41,210
Other Liabilities		<u>1,70,00,930</u>		<u>1,16,82,597</u>
<b>Total</b>		<b><u>15,82,02,943</u></b>		<b><u>12,17,31,750</u></b>

## Note 8 SHORT TERM PROVISIONS

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹	₹	₹	₹
For Bonus	67,19,120		66,41,195	
For Leave Encashment	<u>6,74,828</u>	73,93,948	<u>4,06,786</u>	70,47,981
<b>Total</b>		<b><u>73,93,948</u></b>		<b><u>70,47,981</u></b>

## Note 9 Property, Plant and Equipment

Particulars	Gross Block				Depreciation & Amortization				Net Block	
	As at 31st March, 2016	Additions	Adjustments for Disposals/ Transfer	As at 31st March, 2017	up to 31st March, 2016	For the year	Adjustments for Disposals/ Transfer	Total upto 30st March, 2017	As at 31st March, 2017	As at 31st March, 2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets</b>										
Land Leasehold	68,48,570	-	-	68,48,570	1,84,951	92,345	-	2,77,296	65,71,274	66,63,619
Buildings	13,73,64,367	23,60,749	-	13,97,25,116	7,81,90,047	17,34,228	-	79,924,275	5,98,00,841	5,91,74,320
Tubewells	1,90,526	-	-	1,90,526	1,81,002	-	-	1,81,002	9,524	9,524
Plant and Machinery	51,51,85,267	98,76,101	2,32,34,759	50,18,26,609	42,27,14,480	35,69,095	16,77,27,58	40,95,10,817	92,315,792	92,470,787
Electrical Installations	2,81,69,486	4,75,000	-	2,86,44,486	2,27,78,589	4,99,219	-	2,32,77,808	53,66,678	53,90,897
Wind Electric Generators	2,20,00,000	-	2,20,00,000	-	209,00,000	-	2,09,00,000	-	-	11,00,000
Furniture, Fixtures & Office Equipments	89,27,931	3,56,071	-	92,84,002	74,46,481	3,11,604	-	77,58,085	15,25,917	14,81,450
Computer & Accessories	1,08,77,675	1,27,100	-	1,10,04,775	1,00,06,858	2,18,038	-	1,02,24,896	77,98,79	8,70,817
Vehicles	20,51,746	12,77,910	1,31,586	31,98,070	16,46,414	2,89,779	12,50,07	18,11,186	13,86,884	4,05,322
<b>Total</b>	<b>73,16,15,568</b>	<b>1,44,72,931</b>	<b>4,53,66,345</b>	<b>70,07,22,154</b>	<b>56,40,48,822</b>	<b>67,14,308</b>	<b>3,77,97,765</b>	<b>53,29,65,364</b>	<b>16,77,56,790</b>	<b>16,75,66,746</b>
<b>Previous Year</b>	<b>76,68,47,607</b>	<b>79,85,528</b>	<b>4,32,17,567</b>	<b>73,16,15,568</b>	<b>59,80,97,049</b>	<b>61,97,906</b>	<b>4,02,46,133</b>	<b>56,40,48,822</b>	<b>16,75,66,746</b>	
<b>Intangible Assets</b>										
Computer Software	4,00,977	-	-	4,00,977	2,36,757	1,22,178	-	3,58,935	42,042	1,64,220
<b>Total</b>	<b>4,00,977</b>	<b>-</b>	<b>-</b>	<b>4,00,977</b>	<b>2,36,757</b>	<b>1,22,178</b>	<b>-</b>	<b>3,58,935</b>	<b>42,042</b>	<b>1,64,220</b>
<b>Previous Year</b>	<b>4,00,977</b>	<b>-</b>	<b>-</b>	<b>4,00,977</b>	<b>1,09,226</b>	<b>1,27,531</b>	<b>-</b>	<b>2,36,757</b>	<b>164,220</b>	
<b>Capital Work in Progress</b>										
Plant and Equipment	4,50,000	-	4,50,000	-	-	-	-	-	-	4,50,000
<b>Total</b>	<b>4,50,000</b>	<b>-</b>	<b>4,50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,50,000</b>
<b>Previous Year</b>	<b>6,00,000</b>	<b>-</b>	<b>1,50,000</b>	<b>4,50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,50,000</b>	
<b>Grand Total</b>	<b>73,24,66,545</b>	<b>1,44,72,931</b>	<b>4,58,16,345</b>	<b>70,11,23,131</b>	<b>56,42,85,579</b>	<b>68,36,486</b>	<b>3,77,97,765</b>	<b>53,33,24,299</b>	<b>16,77,98,832</b>	<b>16,81,80,966</b>
<b>Previous Year</b>	<b>76,78,48,584</b>	<b>79,85,528</b>	<b>4,33,67,567</b>	<b>73,24,66,545</b>	<b>59,82,06,275</b>	<b>63,25,437</b>	<b>4,02,46,133</b>	<b>56,42,85,579</b>	<b>16,81,80,966</b>	

