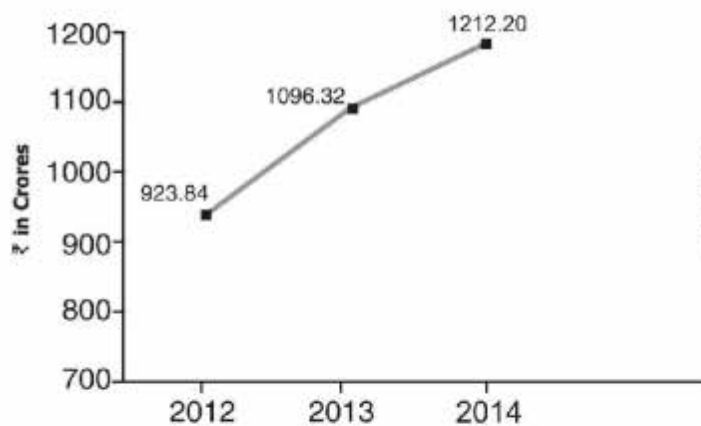


38TH ANNUAL REPORT 2013-14



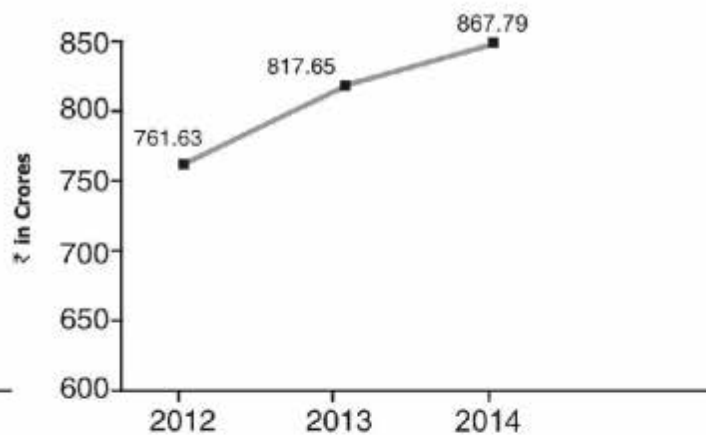
BANSWARA SYNTEX LIMITED

Total Income



For the year

Gross Fixed Assets

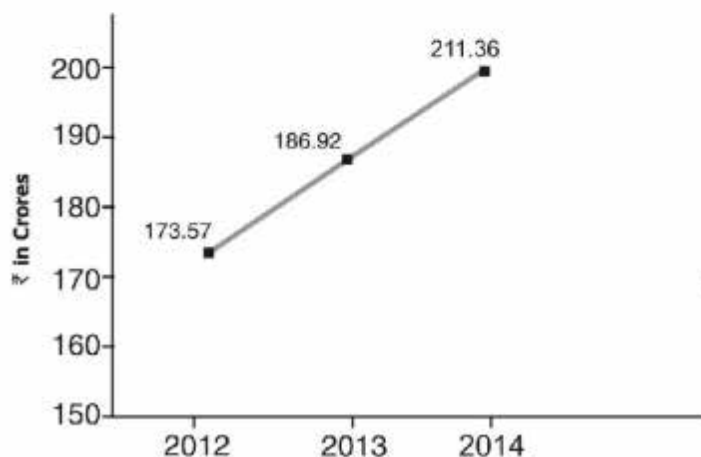


As at 31st March

KEY HIGHLIGHTS OF 2013-14

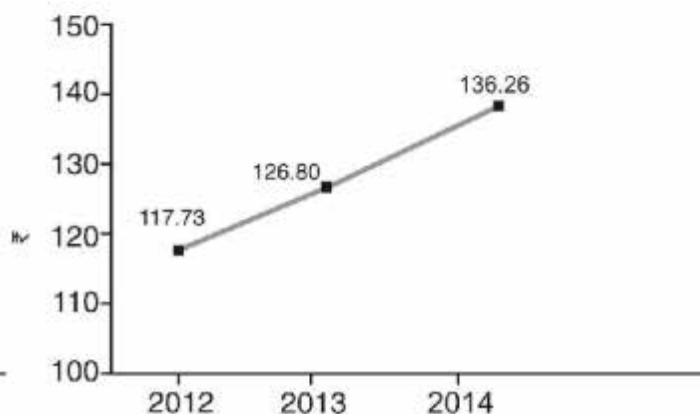
- * Total Income increased by 10.57%
- * Basic EPS ₹ 16.86
- * Book Value of Shares ₹ 136.26 per share.
- * Net Worth ₹ 211 Cr.
- * Net Worth and DTL ₹ 256 Cr.
- * Dividend 30%

Net Worth



As at 31st March

Book Value Per Share



As at 31st March



COMPANY INFORMATION

BOARD OF DIRECTORS

Shri R.L. Toshniwal, Chairman
Shri Ravindra Kumar Toshniwal, Managing Director
Shri Rakesh Mehra, Vice Chairman
Shri Shaleen Toshniwal, Jt. Managing Director
Shri P. Kumar
Shri D.P. Garg
Dr. S.B. Agarwal
Shri Vijay Kumar Agarwal
Shri P.K. Bhandari
Shri Kamal Kishore Kacholia
Shri A.N. Jariwala
Shri Vijay Mehta
Shri C. P. Ravindranath, Nominee Director (upto 10.01.2014)

EXECUTIVES

Shri S.S. Sajal, President
Shri J.K. Rathi, President (Commercial)
Shri J.K. Jain, Sr. Vice President (Fin. & Com.)
& Company Secretary
Shri S.N. Gupta, Sr. Vice President (Technical)
Shri S.S. Kella, Vice President (Audit & Taxation)
Shri S.R. Jain, Vice President (Engineering)
Shri Ashok Mishra, Vice President (Technical Worsted)
Shri Nailesh Joshi, Vice President (Technical Surat SEZ Unit)
Shri Prashant Joshi, Vice President (Processing)
Shri D.K. Menariya, Vice President (Personnel)
Shri Basant Kala, Vice President (Finance & Accounts)
Shri Rahul Bhadauria, Vice President (Operation)
Shri Arun Kumar Pareek, Vice President (Technical)

AUDITORS

M/s. Kalani & Company, Chartered Accountants
"Shankar Ratan Chambers"
S-23A, Mangal Marg, Bapu Nagar
JAIPUR 302 015 (Raj.)

BANKERS

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

REGISTRAR & SHARE TRANSFER AGENT

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

OFFICES

REGISTERED OFFICE

Industrial Area, Dohad Road
BANSWARA-327 001 (Raj.)
CIN : L24302RJ1976PLC001684
E-mail : secbsw@banswarafabrics.com
website : www.banswarasyntex.com
Phone No. (02962) 257676, 257679-681
240690, 240691
Fax No. (02962) 240692

HEAD/MARKETING OFFICE

4th/5th Floor, Gopal Bhawan
199, Princess Street
MUMBAI - 400 002 (Maharashtra)

DELHI OFFICE

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

JAIPUR OFFICE

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

PLANTS

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

Daman Unit (Garment)

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

Surat Unit (Garment)

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

QUALITY POLICY

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

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

NOTICE

NOTICE is hereby given that 38th Annual General Meeting of the shareholders of Banswara Syntex Limited, will be held on Monday, the day of 22nd September, 2014 at 3.30 p.m. at its Registered Office at Industrial Area, Dohad Road, Banswara (Raj.) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Preference Shares for the year 2013-14.
3. To declare dividend on Equity Shares for the year 2013-14.
4. To appoint a Director in place of Mr. R.L. Toshniwal (holding DIN :00106933) who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
5. To Appoint Kalani & Company, Jaipur, as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the third Annual General Meeting, and to authorize the Board to fix their remuneration.

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 of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s Kalani & Company, Chartered Accountants (Firm Registration No. 000722C), be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the third Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors of the Company, be and are hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis to be agreed upon between the auditors and the Board of Directors."

SPECIAL BUSINESS

6. Appointment of K.G. Goyal & Company, as Cost Auditor.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and all others applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014

(including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s K.G. Goyal & Company, the Cost Auditor (Firm Registration No.000017), be and is hereby appointed to conduct the Audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of ₹2,00,000/- plus Service Tax as applicable and out of pocket expenses."

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

7. Re-appointment of Shri R.L. Toshniwal as Chairman.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and provisions of the Articles of Association and all other applicable rules, Laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, the consent of the Company, be and is hereby accorded to the reappointment of Shri R.L. Toshniwal as Chairman of the Company for a period of 3 years (Three years) w.e.f. 1st January, 2015 to 31st December, 2017 on the terms and conditions including remuneration, as set out below:-

- (i) **Basic Salary** : ₹6,00,000/- per month, w.e.f. 01.01.2015 which shall be increased every year on 1st April by ₹ 60,000/- in the scale of ₹ 6,00,000-60,000-7,20,000. The first increase in the above salary will be on 01.04.2016.
- (ii) **Commission** : 1% commission on the net profit of the Company, computed in the manner laid down in the Companies Act, 2013.
- (iii) **Perquisites and Benefits** : In addition to above the following perquisites not exceeding the overall ceiling as prescribed under schedule V, annexed to the Companies Act, 2013 will be provided to the Chairman:

CATEGORY (A)

- a) **Housing** :

He will be paid 30% house rent allowance per month on his basic salary.

- b) **Medical Reimbursement / Mediclaim Insurance** :

Reimbursement of expenses actually incurred, for Self and family; the total cost to the Company shall not exceed one month's salary per year or three months' salary in a period of 3 years. However only those expenses will be reimbursed which have not been reimbursed in the mediclaim insurance policy, if any, taken by the Company from time to time.

**c) Leave Travel Concession:**

For self and family once in a year; the total cost to the Company shall not exceed one months' salary per year or three month's salary in a period of three years.

d) Club Fees

Fees of clubs payable subject to a maximum of two clubs except entrance and life membership fees.

e) Personal Accident Insurance:

Premium not to exceed ₹ 10,000/- per annum.

f) Servant allowance:

Not exceeding ₹ 60,000/- per annum.

CATEGORY (B)

In addition to the perquisites, Shri R.L. Toshniwal shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration mentioned above, as permissible by law.

a) Provident Fund / Superannuation Fund or Annuity Fund:

The Company's contribution to Provident Fund / Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

b) Gratuity:

Gratuity payable shall not exceed half month's Basic Salary for each completed year of service.

c) Leave:

Leave and Leave Encashment as per the rules of the Company.

CATEGORY (C)**a) Conveyance**

Free use of the Company's car along with the driver. Personal use of car shall be billed by the Company.

b) Telephone

Free telephone facility at residence. Personal long distance calls shall be billed by the Company.

c) Reimbursement of Expenses

Apart from the remuneration as aforesaid, Shri R.L. Toshniwal, Chairman shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.

d) Sitting Fee

No sitting fee shall be paid to Shri R.L. Toshniwal, Chairman for attending the Meetings of Board of Directors or any committee thereof. He shall be liable to retire by rotation.

e) Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Shri R.L. Toshniwal, Chairman, subject to the applicable provisions of Schedule V to the said Act.**Other Terms & Conditions :**

a) Shri R.L. Toshniwal will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.

b) Either party giving the other party three-months prior notice in writing to that effect may terminate the agreement.

c) If at any time Shri R.L. Toshniwal ceases to be Director of the Company for any reason whatsoever, he shall cease to be the Chairman."

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the Company and Shri R.L. Toshniwal be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval."

"RESOLVED FURTHER THAT Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman, Shri Shaleen Toshniwal, Jt. Managing Director and Shri J.K. Jain, Sr. Vice President (Fin. & Com.) & Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution"

8. Re-appointment of Shri Ravindra Kumar Toshniwal as Managing Director.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Articles of Association and all other applicable rules, Laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, the consent of the Company, be and is hereby accorded to the reappointment of Shri Ravindra Kumar Toshniwal as Managing Director of the Company for a period of 3 years (Three years) w.e.f. 1st January, 2015 to 31st December, 2017 on the terms and conditions including remuneration, as set out below:-

- (i) **Basic Salary :** ₹ 5,25,000/- per month, w.e.f. 01.01.2015 which shall be increased every year on 1st April by ₹ 50,000/- in the scale of ₹ 5,25,000-50,000-6,25,000. The first increase in the above salary will be on 01.04.2016.

- (ii) **Commission** : 1% commission on the net profit of the Company, computed in the manner laid down in the Companies Act, 2013. The commission will be paid subject to overall limit prescribed under the Companies Act, 2013. The first such 1% commission of the net profit, will be paid to Shri R.L. Toshniwal, Chairman of the Company, and thereafter balance available profit, will be equally distributed amongst Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman and Shri Shaleen Toshniwal, Jt. Managing Director of the Company, subject to maximum ceiling of 1% Commission to each one of them on net profit of the Company as above.
- (iii) **Perquisites and Benefits** : In addition to above the following perquisites not exceeding the overall ceiling as prescribed under schedule V, annexed to the Companies Act, 2013 will be provided to the Managing Director:

CATEGORY (A)

- a) **Housing** :
He will be paid 30% house rent allowance per month on his basic salary.
- b) **Medical Reimbursement / Mediclaim Insurance**:
Reimbursement of expenses actually incurred, for Self and family; the total cost to the Company shall not exceed one month's salary per year or three months' salary in a period of 3 years. However only those expenses will be reimbursed which have not been reimbursed in the mediclaim insurance policy, if any, taken by the Company from time to time.
- c) **Leave Travel Concession** :
For self and family once in a year; the total cost to the Company shall not exceed one month's salary per year or three month's salary in a period of three years.
- d) **Club Fees** :
Fees of clubs payable subject to a maximum of two clubs except entrance and life membership fees.
- e) **Personal Accident Insurance** :
Premium not to exceed ₹ 10,000/- per annum.
- f) **Servant allowance**:
Not exceeding ₹ 60,000/- per annum.

CATEGORY (B)

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

- a) **Provident Fund / Superannuation Fund or Annuity Fund**:
The Company's contribution to Provident Fund / Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

- b) **Gratuity**:
Gratuity payable shall not exceed half month's Basic Salary for each completed year of service.
- c) **Leave** :
Leave and Leave Encashment as per the rules of the Company.

CATEGORY (C)

- a) **Conveyance**
Free use of the Company's car along with the driver. Personal use of car shall be billed by the Company.
- b) **Telephone**
Free telephone facility at residence. Personal long distance calls shall be billed by the Company.
- c) **Reimbursement of Expenses**
Apart from the remuneration as aforesaid, Shri Ravindra Kumar Toshniwal, Managing Director shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.
- d) **Sitting Fee**
No sitting fee shall be paid to Shri Ravindra Kumar Toshniwal, Managing Director, for attending the Meetings of Board of Directors or any committee thereof. He shall not be liable to retire by rotation.
- e) Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Shri Ravindra Kumar Toshniwal, Managing Director, subject to the applicable provisions of Schedule V to the said Act.

Other Terms & Conditions:

- a) Shri Ravindra Kumar Toshniwal will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- b) Either party giving the other party three-months prior notice in writing to that effect may terminate the agreement.
- c) If at any time Shri Ravindra Kumar Toshniwal ceases to be Director of the Company for any reason whatsoever, he shall cease to be the Managing Director."

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the company and Shri Ravindra Kumar Toshniwal be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval."



"RESOLVED FURTHER THAT Shri R.L.Toshniwal, Chairman, Shri Rakesh Mehra, Vice Chairman, Shri Shaleen Toshniwal, Jt. Managing Director and Shri J.K. Jain, Sr. Vice President (Fin. & Com.) & Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution"

9. Re-appointment of Shri Rakesh Mehra as Vice Chairman.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Article of Association and all other applicable rules, Laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, the consent of the Company, be and is hereby accorded to the reappointment of Shri Rakesh Mehra as Vice Chairman of the Company for a period of 3 years (Three years) w.e.f. 1st January, 2015 to 31st December, 2017 on the terms and conditions including remuneration, as set out below:-

- (I) **Basic Salary** : ₹5,25,000/- per month, w.e.f. 01.01.2015 which shall be increased every year on 1st April by ₹ 50,000/- in the scale of ₹ 5,25,000-50,000-6,25,000. The first increase in the above salary will be on 01.04.2016.
- (II) **Commission** : 1% commission on the net profit of the Company, computed in the manner laid down in the Companies Act, 2013. The commission will be paid subject to overall limit prescribed under the Companies Act, 2013. The first such 1% commission of the net profit, will be paid to Shri R.L. Toshniwal, Chairman of the Company and thereafter balance available profit, will be equally distributed amongst Shri Rakesh Mehra, Vice Chairman, Shri Ravindra Kumar Toshniwal, Managing Director and Shri Shaleen Toshniwal, Jt. Managing Director of the Company, subject to maximum ceiling of 1% Commission to each one of them on net profit of the Company as above.
- (III) **Perquisites and Benefits** : In addition to above the following perquisites not exceeding the Overall ceiling as prescribed under schedule V, annexed to the Companies Act, 2013 will be provided to the Vice Chairman:

CATEGORY (A)

- a) **Housing:**
He will be paid 30% house rent allowance per month on his basic salary.
- b) **Medical Reimbursement/ Mediclaim Insurance:**
Reimbursement of expenses actually incurred, for Self and family; the total cost to the Company shall not exceed one

month's salary per year or three months' salary in a period of 3 years. However only those expenses will be reimbursed which have not been reimbursed in the mediclaim insurance policy, if any, taken by the Company from time to time.

- c) **Leave Travel Concession:**
For self and family once in a year; the total cost to the Company shall not exceed one months' salary per year or three month's salary in a period of three years.
- d) **Club Fees :**
Fees of clubs payable subject to a maximum of two clubs except entrance and life membership fees.
- e) **Personal Accident Insurance :**
Premium not to exceed ₹ 10,000/- per annum.
- f) **Servant allowance:**
Not exceeding ₹ 60,000/- per annum.

CATEGORY (B)

In addition to the perquisites, Shri Rakesh Mehra, Vice Chairman, shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration mentioned above, as permissible by law.

- a) **Provident Fund / Superannuation Fund or Annuity Fund:**
The Company's contribution to Provident Fund/ Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- b) **Gratuity :**
Gratuity payable shall not exceed half month's Basic Salary for each completed year of service.
- c) **Leave :**
Leave and Leave Encashment as per the rules of the Company.

CATEGORY (C)

- a) **Conveyance**
Free use of the Company's car along with the driver. Personal use of car shall be billed by the Company.
- b) **Telephone**
Free telephone facility at residence. Personal long distance calls shall be billed by the Company.
- c) **Reimbursement of Expenses**
Apart from the remuneration as aforesaid, Shri Rakesh Mehra, Vice Chairman, shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.
- d) **Sitting Fee**
No sitting fee shall be paid to Shri Rakesh Mehra, Vice Chairman, for attending the Meetings of Board of Directors

or any committee thereof. He shall be liable to retire by rotation.

- e) Where in any financial year, the company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Shri Rakesh Mehra, Vice Chairman, subject to the applicable provisions of Schedule V to the said Act.

Other Terms & Conditions :

- a) Shri Rakesh Mehra will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- b) Either party giving the other party three-months prior notice in writing to that effect may terminate the agreement.
- c) If at any time Shri Rakesh Mehra ceases to be Director of the Company for any reason whatsoever, he shall cease to be the Managing Director."

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the company and Shri Rakesh Mehra be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval."

"RESOLVED FURTHER THAT Shri R.L.Toshniwal, Chairman, Shri Ravindra Kumar Toshniwal, Managing Director, Shri Shaleen Toshniwal, Jt. Managing Director and Shri J.K. Jain, Sr. Vice President (Fin. & Com.) & Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

10. Re-appointment of Shri Shaleen Toshniwal as Jt. Managing Director.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Article of Association and all other applicable rules, Laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any) while granting such approvals, the consent of the Company, be and is hereby accorded to the reappointment of Shri Shaleen Toshniwal as Jt. Managing Director of the Company for a period of 3 years (Three years) w.e.f. 1st January, 2015 to

31st December, 2017 on the terms and conditions including remuneration, as set out below :-

- (I) **Basic Salary** : ₹ 4,75,000/- per month, w.e.f. 01.01.2015 which shall be increased every year on 1st April by ₹ 40,000/- in the scale of ₹ 4,75,000-40,000- 5,55,000. The first increase in the above salary will be on 01.04.2016.
- (II) **Commission** : 1% commission on the net profit of the Company, computed in the manner laid down in the Companies Act, 2013. The commission will be paid subject to overall limit prescribed under the Companies Act, 2013. The first such 1% commission of the net profit, will be paid to Shri R.L. Toshniwal, Chairman of the Company and thereafter balance available profit, will be equally distributed amongst Shri Shaleen Toshniwal, Joint Managing Director, Shri Ravindra Kumar Toshniwal, Managing Director and Shri Rakesh Mehra, Vice Chairman of the Company, subject to maximum ceiling of 1% Commission to each one of them on net profit of the Company as above.
- (III) **Perquisites and Benefits** : In addition to above the following perquisites not exceeding the overall ceiling as prescribed under schedule V, annexed to the Companies Act, 2013 will be provided to the Jt. Managing Director:

CATEGORY (A)

- a) **Housing** :
He will be paid 30% house rent allowance per month on his basic salary.
- b) **Medical Reimbursement / Mediclaim Insurance** :
Reimbursement of expenses actually incurred, for Self and family; the total cost to the Company shall not exceed one month's salary per year or three months' salary in a period of 3 years. However only those expenses will be reimbursed which have not been reimbursed in the mediclaim insurance policy, if any, taken by the company from time to time.
- c) **Leave Travel Concession** :
For self and family once in a year; the total cost to the Company shall not exceed one month's salary per year or three month's salary in a period of three years.
- d) **Club Fees** :
Fees of clubs payable subject to a maximum of two clubs except entrance and life membership fees.
- e) **Personal Accident Insurance** :
Premium not to exceed ₹ 10,000/- per annum.
- f) **Servant allowance** :
Not exceeding ₹ 60,000/- per annum.

CATEGORY (B)

In addition to the perquisites, Shri Shaleen Toshniwal shall also be entitled to the following benefits, which shall not be



included in the computation of ceiling on remuneration mentioned above, as permissible by law.

a) Provident Fund / Superannuation Fund or Annuity Fund :

The Company's contribution to Provident Fund/ Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

b) Gratuity :

Gratuity payable shall not exceed half month's Basic Salary for each completed year of service.

c) Leave :

Leave and Leave Encashment as per the rules of the Company.

CATEGORY (C)

a) Conveyance

Free use of the Company's car along with the driver. Personal use of car shall be billed by the Company.

b) Telephone

Free telephone facility at residence. Personal long distance calls shall be billed by the Company.

c) Reimbursement of Expenses

Apart from the remuneration as aforesaid, Shri Shaleen Toshniwal, Jt. Managing Director shall also be entitled to reimbursement of such expenses as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company.

d) Sitting Fee

No sitting fee shall be paid to Shri Shaleen Toshniwal, Jt. Managing Director for attending the Meetings of Board of Directors or any committee thereof. He shall be liable to retire by rotation.

e) Where in any financial year, the Company has no profits or its profits are inadequate, the foregoing amount of remuneration and benefits shall be paid to Shri Shaleen Toshniwal, Jt. Managing Director, subject to the applicable provisions of Schedule V to the said Act.