Note :- Above Immovable and Moveable properties /assets Situated at plot no 2,3,4 & 5 Sector A Industrial Growth Centre, Pillukhedi-546667 (Madhya Pradesh) are mortgage and hypothecated on Pari-Passu to Banks for Credit facilities availed by Wearit Global Limited

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

## Note 10

### Non Current Investments

Particulars	As at 31st March, 2017			As at 31st March, 2016		
	₹			₹	₹	₹
	No. of share	Face Value		No. of share	Face Value	
Long Term (other then Trade) ( At Cost)						
Unquoted Investments						
In Equity Shares fully paid up						
- OPGS Power Gujarat Private Limited	165000	0.19	31,350	-	-	-
<b>Total</b>			<b>31,350</b>			<b>-</b>

## Note 11

### LONG TERM LOANS AND ADVANCES

(Unsecured, considered good by the management)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹	₹	₹	₹
Security Deposits		1,13,79,846		83,01,946
Provident Fund Receivable		10,74,350		10,74,350
(Refer Note No.:-23) (c)				
Entry Tax		1,66,000		1,66,000
(Refer Note No.:-23) (b)				
Electricity Duty Receivable		1,90,951		1,90,951
(Refer Note No.:-23) (e)				
Advance Income Tax		75,06,945		91,89,921
Others		500		500
Value Added Tax		54,576		54,576
<b>Total</b>		<b>2,03,73,168</b>		<b>1,89,78,244</b>

## Note 12

### INVENTORIES

(as taken valued and certified by the management)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹	₹	₹	₹
Work In Progress (at Cost)		-		16,08,953
Finished Goods (at lower of cost or net realisable value)		-		1,00,682
Packing Materials (at Cost)		3,55,944		2,22,048
Stores & Spares (at Cost)		72,96,622		66,74,792
Waste (at net realisable value)		9,29,700		8,42,670
<b>Total</b>		<b>85,82,266</b>		<b>94,49,145</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

## Note 13

### TRADE RECEIVABLES

(Unsecured, considered good by the management)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹	₹	₹	₹
Others	<u>4,56,667</u>	4,56,667	<u>75,582</u>	75,582
<b>Total</b>		<u><b>4,56,667</b></u>		<u><b>75,582</b></u>

## Note 14

### CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	₹	₹	₹	₹
Balances with Banks				
In Current Accounts		43,74,740		18,10,283
Cash on Hand (as certified by the management)		5,78,760		1,30,643
<b>Total</b>		<u><b>49,53,500</b></u>		<u><b>19,40,926</b></u>

## Note 15

### SHORT TERM LOANS AND ADVANCES

(unsecured, considered good by the management)

Particulars	For the year the ended 31st March, 2017		For the year the ended 31st March, 2016	
	₹	₹	₹	₹
<b>Advances</b>				
To Suppliers	3,34,028		13,23,455	
To Employees	4,28,176		4,63,780	
To Others	<u>6,53,498</u>	14,15,702	<u>10,33,423</u>	28,20,658
<b>Prepaid Expenses</b>		5,26,401		5,43,776
Other Receivables				
VAT Receivable	37,98,743		29,06,245	
Stipend Receivable (ISDS)	22,82,208		-	
Excise Rebate Claim	92,65,078		40,61,554	
Cenvat Receivable	3,24,58,061		70,22,383	
Service Tax Receivable	<u>28,78,471</u>	5,06,82,561	<u>12,44,833</u>	15,235,015
<b>Total</b>		<u><b>5,26,24,664</b></u>		<u><b>1,85,99,449</b></u>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Note 16.

## REVENUE FROM OPERATIONS

Particulars	For the year the ended 31st March, 2017		For the year the ended 31st March, 2016	
	₹	₹	₹	₹
Sale of Products	22,46,582		2,44,55,469	
Less :- Excise Duty	-		2,78,661	
Less :- Sales Tax	<u>93,756</u>	21,52,826	<u>2,61,402</u>	2,39,15,406
Sale of Waste	79,20,060		67,16,355	
Less :- Excise Duty	8,12,463		6,98,033	
Less :- TCS	56,179		33,361	
Less :- Sales Tax	<u>2,95,511</u>	67,55,907	<u>2,02,270</u>	57,82,691
Income from Job Work (Gross) (Tax Deducted at Source Rs. 9,19,880/-) (Previous year Rs. 26,41,528/-)		39,54,43,343		37,45,93,265
<b>Total</b>		<u><b>40,43,52,076</b></u>		<u><b>40,42,91,362</b></u>

Note 17

## OTHER INCOME

Particulars	For the year the ended 31st March, 2017		For the year the ended 31st March, 2016	
	₹	₹	₹	₹
Interest (Gross)				
(Tax Deducted at Source Rs. 73,500/-) (Previous year Rs. 64,000/-)				
From Income Tax Department	1,21,810		3,88,122	
From Others	<u>7,43,134</u>	8,64,944	<u>6,32,675</u>	10,20,797
Profit on Sale of Fixed Asset		-		1,90,566
Liblity on longer required written back		1,93,152		24,721
Other Income		18,49,725		22,53,761
<b>Total</b>		<u><b>29,07,821</b></u>		<u><b>34,89,845</b></u>

Note 18

## COST OF MATERIALS CONSUMED

Particulars	For the year the ended 31st March, 2017		For the year the ended 31st March, 2016	
	₹	₹	₹	₹
Fibre & Yarn		2,60,463		1,91,70,732
<b>Total</b>		<b>2,60,463</b>		1,91,70,732

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

## Note 19

### CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	For the year the ended 31st March, 2017		For the year the ended 31st March, 2016	
	₹	₹	₹	₹
<b>Opening Stock</b>				
Finished Goods	1,00,682		20,44,716	
Work-In-Progress	16,08,953		16,75,153	
Waste	<u>8,42,670</u>	25,52,305	<u>2,20,770</u>	39,40,639
<b>Less: Closing Stock</b>				
Finished Goods	--		1,00,682	
Work-In-Progress	--		16,08,953	
Waste	<u>92,9,700</u>	9,29,700	<u>8,42,670</u>	25,52,305
<b>Total</b>		<b><u>16,22,605</u></b>		<b><u>13,88,334</u></b>

## Note 20

### EMPLOYEE BENEFITS EXPENSE \*

Particulars	For the year the ended 31st March, 2017		For the year the ended 31st March, 2016	
	₹	₹	₹	₹
Salaries and Wages		15,65,04,187		14,42,79,858
Contribution to Provident, Gratuity & Other Funds		1,19,32,979		1,14,53,148
Staff Welfare Expenses		27,30,208		24,01,630
<b>Total</b>		<b><u>17,11,67,374</u></b>		<b><u>15,81,34,636</u></b>

\* Including Remuneration of Rs.43,81,948/- paid to key management personnel.