Other Terms & Conditions:

a) Shri Shaleen Toshniwal will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.

b) Either party giving the other party three- months prior notice in writing to that effect may terminate the agreement.

c) If at any time Shri Shaleen Toshniwal ceases to be Director of the Company for any reason whatsoever, he shall cease to be the Jt. Managing Director."

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies

Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the company and Shri Shaleen Toshniwal be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval."

"RESOLVED FURTHER THAT Shri R.L.Toshniwal, Chairman, Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman and Shri J.K. Jain, Sr. Vice President (Fin. & Com.) & Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution"

11. Acceptance of Deposits from Members and/or Public Under Sections 73 and 76 of the Companies Act, 2013.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 73, 76 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and subject to such conditions, approvals, permissions, as may be necessary, consent of the members of the Company be and is hereby accorded to invite/accept/renew/receive money by way of unsecured/secured deposits, or in any other form, from public and/or members of the Company, in any form or manner, through circular, advertisement or through any other permissible mode, upto permissible limits prescribed under applicable provisions of law and on such terms and conditions as the Board of Directors of the Company, in its sole discretion, deem fit and necessary."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors and/or any Committee thereof be and is hereby authorized to do all such acts, deeds, things and matters as the Board of Directors and/ or any Committee thereof may, in its absolute discretion, consent, necessary, proper, expedient, desirable or appropriate for such invitation/acceptance/renewal/receipt as aforesaid."

12. Appointment of Shri P. Kumar as an Independent Director.

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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made there

under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Shri P. Kumar (holding DIN : 00179074), a non-executive Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of Five consecutive years commencing from 1st April, 2014 upto 31st March, 2019, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

13. Appointment of Shri A.N. Jariwala as an Independent Director.

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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Shri A.N. Jariwala (holding DIN : 00024008), a non-executive Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of Five consecutive years commencing from 1st April, 2014 upto 31st March, 2019, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

14. Appointment of Shri Kamal Kishore Kacholia as an Independent Director.

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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Shri Kamal Kishore Kacholia (holding DIN : 00278897), a non-executive Director, in respect of whom the Company has received a notice in

writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of Five consecutive years commencing from 1st April, 2014 upto 31st March, 2019, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

15. Appointment of Shri Vijay Mehta as an Independent Director.

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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Shri Vijay Mehta (holding DIN : 00057151), a non-executive Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of Five consecutive years commencing from 1st April, 2014 upto 31st March, 2019, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or Group CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

16. Appointment of Shri. D.P. Garg as an Independent Director.

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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Shri. D.P. Garg (holding DIN: 00003068), a non-executive Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of Five consecutive years



commencing from 1st April, 2014 upto 31st March, 2019, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or Group CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

17. Appointment of Dr. S.B. Agarwal as an Independent Director.

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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Dr. S.B. Agarwal (holding DIN: 00524452), a non-executive Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of Five consecutive years commencing from 1st April, 2014 upto 31st March, 2019, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or Group CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

18. Appointment of Shri Vijay Kumar Agarwal as an Independent Director.

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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Shri Vijay Kumar Agarwal (holding DIN : 00108710), a non-executive Director, in respect of whom the Company has received a notice in

writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of Five consecutive years commencing from 1st April, 2014 upto 31st March, 2019, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or Group CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

19. Appointment of Shri P. K. Bhandari as an Independent Director.

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 Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the said Act, Shri P. K. Bhandari (holding DIN: 00021923), a non-executive Director, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director for a period of Five consecutive years commencing from 1st April, 2014 upto 31st March, 2019, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or Group CFO and/or Company Secretary be and are hereby severally/ jointly authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds, things as may be necessary, expedient and desirable in this regard."

Registered Office
Industrial Area, Dohad Road
BANSWARA-327001 (Raj.)

By order of the Board

Place : Mumbai
Date : 24th May, 2014

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

NOTES:

1. An Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the ensuing Annual General Meeting is appended hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the Proxy, in order to be effective, should be duly stamped, filled, signed and must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. M/s Computech Sharecap Limited, 147, Mahatma Gandhi Road, Fort, Mumbai - 400001 is the Registrar and Share Transfer Agents (RTA) for physical shares and is also the depository interface of the Company with both CDSL and NSDL.
4. The Register of Members and Shares Transfer Books of the Company shall remain closed from 6th September, 2014 to 22nd September, 2014 (both days inclusive) in connection with the payment of dividend for the financial year 2013-14.
5. Shareholders are requested to immediately notify, to the Company, any change in their address.
6. Keeping in view, the new relaxation of Ministry of Corporate Affairs (MCA), Government of India, the Company may send various notices/documents to its members, through electronic mode, to the registered e-mail addresses of the shareholders. In view of this, the shareholders are requested to provide their e-mail IDs to the Company duly mentioning their Folio No., Name and number of shares held as on date. This can also be sent by electronic mode to the Company at following e-mail IDs of the Company and/or its RTA.

a) secbsw@banswarafabrics.com

b) helpdesk@computechsharecap.com

7. The shareholders, who have not converted their shares into demat form, are requested to do so, in their own interest.
8. Payment of dividend, upon declaration by the shareholders at the forthcoming Annual General Meeting, will be made on or after 26th September, 2014 as under :-

a) To all those beneficial owners holding shares in electronic form, as per the beneficial ownership data as may be made available to the Company by National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the end of the day on 5th September, 2014.

b) To all those shareholders holding shares in physical form, after giving effect to all the valid share transfers lodged with the Company, before the closing hours on 5th September, 2014.

9. Members holding shares in physical form are advised to furnish, on or before 24th August, 2014, particulars of their bank account, if changed, to the Company to incorporate the same in the dividend warrants.

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

10. The Company has declared dividends for the years 2006-07 to 2012-13. It has also declared interim dividends for the years 2009-10 and 2010-11. The shareholders who have, so far, not encashed the dividend warrants, are hereby informed to encash their dividend warrants by surrendering the same, in original, to the Company and getting demand drafts issued in lieu thereof/get the same credited in their account by NEFT. As per the provisions of the Companies Act, 1956 or 2013, the unpaid dividend after the expiry of seven years from the date of declaration will be transferred to Investors' Education and Protection Fund. Unpaid dividend for the year 2006-07 can be encashed till 14th August, 2014, thereafter the same will be transferred to above fund. Please therefore, encash the unclaimed dividend before its transferred to above fund.

11. The Company is providing facility of Electronic Clearing Services (ECS) for payment of dividend to shareholders residing in selected cities. Shareholders holding shares in physical form are requested to provide details of their bank accounts for availing ECS facility in the form being forwarded with the Annual Report. However, if the shares are held in dematerialized form, the ECS mandate has to be communicated to the respective Depository Participant (DP). Changes, if any, in the details furnished earlier may also be communicated to the Company or DP, as the case may be.

12. The documents referred to in the proposed resolutions are available for inspection at the registered office of the Company during working hours between 10.00 A.M. and 1.00 P.M. except on holidays.

13. Queries, if any, on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers can be made available at the meeting.

14. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting's venue.

15. Members holding shares in physical form can avail the nomination facility by filing Form 2B (in duplicate) with the Company's Registrar and Share Transfer Agents which will be made available on request; in case of shares held in dematerialised form, the nomination has to be lodged with their DP. Members holding shares in dematerialized form may contact their DP for recording nomination in respect of their equity shares.

16. As required under Clause 49(IV) G of the Listing Agreements with the Stock Exchanges, the relevant details of Director retiring by rotation and seeking re-appointment at the ensuing AGM and also other Directors seeking reappointments are furnished in the Corporate Governance section of the Annual Report.

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

18. E-voting Facility - Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and



Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 38th Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL).

If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.

The instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the Banswara Syntex Ltd. from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - 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 and voted on an earlier voting of any company, then your existing password is to be used.
- (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> <ul style="list-style-type: none"> 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. 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.
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> <ul style="list-style-type: none"> 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.

- (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 Banswara Syntex Ltd. 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 changed 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.
 - 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 and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy :

- a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- b) The voting period begins on <Date and Time> and ends

on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- c) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (C) The voting period starts at 5.00 A.M. on 15th September, 2014 and ends at 5.00 P.M. on 17th September, 2014. The e-voting module will be disabled by CDSL for voting thereafter.
- (D) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of 14th August, 2014.
- (E) Shri Manoj Maheshwari, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (F) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (G) The Results shall be declared during the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website "www.banswarasintex.com" and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

19. The Company has designated two exclusive email ID's viz secbsw@banswarafabrics.com and helpdesk@computechsharecap.com to enable investors to register their complaints/queries, if any.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s K.G. Goyal & Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

ITEM NO. 7

Shri R.L. Toshniwal, aged 80 years, is the main promoter and currently Chairman of the Company. He is Masters in Textiles from Leeds University, UK. He has 51 years vast experience of textile industry. He joined the Company in 1976. He has been associated with a number of business organizations since the beginning of his career. He is Ex-Chairman of Rajasthan Textile Mills Association, Ex-President of Indian Spinners Association and Ex-Chairman of the Synthetic & Rayon Textile Export Promotion Council (SRTEPC). Besides Banswara Syntex Ltd., he is member of the Board of Directors of 4 other companies. Being an industrialist with high social obligations, he is associated with a number of charitable trusts also.

The Company is in textile sector and has been functioning for over thirty seven (37) years. The financial performance of the Company has been satisfactory. The Company has got foreign investments in its equity shares quoted on stock exchange under automatic route. The Company is not having any foreign collaboration. The remuneration proposed is as recommended by Nomination and Remuneration Committee and is appropriate considering the job profile and experience of the Chairman.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution except R.L. Toshniwal, being the appointee and Shri Ravindra Kumar Toshniwal, Shri Shaleen Toshniwal and Shri Rakesh Mehra, being the relatives of the appointee.

Your directors recommend the above resolution for approval. This may also be treated as the Abstract of terms and memorandum u/s 190 of the Companies Act, 2013.

ITEM NO. 8

Shri Ravindra Kumar Toshniwal, aged 50 years, is a B.Tech (Chem.) from IIT, Mumbai. He has undergone OPM course of Harvard University, USA. He is having over 22 years' experience in textile industry. He is also looking after overall activities of the Company. He has traveled extensively to Europe, US and other developed countries to promote the products of the Company. He has taken together a number of reputed buyers all over the world as a result by which the exports of the company have increased substantially over the last ten years.

The Company is in textile sector and has been functioning for over thirty seven (37) years. The financial performance of the Company has been satisfactory. The Company has got foreign investments in its equity shares quoted on stock exchange under automatic route. The Company is not having any foreign collaboration. The remuneration proposed is as recommended by Nomination and Remuneration Committee and is appropriate considering the job profile and experience of the Managing Director.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution except Shri Ravindra Kumar Toshniwal, being the appointee and Shri R.L. Toshniwal, Shri Shaleen Toshniwal and Shri Rakesh Mehra, being the relatives of the appointee.

Your directors recommend the above resolution for approval. This may also be treated as the Abstract of terms and memorandum u/s 190 of the Companies Act, 2013.

ITEM NO. 9

Shri Rakesh Mehra, Aged 57 Years, is a Chartered Accountant having 26 years experience in the Textile Industry. At present, he is the Chairman of SRTEPC. In the past also, he has been the Chairman of SRTEPC. He was the Chief Executive of M/s. RR Toshniwal Enterprises before joining the Company. Shri Mehra



looks after entire Commercial and Financial activities besides export sales of yarn.

The Company is in textile sector and has been functioning for over thirty seven (37) years. The financial performance of the Company has been satisfactory. The Company has got foreign investments in its equity shares quoted on stock exchange under automatic route. The Company is not having any foreign collaboration. The remuneration proposed is as recommended by Nomination and Remuneration Committee and is appropriate considering the job profile and experience of the Vice Chairman.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution except Shri Rakesh Mehra being the appointee and Shri R.L. Toshniwal, Shri Ravindra Kumar Toshniwal and Shri Shaleen Toshniwal, being the relatives of the appointee.

Your directors recommend the above resolution for approval. This may also be treated as the Abstract of terms and memorandum u/s 190 of the Companies Act, 2013.

ITEM NO. 10

Shri Shaleen Toshniwal, aged 37 years, is a Bachelor in Business Management from Bentley College, USA and has over 11 years' experience in the textile industry. He looks after all the readymade garment units of the Company at Daman and Surat.

The Company is in textile sector and has been functioning for over thirty seven (37) years. The financial performance of the Company has been satisfactory. The Company has got foreign investments in its equity shares quoted on stock exchange under automatic route. The Company is not having any foreign collaboration. The remuneration proposed is as recommended by Nomination and Remuneration Committee and is appropriate considering the job profile and experience of the Jt. Managing Director.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution except Shri Shaleen Toshniwal, being the appointee and Shri R.L. Toshniwal, Shri Ravindra Kumar Toshniwal and Shri Rakesh Mehra, being the relatives of the appointee.

Your directors recommend the above resolution for approval. This may also be treated as the Abstract of terms and memorandum u/s 190 of the Companies Act, 2013.

ITEM NO. 11

The members are hereby apprised that the Company had been accepting deposits from its shareholders, employees, their relatives and other sections of public as permissible under the provisions of Companies Act, 1956 read with the corresponding Companies (Acceptance of Deposit) Rules, 1975, earlier in force.

However, with the commencement of Companies Act, 2013 ('the 2013 Act') deposits are now governed by the new law and approval of shareholders is required by way of Special Resolution for inviting, accepting, renewing deposits.

The members may kindly note that under the provisions of the 2013 Act, any company inviting/accepting/renewing deposits is required to obtain Credit Rating from a recognized credit rating agency. Your Company shall obtain credit rating, for its Fixed Deposit programme, from CARE. Also, your Company shall be taking deposit insurance towards the unsecured deposits as may be accepted by it.

The Board of Directors of your Company has approved this item in the Board Meeting held on 24th May, 2014 and recommends the Resolution, as set out in the accompanying Notice, for the approval of members of the Company as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the

Resolution except to the extent of their Deposit holdings and/or their shareholding in the Company, if any.

ITEM NO. 12 TO 19

The provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) provides that an Independent Director, shall hold office for a term of five consecutive years on the Board of the Company but shall be eligible for reappointment on passing of special resolution by the Company. However, no independent Director shall hold office for more than two consecutive terms on the Board of the Company.

Furthermore, Clause 49 of the Listing Agreement (as amended) states that an independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the company.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for re-appointment, on completion of his present term, for one more term of up to five years only.

Under the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from members along with requisite deposit, proposing the appointment of independent directors, as Directors of the Company.

Directors have given their (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Disqualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of (Appointment & Disqualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In consonance with the aforesaid, it is proposed to appoint Shri P. Kumar, Shri A.N. Jariwala, Shri Kamal Kishore Kacholia, Shri Vijay Mehta, Shri. D.P. Garg, Dr.S.B. Agarwal, Shri Vijay Kumar Agarwal and Shri P. K. Bhandari, as independent directors of the Company to hold office for a term upto 31st March, 2019.

Brief resume of the Directors, nature of their expertise in specific functional areas and names of companies in which they holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Save and except, Shri P. Kumar, Shri A.N. Jariwala, Shri Kamal Kishore Kacholia, Shri Vijay Mehta, Shri. D.P. Garg, Dr. S.B. Agarwal, Shri Vijay Kumar Agarwal, Shri P. K. Bhandari, being appointee, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 to 19 of the Notice.

The Board recommends the resolution 12 to 19 for approval of the members.

Registered Office
Industrial Area, Dohad Road
BANSWARA-327001 (Raj.)

By order of the Board

Place : Mumbai
Date : 24th May, 2014

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 38th Annual Report of the Company together with its Audited Accounts for the year ended 31st March, 2014.

FINANCIAL REVIEW

	(₹ in Lacs)	
	This year 2013-14*	Previous year 2012-13
Gross Income	123076	113044
Net Income	121220	109632
Profit before interest, extra-ordinary items, depreciation & tax	18131	15507
Profit before depreciation & tax	10001	7277
Less: Depreciation	5196	5168
Profit before tax	4805	2109
Tax on Income	2142	902
(a) Current Tax (Net of MAT Credit of (112.27 lacs) (previous year ₹142 lacs)	1458	323
(b) Deferred Tax	625	559
(c) Prior period tax	59	20
Profit after Tax	2663	1207
Dividend on Equity and Preference Shares	470.53	226.31
Tax on Dividend	79.96	36.71
Earning per share (₹): Basic	16.86	8.14
Diluted	16.30	8.14

₹1000 Lacs (Previous Year ₹500 Lacs) have been transferred to General Reserve out of Surplus.

*Stand alone working performance of the Company (without consolidation), there was no subsidiary company in 2012-13.

OPERATIONS

The production of yarn during 2013-14 has been 301 lac kgs. as against 310 lac Kgs. during 2012-13. During the year, the Company started production of cotton yarn and produced 18.73 lac Kgs. The production of worsted yarn has increased from 10.19 lac kgs. in 2012-13 to 11.19 lac kgs. in 2013-14. Your Company has almost maintained the fabric production at around 360 lac mtrs. while the garment production has increased by 28% over the year.

During the year, your Company's net income from operations aggregated ₹1212 crore as against ₹1096 crore in 2012-13- an increase of 11%. The Company's turnover in value terms has increased by 1% for yarn, 9% for fabric and 39% for garments. This confirms Company's major thrust on sale of value added fabrics and the readymade garments.

Your Company has earned profit before interest, depreciation and tax (PBITD) at ₹181 crore as against ₹155 crore during 2012-13. Similarly, the profit before depreciation and tax (PBDT) has been ₹100 crore as against ₹73 crore for the previous year. The post tax net profit of the company at ₹26.63 crore was higher by 121% over ₹12.07 crore for 2012-13 during the year.

The basic and diluted EPS for the year 2013-14 works out to ₹16.86 and ₹16.30 respectively as against ₹8.14. (basic and diluted) for 2012-13.

EXPORTS

During the year, the export turnover of the company has been ₹605 crore as against ₹599 crore during 2012-13. Although the Company recorded export growth of 14% in fabric and 29% in garments.

During the year under report, the Company's marketing as well as design and development team continued to participate in the international trade fairs, meetings with the customers abroad for regular feed back of trends, demand etc. in the international market. The Company has added some more new customers Worldwide. Its design studio for fabric and garments continued to help the Company to penetrate in the new areas/customers, both domestically and internationally.

DIVIDEND

Your Directors are pleased to recommend dividend of ₹3.00 per equity share. The Company has to make payment of 3% dividend on preference shares. The total dividend payout on Equity and Preference shares for the year will absorb ₹4.71 crore (previous year: ₹2.26 crore) besides ₹0.80 crore previous year ₹0.37 crore by way of tax on dividend.

INCREASE IN AUTHORIZED SHARE CAPITAL

The Board of Directors of the Company issued 600000 equity shares of ₹10/- each at a premium of ₹31.50 per share to a foreign company, on preferential basis, on 13th November, 2013. The Board, in the same meeting, also issued 1600000 warrants to promoters and promoters' group, convertible into an equal number of equity shares, at the price of ₹41.50 per warrant including premium of ₹31.50 per share.

Out of the warrants issued to the promoters and promoters' group, your directors have converted 170000 warrants into an equal number of Equity Shares on 12th February, 2014. As on date, 1430000 warrants still remain to be converted into an equal number of equity shares before 11.05.2015.

The paid up equity share capital of the Company stands increased from ₹1475.64 lacs as on 31st March 2013 to ₹1552.64 lacs as on 31st March, 2014 due to issuance of these shares.

Both the above mentioned preferential issues were made as per the SEBI (ICDR) Regulations, 2009.

EXPANSION, DIVERSIFICATION AND MODERNIZATION

During the year, the Company invested ₹53.30 crore for acquisition of fixed assets. As at 31st March, 2014 the capital-work-in progress stood at ₹8.54 crore and advances to the capital goods' suppliers aggregated ₹4.54 crore, as against ₹7.77 crore and ₹4.32 crore respectively as at the beginning of the year. Capacity expansion has taken place by adding 30 looms in weaving section and one line for trousers in garment division. Similarly, in the fabric processing unit, few more balancing machines viz. one continuous scouring and bleaching range, one continuous crabbing machine, one stenter of 8 chambers and one padding machine have been added.

The total production capacity of the Company as at 31st March, 2014 for yarn production is 151672 ring spindles including 21120 spindles for worsted yarn spinning, 12096 spindles for cotton yarn, 592 Air Jet spindles, 380 shuttle less looms, 33 Air Jet jacquard looms, 8 stenters with processing capacity of 5 million mtrs. a month and 3.75 lac pieces of garments per month.

The Company has plans to invest about ₹25 crore for expansion and modernization of the plant during the year 2014-15. This would mainly add 4 lines for trousers and one line for jackets for garment section, modernization of inspection and packing for fabric, besides balancing equipment in dye house and spinning sections.

JOINT VENTURE

The Company has a Joint Venture namely Treves Banswara Private Limited with Treves S.A. France. The Company holds 50% of the share capital in the joint venture.



During the year Treves Banswara Private Limited, produced 2.49 lac mtrs. of Laminated Fabric. The JV company has also started production of Cut Panels, Embossed Panels and Flex and has produced 24200 pcs. of these qualities during 2013-14; total turnover of the JV company during the year aggregated ₹645 lacs.

The Company had another joint venture with Carreman, France. Both the Companies had 50:50 Equity Share in Carreman Fabrics India Limited CFIL. The Joint venture agreement dated 17th February, 2006 was terminated vide JV termination agreement dated 06.08.2013. Your company has purchased 60% of the equity shares held by Carreman, France. As such CFIL has become subsidiary company w.e.f. 19.10.2013. The Board of Directors of CFIL has since changed its name to Banswara Global Limited.

THERMAL POWER PLANT

The Company's both units of Captive Thermal Power Plant (33 MW) are working satisfactorily. Your Company is consuming coal from domestic sources as well from imports. The power plants availability factor during the year 2013-14 was 98.09% as against 97.70% during 2012-13.

FINANCE

During the year 2013-14, to augment the long term resources for meeting the Working Capital requirements, the Company requested and obtained Working Capital Term Loan of ₹21 crore from Punjab National Bank and ₹6.85 crore from Exim Bank. Term Loans of ₹18.91 crore got disbursed for investment in fixed assets. The total repayment of term loan got during the year was ₹45.62 crore.

Your Company is now engaged in balancing of its existing production capacities to achieve higher production with improvement in quality and has therefore, applied for a term loan of ₹10 crore from Punjab National Bank; the sanction is awaited.

The Company's bankers have been providing need based increase(s) in working capital limits based on review of requirements from time to time.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard (AS)-21 on Consolidated Financial Statements, read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

SUBSIDIARIES

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary Company are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary Company is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary company will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company.

Details of the subsidiary Company and its business operations during the year under review are covered in the Management Discussion and Analysis Report.

CONTRIBUTION TO EXCHEQUER

During the year, your Company contributed ₹34.96 crore to the Government Exchequer by way of Excise Duty, Service Tax, Value Added Tax (VAT), Income Tax, Dividend Distribution Tax and other payments.

CORPORATE GOVERNANCE / MANAGEMENT DISCUSSION & ANALYSIS REPORT

As per Clause 49 of the Listing Agreements with the Stock Exchanges, the Company has adopted a Code of Conduct which is applicable to the members of the Board and senior management. The Company fully complies with the Corporate Governance practices as enunciated in the Listing Agreements; Corporate Governance Report and Management Discussion & Analysis Report are annexed and marked Annexure-I, which form part of this report.

FIXED DEPOSITS

The Company has not issued any advertisement inviting fixed deposits from the public. However, it continues to accept deposits from public. As on 31st March, 2014, the Company had such deposits aggregating ₹1353.70 lacs. Deposits which matured during the year were either renewed or repaid. All the interest and principal dues are being paid regularly. The Company has duly complied with the provisions of the Companies (Acceptance of Deposits) Rules, 1975.

The provisions relating to the acceptance of fixed deposit have been changed by the Companies Act, 2013 and, accordingly, now, before accepting any deposit from member of the Company or from public, the Company must comply with the provisions of the new Act, which includes shareholders' approval, issuance of circular to its members obtaining credit rating from independent agency etc. The Company shall comply with these requirements before acceptance of new deposits.

DIRECTORS

During the year, the Export Import Bank of India has withdrawn the nomination of Shri C. P. Ravindranath from the Board. The tenure of Shri R. L. Toshniwal, Chairman, Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman and Shri Shaleen Toshniwal, Jt. Managing Director is expiring on 31st December, 2014. Based on the recommendation of the Nomination and Remuneration Committee, the Board has decided to re-appoint them for a further period of 3 years from 1st January 2015 to 31st December, 2017 subject to approval of the shareholders in the Annual General Meeting.

Shri R.L. Toshniwal, Chairman of the Company whose period of office is liable to retire by rotation pursuant to provisions of Company Act, 2013 and Articles of Association of the Company retires by rotation at the ensuring AGM and being eligible offers himself for re-appointment.

Further, Shri P. Kumar, Shri A.N. Jariwala, Shri Kamal Kishore Kacholia, Shri Vijay Mehta, Shri D.P. Garg, Dr. S.B. Agarwal, Shri Vijay Kumar Agarwal and Shri P.K. Bhandari who were appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, seek your support in confirming their appointment as independent Directors of the Company not liable to retire by rotation and to hold office for a term of five years commencing from 1st April, 2014 upto 31st March, 2019.

A brief resume and other information required under clause 49 of the listing agreement is included in the Annual Report/Notice of Annual General Meeting. The Board recommends their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- I. In the preparation of the annual accounts for the year ended March 31, 2014, the applicable Accounting Standards have been followed and there are no material departures from the same. The Notes to the Accounts are self-explanatory.
- II. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and of the profit of the Company for the year ended on that date.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- IV. The Directors have prepared the annual accounts of the Company for the year ended March 31, 2014 on a "going concern" basis.

AUDIT COMMITTEE

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

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

AUDITORS

Statutory Auditor

Kalani & Company, Chartered Accountants, Jaipur, hold office as the Auditors of the Company until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a Certificate to the effect that then re-appointment, if made, would fulfill the criteria and the provisions of the Section 139 and 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

Tax Auditor

As per the requirement of Section 44AB of the Income Tax Act, 1961, M/s Kalani & Company, Chartered Accountants, Jaipur, have been appointed as Tax Auditors of the Company for the year 2013-14. It is proposed to re-appoint them for the year 2014-15 and to fix their remuneration as per the recommendation of Audit Committee.

Cost Auditor

The Central Government has approved the appointment of K.G. Goyal & Company, Cost Accountants, Jaipur for conducting Cost Audit of the company for the financial Year 2013-14.

The Cost Audit Report for the year 2013-14 shall become due for filing on 27th September, 2014. The audit work is in progress.

The Company has re-appointed K.G. Goyal & Company, Cost Accountants, Jaipur, as Cost Auditors of the Company for the financial year 2014-15. They have furnished a Certificate to the effect that their appointment, if made, would be in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

AUDITORS' REPORT

As regards the Auditors' observations, the relevant Notes in Significant Accounting Policies, Notes on Accounts and other disclosures are self-explanatory and, therefore, do not call for any further comments, except in the matter of non payment of ₹42.03 lacs towards Service Tax and Cess thereon. The matters pertaining to service tax refunds availed by the Company are under appeal with CESTAT, New Delhi and Commissioner Appeal, Jaipur, Rajasthan. In addition to this the issues of non payment of Excise duty of ₹209.75 lacs and custom duty of ₹1.70 lacs are under appeal before CESTAT, New Delhi, Commissioner appeal, Jamnagar, Gujarat and at Mumbai High Court.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DEMATERIALIZATION OF SHARES

In pursuance of SEBI /Stock Exchange directions, your Company has offered demat option to its esteemed shareholders so as to enable them to trade the shares in the demat form. In response, 97.71% shares have been converted into demat form up to 31st March, 2014. The stock code number in NSDL and CDSL for equity shares of the Company is ISIN INE 629 D01012.

PARTICULARS OF EMPLOYEES

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

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

ACKNOWLEDGMENTS

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

For and on behalf of the Board

Place: Mumbai
Date: 24th May, 2014

R. L. TOSHWIHAL
Chairman
DIN:00106933

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

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

I. COMPANY'S PHILOSOPHY

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

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

II. BOARD OF DIRECTORS

The Board of Directors of Banswara Syntex Limited is a balanced one with an optimum mix of Executive and Non-Executive Directors. The 12 member Board of Directors of the Company comprises four executive directors viz. the Chairman, Managing Director, Vice Chairman and Joint Managing Director, all from the promoter group and eight Non-executive Independent Directors. Thus, Independent Directors constitute 2/3rd of the Board's strength. The Non-executive Independent Directors are eminent professionals with vast experience in business, industry, finance and public enterprises. The Independent Directors are not related to the promoter-directors and/or to each other. The Board provides leadership, strategic guidance, objective analysis and independent views to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and accountability.

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

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

Four Board meetings were held during the year 2013-14 i.e. on 24th May, 2013, 8th August, 2013, 13th November, 2013 and 12th February, 2014. Frequency and quorum etc. at these meetings were in conformity with the provisions of the Companies Act, 1956. All the Board members and the senior management personnel have affirmed compliance with the Code of Conduct during the year ended on 31st March, 2014.

A. Composition of the Board of Directors as on 31.03.2014 and attendance at the Board meetings during 2013-14:-

Name of the Director	Attendance at last AGM	No. of Board meetings attended	Category of Director	No. of directorships in other Public Limited Companies	No. of other Board Committees of which Member / Chairman	
					Member	Chairman
Shri R. L. Toshniwal, (Chairman) DIN: 00106933	Yes	4	ED	3	1	-
Shri Ravindra Kumar Toshniwal (M.D.) DIN: 00106789	Yes	2	ED	2	-	-
Shri Rakesh Mehra (Vice Chairman) DIN: 00487321	No	4	ED	2	-	-
Shri Shaleen Toshniwal (Joint M.D.) DIN: 00246432	No	2	ED	-	-	-
Shri P. Kumar DIN: 00179074	Yes	4	NEID	1	1	3
Shri A.N. Jariwala, DIN: 00024008	No	4	NEID	2	-	1
Shri Kamal Kishore Kacholia DIN: 00278897	No	4	NEID	1	-	-
Shri Vijay Mehta, DIN: 00057151	No	4	NEID	4	-	-
Shri D.P. Garg, DIN: 00003068	No	2	NEID	1	-	-
Dr. S.B. Agarwal, DIN: 00524452	Yes	2	NEID	2	1	1
Shri Vijay Kumar Agarwal, DIN: 00108710	No	2	NEID	1	-	-
Shri C.P. Ravindranath* (Business Director of EXIM Bank) DIN: 01771043	No	2	NEID	2	1	-
Shri P. K. Bhandari, DIN: 00021923	No	4	NEID	11	5	1

ED- Executive Director, NEID- Non Executive Independent Director

* EXIM Bank withdrew his Nomination w.e.f. 10.01.2014.

ANNUAL REPORT 2013-14

B. Board Procedure

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

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

- Annual operating and capital expenditure budgets and periodical review thereof.
- Investment/expansion/modernization/diversification plans of the Company.
- Overall strategy and business plans.
- Approval of quarterly/half-yearly/annual results (after review by Audit Committee)
- Compliance with statutory/regulatory requirements and review of major pending legal cases.
- Cause, demand, prosecution notices and penalty notices which are materially important.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Foreign exchange exposure and risks.
- Major accounting practices, provisions and write-offs.
- Transactions pertaining to acquisition/disposal of fixed assets, intellectual property and related parties.
- Review of working of various Committees of the Board.
- Issues regarding mergers and amalgamations, joint ventures, collaborations, etc. with any other Company/entity.
- General industrial environment and developments related to textile industry, in particular.

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

Details of Shareholding of Directors as on 31st March, 2014

Sr. No.	Name of Director	Number of Shares
1.	Shri R.L. Toshniwal	62,765
2.	Shri Ravindra Kumar Toshniwal	17,63,947
3.	Shri Shaleen Toshniwal	17,50,680
4.	Shri Rakesh Mehra	6,061
5.	Shri P.K. Bhandari	8,060

The Company has issued 1,70,000 equity shares to Promoters and promoters' group, on preferential basis, due to conversion of 1,70,000 warrants out of 16,00,000 warrants issued to them on preferential basis.

III. COMMITTEES OF THE BOARD

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

A. AUDIT COMMITTEE

OBJECTIVE:

The Audit Committee has been constituted as per Section 177(4) of the Companies Act, 2013, and the guidelines set out in the Listing Agreements with the Stock Exchanges. The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for conducting independent audits of the Company's financial statements in accordance with the generally accepted Auditing Practices and for issuing reports based on such audits. The Audit Committee has been constituted to assist the Board in overseeing the quality and integrity of the accounting, auditing and reporting policies/practices of the Company and its compliance with the legal and regulatory requirements. The Committee, accordingly, monitors the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors as also the internal auditors and the Company's risk management policies. The Committee reviews the pending litigation cases against the Company as well as show cause notices received from various authorities. The Audit Committee also reviews the periodic internal and statutory auditors' reports.

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

COMPOSITION:

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

**MEETINGS**

Four meetings of the Committee were held during the year 2013-14 i.e. on 24th May, 2013, 8th August, 2013, 13th November, 2013 and 12th February, 2014.

The frequency and quorum, etc. at these meetings were in conformity with the provisions of the then Companies Act, 1956 and/or Companies Act, 2013 as also the Listing Agreements with the Stock Exchanges.

ATTENDANCE

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

Name of the Member	Meeting(s) held (No.)	No. of meetings attended
Shri P. Kumar	4	4
Shri Kamal Kishore Kacholia	4	4
Dr. S. B. Agarwal	4	2
Shri Ravindra Kumar Toshniwal	4	2

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

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

ROLE OF AUDIT COMMITTEE

The role and terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreements as also the provisions of Section 292A of the then Companies Act, 1956 and also the Companies Act, 2013.

POWERS OF AUDIT COMMITTEE:-

Terms of reference of the Audit Committee, inter alia, include

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Review and monitor the Auditors independence and performance, and effectiveness of audit process.
- Examination of the financial statements and the Auditors' Report thereon.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of internal corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Monitoring the end use of funds raised through public offers and related matters.
- To establish the Vigil Mechanism for directors and employees to report their genuine concerns.
- It shall have authority to investigate into any matter in relation to the above item referred to it by the Board.
- The Audit Committee may call comments of the Auditors about the internal control system, the scope of the Audit including observations of Auditors and review of financial statements.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been reconstituted as per requirement of Clause 49 of the Listing Agreements and other applicable provisions of the Companies Act, 2013.

The terms of reference of the Committee are:-

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel and other employees.

The Committee shall, while formulating the policy, ensure 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.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 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 to the working of the Company and its goals.

For the purpose of this section the expression "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

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

ANNUAL REPORT 2013-14

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

COMPOSITION:

The "Nomination and Remuneration Committee" earlier known as "Remuneration Committee" has been reconstituted twice firstly on 12.02.2014 due to withdrawal of nomination of Shri C.P. Ravindranath, who was also a member of Remuneration Committee by the Exim Bank and again on 24.05.2014 due to enactment of Companies Act, 2013 wherein it was renamed Nomination and Remuneration Committee. Now, the above Committee comprises three Non-Executive Independent Directors viz: Shri P. Kumar (Chairman), Shri D.P. Garg and Shri P.K. Bhandari.

MEETINGS

During the year 2013-14, one meeting of the Committee was held i.e. on 13th November, 2013.

ATTENDANCE

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

Name of the Member	Meeting(s) held (No.)	No. of meetings attended
Shri P. Kumar	1	1
Shri D.P. Garg	1	1
Shri C.P. Ravindranath*	1	1

* EXIM Bank withdrew his Nomination w.e.f. 10.01.2014.

DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR 2013-14

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

The remuneration to Executive/Whole-Time Directors is paid as determined/recommended by the then Remuneration Committee, now Nomination and Remuneration Committee, Board of Directors and as finally approved by the Shareholders through postal ballot. Non- Executive Independent Directors are being paid Sitting fee of ₹ 10,000/- for each Meeting of the Board of Directors or any Committee thereof except that in case of Share Transfer Committee Meetings, sitting fee is ₹ 2,500/- per Meeting. The Board of Directors in its Meeting held on 24th May, 2014 has increased payment of sitting fee from ₹ 10,000/- to ₹ 30,000/- for each Meeting of the Board of Directors or its Committee thereof except Share Transfer Committee Meeting. In case of Share Transfer Committee Meeting, sitting fee increased from ₹ 2,500/- to ₹ 5,000/- per Meeting. The remuneration paid to each Director during the period from 1st April, 2013 to 31st March, 2014 is as under :-

(i) Executive Directors

(₹ in Lacs)

Sr. No.	Name of Director	Salary	Contribution to PF, Perquisites & other payments
1.	Shri R.L. Toshniwal	60.00	79.88
2.	Shri Ravindra Kumar Toshniwal	52.80	72.31
3.	Shri Rakesh Mehra	52.80	73.00
4.	Shri Shaleen Toshniwal	48.60	67.89
	Total	214.20	293.08

(ii) Non-Executive Independent Directors

(₹ in Lacs)

Sr. No.	Name of Director	Amount
1.	Shri P. Kumar	1.28
2.	Shri A.N. Jariwala	0.40
3.	Shri Kamal Kishore Kacholia	0.80
4.	Shri Vijay Mehta	0.40
5.	Shri D.P. Garg	0.63
6.	Dr. S.B. Agarwal	0.40
7.	Shri Vijay Kumar Agarwal	0.20
8.	Shri C. P. Ravindranath*, Nominee Director of EXIM Bank	0.30
9.	Shri P. K. Bhandari	0.40

* EXIM Bank withdrew his Nomination w.e.f. 10.01.2014.



C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee earlier known as shareholders' Grievances Committee is empowered to consider and resolve the grievances of security holders of the Company.

The Chairperson of the Committee is required to attend general meetings of the Company.

COMPOSITION:

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

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

MEETINGS

During the year 2013-14, no meeting of the Committee was held. Only 2 complaints received from a shareholder/investor during the year were promptly resolved to the satisfaction of the complainant and position in respect thereof was duly reported to Board/Stock Exchanges as part of quarterly results.

DISPOSAL OF COMPLAINTS

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

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

D. SHARE TRANSFER COMMITTEE

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

The Committee's primarily focus is:

- To scrutinize the share transfer application forms received by the Company and, if found in order in all respects, to register transfers of shares in the Register of Members of the Company,
- To register various documents as mentioned above in the Register of Documents maintained by the Company,
- To approve the issue of split share certificates and new share certificates in place of defaced, torn, damaged and soiled share certificates on receipt of proper applications and other required papers and documents from the shareholders,
- To sign the share certificates and to affix the Company's Common Seal on them in accordance with the provisions of the Companies Act, 1956/2013, the Companies (Issue of Share Certificates) Rules, 1960 and those of the Articles of Association of the Company, and
- To take all other consequential and incidental actions and measures.

COMPOSITION:

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

MEETINGS

During the year 2013-14, 15 meetings of Share Transfer Committee were held. Two members constitute the quorum for each meeting. The meetings were held on 6th April, 15th April, 24th June, 29th June, 20th July, 17th August, 7th September, 5th October, 2nd November, 11th November, 7th December, 2013, 1st February, 10th February, 1st March and 22nd March, 2014.

ATTENDANCE

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

Name of the Member	Meeting(s) held (No.)	No. of meetings attended
Shri R. L. Toshniwal (Chairman)	15	15
Shri P. Kumar	15	15
Shri D. P. Garg	15	13

ANNUAL REPORT 2013-14

IV. ANNUAL GENERAL MEETINGS

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

Financial Year	Date	Time	Venue
2010-11	5 th Aug., 2011	3.30 P.M.	Regd. Office : Indl. Area, Dohad Road, Banswara-327 001
2011-12	11 th Aug., 2012	3.30 P.M.	Regd. Office : Indl. Area, Dohad Road, Banswara-327 001
2012-13	24 th Aug., 2013	3.30 P.M.	Regd. Office : Indl. Area, Dohad Road, Banswara-327 001

Special resolutions passed in the last 3 AGMs : The details of special resolutions passed at AGM's during last 3 years i.e. 2011, 2012 & 2013 are as under :-

Sr. No.	AGM held on	Special Resolution Passed
1.	5 th Aug., 2011	1. Amendment of the Articles of Association 2. Appointment of Shri P.K. Bhandari as Director
2.	11 th Aug., 2012	No Special Resolution passed.
3.	24 th Aug., 2013	No Special Resolution passed.

POSTAL BALLOT

A Special Resolution was passed on 30.10.2013 for issuance of equity shares on preferential basis to the persons other than promoters and convertible warrants, also on preferential basis to promoters/promoter group by the Company's members through postal ballot.

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

- A. Person who conducted the postal ballot exercise:
The Board appointed Shri Manoj Maheshwari, Practicing Company Secretary, as the scrutinizer to conduct postal ballot voting process. Shri Manoj Maheshwari conducted the process and submitted his report to the Chairman.
- B. Procedure followed:
(i) The postal ballot notice and accompanying documents were dispatched to the shareholders by Regd. post
(ii) A calendar of events along with Board resolution was submitted to the Ministry of Corporate Affairs.
- C. Details of voting pattern: After scrutinizing all the ballot forms received, the Scrutinizer reported the result as under:

Sr. No.	Item	% of shareholders representing total voting strength voted in favour of the resolution
1.	For issuance of equity share & convertible warrants on preferential basis to the person other than promoter and promoters/promoters group respectively.	99.95%

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

V. DISCLOSURES

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

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

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

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

VI. MEANS OF COMMUNICATION

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

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

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



Periodicals: Company's news and reports regarding its plans, activities, working results etc. appear in financial papers, journals etc at least once in a while.

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

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

VII. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting (to be held)

Date	: 22 nd September, 2014
Time	: 3.30 p.m.
Venue	: Industrial Area, Dohad Road, Banswara-327 001 (Raj.)

AGENDA:-

- Adoption of Audited Accounts, Director's and Auditor's reports.
- Declaration of Dividend.
- Appointment of Director liable to retire by rotation.
- Appointing and fixing remuneration of the Auditors.
- Appointing and fixing remuneration of the Cost Auditors.
- Re-appointment of Executives Directors.
- Accepting of deposits from member and/or public.
- Re-appointment of Independent Directors.

2. Financial Year (Tentative Calendar of events)

Financial Year: April 1, 2014 to March 31, 2015.

First Quarter Results & Limited Review	Within 45 days from the end of quarter.
Second Quarter/ Half Yearly Results & Limited Review	Within 45 days from the end of quarter.
Third Quarter Results & Limited Review	Within 45 days from the end of quarter.
Audited Annual Results (2014-15)	Within 60 days from the end of year.

3. Date of Book Closure

The register of members and share transfer books of the Company shall remain closed from 6th September, 2014 to 22nd September, 2014 (both days inclusive).

4. Dividend Payment Date (Tentative)

Dividend for the year 2013-14, if approved by the shareholders, will be paid on or after 26th September, 2014.

5. Listing of Equity Shares on Stock Exchanges

The Company's Shares are listed on:

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

During the year the Company has issued 6,00,000 equity shares to Indus Kamdhenu Funds Limited, a Foreign Company, on preferential basis.

The Company has also issued 1,70,000 equity shares to Promoter and promoters group on preferential basis, due to conversion of 1,70,000 warrants issued to them on preferential basis.

Listing and trading approval for both the above issues have been received from the Stock Exchanges.

The requisite listing fees have been paid for the year 2014-15 to both the Stock Exchanges.

6. Stock Code

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

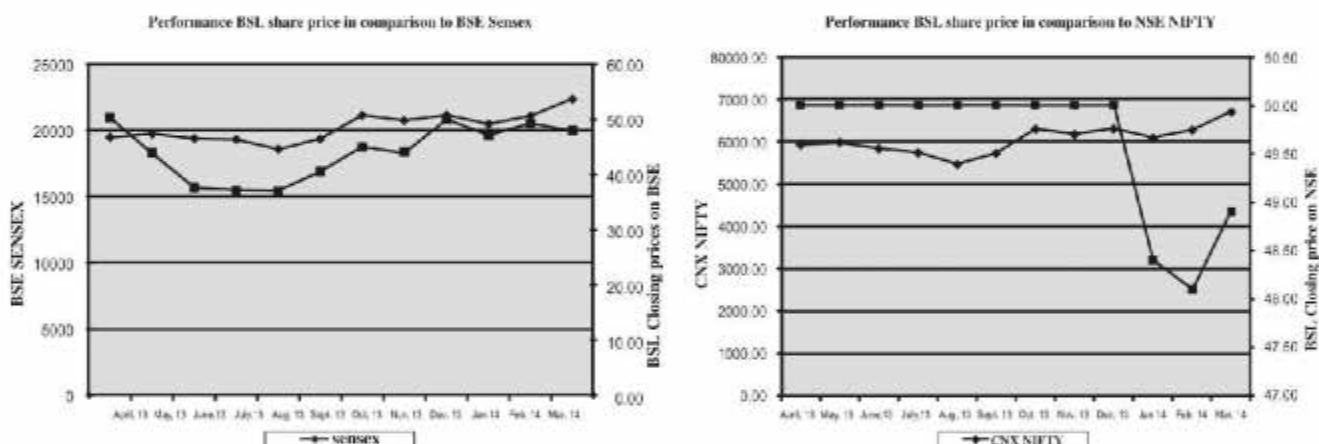
7. Stock Market Price Data

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

ANNUAL REPORT 2013-14

Month	BOMBAY STOCK EXCHANGE LTD.,		NATIONAL STOCK EXCHANGE OF INDIA LTD.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2013	54.00	45.75	53.95	44.00
May, 2013	49.00	38.10	53.95	44.00
June, 2013	44.00	34.10	53.95	44.00
July, 2013	40.00	37.15	53.95	44.00
August, 2013	38.90	34.55	53.95	44.00
September, 2013	40.50	34.00	53.95	44.00
October, 2013	47.00	39.00	53.95	44.00
November, 2013	48.45	43.35	53.95	44.00
December, 2013	50.15	44.50	53.95	44.00
January, 2014	55.90	46.60	56.25	46.10
February, 2014	50.55	43.00	50.60	42.25
March, 2014	51.65	44.00	49.00	43.50

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



9. Registrar & Share Transfer Agent

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

10. Share Transfers

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

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

**i. Shareholding Pattern as on 31st March, 2014**

Sr.No	Category	Number of Shares held	Shareholding (%)
1.	Promoters & promoter group	8574521	55.23
2.	Mutual Funds	4925	0.03
3.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions, Non-Government Institutions)	570	0.00
4.	Foreign Institutional Investors	2108581	13.58
5.	Private Corporate Bodies	1875413	12.08
6.	Indian Public	2802485	18.05
7.	NRIs/OCBs /Foreign Nationals	159866	1.03
8.	Any other	-	-
Grand Total		15526361	100.00

ii. Distribution of Shareholding as on 31st March, 2014**(a) Number-wise**

Number of Shares	Number of Shareholders	Shareholders (%)	Number of Share held	Voting Strength (%)
1 to 500	8146	91.01	760267	4.90
501 to 1000	362	4.04	280490	1.81
1001 to 2000	184	2.06	274450	1.77
2001 to 3000	71	0.79	179191	1.15
3001 to 4000	27	0.30	97938	0.63
4001 to 5000	33	0.37	152468	0.98
5001 to 10000	51	0.57	368259	2.37
10001 & above	77	0.86	13413298	86.39
Total	8951	100.00	15526361	100.00

(b) Category-wise

Category	Number of Shareholders	Shareholders (%)	Number of Share held	Shareholding (%)
Physical	4163	46.51	355064	2.29
Electronic	4788	53.49	15171297	97.71
Total	8951	100.00	15526361	100.00

11. Re-appointment of Directors**Executive Directors**

The Nomination and Remuneration Committee and Board of Directors of the Company, at their meetings held on 24th May, 2014, has recommended the re-appointment of Shri R.L. Toshniwal as Chairman, Shri Ravindra Kumar Toshniwal as Managing Director, Shri Rakesh Mehra as Vice-Chairman and Shri Shaleen Toshniwal as Jt. Managing Director for a further period of 3 years from 1st January, 2015 to 31st December 2017. The Resolutions for re-appointment of these directors is being put up before the share holders in the Annual General Meeting for their approval.