## Note 21

### FINANCE COST

Particulars	For the year the ended 31st March, 2017		For the year the ended 31st March, 2016	
	₹	₹	₹	₹
To Bank		83,163		-
<b>Total</b>		<b><u>83,163</u></b>		<b><u>-</u></b>

## Note 22

### OTHER EXPENSES

Particulars	For the year the ended 31st March, 2017	For the year the ended 31st March, 2016
	₹	₹
Consumption of Stores/Consumable, Spare Parts and Packing Material etc.	2,94,92,469	2,72,30,718
Other Manufacturing Expenses	74,13,685	55,75,296
Power and Fuel	16,46,16,634	16,33,18,007
Rent	19,24,984	21,80,223
Repairs & Maintenance :		
To Building	14,56,999	13,95,038
To Machinery	22,88,948	25,63,607
To Others	2,62,742	2,20,658
Insurance	16,14,148	11,25,289
Rates and Taxes	8,15,026	8,58,013
Freight, forwarding & Other Expenses	9,14,366	1,24,501
Bank Charges	13,613	8,817
Postage, Telegram & Telephone	9,68,980	12,63,663
Travelling & Conveyance	45,74,898	41,04,482
Vehicle Expenses	54,65,498	49,93,709
Corporate Social Responsibility Expenses	13,50,000	-
Legal and Professional Fees	5,77,952	9,24,961
Loss on Sale of Fixed Asset	23,08,922	-
Auditors Remuneration		
- As Auditor	1,90,000	1,90,000
- for Other Services	2,55,000	1,75,000
Prior Period Expenses	-	46,537
Miscellaneous Expenses	46,16,453	49,25,613
<b>Total</b>	<b><u>23,11,21,318</u></b>	<b><u>22,12,24,132</u></b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

## 23. Contingent Liabilities not provided for in respect of:

- Guarantees given to banks against Credit Facilities availed by associates of Rs.3,17,81,00,000. (Previous Year Rs. 2,65,12,00,000).
- Entry Tax demands of Rs. 5,76,968 (Previous Year Rs.5,76,968) against which amount deposited Rs.1,66,000 (Previous Year Rs. 1,66,000).
- Regional Provident Fund Commissioner, Gwalior has lodged the case under section 7A of the "Employees' Provident Fund and Miscellaneous Provisions Act, 1952", ("PF Act") for the recovery against provident fund amount from April, 2008 to December, 2010 and passed an order under section 8F of PF Act vide order no.EPF/MP/SRO/GWL/ENFORCEMENT/8F dated December 04, 2013, for recovery of Rs. 21,57,618 (Previous Year Rs. 21,57,618). The Company has disputed the amount and filed an Appeal before Provident Fund Tribunal, New Delhi against which the PF Commissioner has recovered Rs. 10,74,351 (Previous Year Rs. 10,74,351) from the Company's bank account.
- M.P. Madhya Kshetra Vidyut Vitaran Company Ltd. has made an additional demand of Rs. 60,70,806/- (Previous Year Rs. 52,31,285/-) vide its bill, on account of billing difference for electricity purchase through Open Access. The Company has filed a Writ Petition against the said demand before the Hon'ble High Court at Indore and obtained an Interim Stay vide Order dated 29.02.2016.
- M.P. Madhya Kshetra Vidyut Vitaran Company Ltd. vide its electricity bill has levied electricity duty amounting to Rs.1,90,951/- (Previous Year Rs. 1,90,951/-) on account of electricity purchased from solar power generators, which the company has deposited under protest. The Company has filed a Writ Petition against the said levy before the Hon'ble High Court at Indore and obtained an Interim Stay vide order dated 09.03.2016 against further levy of electricity duty on account of electricity purchase from solar power generators.

24. Capital Reserve - others of Rs.17,93,09,492 represents remission of liability on account of Principal by the Secured Creditors.

25. Balances of certain Trade Receivables, Trade Payables, Other Current Liabilities, Claim Receivable & Advances are subject to confirmation by the parties and include some old items pending reconciliation and adjustment to appropriate accounts.

## 26. Provision for Employee Benefits:

Accounting Standard-15 ("AS-15") on "Employee Benefits" requires an enterprise to recognize its obligation and employee benefits cost under defined benefit plans such as gratuity and compensated absences, based on an actuarial valuation. The obligation and employee benefits cost are to be reflected in the Balance Sheet and the Statement of Profit and Loss, respectively.