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

ANNUAL REPORT 2013-14

Shri R.L. Toshniwal, aged 80 years, is the main promoter and currently the Chairman of the Company. He is Masters in Textiles from Leeds University, UK. He has 51 years' vast experience of textile industry. He joined the Company in 1976. He has been associated with a number of business organizations since the beginning of his career. He is Ex-Chairman of Rajasthan Textile Mills Association, Ex-President of Indian Spinners Association and Ex-Chairman of the Synthetic & Rayon Textile Export Promotion Council (SRTEPC). Besides Banswara Syntex Ltd., he is member of the Board of Directors of 4 other companies. Being an industrialist with high social obligations, he is associated with a number of charitable trusts also.

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

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

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

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

Shri Ravindra Kumar Toshniwal, aged 50 years, is a B. Tech (Chem.) from IIT, Mumbai. He has undergone OPM course of Harvard University, USA. He is having over 22 years experience in textile industry. He is looking after overall activities of the Company. He has traveled extensively to Europe, US and other developed countries to promote the products of the Company. He has taken together a number of reputed buyers all over the world as a result the exports of the Company have increased substantially over the last ten years.

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

Sr. No.	Name of the Company
1.	Shaleen Syntex Ltd.
2.	Banswara Global Ltd.

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

Sr. No.	Name of the Company
1.	NIL

Shri Rakesh Mehra, aged 57 years, is a Chartered Accountant having 26 years experience in the Textile Industry. At present, he is the Chairman of SRTEPC. In the past before joining the Company also he has been the Chairman of SRTEPC. He was Chief Executive of M/s. RR Toshniwal Enterprises, before joining of Company Shri Mehra looks after entire Commercial and Financial activities besides export Sales of yarn.

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

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

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

Sr. No.	Name of the Company
1.	NIL

Shri Shaleen Toshniwal, aged 37 years, is a Bachelor in Business Management from Bentley College, USA and has over 11 years experience in the field of textile industry. He looks after all the readymade garment units of the Company at Daman and Surat.

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

Sr. No.	Name of the Company
1.	NIL

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

Sr. No.	Name of the Company
1.	NIL

• **Re-appointment of independents directors**

The brief resume and other requisite details, as required to be disclosed under clause 49 of the listing agreement of the Directors seeking appointment/re-appointment at the ensuing AGM are given as part of the Notice calling the ensuing AGM.

**12. Relationship among Directors**

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

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

13. Dematerialization of shares and liquidity

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

Shares of the Company are to be delivered compulsorily in the demat form on Stock Exchanges by all investors. Shares representing 97.71% of the Paid-up Capital have so far been dematerialized by investors.

14. Outstanding GDRs / ADRs / Warrants and Convertible Instruments

At the meeting of Board of Directors held on 13th November, 2013, the Company issued has 600000 equity shares of ₹10 each at ₹41.50 including a premium of ₹31.50 per share to a foreign company on preferential basis. In the same meeting, the Board of Directors also issued 1600000 warrants to promoters and promoters' group, convertible in an equal number of equity shares at the price of ₹41.50 per warrant including premium of ₹31.50 per warrant. Further, the Board, in its meeting held on 12th February, 2014 has issued 170000 equity shares of ₹10 each at ₹41.50 including a premium of ₹31.50 per share, on conversion of 170000 warrants out of 1600000 warrants. As on date, 1430000 warrants are outstanding and remain to be converted in an equal number of equity shares upto 11.05.2015 i.e. within 18th months from the date of its allotment. Both the above preferential issues were made as per the SEBI (ICDR) Regulations, 2009.

15. Plant Locations

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

16. Registered Office

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

17. Address for correspondence

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

ANNUAL REPORT 2013-14

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

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

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

1. **Shareholders' Rights:** The Quarterly Financial results as per clause 41 of the Listing Agreements are published in newspapers. The complete Annual Report is sent to every shareholder of the Company.
2. **Audit Qualifications:** The Company always presents unqualified financial statements. As regards the Auditors' observations on Annual Accounts for 2013-14, the relevant Notes in Significant Accounting Policies, Notes on Accounts and other disclosures are self-explanatory and, therefore, do not call for any further comments, except in the matter of non payment of ₹ 42.03 lacs towards Service Tax and Cess thereon. The matter pertaining to service tax refunds taken by the Company are under appeal with CESTAT, New Delhi and Commissioner Appeal, Jaipur, Rajasthan. In addition to this non payment of Excise duty ₹ 209.75 lacs and custom duty ₹ 1.70 lacs for which the matter of is under appeal before CESTAT, New Delhi, Commissioner Appeal, Jamnagar, Gujarat and at Mumbai High Court.
These liabilities will be met, if necessary, on final decision of the respective Appellate Authorities.
3. **Separate posts of Chairman and CEO :** The Company has appointed Shri R.L.Toshniwal as a Chairman and Shri Ravindra Kumar Toshniwal as a CEO of the Company.
4. **Reporting of Internal Auditor:** The Internal auditors of the Company are directly reporting to Audit Committee.

VIII. CODE OF CONDUCT

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

For **BANSWARA SYNTEX LIMITED**

Place: Mumbai
Date : 24th May, 2014

R.L. TOSHWIHAL
Chairman
DIN : 00106933

CEO/CFO CERTIFICATION

Certificate from CEO/ CFO for the financial year ended March 31, 2014.

We, Ravindra Kumar Toshniwal, Managing Director and Chief Executive Officer, and Rakesh Mehra, Vice-Chairman and Chief Financial Officer, of Banswara Syntex Limited certify:

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief
 - a. These statements neither contain any materially untrue statement nor omit any material fact or contain statements that might be misleading, and
 - b. These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transaction entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. That we accept responsibility for establishing and maintaining internal control, We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and;
4. That we have informed the Auditors and the Audit Committee of:
 - a. Significant changes in internal controls during the year;
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the "Significant Accounting Policies, notes on Accounts and other disclosures" attached to the financial statements; and
 - c. Instances of significant fraud(s) of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place: Mumbai
Date : 24th May, 2014

RAVINDRA KUMAR TOSHWIHAL
Chief Executive Officer
DIN: 00106789

RAKESH MEHRA
Chief Financial Officer
DIN:00467321



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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

For **BANSWARA SYNTEX LIMITED**

Place : Mumbai
Date : 24th May, 2014

R.L. TOSHNIWAL
Chairman
DIN: 00106933

DECLARATION OF THE CHAIRMAN

I hereby declare that all Board Members and designated senior management have affirmed compliance with the Code of Conduct as laid down by the Board of Directors of the Company, for the year ended 31st March, 2014.

For **BANSWARA SYNTEX LIMITED**

Place : Mumbai
Date : 24th May, 2014

R.L. TOSHNIWAL
Chairman
DIN: 00106933

CERTIFICATE

To the Members of Banswara Syntex Limited,
Banswara

We have examined the compliance of conditions of Corporate Governance by Banswara Syntex Limited for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreements.

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

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

For **KALANI & COMPANY**

Chartered Accountants
FRN-000722C

Place : Mumbai
Date : 24th May, 2014

K.L. JHANWAR
Partner
M.No.014080

MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

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

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

Core Business And Products

The core business of the Company is manufacturing and marketing of spun synthetic blended yarn, cotton spun yarn, wool and wool mix yarn, spun synthetic and worsted fabrics, cotton & linen fabrics besides readymade garments. The Company also produces shirting and technical fabrics. Treves Banswara Pvt. Ltd. the JV company, is producing automotive fabrics. JV agreement with Carreman France got terminated during the year. The Company perceives good scope for increase in demand, production and sale of its products.

Industry Structure, its Development and Opportunity

The Indian textiles industry is one of the biggest employment generating industry in the country providing direct employment to 45 million people.

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

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

Overview of the Company's performance

The production of yarn during 2013-14 has been 300 lac kgs. as against last year's 310 lac Kgs. During the year, the Company started production of cotton yarn and has produced 18.73 lac Kgs. The production of worsted yarn has increased from 10.19 lac kgs. in 2012-13 to 11.19 lac kgs. in 2013-14. Your Company has almost maintained the fabric production at around 310 lac mtrs. while the garment production has increased by 28%.

During the year, your Company's net income from operations aggregated ₹1212 crore as against ₹1096 crore in 2012-13-an increase of 11%. The Company's turnover in value terms has increased by 1% for yarn, 9% for fabric and 39% for garments. This confirms the Company's major thrust on sale of value-added fabrics and the readymade garments. Further details about the Company's operating performance are mentioned under

Financial Review, Operations and Exports in the Directors' Report.

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

production increased by 8%, fabric production by 16% and the garment production by 17%. The income from operations at ₹1096 crore during 2012-13 went up by 19% as compared to ₹924 crore in 2011-12. The export turnover represented 55% in the total turnover. Further details about the Company's operating performance are mentioned under Financial Review, Operations and Exports in the Directors' Report.

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

Sl. No.	Particulars	Installed Capacity as at	
		31.03.14	31.03.13
1.	Spinning (spindles)		
	a) Synthetic Blended yarn	130552	130552
	b) Worsted Yarn	21120	21120
	c) Airjet Yarn	592	592
2.	Fibre, Yarn & wool Dyeing (MT/Month)		
	a) Fibre	840	840
	b) Yarn	150	150
3.	Fabric Weaving (No. of Looms)		
	a) Fabric Weaving	380	359
	b) Jacquard and Jacquard Technical Fabrics	33	32
4.	Fabric Processing (Lac Mtrs/month)	50	50
5.	Suitings		
	Trousers- Lines	23	23
	Pcs/month	345000	345000
	Jackets - Lines	4	4
	Pcs/month	30000	30000
6.	Thermal Power Plant (MW) (Coal based)	33	33

During the year under review, the Company invested ₹53.30 crore (previous year-₹79.50 crore) for acquisition of fixed assets besides. As at 31st March, 2014 the capital-work-in-progress stood at ₹8.54 crore (previous year ₹7.77 crore) and advances to capital goods' suppliers of aggregated ₹4.54 crore (previous year ₹4.32 crore). Capacity expansion has taken place mainly in weaving and garment sections.

The Company has plans to invest about ₹25 crore for expansion and modernization of the plant during the year 2014-15. This would add 4 lines for trousers and 1 line for jackets for garment section.

Segment-wise performance

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

Internal control system

The Company has adequate internal audit and control system to ensure that all the transactions are duly authorized, properly



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

Discussion on financial performance with respect to operating performance

The operating performance of the Company has been detailed in the first two paragraphs of the Directors' Report under the heads 'Financial Review' and 'Operations.' The profit before tax for the year 2013-14, at ₹48.05 crore, works out to 3.96% of sales as against ₹21.09 crore, i.e. 1.92% of sales in the previous Financial Year- 2012-13.

Developments in human resources and industrial relations

During FY 13-14, the Management Council, set up in the previous year, reviewed its working of all SBUs on a quarterly basis. The reviews were focussed on targets, achievements, analyzing gaps in meeting targets and promoting further improvement.

The Performance Management System (PMS) also completed its fast annual cycle. For individual managers, each manager reviewed his and his team's goals on a quarterly basis, which helped them to identify and bridge the gaps in performance. The alignment of individual goals with the organizational objectives will further ensure synergy for higher levels of performance in the next year.

The goal based performance appraisal process ensures sharper performance differentiation between performers and non-performers, and provides for a more open and fair reward mechanism in the company. The concept of variable and performance pay, introduced in FY 13-14, to reward high performance, to ensure high motivation levels, appears to be achieving the goal.

Various productivity improvement initiatives were implemented

internally to enhance the per person output at the production level. The automation of a few processes is underway, which will lead to re-deployment /rationalization, for optimum manpower utilization. It is planned to deploy Industrial Engineering services after the automation process is completed in the second half of FY 14-15.

The HR council in the FY 13-14 had meetings to discuss and amend a few HR policies and practices and to enhance the collaborative work environment for all employees. Policies were discussed and successfully implemented based on the recommendation of the HR council.

The Units ensured peaceful and harmonious industrial relations during the year.

The Manpower Plans for FY 14-15 are in the process of finalization and should be ready by May end. Talent and succession planning have been initiated and the first phase of identification and development has been finalized through a systematic assessment during Feb-Apr'14. This will ensure that right managerial staff are developed to drive the Company's business in future.

For FY 14-15, the Process for Business and budgetary planning has been given impetus by the concept of 'Measurement Theory of Constraints' Throughput and Process of ongoing improvement. The concept was shared with all SBUs and Unit Heads for focussing their energies on 'Thinking Global'. The Targets agreed by the Management Team are very challenging and there is a collaborative commitment of the team to achieve the project of performance as per targets/budget.

The management is quite hopeful that through these mechanism and reviews, over the next couple of yearly cycles, the company's HR Policy deployment will significantly contribute towards its long term growth and progress.

For and on behalf of the Board

Place : Mumbai
Date : 24th May, 2014

R. L. TOSHNIWAL
Chairman
DIN:00106933

ANNEXURE-III TO DIRECTOR'S REPORT

INFORMATION PURSUANT TO SECTION 217(2A) OF COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

Sr. No.	Name of the Employee	Designation & nature of duties	Remuneration (₹ in Lacs)	Qualifications & Experience (No. of years)	Age (Year)	Date of Commencement of employment	Previous employer Designation, period of service (No. of years)
A. EMPLOYED THROUGH-OUT THE YEAR AND WERE IN RECEIPT OF REMUNERATION AGGREGATE OF NOT LESS THAN ₹ 60,00,000/- PER ANNUM							
1.	SHRI R.L.TOSHNIWAL	CHAIRMAN	139.38	M.Sc.(TEX.) LEEDS UNIVERSITY ENGLAND(51)	80	01.08.1977	ORIENTAL CARPETS MFG.(INDIA) LTD. CHIEF EXECUTIVE (8)
2.	SHRI RAKESH MEHRA	VICE- CHAIRMAN	125.80	F.C.A.(26)	57	01.10.1993	R.R.TOSHNIWAL ENTERPRISES CHIEF EXECUTIVE (5)
3.	SHRI RAVINDRA KUMAR TOSHNIWAL	MANAGING DIRECTOR	125.11	B.TECH(CHEM.ENGG.) (22)	50	24.08.1992	-
4.	SHRI SHALEEN TOSHNIWAL	JT.MANAGING DIRECTOR	116.49	MBA(11)	37	21.10.2003	-
5.	SHRI J.K. RATHI	PRESIDENT (COMMERCIAL)	66.78	B.E. (MECH.) (39)	63	01.06.1978	R.R.TOSHNIWAL & CO. PVT. LTD. MANAGER (3)
6.	SHRI S.S. SAJAL	PRESIDENT	60.69	B.TECH. PGDMM (44)	65	21.09.1978	BLUE NILE SPINNING & WEAVING CO. LTD., SUDAN WEAVING MANAGER (4)

B. EMPLOYED FOR A PART OF THE YEAR AND WERE IN RECEIPT OF REMUNERATION OF NOT LESS THAN ₹ 5,00,000/- PER MONTH

Nil-

Notes:-

- TOTAL NUMBER OF EMPLOYEES INCLUDED IN THE ABOVE STATEMENT ARE SIX AND THE NATURE OF THEIR EMPLOYMENT IS CONTRACTUAL.
- THE ABOVE FIGURES ARE FOR THE TWELVE MONTHS PERIOD FROM 01.04.2013 TO 31.03.2014.
- REMUNERATION COMPRISES SALARY, COMMISSION, ALLOWANCES, MONETARY VALUE OF PERQUISITES AND CONTRIBUTION TO PROVIDENT FUND.
- IN ADDITION TO THE ABOVE REMUNERATION, EMPLOYEES ARE ALSO ENTITLED TO GRATUITY.
- EMPLOYEES AT SR.NO.1 TO 4 ARE RELATED TO EACH OTHER.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS,

BANSWARA SYNTEX LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of BANSWARA SYNTEX LIMITED, ("the Company") which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and Cash Flow of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from misstatements.

Audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depends upon auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- In case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- In case of the Cash Flow Statements, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
- As required by section 227(3) of the Act, we report that:
 - we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion proper books of account as required by Law have been kept by the Company so far as appears from our examinations of those books;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statements dealt with by this Report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For KALANI & COMPANY

Chartered Accountants

FRN - 000722C

K.L. JHANWAR

Partner

M.No. 014080

Place : Mumbai

Dated : 24th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Statement referred to in our report of even date to the members of the BANSWARA SYNTEX LIMITED on the financial statement for the year ended 31st March 2014.

- The Company has maintained records of fixed assets showing particulars of quantitative details, situation and year of addition, which needs improvement.
 - Fixed assets of the Company have physically verified by the management during the year, no material discrepancies were noticed on such physical verification. Company should carry physical verification in planned and regular manner.
 - The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not effected the going concern status of the Company.
- The inventory has been physically verified during the

year by the management. In our opinion, the frequency of verification is reasonable.

- The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. Inventories with third parties are verified by respective party.
 - The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been dealt in the financial statements.
- Company has not granted any loan to the companies, firm and other parties covered in the register maintained under section 301 of the Act.
 - The rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.



- (c) Principal and interest has been received during the year as per the loan agreement.
- (d) There is no overdue of principal and interest.
- (e) Unsecured loans taken from 11 (Eleven) persons covered in the register maintained under section 301 of the Act amounting to ₹ 398 lacs outstanding at the year end and the maximum amount involved is ₹ 771 lacs.
- (f) Interest and other terms & conditions of loan taken are not prima facie prejudicial to the interest to the Company.
- (g) Company is regular in payment of principal amount and interest.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. To the best of our knowledge and according to the information and explanations given to us, no order on the Company under aforesaid section has been passed by the Company Law Board.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has prescribed under Section 209 (1) (d) of the Act, the maintenance of cost records in respect of its products manufactured by the Company. We have broadly reviewed the books of account maintained and in our opinion; the prescribed accounts and records have prima facie been made and maintained by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess, Excise Duty and other material statutory dues applicable to it.
- According to the information and explanations given to us, there was no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, cess and other material statutory dues were in arrears, as at 31.03.2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of dispute are given below :

Nature of Statute	Nature of Dues	Amount (₹)	Period to which the Amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	27,04,878	2009-07 to 2008-09	CESTAT, New Delhi
Finance Act, 1994	Service Tax	14,97,928	2010-2011	Comm-Appeal, Jaipur
Central Excise Act, 1944	Central Excise Duty	2,09,74,515	2004-2009	CESTAT, New Delhi
Custom Act, 1962	Custom Duty	90,000	2013	Comm-Appeal, Jamnagar (Gujrat)
Custom Duty, 1962	Custom Duty	80,230	1995	High Court, Mumbai
Finance Act, 1961	Income Tax	1,65,17,040	2011-12	CIT (Appeals), Udaipur
Finance Act, 1961	Income Tax	48,68,150	2010-11	CIT (Appeals), Udaipur

- (x) There are no accumulated losses at the end of financial year. The Company has also not incurred cash losses during the financial year covered by our audit and the preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has generally not defaulted in repayment of dues to a financial institution and bank.
- (xii) According to information & explanations given to us, the Company has not given any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund. Therefore, the provisions of clause 4 (xiii) of Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to information & explanations given to us, the Company has given guarantee for ₹1950 lacs (Outstanding is ₹449.88 lacs as on 31.03.2014) for loans taken by Banswara Global Limited, a Subsidiary Company. The terms and conditions of such guarantee are not prejudicial to the interest of the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained, other than temporary deployment pending application.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow statement of the Company, we report that the no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, the Company had not issued unsecured debenture during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For KALANI & COMPANY

Chartered Accountants

FRN – 000722C

K.L. JHANWAR

Partner

Place : Mumbai

Dated : 24th May, 2014

M.No. 014080

ANNUAL REPORT 2013-14

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at		(₹ in Lacs)
		31 st March, 2014	31 st March, 2013	As at
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2	1,724.12	1,647.12	
Reserves & Surplus	3	19,585.23	17,218.26	
Money received against share warrants	4	148.36	-	18,865.38
Non-Current Liabilities				
(a) Long Term Borrowings	5	29,418.99	29,967.18	
(b) Deferred Tax Liabilities (Net)	6	4,442.04	3,816.75	
(c) Long Term Provisions	7	1,009.42	1,077.58	34,861.51
Current Liabilities				
(a) Short Term Borrowings	8	33,837.66	32,063.69	
(b) Trade payables	9	10,629.72	12,947.40	
(c) Other Current Liabilities	10	7,617.52	7,113.15	
(d) Short Term Provisions	11	2,145.37	931.97	53,056.21
		1,10,558.43		1,06,783.10
ASSETS				
Non Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	12	51,421.94	51,488.30	
(ii) Capital work-in-progress	13	853.76	776.75	
(b) Non-Current investments	14	1,429.98	934.99	
(c) Long-term Loans and Advances	15	860.92	814.09	
(d) Other non-Current Assets	16	748.70	757.14	54,771.27
Current Assets				
(a) Inventories	17	30,461.16	29,436.73	
(b) Trade Receivables	18	15,436.51	15,267.23	
(c) Cash and Cash Equivalents	19	3,214.17	1,640.48	
(d) Short Term Loans and Advances	20	2,701.62	2,205.49	
(e) Other Current Assets	21	3,429.67	3,461.90	52,011.83
		1,10,558.43		1,06,783.10

Significant Accounting Policies, Notes on accounts and other disclosures from Note no. 1 to 43 forming part of these financial statements.

In terms of our Audit Report of even date:

For KALANI & COMPANY
Chartered Accountants
FRN - 000722C

K.L. JHANWAR
Partner
M.No. 014080

Place : Mumbai
Dated : 24th May, 2014

R.L. TOSHNIWAL
Chairman

RAKESH MEHRA
Vice Chairman and C.F.O.

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

RAVINDRA KUMAR TOSHNIWAL
Managing Director

SHALEEN TOSHNIWAL
Jt. Managing Director

Directors
P. KUMAR
KAMAL KISHORE KACHOLIA
D.P. GARG
A.N. JARIWALA
VIJAY MEHTA
S.B. AGRAWAL

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31ST MARCH, 2014**

	Note No.	Current Year 31 st March, 2014	(₹ in Lacs) Previous Year 31 st March, 2013
Revenue From Operations	24		
Sale of Products & Services (Gross)		1,17,507.15	1,07,707.29
Other Operating Revenue		<u>5,568.89</u>	<u>5,336.84</u>
		1,23,076.04	1,13,044.13
Less : Excise Duty		<u>1,856.08</u>	<u>3,412.47</u>
I. Revenue From Operations (Net)		1,21,219.96	1,09,631.66
II. Other Income	25	<u>410.45</u>	<u>804.79</u>
III. Total Revenue		1,21,630.41	1,10,436.45
IV. Expenses :			
Cost Of Materials Consumed	26	58,210.89	55,259.26
Changes In Inventories of Finished Goods, Work-In-Progress And Stock-In Trade	27	(301.27)	(843.29)
Manufacturing Expenses	28	20,343.49	19,929.77
Employee Benefits Expenses	29	16,088.26	13,079.76
Financial Costs	30	8,129.74	8,230.32
Depreciation and Amortization Exp.	31	5,196.39	5,167.97
Other Expenses	32	<u>9,158.19</u>	<u>7,503.84</u>
Total Expenses		1,16,825.69	1,08,327.63
V. Profit Before Tax (III-IV)		4,804.72	2,108.82
VI. Tax Expense :			
(1) Current Tax		1,457.73	323.00
(Net of MAT Credit of ₹ 112.27 Lacs (Previous Year ₹ 142.00 Lacs)			
(2) Deferred Tax		625.29	559.23
(3) Prior Period Tax		<u>58.93</u>	<u>20.03</u>
		2,141.95	902.26
VII. Profit For The Year (V-VI)		2,662.77	1,206.56
VIII. Earnings per Equity Share	33		
(1) Basic		16.86	8.14
(2) Diluted		16.30	8.14

Significant Accounting Policies, Notes on accounts and other disclosures from Note no. 1 to 43 forming part of these financial statements.

In terms of our Audit Report of even date:

For KALANI & COMPANY
Chartered Accountants
FRN - 000722C

K.L. JHANWAR
Partner
M.No. 014080

Place : Mumbai
Dated : 24th May, 2014

R.L. TOSHNIWAL
Chairman

RAKESH MEHRA
Vice Chairman and C.F.O.

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

RAVINDRA KUMAR TOSHNIWAL
Managing Director

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Jt. Managing Director

Directors
P. KUMAR
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D.P. GARG
A.N. JARIWALA
VIJAY MEHTA
S.B. AGRAWAL

SIGNIFICANT ACCOUNTING POLICIES, NOTES ON ACCOUNTS AND OTHER DISCLOSURES

NOTE NO. '1' SIGNIFICANT ACCOUNTING POLICIES

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

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

B. Valuation of Inventories (AS-2)

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

C. Depreciation (AS-6)

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

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

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

D. Turnover (AS-9)

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

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

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

F. Fixed Assets (AS-10)

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

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

G. Foreign Currency Transactions (AS-11)

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

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

H. Investments (AS-13)

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

I. Employees' Benefits (AS-15)

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

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

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

K. Taxes on Income (AS-22)

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

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

L. Provision for Doubtful Debts

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

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

	As at 31 st March, 2014	(₹ in Lacs) As at 31 st March, 2013
NOTE NO. '2' SHARE CAPITAL		
Authorized		
4,50,00,000 Equity Shares of ₹10/- each	4,500.00	4,500.00
5,00,000 3% Redeemable Preference Shares of ₹ 100/- Each	500.00	500.00
	<u>5,000.00</u>	<u>5,000.00</u>
Issued		
1,55,26,361 Equity Shares of ₹ 10/- each	1,552.64	1,475.64
1,73,000 3% Redeemable Preference Shares of ₹ 100/- Each	173.00	173.00
	<u>1,725.64</u>	<u>1,648.64</u>
Subscribed and fully Paid		
1,54,96,061 Equity Shares of ₹10/- each	1,549.61	1,472.61
1,73,000 3% Redeemable Preference Shares of ₹ 100/- Each	173.00	173.00
	<u>1,722.61</u>	<u>1,645.61</u>
Subscribed but not fully Paid		
30,300 Equity Shares of ₹10/- each	3.03	3.03
Less : Allotment Money Due		
From Directors	-	-
From Others	1.52	1.52
	<u>1.52</u>	<u>1.52</u>
	<u>1,724.12</u>	<u>1,647.12</u>

2.1 Reconciliation of No. of Shares of each class of issued capital		Shares (In Nos.)	
Particulars	As at 31.03.2014	As at 31.03.2013	
	Equity	Preference	Equity
At the beginning of the year	1,47,56,361	1,73,000	1,47,56,361
Issued During the year	7,70,000	-	-
Redeemed/bought back during the year	-	-	-
At the end of the year	1,55,26,361	1,73,000	1,47,56,361

2.2 The company has issued 6,00,000 equity shares of ₹ 10/- each at ₹ 41.50/- including a premium of ₹ 31.50/- per share to foreign company on preferential basis at the meeting of Board of Directors held on 13th November, 2013. In the same meeting the Board of Directors has also issued 16,00,000 warrants to promoters and promoters's group, convertible in equal number equity shares at the rate of ₹ 10/- per warrant at ₹ 41.50/- including premium of ₹ 31.50/- per warrant. Further the board in its meeting held on 12th February, 2014 has issued 1,70,000 Equity shares of ₹10/- each at ₹ 41.50 including a premium of ₹ 31.50/- per share, on conversion of 1,70,000 warrants out of 16,00,000 warrants. As on date 14,30,000 warrants are outstanding to be converted in equal number of equity shares upto 11.05.2015 i.e. within 18th month from the its allotment. Both the above preferential issues were made as per the SEBI (ICDR) Regulations, 2009.

ANNUAL REPORT 2013-14

2.2.1 Rights, preferences and restrictions to the shareholders.

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

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

2.3 Preference Shares :- The preference shares have been redeemed on 10.05.2014.

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

Name of shareholder	As at 31 st March, 2014		As at 31 st March, 2013	
	No. of Shares	Shareholding %	No. of Shares	Shareholding %
Equity Shares				
Shri R L Toshniwal	62,765	0.40%	10,85,974	7.36%
Shri Ravindra Kumar Toshniwal	17,63,947	11.36%	11,88,947	8.06%
Shri Shaleen Toshniwal	17,50,680	11.28%	12,75,680	8.64%
Smt. Radhika Toshniwal	10,28,065	6.62%	10,28,065	6.97%
Smt. Prem Toshniwal	8,51,449	5.48%	8,06,449	5.47%
Macquarie Bank Limited	12,99,801	8.37%	-	-
Royal Bank of Scotland	-	-	12,99,801	8.81%
3% Redeemable Preference Shares				
Carreman Michel Thierry, France	1,73,000	100.00%	1,73,000	100.00%

	As at 31 st March, 2014		(₹ in Lacs) As at 31 st March, 2013	
NOTE NO. '3' RESERVES AND SURPLUS				
Capital Reserve				
Opening Balance	737.83		345.80	
Adjustment during the year (Capital Subsidy)*	<u>13.89</u>	751.72	<u>392.03</u>	737.83
Securities Premium Account				
Opening balance	2,265.36		2,265.36	
Add : Received During the year	<u>242.54</u>	2,507.90	<u>-</u>	2,265.36
General Reserve				
Opening Balance	12,634.17		12,134.17	
Add : Transfer from Surplus	<u>1,000.00</u>	13,634.17	<u>500.00</u>	12,634.17
Surplus				
Opening Balance	1,580.90		1,137.36	
Add : Profit for the year	<u>2,662.77</u>		<u>1,206.56</u>	
	4,243.67		2,343.92	
Less : Allocation and Appropriations				
Proposed Dividend on Preference Shares	5.19		5.19	
Proposed Dividend on Equity Shares	465.34		221.12	
Tax on Proposed Dividend	79.96		36.71	
Previous year dividend & tax thereon	1.74		-	
Transfer to General Reserve	<u>1,000.00</u>		<u>500.00</u>	
	<u>1,552.23</u>	2,691.44	<u>763.02</u>	1,580.90
		19,585.23		17,218.26

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



(₹ in Lacs)

As at

As at

31st March, 201431st March, 2013**NOTE NO. '4' MONEY RECEIVED AGAINST SHARE WARRANTS**

Application money received against share warrants	148.36	-
	<u>148.36</u>	<u>-</u>
	<u>148.36</u>	<u>-</u>

NOTE NO. '5' LONG TERM BORROWINGS**Term Loans (Secured)****From Financial Institutions and Banks****IDBI BANK LIMITED**

Term Loan - I	200.00	400.00
Repayable in 4 variable quarterly installments		
Term Loan - II	617.00	318.88
Repayable in 32 variable quarterly installments		
Term Loan - III	385.00	295.55
Repayable in 32 variable quarterly installments		
Term Loan - IV	<u>918.00</u>	<u>881.00</u>
Repayable in 32 variable quarterly installments	2,120.00	1,895.43

EXPORT IMPORT BANK OF INDIA

Term Loan - I	2,130.00	2,310.00
Repayable in 28 variable quarterly installments		
Term Loan - II	2,809.38	3,041.88
Repayable in 28 variable quarterly installments		
Term Loan - III	236.40	396.40
Repayable in 6 variable quarterly installments		
Term Loan - IV	604.49	748.41
Repayable in 12 variable quarterly installments		
Term Loan - V	840.00	1,040.00
Repayable in 12 variable quarterly installments		
Term Loan - VI	3,375.00	3,875.00
Repayable in 17 variable quarterly installments		
Term Loan - VII	2,636.36	2,900.00
Repayable in 30 quarterly installments		
Working Capital Term Loan	<u>685.00</u>	<u>-</u>
	13,316.63	14,311.69

BANK OF BARODA

Term Loan - I	2,150.00	2,906.00
Repayable in 20 variable quarterly installments		
Term Loan - II	-	34.38
Full Repaid		
Term Loan - III	1,112.50	1,350.00
Repayable in 13 variable quarterly installments		
Term Loan - IV	4,317.50	4,339.22
Repayable in 31 variable quarterly installments		
Term Loan - V	<u>1,405.61</u>	<u>-</u>
Repayable in 32 variable quarterly installments	8,985.61	8,629.60

ANNUAL REPORT 2013-14

		As at 31 st March, 2014	(₹ in Lacs) As at 31 st March, 2013
PUNJAB NATIONAL BANK			
Term Loan - I	-	150.00	
Repayable in 4 quarterly installments			
Term Loan - II	-	43.75	
Repayable in 4 quarterly installments			
Term Loan - III	1,434.54	1,743.28	
Repayable in 13 variable quarterly installments			
Term Loan - IV	443.95	538.95	
Repayable in 13 variable quarterly installments			
Term Loan - V	1,625.00	1,875.00	
Repayable in 21 variable quarterly installments			
Working Capital Term Loan	2,100.00	5,603.49	-
			4,350.98
BANK OF INDIA			
Term Loan - I	109.01	203.01	
Repayable in 5 Variable quarterly installments			
Term Loan - II	713.72	822.73	813.72
Repayable in 20 variable quarterly installments			1,016.73
UNION BANK OF INDIA			
Term Loan - I	-	72.88	
Fully Repaid			
Term Loan - II	5.87	29.37	
Repayable in 1 quarterly installments			
Term Loan - III	1,904.00	1,909.87	2,072.00
Repayable in 24 variable quarterly installments			2,174.25
AXIS BANK LIMITED			
Term Loan - I		1,500.00	1,765.27
Repayable in 20 variable quarterly installments			
Sub-Total (A)		34,258.33	34,143.95
Less : Current Maturities			
IDBI Bank Ltd.	272.00	200.00	
Export-Import Bank of India	1,911.07	1,668.14	
Bank of Baroda	1,260.00	1,110.38	
Punjab National Bank	1,157.50	910.00	
Bank of India	194.00	194.00	
Union Bank of India	229.87	264.38	
Axis Bank Limited	250.00	265.27	
Sub-Total (B)		5,274.44	4,612.17
TOTAL (I) (A-B)		28,983.89	29,531.78

**BANSWARA SYNTEX LIMITED**

(₹ in Lacs)

As at

As at
31st March, 2014As at
31st March, 2013**Fixed Deposits (Unsecured)**

From Directors	72.00	72.00
From Others	<u>1,281.70</u>	<u>1,177.60</u>
Includes ₹ 199.00 Lacs (Previous years ₹ 204.00 Lacs) from related parties	<u>1,353.70</u>	<u>1,249.60</u>
Less : Current Maturities	<u>918.60</u>	<u>814.20</u>
TOTAL (III)	435.10	435.40

Term Loans (Unsecured)

Corporate (From Related Parties)	-	200.00
Repayable in one bullet payment by July '14		
Other Corporates	<u>150.00</u>	<u>150.00</u>
Repayable in one bullet payment by March '15		
	<u>150.00</u>	<u>350.00</u>
Less : Current Maturities	<u>150.00</u>	<u>350.00</u>
TOTAL (IV)	-	-
	<u>29,418.99</u>	<u>29,967.18</u>

5.1 Securities and Guarantees**For Term Loans from Financial Institutions and Banks:**

Term Loans from Financial Institutions and Banks are secured by a joint equitable mortgage and/or hypothecation charges ranking pari-passu on immovable/movable properties, present and future of the Company subject to prior charges in favour of the Bankers on specified movable properties created and/or to be created for working capital facilities, and Term Loans of ₹ 1,920.00 Lacs are also secured by second charge on current assets.

Term Loans from Financial Institutions and Banks are guaranteed by Shri R.L. Toshniwal, Chairman and Shri Ravindra Kumar Toshniwal, Managing Director in their personal capacities other than Export-Import Bank of India and IDBI Bank Ltd. Term Loans outstanding of ₹ 8,141.24 Lacs (Previous Year ₹ 8,563.41 Lacs) from Export-Import Bank of India, Term Loans outstanding of ₹ 2,100 Lacs (Previous Year ₹ Nil) from Punjab National Bank of India and Term Loan outstanding ₹ 200 Lacs (Previous year ₹ 400.00 Lacs) from IDBI Bank Ltd. are guaranteed by both whereas term loans outstanding of ₹ 236.40 Lacs (Previous Year ₹ 396.40 Lacs) from Export-Import Bank of India are guaranteed only by Shri R. L. Toshniwal, Chairman.

For Fixed deposits

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

ANNUAL REPORT 2013-14

	(₹ in Lacs)	
	As at 31 st March, 2014	As at 31 st March, 2013
NOTE NO. '6' DEFERRED TAX LIABILITIES		
Considering accounting procedure prescribed by the Accounting Standard 22 "Taxes on Income", the following amounts have been worked out and provided in books:		
Major components of deferred tax balances		
Deferred Tax Liabilities		
i) Difference between accounting and tax-depreciation (cumulative)	5,514.62	4,804.65
TOTAL	<u>5,514.62</u>	<u>4,804.65</u>
Deferred Tax Assets		
i) Accumulated unabsorbed depreciation	-	-
ii) Provision for doubtful debts (to date)	234.13	197.25
iii) Disallowances under section 43B for non payment of expenses	430.08	395.05
iv) Other timing differences	408.37	395.61
TOTAL (i to iv)	<u>1,072.58</u>	<u>987.91</u>
Net Deferred Tax Liabilities	<u>4,442.04</u>	<u>3,816.74</u>

Net deferred tax expense of ₹ 625.29 Lacs has been charged (Previous Year ₹ 559.23 Lacs) to Statement of Profit & Loss besides current tax ₹ 145.73 Lacs (net of mat credit) as per Income Tax Act, 1961.

NOTE NO. '7' LONG TERM PROVISIONS

Provisions for Employee benefits				
Gratuity	1,010.00		1,052.78	
Less : Short Term	<u>148.06</u>	861.94	<u>109.30</u>	943.48
Leave Encashment	191.47		166.55	
Less : Short Term	<u>43.99</u>	147.48	<u>32.45</u>	134.10
		<u>1,009.42</u>		<u>1,077.58</u>

NOTE NO. '8' SHORT TERM BORROWINGS

A. Loans Repayable on Demand

(Cash credits and packing credits)

From Banks (Secured)

Punjab National Bank	16,909.50		17,235.23	
Union Bank of India	8,272.29		7,502.87	
Bank of Baroda	5,055.09		4,547.90	
Bank of India	<u>3,473.78</u>	33,710.66	<u>2,482.69</u>	31,768.69

B. Loans from Related Parties (Unsecured)

	127.00		295.00	
	<u>33,837.66</u>		<u>32,063.69</u>	

8.1 Securities and Guarantees

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



	As at 31 st March, 2014	(₹ in Lacs) As at 31 st March, 2013
NOTE NO. '9' TRADE PAYABLES		
Micro, Small & Medium Enterprises @	5.79	6.53
Acceptances	3,082.63	5,664.46
Others	7,541.30	7,276.41
	<u>10,629.72</u>	<u>12,947.40</u>

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

9.1 Details of Dues to Micro Enterprises and Small Enterprises

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

5.79 6.53

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

Nil Nil

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

Nil Nil

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

Nil Nil

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

Nil Nil

NOTE NO. '10' OTHER CURRENT LIABILITIES

A. Current Maturities of Long Term Borrowings

Term Loans (Secured)	5,274.44	4,612.16
Term Loans (Unsecured)	150.00	350.00
Deferred Payment Credits (Secured)	-	-
Fixed Deposit (Unsecured)	<u>918.60</u>	<u>814.20</u>
	6,343.04	5,776.36

B. Interest Accrued But Not Due On Borrowings

65.01 65.80

C. Interest Accrued And Due On Borrowings

61.07 223.99

D. Other Payables

Unclaimed Dividend	32.65	33.90
Securities Deposits	51.96	47.87
Statutory Liabilities	285.89	227.72
Other Liabilities	<u>777.90</u>	<u>737.51</u>
	<u>1,148.40</u>	<u>1,047.00</u>
	<u>7,617.52</u>	<u>7,113.15</u>

ANNUAL REPORT 2013-14

		As at 31 st March, 2014	(₹ in Lacs) As at 31 st March, 2013
NOTE NO. '11' SHORT TERM PROVISIONS			
A. Provisions for Employee benefits			
For Gratuity	148.06		109.30
For Leave Encashment	<u>43.99</u>	192.05	<u>32.45</u> 141.75
B. Provision for Others			
Proposed Dividend			
On Equity Shares	465.34		221.12
On Preference Shares	<u>5.19</u>	470.53	<u>5.19</u> 226.31
Tax on Dividend			
Tax On Dividend (Equity Share)	79.08		35.87
Tax On Dividend On Preference Share	<u>0.88</u>	79.96	<u>0.84</u> 36.71
For Entry Tax (Net of payment)		570.72	504.31
For Taxation			
For Income Tax	1,642.80		478.76
Less : Advance Tax and TDS (As per Contra)	<u>810.69</u>	<u>832.11</u>	<u>455.87</u> 22.89
		<u>2,145.37</u>	<u>931.97</u>

11.1 In view of Stay Order dated 10.08.2006 of Hon'ble Rajasthan High Court, Jodhpur later on modified vide interim stay order dated 04.03.2011 with regards to levy of entry tax by Rajasthan Govt. under Rajasthan Entry Tax Act, 1999 with the direction to deposit the 50% of Entry Tax payable, a provision for ₹ 123.02 Lacs (Previous Year ₹ 127.30 Lacs along with interest thereon) has been made and charged to the Statement of Profit and Loss for the year in respective expenses account. The outstanding balance after making the payment during the year is ₹ 570.72 Lacs (Previous Year ₹ 504.31 Lacs).

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

		(₹ In Lacs)				
Sr. No.	Nature of Provisions	Provision outstanding at the beginning of the year	Provision made during the year	Provision utilized during the year	Provision reversed during the year	Provision outstanding at the end of the year
1.	Gratuity	1,052.78	319.31	362.10	-	1,010.00
2.	Leave Encashment	166.55	54.16	29.23	-	191.47
3.	Proposed Dividend	226.31	470.53	226.31	-	470.53
4.	Tax on Proposed Dividend	36.71	79.97	36.71	-	79.97
5.	Taxation	478.76	1,457.73	293.70	-	1,642.80
6.	Entry Tax	504.32	123.02	56.62	-	570.72



NOTE NO. '12' FIXED ASSETS

(₹ in Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions	Disposals/ Adjustment	As at 31.03.2014	As at 01.04.2013	For the Year	Deductions/ Adjustments	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS										
Lease Hold Land	367.62	-	-	367.62	38.19	3.98	-	42.17	325.45	329.43
Free Hold Land	214.76	95.25	-	310.01	-	-	-	-	310.01	214.76
Buildings & Road	13,221.40	922.08	-	14,143.48	2,172.90	431.99	-	2,604.89	11,538.59	11,048.50
Plant & Equipment	62,690.23	3,844.62	361.80	66,173.05	24,800.62	4,455.20	196.95	29,058.87	37,114.19	37,889.62
Building Machinery	1.38	-	-	1.38	1.31	-	-	1.31	0.07	0.07
Electric & Water Supply Installation	1,663.91	147.39	-	1,811.30	871.96	129.53	-	1,001.49	809.81	791.95
Furniture & Fixtures	989.72	128.05	1.86	1,115.91	550.43	73.04	0.65	622.82	493.09	439.29
Office Equipments	783.40	116.45	0.89	898.95	416.88	48.98	0.36	465.49	433.46	366.52
Vehicles	622.80	76.33	48.80	650.33	214.64	53.68	15.25	253.07	397.26	408.16
TOTAL	80,555.22	5,330.17	413.35	85,472.04	29,066.92	5,196.40	213.21	34,050.10	51,421.94	51,488.30
Previous Year	72,819.58	7,950.24	214.63	80,555.22	23,988.89	5,167.98	87.95	29,066.92	51,488.30	48,832.70

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

12.1 Accounting Standard 16 - "Borrowing Cost"

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

NOTE NO. '13' CAPITAL WORK IN PROGRESS

(₹ in Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK			
	As at 01.04.2013	Additions	Capitalize During the year	As at 31.03.2014
Capital Work In Progress for				
- Buildings & Road	119.49	1,201.07	922.08	398.47
- Plant & Equipment	655.67	3,644.23	3,844.62	455.28
- Water & Electric Installation	-	147.39	147.39	-
- Land & Site Development Under Progress	1.59	93.67	95.25	-
TOTAL	776.75	5,086.36	5,009.34	853.76
Previous Year	2,567.18	5,791.46	7,581.90	776.75

ANNUAL REPORT 2013-14

	As at 31 st March, 2014	(₹ in Lacs) As at 31 st March, 2013
NOTE NO. '14' NON-CURRENT INVESTMENT (AT COST)		
Long Term		
I. Trade		
A) Quoted		
Investment in Associate Company		
3,00,000 Equity Shares of ₹10/- each of Banswara Fabrics Ltd. (Quotation not available)	30.00	30.00
B) Unquoted		
Government & other securities		
National Savings Certificate (Deposited with State and Central Govt. Authorities)	0.13	0.13
Investment in Subsidiary Company		
99,19,700 Equity Shares of ₹ 10/- each of Banswara Global Limited. (Refer Note 14.1) (Previous year 61,99,700 Equity Shares)	1,114.22	620.07
Investment in Joint Venture Company		
26,00,000 Equity Shares of ₹ 10 each of Treves Banswara Pvt. Ltd.	260.00	260.00
Sub Total (I)	1,404.35	910.20
II. Other		
A) Quoted		
In Equity Shares		
10,114 Equity Shares of ₹ 10/- each of Union Bank of India	3.04	3.04
B) Unquoted		
Shares in Cooperative Bank		
500 Equity Shares of ₹ 10/- each of New Indian Cooperative Bank Ltd.	0.05	0.05
Ask Investment Manager Pvt. Ltd.	22.54	21.70
Real Estate Special Opportunities Portfolio - 1		
Sub Total (II)	25.63	24.79
Total (I + II)	1,429.98	934.99
Investments aggregate value of		
Quoted Investment		
Book Value	33.04	33.04
Market Value	43.88	52.05

Note 14.1 - Banswara Global Limited (BGL), formerly known as Carreman Fabrics India Limited, was formed as 50:50 Joint venture between Carreman, France, and Banswara Syntex Limited (BSL). During the year, Banswara Syntex Limited acquired further 30 % equity shares and BGL has become subsidiary of BSL w.e.f 19/10/2013.