### Gratuity:

As regards Gratuity, the Company is under "The Employee Group Gratuity Scheme" of the LIC for meeting its obligation under post employment benefits and the Company has no obligation to pay benefits to the employee and insurer has the sole responsibility for paying the post employment benefits.

As per LIC's renewal intimation, the Company has contributed a sum of Rs.2,55,726 (Previous Year Rs. 2,80,598). In accordance with the provisions of AS-15 on "Employee Benefits", the contribution so made is charged to the Statement of Profit and Loss.

### Leave Encashment:

As per Actuarial Valuation as on March 31, 2017 and recognized in the financial statements in respect of Employee Benefits Scheme:

	For the year ended 31st March, 2017 Leave Encashment Unfunded	For the year ended 31st March, 2016 Leave Encashment Unfunded
	₹	₹
<b>I Components of Employer Expense</b>		
1 Current Service Cost	42,78,635	10,18,617
2 Interest Cost	2,41,529	-
3 Expected Return of Plan Assets	-	-
4 Curtailment Cost/ (credit)	-	-
5 Settlement Cost/(credit)	-	-
6 Amortization of Past Service Cost	-	-
7 Actuarial (Gains)/Losses	21,28,460	3,96,080
<b>Total expense recognized in the Statement of Profit and Loss</b>	<b>23,91,703</b>	<b>14,14,697</b>
<b>II Net Asset / (Liability) recognized in Balance Sheet as at 31st March</b>		
1 Present Value of Defined Benefit Obligation	49,24,513	35,05,409
2 Fair Value of Plan Assets as at 31st March	-	-
3 Net Asset/(Liability) recognized in Balance Sheet.	(49,24,513)	(35,05,409)
<b>III Change in Defined Benefit Obligation (DBO) during the year</b>		
1 Present Value of DBO at the Beginning of Year	35,05,409	23,69,275
2 Current Service Cost	42,78,635	10,18,617
3 Interest Cost	-	-
4 Actuarial Losses/(Gains)	21,18,460	39,26,080
5 Benefits Paid	(9,72,599)	(2,78,563)
6 Present Value of DBO at the end of Year	49,24,513	35,05,409

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Leave Encashment Unfunded	Leave Encashment Unfunded
	₹	₹
<b>IV Change in the Fair Value of Plan Assets</b>		
1 Plan Assets at the beginning of period	-	-
2 Expected return on plan assets	-	-
3 Actual Company Contributions	-	-
4 Acturial Gain/(Loss) on plan assets	-	-
5 Employee Contributions	-	-
6 Benefits paid	-	-
<b>7 Plan assets at the end of the period</b>	-	-
<b>V Actuarial Assumptions</b>		
<b>Mortality Table</b>	<b>IALM(2006-08) Ultimate</b>	<b>IALM(2006-08) Ultimate</b>
1 Discount Rate (per annum)	7.37%	8.00%
2 Rate of escalation in Salary (per annum)	1.00%	7.00%
3 Expected Average remaining working lives of employees(years)	23.41	20.64

27. The Company is primarily engaged in the operation of job Work for manufacturing Synthetics Blended Yarn to a single unit. Accordingly, the Company is a single business segment company, which as per Accounting Standard 17 is considered the only reportable business segment. The geographical segmentation is not relevant, as the company did not have any overseas operation during the year.

28. Disclosure in respect of related parties as defined in Accounting Standard 18 are given below:-

**A. Key Managerial Personnel:-**

- Mr. Manish Kumar, Director
- Mr. Vilas Agrawal, Wholetime Director (Resigned on 27.09.2016)
- Mr. Hemant Vasant Ambekar, Additional Director (Appointment on 10.11.2016)
- Mr. Balesh Kumar Bagree, Chief Financial Officer
- Mrs. Nidhi Rathi, Company Secretary

**B. Relative of a Director :-** Mrs. Ritika Kumar, wife of Mr. Manish Kumar

**C. Companies over which key management personal or relatives are able to exercise control/significant influence:**

- Wearit Global Limited
- Ritspin Synthetics Limited
- Dhanteresh Sales Private Limited
- SPBP TEA (India) Limited