NOTE NO. '15' LONG TERM LOANS AND ADVANCES

Unsecured, Considered good

(a) Capital Advances	454.45	432.55
(b) Security Deposit	406.47	381.54
(Including ₹ 80.00 Lacs (Previous Year ₹ 80.00 Lacs)- -to related parties)		
(c) Other Loans & Advances	-	-
	860.92	814.09



(₹ in Lacs)

As at
31st March, 2014As at
31st March, 2013**NOTE NO. '16' OTHER NON CURRENT ASSETS****Unsecured, Considered good****(i) Long Term Trade Receivables****(ii) Others**

MAT Credit Entitlement	680.39		753.68	
Prepaid Expenses	<u>68.31</u>	<u>748.70</u>	<u>3.46</u>	<u>757.14</u>
		<u>748.70</u>		<u>757.14</u>

Note No. 16.1 Credit in respect of Minimum Alternative Tax under Income Tax Act 1961 (MAT Credit –Entitlement) is recognized in accordance with Guidance Note issued by the Council of the Institute of Chartered Accountants of India.

NOTE NO. '17' INVENTORIES

(At lower of Cost and Net Realizable Value)

Raw Materials	10,463.29		9,608.69	
Raw Material in Transit	<u>128.42</u>	10,591.71	<u>322.76</u>	9,931.45
Stores & Spares		1,856.61		1,793.71
Works-in-Process		2,553.58		2,344.16
Finished Goods				
Yarn	5,020.28		4,317.19	
Yarn in transit	375.27		192.69	
Cloth (Grey)	2,644.96		3,512.52	
Cloth (Processed)	5,844.20		5,444.41	
Cloth (Grey and Processed) in transit	513.02		673.11	
Garment	900.40		1,145.48	
Garment in transit	<u>52.60</u>	15,350.73	<u>50.80</u>	15,336.20
Waste		<u>108.53</u>		<u>31.21</u>
		<u>30,461.16</u>		<u>29,436.73</u>

17.1 Inventories include stocks lying with third parties ₹ 1,445.15 Lacs (Previous Year ₹ 1,854.03 Lacs).

NOTE NO. '18' TRADE RECEIVABLE**(Unsecured)****Outstanding Exceeding Six Months (From due date)**

Considered Good	495.08		811.43	
Considered Doubtful	<u>688.82</u>		<u>607.96</u>	
	1,183.90		1,419.39	
Less: Provision for Doubtful Debts	<u>688.82</u>	495.08	<u>607.96</u>	811.43
Other Debts				
Considered Good		14,941.43		14,455.80
		<u>15,436.51</u>		<u>15,267.23</u>

ANNUAL REPORT 2013-14

		(₹ in Lacs)	
		As at 31 st March, 2014	As at 31 st March, 2013
NOTE NO. '19' CASH AND CASH EQUIVALENTS			
A. Cash On Hand		44.47	21.22
B. Balances with Bank			
-Current Account	2,204.67	755.17	
-Other Bank Balances	36.01	0.12	
-Bank Deposits	<u>929.02</u>	<u>863.97</u>	<u>1,619.26</u>
		<u>3,214.17</u>	<u>1,640.48</u>
Balances with banks in unclaimed dividend accounts		32.65	33.90
Deposit accounts with more than 12 months maturities		235.25	245.16
Deposits with banks pledged with banks against guarantees, Letter of credits etc.		527.44	555.88
Cash and Cash equivalent include restricted cash and bank balance of ₹ 560.10 Lacs (Previous Year ₹ 589.78 Lacs). The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees, Letter of Credits and unclaimed dividends.			
Deposits maintained by the Company with Banks comprise of time deposits, which can be withdrawn by the Company at any point of time without prior notice with reduced rate of interest.			
NOTE NO. '20' SHORT TERM LOANS AND ADVANCES			
A. TO RELATED PARTIES		-	-
B. Unsecured			
Advances recoverable in cash or kind		1,949.68	1,539.27
Considered Doubtful	29.57	29.57	
Less : Provision	<u>29.57</u>	<u>29.57</u>	-
Loans & Advances to Employees		137.27	154.45
Prepaid Expenses		151.79	282.22
Income Tax Refundable		222.58	203.20
Income Tax Under Protest		240.30	26.35
Advance Income Tax and Tax deducted at source	810.69	454.48	
Less: Provision for Taxation (as per contra)	<u>810.69</u>	<u>454.48</u>	-
		<u>2,701.62</u>	<u>2,205.49</u>
NOTE NO. '21' OTHER CURRENT ASSETS			
Duty Entitlement Pass Book		377.85	43.36
Other Export Receivables			
Considered Good	2,071.76	1,923.66	
Considered Doubtful	29.42	29.42	
	<u>2,101.18</u>	<u>1,953.08</u>	
Less : Provision	<u>29.42</u>	<u>29.42</u>	1,923.66
Claim Receivable under TUFS		639.66	1,093.57
Other Claim Receivables		340.40	401.31
		<u>3,429.67</u>	<u>3,461.90</u>



	As at 31 st March, 2014	(₹ in Lacs) As at 31 st March, 2013
NOTE NO. '22' CONTINGENT LIABILITIES		
1. Contingent liabilities not provided for in respect of: -		
a. Bills discounted with banks remaining outstanding		
(i) Against foreign LC	5,535.50	6,930.24
(ii) Others	1,114.25	921.12
b. Letter of Credit established with banks :-		
(i) Revenue account	648.95	163.97
(ii) Capital account	247.90	506.35
c. Guarantees given by the bankers on behalf of the company for which FDRs ₹ 89.82 Lacs (Previous Year ₹ 83.23 Lacs) pledged with them.	815.14	804.62
d. Guarantee given by Company to Banks for loan to Banswara Global Limited [Outstanding as on 31.03.2014 ₹ 449.88 Lacs (previous year ₹ 744.13 Lacs)]	1,950.00	1,950.00
e. Claims against the company not acknowledged as debt: -		
(i) Under Tax Laws [payment made under protest ₹ 240.30 Lacs (previous year ₹ 26.35 Lacs)]	888.29	674.59
(ii) By Others:		
(a) On Revenue account	6.83	6.03
(b) On Capital account	Nil	Nil
There is no reimbursement possible on account of contingent liabilities.		

NOTE NO. '23' CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital account ₹ 831.70 Lacs (Previous Year ₹ 1,110.85 Lacs) and export obligation against EPCG licenses ₹ 1,059.49 Lacs (Previous Year ₹ Nil).

	Current Year 31 st March, 2014	(₹ in Lacs) Previous Year 31 st March, 2013
NOTE NO. '24' REVENUE FROM OPERATIONS		
(a) Sale of products		
Yarn	45,157.88	43,927.06
Cloth	49,936.56	46,689.66
Garment	18,668.83	13,494.94
Power	-	-
Waste	609.18	565.85
Fibre	26.26	125.84
Scrap	476.59	304.73
	1,14,875.30	1,05,108.08
(b) Sale of services		
Job Income	2,631.85	2,599.21
Sale of Products & Services (Gross)	1,17,507.15	1,07,707.29
(c) Other Operating Revenue		
Export Benefits	5,568.89	5,336.84
	1,23,076.04	1,13,044.13
Less : Excise Duty	1,856.08	3,412.47
	1,21,219.96	1,09,631.66

ANNUAL REPORT 2013-14

	Current Year 31 st March, 2014	(₹ in Lacs) Previous Year 31 st March, 2013
NOTE NO. '25' OTHER INCOME		
Interest Income	316.96	496.77
Rental Income	5.47	5.10
Dividend Income	4.08	3.81
Profit on Sale of Tangible Assets	9.86	15.91
Exchange Rate Fluctuation	-	94.49
Other Non Operating Income	74.08	188.71
	<u>410.45</u>	<u>804.79</u>

NOTE NO. '26' COST OF MATERIALS CONSUMED

Raw Material Consumed

Opening stock	9,931.45		8,673.24	
Add : Purchases	50,516.66		49,606.93	
	<u>60,448.11</u>		<u>58,280.17</u>	
Less : Closing stock	10,591.71	49,856.40	9,931.45	48,348.72
Dyes & Chemicals Consumed		4,530.30		4,131.02
Purchase : Cloth	1,502.85		2,408.85	
Yarn	2,321.34	3,824.19	370.67	2,779.52
		<u>58,210.89</u>		<u>55,259.26</u>

NOTE NO. '27' CHANGES IN INVENTORIES

A. Finished Goods

Opening Stock

Yarn	4,509.88		5,127.94	
Cloth	6,117.52		6,115.84	
Garment	1,196.28		992.46	
	<u>11,823.68</u>		<u>12,236.24</u>	

Closing Stock

Yarn	5,395.55		4,509.88	
Cloth	6,351.41		6,117.52	
Garment	953.00		1,196.28	
	<u>12,699.96</u>	(876.28)	<u>11,823.68</u>	412.56

B. Work-in Progress

Opening Stock

Yarn	1,751.65		1,558.61	
Cloth	3,512.52		2,686.95	
Garment	592.52		318.95	
	<u>5,856.69</u>		<u>4,564.51</u>	

Closing Stock

Yarn	1,755.73		1,751.65	
Cloth	2,650.77		3,512.52	
Garment	797.86		592.52	
	<u>5,204.36</u>	652.33	<u>5,856.69</u>	(1,292.18)

C. Waste

Opening Stock

	31.20		67.53	
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Closing Stock

	108.52	(77.32)	31.20	36.33
		<u>(301.27)</u>		<u>(843.29)</u>



	(₹ in Lacs)	
	Current Year 31 st March, 2014	Previous Year 31 st March, 2013
NOTE NO. '28' MANUFACTURING EXPENSES		
Stores & Spare Parts Consumed	4,006.08	3,625.97
Packing Material Consumed	1,786.95	1,662.22
Power	963.90	475.48
Fuels	9,377.34	10,222.37
Job Charges	2,905.14	2,762.21
Repairs to : Plant & Machinery	798.09	655.79
Building	373.77	370.12
Others	122.87	123.80
Excise Duty*	9.35	31.81
	20,343.49	19,929.77

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

NOTE NO. '29' EMPLOYEE BENEFIT EXPENSES

Salaries, Wages, Allowance, Bonus etc.	14,278.95	11,548.65
Contribution to Provident & Other Funds	1,320.74	1,122.84
Workmen & Staff Welfare Expenses	488.57	408.27
	16,088.26	13,079.76

NOTE NO. 29.1 Accounting Standard: 15 "Employee Benefits", the disclosures of Employee benefits as defined in the accounting standard are given below:

1. Defined Contribution Plan

Employer's contribution to provident fund paid ₹ 923.34 Lacs (Previous year ₹ 772.15 Lacs) has been recognized as expense for the year.

2. Defined Benefit Plan

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

3. Changes in present value of obligations

	Gratuity As At		Leave Encashment As At	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
I. Assumptions				
Mortality	IALM (2006-08) Ult.	LIC(1994-96) Ult.	IALM (2006-08) Ult.	LIC(1994-96) Ult.
Discount Rate	9.10%	8.05%	9.10%	8.05%
Rate of increase in compensation	4.00%	4.00%	4.00%	4.00%
Rate of return (expected) on plan assets	8.75%	-	-	-
Withdrawal rates	Upto Age 45 (2%)	0.8%	Upto Age 45 (2%)	0.8%
	46 & above (1%)	-	46 & above (1%)	-
Expected average remaining service (years)	31.02	31.44	35.54	35.38
II. Changes in Present Value of Obligations (PVO)				
PVO at beginning of period	1053	867	167	133
Interest Cost	76	68	12	7
Current Service Cost	207	178	66	59
Benefits paid	(212)	(124)	(29)	(107)
Actuarial (gain)/loss on obligation	31	64	(24)	75
PVO at end of period	1156	1053	191	167

ANNUAL REPORT 2013-14

(₹ In Lacs)

	Gratuity As At		Leave Encashment As At	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
III. Changes in fair value of plan assets				
Fair Value of Plan Assets at beginning of period	-	-	-	-
Adjustment to Opening Plan Assets	-	-	-	-
Expected Return on Plan Assets	7	-	-	-
Contributions	362	-	29	-
Benefit Paid	(212)	-	(29)	-
Actuarial gain/(loss) on plan assets	(11)	-	-	-
Fair Value of Plan Assets at end of period	146	-	-	-
IV. Fair Value of Plan Assets				
Fair Value of Plan Assets at beginning of period	-	-	-	-
Adjustment to Opening Plan Assets	-	-	-	-
Actual Return on Plan Asset	(4)	-	-	-
Contributions	362	-	29	-
Benefit Paid	(212)	-	(29)	-
Fair Value of Plan Assets at end of period	146	-	-	-
Funded Status	(1,010)	-	(191)	-
Excess of actual over estimated return on Plan Assets	(11)	-	-	-
V. Actuarial Gain/(Loss) Recognized				
Actuarial Gain/(Loss) for the period (Obligation)	(31)	-	24	-
Actuarial Gain/(Loss) for the period (Plan Assets)	(11)	-	-	-
Total Gain/(Loss) for the period	(42)	-	24	-
Actuarial Gain/(Loss) recognized for the period	(42)	-	24	-
Unrecognized Actuarial Gain/(Loss) at end of period	-	-	-	-
VI. Amounts to be recognized in the Balance Sheet and statement of profit & loss account				
PVO at end of period	1,156	1,053	191	167
Fair Value of Plan Assets at end of period	146	-	-	-
Funded Status	(1,010)	(1,053)	(191)	(167)
Unrecognized Actuarial Gain/(Loss)	-	-	-	-
Net Asset/(Liability) recognized in the balance sheet	(1,010)	(1,053)	(191)	(167)
VII. Expense recognized in the Statement of Profit and Loss				
Current Service Cost	207	178	66	59
Interest Cost	76	68	12	7
Expected Return on Plan Assets	(7)	-	-	-
Net Actuarial (Gain)/Loss recognized for the period	42	64	(24)	75
Expense recognized in the statement of P&L A/C	319	310	54	141
VIII. Movements in the liability recognized in Balance Sheet				
Opening Net Liability	1,053	867	167	133
Expenses as above	319	310	54	141
Benefits paid	(362)	(124)	(29)	(107)
Closing Net Liability	1,010	1,053	191	167
IX. Experience Anyalisis - Liabilities				
Actuarial (Gain)/Loss due to change in bases	(50)	-	(10)	-
Experience (Gain) / Loss due to Change in Experience	82	-	(13)	-
Total	31	-	(24)	-
Experience Anyalisis - Plan Assets				
Experience (Gain) / Loss due to Change in Plan Assets	11	-	-	-
Includes ₹ 1,45,62,603/- invested in L.I.C..				



(₹ in Lacs)

Previous Year

31st March, 2013

Current Year

31st March, 2014**NOTE NO. '30' FINANCE COST**

Interest Expense*	7,464.61	7,583.83
Other Borrowing Cost	665.13	646.49
	<u>8,129.74</u>	<u>8,230.32</u>

* Net of subsidy of ₹ 1,033.11 Lacs (Previous Year ₹ 1,491.73 lacs) under Technology Upgradation Fund Scheme

NOTE NO. '31' DEPRECIATION AND AMORTISATION EXPENSES

Leasehold Land Written Off	3.99	3.98
Depreciation	<u>5,192.40</u>	<u>5,163.99</u>
	<u>5,196.39</u>	<u>5,167.97</u>
		<u>5,167.97</u>

NOTE NO. '32' OTHER EXPENSES**Administrative Expenses**

Rent	111.20	98.19
Rates and Taxes	287.70	223.97
Insurance Charges	63.16	48.81
Payment to Auditors		
As Auditors -Fees	8.50	7.70
-Expenses	2.08	2.14
In other capacity		
-Tax Audit Fees	1.70	1.54
-Certification	6.34	5.22
-Taxation Matters	1.35	3.63
-Other Services	-	-
Director's Fees	4.80	4.73
Travelling Expenses	152.78	110.21
Director's Travelling Expenses	11.24	12.78
Foreign Travelling Expenses	236.25	191.02
Communication Expenses	165.01	132.41
Legal & Professional Expenses	327.21	248.92
Charity & Donation	24.99	19.66
Loss on forward exchange contracts	-	21.93
Exchange Rate Fluctuation	422.07	-
Loss On Sale of Tangible Assets	53.83	49.16
CSR Expenses	4.97	40.48
Claim Written off	709.93	-
Miscellaneous Expenses	<u>873.93</u>	<u>671.49</u>
	3,469.04	1,893.99

Selling Expenses

Commission to Selling Agents	2,019.61	1,801.02
Brokerage and Discounts	346.56	247.06
Freight, Octori and Forwarding Charges	2,535.93	2,689.29
Claims	414.48	446.90
Advertisements	31.39	49.48
Provision for Doubtful Debts	179.48	212.91
Bad Debts Write Off	-	-
Others	<u>161.70</u>	<u>163.19</u>
	<u>5,689.15</u>	<u>5,609.85</u>
	<u>9,158.19</u>	<u>7,503.84</u>

ANNUAL REPORT 2013-14

		Current Year 31 st March, 2014	(₹ In Lacs) Previous Year 31 st March, 2013
NOTE NO. '33' EARNINGS PER SHARE			
a) Amount used as the numerator profit after tax, dividend on preference shares and tax thereon	₹ In Lacs	2,656.70	1,200.52
b) Weighted average number of equity shares used as the denominator in computing basic earning per share.	Nos.	1,57,59,951	1,47,41,211
Add: Potential no. of equity shares that could arise on conversion of warrants into equity shares.	Nos.	5,40,657.53	NIL
Weighted average number of shares used in computing Diluted Earning per Share	Nos.	1,63,00,608	1,47,41,211
c) Nominal value per share	₹	10.00	10.00
d) Earnings Per Share:			
- Basic	₹	16.86	8.14
- Diluted	₹	16.30	8.14

Note No. '34' Accounting Standard 17 - "Segment Reporting"

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

Note No. '35' Accounting Standard 18 - "Related Party Disclosure"

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

1. Relationship:

a) Subsidiary, Joint Venture and Associate concerns

Banswara Global Limited (formerly known as Carreman Fabrics India Ltd.)
Treves Banswara Pvt. Ltd.
Banswara Fabrics Ltd.

b) Key Management Personnel and Their Enterprises:

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

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

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



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

Shri Rameshwar Lal Ravindra Kr Toshniwal HUF
 Shri Ravindra Kumar Toshniwal HUF
 Shri Dhruv Toshniwal
 Shri Udit Toshniwal
 Smt. Prem Toshniwal
 Smt. Navneeta Mehra
 Smt. Radhika Toshniwal
 Smt. Sonal Toshniwal
 Smt. Kavita Soni
 Ms. Esha Toshniwal
 Ms. Diya Toshniwal
 Sarvodaya Impex Pvt. Ltd.

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

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

(₹ In Lacs)

Nature of transaction	Related Parties							
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(c) above		Referred in 1(d) above	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
SALES								
Cloth	363.84	245.97	-	-	-	-	-	-
Yarn	3.09	2.99	-	-	-	-	-	-
Other	-	50.82	-	-	-	-	-	-
PURCHASE								
Cloth	758.97	723.72	-	-	-	-	-	-
Yarn	0.11	19.62	-	-	-	-	-	-
Machine	97.12	-	-	-	-	-	-	-
Other	11.70	0.52	-	-	-	30.49	-	-
JOB CHARGES								
Weaving	805.65	835.06	-	-	-	-	-	-
Mending	5.48	1.68	-	-	-	-	-	-
Lamination	0.24	-	-	-	-	-	-	-
EXPENSES								
Rent	7.42	-	-	-	2.40	2.40	7.20	7.20
Remuneration	-	-	507.28	259.15	-	-	-	-
Interest	27.39	51.93	9.52	3.70	24.06	35.80	30.08	19.86
Salary	-	-	-	-	-	-	25.02	9.27
INCOMES								
Rent	0.22	0.18	-	-	-	-	-	-
Job Charges	98.55	77.26	-	-	-	-	-	-
Supervision Charges	13.48	13.95	-	-	-	-	-	-
Interest	-	1.42	-	-	-	-	-	-
Other	4.88	-	-	-	-	-	-	-
FINANCE								
Fixed Deposit Accepted	-	-	-	40.00	-	-	13.00	51.00
Fixed Deposit Repayment	-	-	-	-	168.00	60.00	18.00	17.25
OUTSTANDING								
Fixed Deposits	-	-	72.00	72.00	27.00	195.00	199.00	204.00
Inter Corporate Deposits	100.00	300.00	-	-	-	-	-	-
Amount Receivable	-	72.44	-	-	-	-	0.89	0.10
Amount Payable	153.69	31.10	-	-	-	-	-	-
Property Deposit	-	-	-	-	20.00	20.00	60.00	60.00
Capital Contribution	1,404.22	910.07	-	-	-	-	-	-

In respect of the outstanding balance recoverable as at 31st March 2014 no provision for doubtful debts is required to be made. During the year, there were no amounts written off or written back from such parties.