**D. Disclosure of Transactions during the year**

Name of Person	Nature of Transactions	Year Ended 31st March, 2017	Year Ended 31st March, 2016
		₹	₹
Wearit Global Limited	Sales of Yarn	22,46,582	2,44,51,839
	Sales of Waste	8,02,052	-
	Sales of Fixed Assets	10,61,572	-
	Sales of Stores/Scrap	2,83,332	32,758
	Job Work Charges Received	39,40,42,659	37,45,93,265
	Purchase of Yarn	-	1,94,01,395
	Purchase of Fixed Assets	50,73,829	-
	Purchase of Store Consumable	50,06,652	6,74,906
	Paid Towards Reimbursement of Freight and other Expenses.	58,09,238	35,54,571
Ritspin Synthetics Pvt. Ltd.	Sales of Stores Consumable	13,264	-
	Sales of Fixed Assets	15,67,500	-
	Purchase Yarn	2,73,375	8,18,226
	Purchase of Fixed Assets	-	18,49,596
	Purchase of Store Consumable	-	1,56,187
	Paid Towards Expenses.	56,75,000	-
	Received Towards Reimbursement of Expenses	54,85,155	5,45,657
Mr. Vilas Agrawal	Remuneration	17,00,926	14,41,804
Mr. Hemant Vasant Ambekar	Remuneration	8,76,064	-
Mr. Balesh Kumar Bagree	Remuneration	14,45,000	11,71,200
Mrs. Nidhi Rathi	Remuneration	3,59,958	3,91,229

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

e. Balance as at 31st March, 2017

Name of Person	Nature of Balances	As at 31st March, 2017	As at 31st March, 2016
		₹	₹
Wearit Global Limited	Advance Against Job Work	11,38,31,987	8,35,17,301
Ritspin Synthetics Limited	Trade Payables	-	14,97,234
Wearit Global Limited	Corporate Guarantee	3,17,81,00,000	2,65,12,00,000

29. Information on Earnings per Share as per Accounting Standard-20 on "Earnings per Share":

	31st March, 2017	31st March, 2016
a) Profit / (Loss) available to Equity Shareholders	₹ (38,31,512)	₹ 14,24,911
b) No. of Equity Shares Outstanding during the year	1,27,18,600	1,27,18,600
c) Nominal Value per Equity Share	₹ 10	₹ 10
Basic & Diluted	₹ (0.30)	₹ 0.11

30. The timing difference relating mainly to depreciation and unabsorbed losses result in net deferred tax credit as per Accounting Standard 22 "Accounting for Taxes on Income". As a prudent measure the net deferred tax assets relating to the above has not been recognised in the Financial Statements.

31. Imported and Indigenous Consumption:

Particulars	Year ended 31st March, 2017		Year ended 31st March, 31, 2016	
	Value	Percentage	Value	Percentage
(A) Raw Material :-				
Imported	-	-	-	-
Indigenous	2,60,463	100.00	1,91,70,732	100.00
<b>Total</b>	<b>2,60,463</b>	<b>100.00</b>	<b>1,91,70,732</b>	<b>100.00</b>
(B) Stores & Spare Parts :-				
Imported	-	-	9,99,430	3.67
Indigenous	2,94,92,469	100.00	2,62,31,288	96.33
<b>Total</b>	<b>2,94,92,469</b>	<b>100.00</b>	<b>2,72,30,718</b>	<b>100.00</b>

32. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(In ₹)

Particulars	SBNs*	Other denomination notes	Total
Closing Cash In Hand as on 08.11.2016	6,11,000	3,29,001	9,40,001
(+) Permitted Receipts	-	19,86,152	19,86,152
(-) Permitted payment	-	17,32,474	17,32,474
(-) Amount deposited in Banks	6,11,000	1,94,500	8,05,500
Closing Cash In Hand as on 30.12.2016	-	3,88,179	3,88,179