ANNUAL REPORT 2013-14

Note No. '36' Financial and Derivative Instruments

Company has entered into following foreign exchange financial instruments

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

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

As at	No. of Contracts	US Dollar Equivalent (In Lacs)	INR Equivalent (In Lacs)
31.03.2014	21	136.58	8,671.41
31.03.2013	29	231.01	13,005.19

- b) Foreign Currency exposure that are not hedged by financial instruments or forward contracts as at 31st March, 2014 amounts to US\$ 132.52 Lacs equivalent to ₹ 7,557.69 Lacs (Previous Year US \$ 140.29 Lacs equivalent to ₹ 7,096.25 Lacs)

Note No. '37' Accounting Standard 27 "Financial Report of interest in Joint Venture"

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

The above Joint Venture Company is incorporated in India. The Company's share of assets and liabilities as on 31st March, 2014 and income and expenses for the year ended on that date in respect of joint venture entities as per audited Financial Statements is given below:

	31.03.2014	(₹ In Lacs) 31.03.2013
A. Assets		
Long Term Assets	297.73	182.42
Current Assets	279.66	173.04
Total (A)	577.39	355.46
B. Liabilities		
Long Term Liabilities	4.89	Nil
Current Liabilities	299.55	162.96
Total (B)	304.44	162.96
C. Contingent Liability	Nil	Nil
D. Capital Commitments	Nil	Nil
E. Incomes	645.16	298.95
F. Expenditures	757.15	362.30

Note No. '38' Accounting Standard : 28 "Impairment of Assets":

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

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

(i) Raw Material	3,832.12	3,926.65
(ii) Dyes & Chemicals	111.99	116.31
(iii) Components & Spare Parts	1,173.56	1,058.82
(iv) Capital goods	1,523.89	1,836.05


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

	Amount (₹ In Lacs)		Percentage (%)	
	2013-14	2012-13	2013-14	2012-13
(a) Raw Materials				
(i) Imported	3,160.87	3,734.55	6.34	7.72
(ii) Indigenous	46,695.53	44,614.17	93.66	92.28
	<u>49,856.40</u>	<u>48,348.72</u>	<u>100.00</u>	<u>100.00</u>
(b) Components & Spare Parts				
(i) Imported	1,016.28	939.99	25.37	25.92
(ii) Indigenous	2,989.80	2,685.98	74.63	74.08
	<u>4,006.08</u>	<u>3,625.97</u>	<u>100.00</u>	<u>100.00</u>
(c) Dyes & Chemicals				
(i) Imported	172.98	141.34	3.82	3.42
(ii) Indigenous	4,357.32	3,989.68	96.18	96.58
	<u>4,530.30</u>	<u>4,131.02</u>	<u>100.00</u>	<u>100.00</u>
(d) Expenses in foreign currency (in respect of)				
(i) Professional & Consultancy Charges	₹ 8.52 Lacs (Previous Year ₹ 9.32 Lacs)			
(ii) Others	₹ 2,503.15 Lacs (Previous Year ₹ 2,189.74 Lacs)			
(e) Earning in Foreign Currency (in respect of)				
(i) Exports of goods on FOB basis	₹ 52,401.66 Lacs (Previous Year ₹ 51,815.52 Lacs)			
(ii) Other Realization	₹ 1,789.77 Lacs (Previous Year ₹ 1,688.08 Lacs)			

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

Particulars	Current Year 31 st March, 2014	Previous Year 31 st March, 2013
Total No. of Non-resident shareholders		
Equity Shares	4	4
Preference Shares	1	1
Amount of Dividend remitted in Foreign Currency (In ₹)		
-Final Dividend (2011-12)		
On 11,740 equity Shares	-	17,610
-Final Dividend (2011-12)		
On 1,73,000 Preference Shares	-	5,19,000
-Final Dividend (2012-13)		
On 11,740 equity Shares	17,640	-
-Final Dividend (2012-13)		
On 1,73,000 Preference Shares	5,19,000	-

Note No. '42' All assets and liabilities are presented as Current or Non-current as per the criteria set out in the revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has ascertained its operating cycle less than 12 months, accordingly 12 months period has been considered for the purpose of Current/Non current classification of assets and liabilities.

Note No. '43' The previous year figures have been regrouped/ reclassified wherever it found necessary to correspond with the current year's classification/disclosure. Accordingly amounts and other disclosures for the preceding year are included as an integral part of the current year's financial statements and are to be read in relation to the amounts and other disclosures relating to current year.

In terms of our Audit Report of even date.

For KALANI & COMPANY
Chartered Accountants
FRN - 000722C

K.L. JHANWAR
Partner
M.No. 014080

Place : Mumbai
Dated : 24th May, 2014

R.L. TOSHNIWAL
Chairman

RAKESH MEHRA
Vice Chairman and C.F.O.

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

RAVINDRA KUMAR TOSHNIWAL
Managing Director

SHALEEN TOSHNIWAL
Jt. Managing Director

Directors
P. KUMAR
KAMAL KISHORE KACHOLIA
D.P. GARG
A.N. JARIWALA
VIJAY MEHTA
S.B. AGRAWAL

ANNUAL REPORT 2013-14

Cash Flow Statement For The Year Ended 31st March, 2014, pursuant to the Listing Agreement with Stock Exchanges, Mumbai

		2013-14	(₹ In Lacs) 2012-13
A) Cash Flow From Operating Activities			
Net Profit After tax as per Statement of Profit and Loss		2,662.77	1,206.56
Adjustment for			
Provision for Taxation and Deferred Tax liabilities		2,141.95	902.26
Net profit before tax and after extra ordinary items		4,804.72	2,108.82
Adjusted for			
Depreciation	5,196.39	5,167.97	
Loss/(Profit) on Sale of fixed assets (net)	66.23	33.25	
Interest paid	8,129.74	8,230.32	
Rent received	(5.47)	(5.10)	
Dividend received	(4.08)	(3.81)	
Extraordinary Items	-	-	13,422.63
Operating profit before working capital changes		18,187.53	15,531.45
Adjusted for			
Increase in trade & other receivable	649.67	2,058.13	
Increase in inventories	1,024.43	2,180.43	
Increase/(-)Decrease in trade payable	2,363.09	(4,078.65)	159.91
Cash generated from operations		14,150.34	15,371.54
Net Tax Inflow / (-)Outflow		709.09	281.06
Net cash from operating activities (A)		13,441.25	15,090.48
B) Cash Flow From Investing Activities			
Increase(-)/Decrease (+) in capital work-in-progress		(98.91)	2,133.91
Purchase of fixed assets		(5,316.28)	(7,558.22)
Purchase of investment		(494.99)	(199.90)
Sale of Fixed assets		133.91	93.43
Rent received		5.47	5.10
Dividend received		4.08	3.81
Net cash used in investing activities (B)		(5,766.72)	(5,521.88)
C) Cash Flow From Financing Activities			
Proceeds from issue of Share Capital & Application Money		467.90	-
Proceeds from long term borrowings		4,675.96	2,971.20
Repayment of long term borrowings		(4,561.58)	(5,215.92)
Interest paid		(8,293.44)	(8,228.39)
Increase/(Decrease) in bank borrowings		1,941.97	1,372.69
Proceeds from unsecured loans		104.10	958.80
Repayment of Unsecured loans		(168.00)	(809.15)
Dividend and tax thereon Paid		(267.75)	(263.07)
Net cash from financing activities (C)		(6,100.84)	(9,213.84)
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)		1,573.69	354.76
Opening balance of cash and cash equivalents		1,640.48	1,285.74
Closing balance of cash and cash equivalents		3,214.17	1,640.48

In terms of our Audit Report of even date:

For KALANI & COMPANY
Chartered Accountants
FRN - 000722C

K.L. JHANWAR
Partner
M.No. 014080

Place : Mumbai
Dated : 24th May, 2014

R.L. TOSHNIWAL
Chairman

RAKESH MEHRA
Vice Chairman and C.F.O.

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

RAVINDRA KUMAR TOSHNIWAL
Managing Director

SHALEEN TOSHNIWAL
Jt. Managing Director

Directors
P. KUMAR
KAMAL KISHORE KACHOLIA
D.P. GARG
A.N. JARIWALA
VIJAY MEHTA
S.B. AGRAWAL



**INDEPENDENT AUDITOR'S REPORT ON
CONSOLIDATED FINANCIAL STATEMENTS
TO THE MEMBERS,
BANSWARA SYNTEX LIMITED**

Report on the Financial Statements We have audited the accompanying consolidated financial statements of BANSWARA SYNTEX LIMITED, ("the Company"), its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of Consolidated financial position and Consolidated financial performance of the Group in accordance with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from misstatements.

Audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the consolidated financial statements. The procedure selected depends upon auditor's judgment, including the assessment of the risk of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Consolidated financial statements in

order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- (b) In case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

Other Matters

We did not audit the financial statements of Joint Venture Company "Treves Banswara Private Limited", whose financial statements reflect total assets (net) of ₹577.39 Lacs as at March, 31, 2014 and total Income of ₹645.16 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Company's management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this joint venture, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

Consolidated cash flow statement has not been prepared as referred in note no. 39 forming part of the financial statement.

For KALANI & COMPANY
Chartered Accountants
FRN – 000722C

K.L. JHANWAR
Partner
M.No. 014080

Place : Mumbai
Dated : 24th May, 2014

ANNUAL REPORT 2013-14

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lacs)

As at

31st March, 2014

	Note No.		
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,724.12	
Reserves & Surplus	3	19,430.57	
Money received against share warrants	4	<u>148.36</u>	21,303.05
Minority Interest			259.56
Non Current Liabilities			
(a) Long Term Borrowings	5	29,475.37	
(b) Deferred Tax Liabilities (Net)	6	4,481.31	
(c) Long Term Provisions	7	<u>1,024.11</u>	34,980.79
Current Liabilities			
(a) Short Term Borrowings	8	33,737.66	
(b) Trade Payables	9	10,581.82	
(c) Other Current Liabilities	10	8,221.84	
(d) Short Term Provisions	11	<u>2,149.37</u>	54,690.69
			<u>1,11,234.09</u>
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
(i) Fixed Assets	12	53,032.16	
(ii) Capital work-in-progress	13	863.69	
(b) Non-current investments	14	100.75	
(c) Long-term Loans and Advances	15	862.04	
(d) Other Non-Current Assets	16	<u>749.00</u>	55,607.64
Current Assets			
(a) Inventories	17	30,504.08	
(b) Trade Receivables	18	15,512.66	
(c) Cash and Cash Equivalents	19	3,321.37	
(d) Short Term Loans and Advances	20	2,839.45	
(e) Other Current Assets	21	<u>3,448.89</u>	55,626.45
			<u>1,11,234.09</u>

Significant Accounting Policies, Notes on accounts and other disclosures from Note no. 1 to 39 forming part of these financial statements.

In terms of our Audit Report of even date:

For KALANI & COMPANY
Chartered Accountants
FRN - 000722C

R.L. TOSHNIWAL
Chairman

RAVINDRA KUMAR TOSHNIWAL
Managing Director

Directors
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KAMAL KISHORE KACHOLIA
D.P. GARG
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Vice Chairman and C.F.O.

SHALEEN TOSHNIWAL
Jt. Managing Director

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

Place : Mumbai
Dated : 24th May, 2014

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31ST MARCH, 2014**

(₹ in Lacs)

As at

31st March, 2014

	Note No.		
Revenue From Operations	24		
Sale of Products & Services (Gross)		1,17,864.38	
Other Operating Revenue		<u>5,568.94</u>	
		1,23,433.33	
Less : Excise Duty		<u>1,896.73</u>	
I. Revenue From Operations (Net)			1,21,536.59
II. Other Income	25		416.92
III Total Revenue			1,21,953.52
IV. Expenses :			
Cost Of Materials Consumed	26	58,454.69	
Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In Trade	27	(299.20)	
Manufacturing Expenses	28	20,114.56	
Employee Benefits Expenses	29	16,229.61	
Financial Costs	30	8,147.61	
Depreciation and Amortization Exp.	31	5,369.15	
Other Expenses	32	9,234.22	
Total Expenses			1,17,250.64
V. Profit Before Tax (III-IV)			4,702.88
VI. Tax Expense :			
(1) Current Tax		1,457.73	
(Net of MAT Credit of ₹ 112.27 Lacs Previous Year ₹ 142.00 Lacs)			
(2) Deferred Tax		602.86	
(3) Prior Period Tax		58.93	
			2,119.52
VII. Profit for the year (before adjustment for Minority Interest) (V-VI)			2,583.36
Add. Share of (Profit) / Loss transferred (to) / from Minority Interest			(4.68)
VIII. Net Profit for the year (after adjustment for Minority Interest)			2,588.04
VIII. Earnings per equity share	33		
(1) Basic			16.42
(2) Diluted			15.88

Significant Accounting Policies, Notes on accounts and other disclosures from Note no. 1 to 39 forming part of these financial statements.

In terms of our Audit Report of even date:

For KALANI & COMPANY
Chartered Accountants
FRN - 000722C

K.L. JHANWAR
Partner
M.No. 014080

Place : Mumbai
Dated : 24th May, 2014

R.L. TOSHNIWAL
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RAKESH MEHRA
Vice Chairman and C.F.O.

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VIJAY MEHTA
S.B. AGRAWAL

SIGNIFICANT ACCOUNTING POLICIES, NOTES ON ACCOUNTS AND OTHER DISCLOSURES

NOTE NO. '1' PRINCIPLES OF CONSOLIDATION

1. The consolidated financial statements relates to Banswara Syntex Limited (the Group) and its Subsidiary Group, Associate and Joint Ventures. The Consolidated Financial Statements have been prepared on the following basis :
 - a. The Financial Statements of the Group and its subsidiary group are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard 21 "Consolidated Financial Statements".
 - b. Interest in joint ventures has been accounted by using the proportionate consolidation method as per Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures".
 - c. The difference between the cost of investment in subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is adjusted in the financial statements against the General Reserve.
 - d. Minority interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the group.
 - e. Minority interest's share of net asset of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Companies' shareholder.
 - f. Investment in associate companies has been accounted under the equity method as per Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements".
 - g. The Group accounts for its share in change in the net assets of the associates, post-acquisition, after eliminating unrealized profit and losses resulting from transaction between the group and its associates to the extent of its shares, through its statement of profit and loss to the extent such change is attributable to the associate's profit or loss through its reserves for the balance based on available information.
 - h. As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other event in similar circumstances and are presented in the same manner as the Companies separate financial statements.
2. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard 13 on "Accounting for Investments".
3. The subsidiary, joint venture entity and associates which alongwith Banswara Syntex Limited, the parent, constitute the Group considered in the preparation of these Consolidated Financial Statements are:

Name of the Entity	Status	Country of Incorporation	% Shareholding
Banswara Fabrics Limited	Associate	India	37.50%
Banswara Global Limited (Formerly Known as Carreman Fabrics India Limited)	Subsidiary	India	80.00%
Treves Banswara Privated Limited	Joint Venture	India	50.00%

During the year, company has acquired 30% shares in addition to 50% shares held at the beginning of the year. Accordingly, Banswara Global Limited become subsidiary w.e.f. 19th October, 2013 from formerly the Joint Venture Company.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

B. Valuation of Inventories (AS-2)

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

C. Depreciation (AS-6)

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



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

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

D. Turnover (AS-9)

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

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

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

F. Fixed Assets (AS-10)

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

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

G. Foreign Currency Transactions (AS-11)

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

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

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

H. Investments (AS-13)

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

I. Employees' Benefits (AS-15)

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

J. Borrowing Costs (AS-16)

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

K. Taxes on Income (AS-22)

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

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

L. Provision for Doubtful Debts

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

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

ANNUAL REPORT 2013-14

(₹ in Lacs)
As at
31st March, 2014

NOTE NO. '2' SHARE CAPITAL

Authorized		
4,50,00,000 Equity Shares of ₹ 10/- each		4,500.00
5,00,000 3% Redeemable Preference Shares of ₹ 100/- Each		500.00
		<u>5,000.00</u>
Issued		
1,55,26,361 Equity Shares of ₹ 10/- each		1,552.64
1,73,000 3% Redeemable Preference Shares of ₹ 100/- Each		173.00
		<u>1,725.64</u>
Subscribed and fully Paid		
1,54,96,061 Equity Shares of ₹ 10/- each		1,549.61
1,73,000 3% Redeemable Preference Shares of ₹ 100/- Each		173.00
		<u>1,722.61</u>
Subscribed but not fully Paid		
30,300 Equity Shares of ₹ 10/- each	3.03	
Less : Allotment money due		
From Directors	-	
From Others	1.52	
	<u>1.52</u>	1.51
		<u>1,724.12</u>

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

Shares (In Nos.)

Particulars	As at 31.03.2014	
	Equity	Preference
At the beginning of the year	1,47,56,361	1,73,000
Issued During the year	7,70,000	-
Redeemed/bought back during the year	-	-
At the end of the year	1,55,26,361	1,73,000

2.2 The company has issued 6,00,000 equity shares of ₹ 10/- each at ₹ 41.50/- including a premium of ₹ 31.50/- per share to foreign company on preferential basis at the meeting of Board of Directors held on 13th November, 2013. In the same meeting the Board of Directors has also issued 16,00,000 warrants to promoters and promoters's group, convertible in equal number equity shares at the rate of ₹ 10/- per warrant at ₹ 41.50/- including premium of ₹ 31.50/- per warrant. Further the board in its meeting held on 12th February, 2014 has issued 1,70,000 Equity shares of ₹ 10/- each at ₹ 41.50 including a premium of ₹ 31.50/- per share, on conversion of 1,70,000 warrants out of 16,00,000 warrants. As on date 14,30,000 warrants are outstanding to be converted in equal number of equity shares upto 11.05.2015 i.e. within 18th month from the its allotment. Both the above preferential issues were made as per the SEBI (ICDR) Regulations, 2009.

2.2.1. Rights, preferences and restrictions to the shareholders.

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

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

2.3 Preference Shares :- The preference shares have been redeemed on 10.05.2014.

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



Name of shareholder	As at 31 st March, 2014	
	No. of Shares	Shareholding %
Equity Shares		
Shri R L Toshniwal	62,765	0.40%
Shri Ravindra Kumar Toshniwal	17,63,947	11.36%
Shri Shaleen Toshniwal	17,50,680	11.28%
Smt. Radhika Toshniwal	10,28,065	6.62%
Smt. Prem Toshniwal	8,51,449	5.48%
Macquarie Bank Limited	12,99,801	8.37%
Royal Bank of Scotland	-	-
3% Redeemable Preference Shares		
Carreman Michel Thierry, France	1,73,000	100.00%

(₹ in Lacs)

As at

31st March, 2014**NOTE NO. '3' RESERVES AND SURPLUS****Capital Reserve**

Opening Balance	737.83	
Adjustment during the year (Capital Subsidy)*	<u>13.89</u>	751.72

Securities Premium Account

Opening balance	2,265.36	
Add : Received During the year	<u>242.54</u>	2,507.90

General Reserve

Opening Balance	12,634.17	
Add : Adjustment during the year	(57.39)	
Add : Transfer from Surplus	<u>1,000.00</u>	13,576.78

Surplus

Opening Balance	1,546.50	
Add : Profit for the year	<u>2,599.90</u>	
	<u>4,146.40</u>	

Less : Allocation and Appropriations

Proposed Dividend on Preference Shares	5.19	
Proposed Dividend on Equity Shares	465.34	
Tax on Proposed Dividend	79.96	
Previous year dividend & tax thereon	1.74	
Transfer to General Reserve	<u>1,000.00</u>	
	<u>1,552.23</u>	
		<u>2,594.17</u>
		<u>19,430.57</u>

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

NOTE NO. '4' MONEY RECEIVED AGAINST SHARE WARRANTS

Application money received against share warrants	148.36	
		<u>148.36</u>
		<u>148.36</u>

(₹ in Lacs)
As at
31st March, 2014

NOTE NO. '5' LONG TERM BORROWINGS

Term Loans (Secured)**From Financial Institutions and Banks****IDBI BANK LIMITED**

Term Loan - I	200.00	
Repayable in 4 variable quarterly installments		
Term Loan - II	617.00	
Repayable in 32 variable quarterly installments		
Term Loan - III	385.00	
Repayable in 32 variable quarterly installments		
Term Loan - IV	918.00	2,120.00
Repayable in 32 variable quarterly installments		

EXPORT IMPORT BANK OF INDIA

Term Loan - I	2,130.00	
Repayable in 28 variable quarterly installments		
Term Loan - II	2,809.38	
Repayable in 28 variable quarterly installments		
Term Loan - III	236.40	
Repayable in 6 variable quarterly installments		
Term Loan - IV	604.49	
Repayable in 12 variable quarterly installments		
Term Loan - V	840.00	
Repayable in 12 variable quarterly installments		
Term Loan - VI	3,375.00	
Repayable in 17 variable quarterly installments		
Term Loan - VII	2,636.36	
Repayable in 30 quarterly installments		
Working Capital Term Loan	685.00	13,316.63

BANK OF BARODA

Term Loan - I	2,150.00	
Repayable in 20 variable quarterly installments		
Term Loan - II	1,112.50	
Repayable in 13 variable quarterly installments		
Term Loan - III	4,317.50	
Repayable in 31 variable quarterly installments		
Term Loan - IV	1,405.61	
Repayable in 31 variable quarterly installments		
Term Loan of Banswara Global Limited	155.50	9,141.11
Repayable in 6 variable quarterly installments		

**BANSWARA SYNTEX LIMITED**

(₹ in Lacs)
As at
31st March, 2014

PUNJAB NATIONAL BANK

Term Loan - I	1,434.54	
Repayable in 13 variable quarterly installments		
Term Loan - II	443.95	
Repayable in 13 variable quarterly installments		
Term Loan - III	1,625.00	
Repayable in 21 variable quarterly installments		
Working Capital Term Loan	2,100.00	
Term Loan of Banswara Global Limited	<u>294.38</u>	5,897.87
Repayable in 6 variable quarterly installments		

BANK OF INDIA

Term Loan - I	109.01	
Repayable in 5 Variable quarterly installments		
Term Loan - II	<u>713.72</u>	822.73
Repayable in 20 variable quarterly installments		

UNION BANK OF INDIA

Term Loan - I	5.87	
Repayable in 1 quarterly installments		
Term Loan - II	<u>1,904.00</u>	1,909.87
Repayable in 24 variable quarterly installments		

AXIS BANK LIMITED

Term Loan - I		1,500.00
Repayable in 20 variable quarterly installments		

Sub-Total (A)		<u>34,708.21</u>
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Less : Current Maturities

IDBI Bank Ltd.	272.00
Export-Import Bank of India	1,911.07
Bank of Baroda	1,359.12
Punjab National Bank	1,451.88
Bank of India	194.00
Union Bank of India	229.87
Axis Bank Limited	<u>250.00</u>

Sub-Total (B)		5,667.94
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TOTAL (I) (A-B)		<u>29,040.27</u>
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ANNUAL REPORT 2013-14

(₹ in Lacs)
As at
31st March, 2014

Fixed Deposits (Unsecured)

From Directors	72.00	
From Others	<u>1,281.70</u>	
Includes ₹ 199.00 Lacs (Previous years ₹ 204.00 Lacs) from related parties	1,353.70	
Less : Current Maturities	<u>918.60</u>	
TOTAL (II)		435.10

Term Loans (Unsecured)

Other Corporates	<u>150.00</u>	
Repayable in one bullet payment by March '15	150.00	
Less : Current Maturities	<u>150.00</u>	
TOTAL (III)		-

29,475.37

5.1 Securities and Guarantees

For Term Loans from Financial Institutions and Banks:

BANSWARA SYNTAX LIMITED

For Term Loan

Term Loans from Financial Institutions and Banks are secured by a joint equitable mortgage and/or hypothecation charges ranking pari-passu on immovable/movable properties, present and future of the Company subject to prior charges in favour of the Bankers on specified movable properties created and/or to be created for working capital facilities, and Term Loans of ₹ 1,920.00 Lacs are also secured by second charge on current assets.