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

33. Previous year figures, wherever necessary, have been regrouped and reclassified.

Signature to Notes 1 to 33  
As per our Report annexed

**For V. SINGHI & ASSOCIATES**

Chartered Accountants  
Firm Registration. No. 311017E

**(V. K. SINGHI)**

**Partner**

**Membership No. : 050051**

Place: Kolkata

Date: 27th May, 2017

**For and on behalf of the Board of Directors Hind Syntex Limited**

Manish kumar  
Hemant Vasant Ambekar  
Balesh Kumar Bagree  
Nidhi Rathi

Director  
Wholetime Director  
Chief Financial Officer  
Company Secretary

**HIND SYNTEX LIMITED****CIN : L17118MP1980PLC001697**

Registered Office: Plot No. 2, 3, 4 & 5 Sector A, Industrial Growth Centre  
 Pillukhedi - 465667, Dist : Rajgarh, Madhya Pradesh Ph : +91 7375 2444350; +91 93015 28698  
 Email: pillukhedi@wearitgroup.com Website: www.hindsyntextld.com

**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]

Name of the Member(s)	
Registered Address	
E mail id	
Folio no./ Client ID	
DP ID	
No. of shares held	

I/We, being the member (s) of the above named Company, hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
3. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company to be held on Saturday, the 23rd September, 2017 at 11.30 A.M. at registered office of the Company at Plot No. 2, 3, 4 & 5, Sector-A, Industrial Growth Centre, Pillukhedi-465667, Madhya Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (*Optional)	
		For	Against
1.	<b>Ordinary Business</b> Adoption of Audited Financial Statements of the Company for the financial year ended 31st March, 2017, together with the Report of Directors' and Auditors' thereon.		
2.	Appointment of Mr. Manish Kumar (DIN:00121900) as a Director of the the Company, who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appointment of M/s. V. Singhi & Associates, Chartered Accountants as Statutory Auditors of the Company for a period of 2 years & fixing their remuneration.		
4.	<b>Special Business</b> Determining the fees for delivery of any document through a particular mode of delivery to a member u/s 20 of the Companies Act, 2013.		
5.	Appointment of Mr. Hemant Vasant Ambekar as Whole-time Director of the Company.		
6.	Appointment of Mr. Nirmal Kumar Maheshwari as a Non-Executive Director.		

Signed this ..... Day of ..... September 2017.

Affix  
Rs One  
Revenue  
Stamp here

Signature of Shareholder

Signature of Proxy holder

**Note:**

1. 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 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 36th AGM.
3. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

**HIND SYNTEX LIMITED****CIN : L17118MP1980PLC001697**

Registered Office: Plot No. 2, 3, 4 & 5 Sector A, Industrial Growth Centre  
 Pillukhedi - 465667, Dist : Rajgarh, Madhya Pradesh Ph : +91 7375 2444350; +91 93015 28698  
 Email: pillukhedi@wearitgroup.com Website: www.hindsyntextld.com

**ATTENDANCE SLIP**

36th Annual General Meeting, Saturday, September 23rd 2017 at 11.30 A.M.

Please fill Attendance Slip and hand it over at the entrance of the Meeting Hall.

Folio No./DP ID/ Client ID #
No. of Equity Shares Held

I/We hereby record my / our presence at the 36th Annual General Meeting of the Company being held at the Registered Office .of the Company at Plot no. 2, 3, 4 & 5 Sector-A, Industrial growth Centre, Pillukhedi-654667.

**Name of Shareholder (In Block letter)**

**Name of proxy/ Authorized Representatives attending\* (In Block letter)**

\* Strike out whichever is not applicable

#Applicable for Shareholders holding Shares in Dematerialized Form.

.....  
 Signature of the attending Shareholder/  
 Proxy/Authorized Representative \*

Note: Members are requested to bring their Attendance Slip, sign the same at the place provided and hand it over at the entrance of the venue.

**Book - Post**

*If not delivered, please return to :*

**Hind Syntex Limited**

Plot No. 2, 3, 4 & 5, Sector A,  
Industrial Growth Centre,  
PILLUKHEDI - 465 667  
District Rajgarh (M.P.)  
Tel. : +91 93015 28698  
Email : pillukhedi@wearitgroup.com