Term Loans from Financial Institutions and Banks are guaranteed by Shri R.L. Toshniwal, Chairman and Shri Ravindra Kumar Toshniwal, Managing Director in their personal capacities other than Export-Import Bank of India and IDBI Bank Ltd. Term Loans outstanding of ₹ 8,141.24 Lacs (Previous Year ₹ 8,563.41 Lacs) from Export-Import Bank of India, Term Loans outstanding of ₹ 2,100 Lacs (Previous Year ₹ Nil) from Punjab National Bank of India and Term Loan outstanding ₹ 200 Lacs (Previous year ₹ 400.00 Lacs) from IDBI Bank Ltd. are guaranteed by both whereas term loans outstanding of ₹ 236.40 Lacs (Previous Year ₹ 396.40 Lacs) from Export-Import Bank of India are guaranteed only by Shri R. L. Toshniwal, Chairman.

For Fixed deposits

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

BANSWARA GLOBAL LIMITED

(A) Term Loans are secured by Joint Equitable Mortgage and / or Hypothecation charges ranking Pari passu with each other bank on immovable/movable properties, both present & future, it is further secured by corporate guarantees by joint venturers Banswara Syntax Limited;

- (i) Term Loan from Punjab National Bank is secured by Hypothecation of Plant & Machinery, equipment / accessories, looms, spares etc. and movable property of the company; and
- (ii) Term Loan from Bank of Baroda is secured by way of hypothecation of Plant and Machinery viz. Picanol Looms, Benninger warping machines, Knotting machines etc. and it is further secured by present and future stock of raw materials, work-in-progress, semi-finished goods, finished goods, packing materials and stores etc.



(₹ in Lacs)

As at

31st March, 2014**NOTE NO. '6' DEFERRED TAX LIABILITIES**

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

Major components of Deferred Tax Balances**Deferred Tax Liabilities**

i) Difference between accounting and tax-depreciation (cumulative)	5,561.84
TOTAL	<u>5,561.84</u>

Deferred Tax Assets

i) Accumulated unabsorbed depreciation	-
ii) Provision for doubtful debts (to date)	234.13
iii) Disallowances under section 43B for non payment of expenses	438.03
iv) Other timing differences	408.37
TOTAL (i to iv)	<u>1,080.53</u>
Net Deferred Tax Liabilities	<u>4,481.31</u>

Net deferred tax expense of ₹ 602.86 Lacs has been charged to Statement of Profit & Loss besides current tax ₹ 1,457.73 Lacs net of MAT Credit as per Income Tax Act, 1961.

NOTE NO. '7' LONG TERM PROVISIONS**Provisions for Employee benefits**

Gratuity	1,024.18	
Less : Short Term	<u>151.69</u>	872.49
Leave Encashment	195.80	
Less : Short Term	<u>44.18</u>	151.62
		<u>1,024.11</u>

NOTE NO. '8' SHORT TERM BORROWINGS**A. Loans Repayable on Demand****(Cash credits and packing credits)****From Banks (Secured)**

Punjab National Bank	16,909.50	
Union Bank of India	8,272.29	
Bank of Baroda	5,055.09	
Bank of India	<u>3,473.78</u>	33,710.66

B. Loans from Related Parties (Unsecured)

27.00

33,737.66**8.1 Securities and Guarantees**

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

ANNUAL REPORT 2013-14

(₹ in Lacs)
As at
31 st March, 2014
5.79
3,082.63
7,493.40
<u>10,581.82</u>

NOTE NO. '9' TRADE PAYABLES

Micro, Small & Medium Enterprises@

Acceptances

Others

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

9.1 Details of Dues to Micro Enterprises and Small Enterprises

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

5.79

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

Nil

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

Nil

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

Nil

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

Nil

NOTE NO. '10' OTHER CURRENT LIABILITIES

A. Current Maturities of Long Term Borrowings

Term Loans (Secured)

5,667.94

Term Loans (Unsecured)

150.00

Fixed Deposit (Unsecured)

918.60

6,736.54

B. Interest Accrued But Not Due On Borrowings

65.01

C. Interest Accrued And Due On Borrowings

61.08

D. Other Payables

Unclaimed Dividend

32.65

Securities Deposits

51.96

Statutory Liabilities

294.63

Other Liabilities

979.96

1,359.20

8,221.84



(₹ in Lacs)
As at
31st March, 2014

NOTE NO. '11' SHORT TERM PROVISIONS**A. Provisions for Employee benefits**

For Gratuity	151.69	
For Leave Encashment	<u>44.18</u>	195.88

B. Provision for Others

Proposed Dividend		
On Equity Shares	465.34	
On Preference Shares	<u>5.19</u>	470.53
Tax on Dividend		
Tax On Dividend (Equity Share)	79.08	
Tax On Dividend On Preference Share	<u>0.88</u>	79.96
For Entry Tax (Net of payment)		570.72
For Taxation		
For Income Tax	1,642.97	
Less : Advance Tax and TDS (As per Contra)	<u>810.69</u>	832.28
		<u>2,149.37</u>

11.1 In view of Stay Order dated 10.08.2006 of Hon'ble Rajasthan High Court, Jodhpur later on modified vide interim stay order dated 04.03.2011 with regards to levy of entry tax by Rajasthan Govt. under Rajasthan Entry Tax Act, 1999 with the direction to deposit the 50% of Entry Tax payable, a provision for ₹ 123.02 Lacs has been made and charged to the Statement of Profit and Loss for the year in respective expenses account. The outstanding balance after making the payment during the year is ₹ 570.71 Lacs.

ANNUAL REPORT 2013-14

NOTE NO. '12' FIXED ASSETS

(₹ in Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions	Disposals/ Adjustment	As at 31.03.2014	As at 01.04.2013	For the Year	Deductions/ Adjustments	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
FIXED ASSETS										
Lease Hold Land	367.62	57.31	-	424.93	38.19	12.37	-	50.56	374.37	329.43
Free Hold Land	214.76	95.25	-	310.01	-	-	-	-	310.01	214.76
Buildings & Road	13,221.40	1,650.46	-	14,871.86	2,172.90	572.96	-	2,745.86	12,124.41	11,048.50
Plant & Equipment	62,690.23	7,195.68	361.80	69,524.12	24,800.62	6,974.93	196.95	31,578.59	37,945.53	37,889.62
Building Machinery	1.38	-	-	1.38	1.31	-	-	1.31	0.07	0.07
Electric & Water Supply Installation	1,663.91	263.10	-	1,927.02	871.96	166.10	-	1,038.06	888.96	791.95
Furniture & Fixtures	989.72	197.73	2.13	1,185.33	550.43	98.57	0.65	648.35	536.98	439.29
Office Equipments	783.40	138.05	0.89	920.56	416.88	62.11	0.36	478.63	441.93	366.52
Vehicles	622.80	93.45	49.27	666.98	214.64	61.73	15.25	261.12	405.86	408.16
Software	-	5.55	-	5.55	-	1.50	-	1.50	4.06	-
TOTAL	80,555.22	9,696.58	414.09	89,837.72	29,066.92	7,950.26	213.21	36,803.97	53,032.16	51,488.30

NOTE NO. '13' CAPITAL WORK IN PROGRESS

(₹ in Lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK			
	As at 01.04.2013	Additions	Capitalize During the year	As at 31.03.2014
Capital Work In Progress for				
- Buildings & Road	119.49	1,211.00	922.08	408.41
- Plant & Equipment	655.67	3,644.23	3,844.62	455.28
- Water & Electric Installation	-	147.39	147.39	-
- Land & Site Development Under Progress	1.59	93.67	95.25	-
TOTAL	776.74	5,096.30	5,009.34	863.69

**NOTE NO. '14' NON-CURRENT INVESTMENT (AT COST)****Long Term****I. Trade****A) Quoted****Investment in Associate Company**

(Valued at net equity method with reference to note no. 1(f))

3,00,000 Equity Shares of ₹10/- each

of Banswara Fabrics Ltd.

74.99

(Quotation not available)

B) Unquoted**Government & other securities**

National Savings Certificate

(Deposited with State and Central Govt. Authorities)

0.13

Sub Total (I)75.12**II. Other****A) Quoted****In Equity Shares**

10,114 Equity Shares of ₹ 10/- each of

Union Bank of India

3.04

B) Unquoted**Shares in Cooperative Bank**

500 Equity Shares of ₹ 10/- each

of New Indian Cooperative Bank Ltd.

0.05

Ask Investment Manager Pvt. Ltd.

22.54

Real Estate Special Opportunities Portfolio - 1

Sub Total (II)25.63**Total (I + II)**100.75**Investments aggregate value of****Quoted Investment**

Book Value

78.03

Market Value

43.88

NOTE NO. '15' LONG TERM LOANS AND ADVANCES**Unsecured, Considered good**

(a) Capital Advances

454.45

(b) Security Deposit

407.42

(Including ₹ 80.00 Lacs to related parties)

(c) Other Loans & Advances

0.17

862.04

ANNUAL REPORT 2013-14

(₹ in Lacs)
As at
31st March, 2014

NOTE NO. '16' OTHER NON CURRENT ASSETS

Unsecured, Considered good

(i) Long Term Trade Receivables

(ii) Others

MAT Credit Entitlement	680.39	
Preliminary expenses written off	0.30	
Prepaid Expenses	<u>68.31</u>	<u>749.00</u>
		<u>749.00</u>

Note No. 16.1 Credit in respect of Minimum Alternative Tax under Income Tax Act 1961 (MAT Credit –Entitlement) is recognized in accordance with Guidance Note issued by the Council of the Institute of Chartered Accountants of India.

NOTE NO. '17' INVENTORIES

(At lower of Cost and Net Realizable Value)

Raw Materials	10,463.29	
Scrim Fabrics	1.19	
Poly Foam	4.56	
Bare Fabrics Bulk	10.29	
PVC Patch (Cut Panels)	0.29	
Adhesive PU Foil	1.20	
Raw Material in Transit	<u>128.42</u>	<u>10,609.24</u>
Stores & Spares		<u>1,862.56</u>
Works-in-Process		<u>2,553.58</u>
Finished Goods		
Yarn	5,020.28	
Yarn in transit	375.27	
Cloth (Grey)	2,644.96	
Cloth (Processed)	5,844.20	
Laminated Fabrics	17.07	
Cut Panels	1.72	
Embossed Panels	0.65	
Cloth (Grey and Processed) in transit	513.02	
Garment	900.40	
Garment in transit	<u>52.60</u>	<u>15,370.17</u>
Waste		<u>108.53</u>
		<u>30,504.08</u>

NOTE NO. '18' TRADE RECEIVABLE

(Unsecured)

Outstanding Exceeding Six Months (From due date)

Considered Good	495.08	
Considered Doubtful	<u>688.82</u>	
	<u>1,183.90</u>	
Less: Provision for Doubtful Debts	<u>688.82</u>	<u>495.08</u>

Other Debts

Considered Good		<u>15,017.58</u>
		<u>15,512.66</u>



(₹ in Lacs)
As at
31st March, 2014

NOTE NO. '19' CASH AND CASH EQUIVALENTS

A. Cash On Hand		45.78
B. Balances with Bank		
-Current Account	2,267.32	
-Other Bank Balances	39.45	
-Bank Deposits	<u>968.82</u>	3,275.59
		<u>3,321.37</u>

Balances with banks in unclaimed dividend accounts	32.65
Deposit accounts with more than 12 months maturities	235.25
Deposits with banks pledged with banks against guarantees, Letter of credits etc.	533.16

Cash and Cash equivalent include restricted cash and bank balance of ₹ 565.81 Lacs. The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees, Letter of Credits and unclaimed dividends.

Deposits maintained by the Company with Banks comprise of time deposits, which can be withdrawn by the Company at any point of time without prior notice with reduced rate of interest.

NOTE NO. '20' SHORT TERM LOANS AND ADVANCES**A. TO RELATED PARTIES****Unsecured**

Advances recoverable in cash or kind		2,036.24
Considered Doubtful	29.57	
Less : Provision	<u>29.57</u>	-
Loans & Advances to Employees		138.02
Prepaid Expenses		152.76
Income Tax Refundable		251.75
Income Tax Under Protest		240.30
Advance Income Tax and Tax deducted at source	831.07	
Less: Provision for Taxation (as per contra)	<u>810.69</u>	20.38
		<u>2,839.45</u>

NOTE NO. '21' OTHER CURRENT ASSETS

Duty Entitlement Pass Book		377.85
Other Export Receivables		
Considered Good	2,071.76	
Considered Doubtful	29.42	
	<u>2,101.18</u>	
Less : Provision	<u>29.42</u>	2,071.76
Claim Receivable under TUFS		658.73
Other Claim Receivables		340.40
Preliminary Expenses to the extent not amortised		0.15
		<u>3,448.89</u>

ANNUAL REPORT 2013-14

(₹ in Lacs)
As at
31st March, 2014

NOTE NO. '22' CONTINGENT LIABILITIES

1. Contingent liabilities not provided for in respect of: -	
a. Bills discounted with banks remaining outstanding	
(i) Against foreign LC	5,535.50
(ii) Others	1,114.25
b. Letter of Credit established with banks :-	
(i) Revenue account	648.95
(ii) Capital account	247.90
c. Guarantees given by the bankers on behalf of the group for which FDRs ₹ 89.82 Lacs (previous year ₹ 83.23 Lacs) pledged with them.	815.14
d. Guarantee given by Group to Banks for loan to Banswara Global Limited [Outstanding as on 31.03.2014 ₹ 449.88 Lacs (previous year ₹ 744.13 Lacs)]	1,950.00
e. Claims against the group not acknowledged as debt: -	
(a) Under Tax Laws [payment made under protest ₹ 240.30 Lacs (previous year ₹ 26.35 Lacs)]	1,108.55
(b) By Others:	
(i) On Revenue account	6.83
(ii) On Capital account	Nil

There is no reimbursement possible on account of contingent liabilities.

NOTE NO. '23' CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital account ₹ 831.70 Lacs (previous year ₹ 1,110.85 Lacs) and export obligation against EPCG licenses ₹ 1,059.49 Lacs (previous year ₹ Nil).

NOTE NO. '24' REVENUE FROM OPERATIONS

(a) Sale of products		
Yarn	45,157.88	
Laminated Fabric & Cut Panel	361.42	
Cloth	49,936.41	
Garment	18,668.83	
Power	-	
Waste	609.18	
Fibre	26.26	
Scrap	478.03	1,15,238.01
(b) Sale of services		
Job Income	2,626.37	
Sale of Products & Services (Gross)		1,17,864.38
(c) Other Operating Revenue		
Export Benefits	5,568.94	
		1,23,433.33
Less : Excise Duty		1,896.73
		<u>1,21,536.59</u>



(₹ in Lacs)

As at

31st March, 2014**NOTE NO. '25' OTHER INCOME**

Interest Income		321.74
Rental Income		6.84
Dividend Income		4.08
Profit on Sale of Tangible Assets		9.86
Exchange Rate Fluctuation		-
Other Non Operating Income		74.40
		<u>416.92</u>

NOTE NO. '26' COST OF MATERIALS CONSUMED**Raw Material Consumed**

Opening stock	9,941.35	
Add :Purchases	50,768.09	
	<u>60,709.44</u>	
Less : Closing stock	10,609.24	50,100.20
Dyes & Chemicals Consumed		4,530.30
Purchase : Cloth	1,502.85	
Yarn	2,321.34	
		<u>3,824.19</u>
		<u>58,454.69</u>

NOTE NO. '27' CHANGES IN INVENTORIES**A. Finished Goods****Opening Stock**

Yarn	4,509.88
Laminated Fabric, Cut panel etc	21.51
Cloth	6,117.52
Garment	1,196.28
	<u>11,845.19</u>

Closing Stock

Yarn	5,395.55
Cloth	6,351.41
Laminated Fabric, Cut panel etc	19.44
Garment	953.00
	<u>12,719.40</u>

(874.21)

B. Work-in Progress**Opening Stock**

Yarn	1,751.65
Cloth	3,512.52
Garment	592.52
	<u>5,856.69</u>

Closing Stock

Yarn	1,755.73
Cloth	2,650.77
Garment	797.86
	<u>5,204.36</u>

652.33

C. Waste**Opening Stock**

31.20

Closing Stock108.52

(77.32)

(299.20)

ANNUAL REPORT 2013-14

(₹ in Lacs)
Current Year
31st March, 2014

NOTE NO. '28' MANUFACTURING EXPENSES

Stores & Spare Parts Consumed		4,058.48
Packing Material Consumed		1,789.35
Power		966.25
Fuels		9,377.34
Job Charges		2,606.59
Repairs to : Plant & Machinery	808.58	
Building	374.07	
Others	124.54	1,307.20
Excise Duty*		9.35
		<u>20,114.56</u>

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

NOTE NO. '29' EMPLOYEE BENEFIT EXPENSES

Salaries, Wages, Allowance, Bonus etc.	14,407.02
Contribution to Provident & Other Funds	1,329.51
Workmen & Staff Welfare Expenses	493.09
	<u>16,229.61</u>

NOTE NO. '30' FINANCE COST

Interest Expense*	7,481.91
Other Borrowing Cost	665.71
	<u>8,147.61</u>

* Net of subsidy of ₹ 1,033.11 Lacs (Previous Year ₹ 1,491.73 lacs) under Technology Upgradation Fund Scheme.

NOTE NO. '31' DEPRECIATION AND AMORTISATION EXPENSES

Leasehold Land Written Off	3.99	
Depreciation	5,365.16	5,369.15
		<u>5,369.15</u>



(₹ in Lacs)
Current Year
31st March, 2014

NOTE NO. '32' OTHER EXPENSES**Administrative Expenses**

Rent	111.09	
Rates and Taxes	290.35	
Insurance Charges	64.72	
Payment to Auditors		
As Auditors -Fees	10.20	
-Expenses	2.34	
In other capacity		
-Tax Audit Fees	1.81	
-Certification	6.34	
-Taxation Matters	1.43	
-Other Services	0.25	
Director's Fees	4.80	
Travelling Expenses	157.94	
Director's Travelling Expenses	11.24	
Foreign Travelling Expenses	236.25	
Communication Expenses	166.17	
Legal & Professional Expenses	338.77	
Charity & Donation	24.99	
Exchange Rate Fluctuation	427.05	
Loss On Sale of Tangible Assets	54.52	
Royalty & Cess	10.05	
CSR Expenses	4.97	
Claim Written off	709.93	
Miscellaneous Expenses	884.30	3,519.50

Selling Expenses

Commission to Selling Agents	2,019.61	
Brokerage and Discounts	346.56	
Freight, Octori and Forwarding Charges	2,551.78	
Claims	414.48	
Advertisements	31.39	
Provision for Doubtful Debts	179.48	
Others	171.42	5,714.72
		9,234.22

(₹ in Lacs)
Current Year
31st March, 2014

NOTE NO. '33' EARNINGS PER SHARE

a) Amount used as the numerator profit after tax, dividend on preference shares and tax thereon	₹ In Lacs	2,588.04
b) Weighted average number of equity shares used as the denominator in computing basic earning per share.	Nos.	1,57,59,951
Add: Potential no. of equity shares that could arise on conversion of warrants into equity shares.	Nos.	5,40,657.53
Weighted average number of shares used in computing Diluted Earning per Share	Nos.	1,63,00,608
c) Nominal value per share	₹	10.00
d) Earnings Per Share:		
- Basic	₹	16.42
- Diluted	₹	15.88

Note No.'34' Accounting Standard 17 - "Segment Reporting"

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

Note No. '35' Accounting Standard 18 - "Related Party Disclosure"

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

1. Relationship:

a) Subsidiary, Joint Venture and Associate concerns

Banswara Global Limited (formerly known as Carreman Fabrics India Ltd.)
Treves Banswara Pvt. Ltd.
Banswara Fabrics Ltd.

b) Key Management Personnel and Their Enterprises:

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

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

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


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

Shri Rameshwar Lal Ravindra Kr Toshniwal HUF

Shri Ravindra Kumar Toshniwal HUF

Shri Dhruv Toshniwal

Shri Udit Toshniwal

Smt. Prem Toshniwal

Smt. Navneeta Mehra

Smt. Radhika Toshniwal

Smt. Sonal Toshniwal

Smt. Kavita Soni

Ms. Esha Toshniwal

Ms. Diya Toshniwal

Sarvodaya Impex Pvt. Ltd.

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

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business: (₹ In Lacs)

Nature of transaction	Related Parties			
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above	Referred in 1(d) above
	2013-14	2013-14	2013-14	2013-14
SALES				
Cloth	-	-	-	-
Yarn	3.06	-	-	-
Other	-	-	-	-
PURCHASE				
Cloth	758.97	-	-	-
Yarn	0.11	-	-	-
Machine	10.54	-	-	-
Other	-	-	-	-
JOB CHARGES				
Weaving	-	-	-	-
Mending	-	-	-	-
Lamination	-	-	-	-
EXPENSES				
Rent	-	-	2.4	7.2
Remuneration	-	507.28	-	-
Interest	-	9.52	24.06	30.08
Salary	-	-	-	25.02
INCOMES				
Rent	0.22	-	-	-
Job Charges	98.53	-	-	-
Supervision Charges	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
FINANCE				
Fixed Deposit Accepted	-	-	-	13
Fixed Deposit Repayment	-	-	168	18
OUTSTANDING				
Fixed Deposits-	-	72	27	199
Inter Corporate Deposits	-	-	-	-
Amount Receivable	-	-	-	0.89
Amount Payable	83.19	-	-	-
Property Deposit	-	-	20	60
Capital Contribution	30	-	-	-

In respect of the outstanding balance recoverable as at 31st March 2014 no provision for doubtful debts is required to be made. During the year, there were no amounts written off or written back from such parties.

ANNUAL REPORT 2013-14

Note No. '36' Financial and Derivative Instruments

Group has entered into following foreign exchange financial instruments

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

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

As at	No. of Contracts	US Dollar Equivalent (In Lacs)	INR Equivalent (In Lacs)
31.03.2014	21	136.58	8,671.41
31.03.2013	29	231.01	13,005.19

- b) Foreign Currency exposure that are not hedged by financial instruments or forward contracts as at 31st March, 2014 amounts to US\$ 132.52 Lacs equivalent to ₹ 7,557.69 Lacs (Previous year US\$140.29 Lacs equivalent to ₹ 7,096.25 Lacs)

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

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

Note No. '38' All assets and liabilities are presented as Current or Non-current as per the criteria set out in the revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Group has ascertained its operating cycle less than 12 months, accordingly 12 months period has been considered for the purpose of Current/Non current classification of assets and liabilities.

Note No. '39' This is first year of preparation of consolidated financial statement. Accordingly previous Year figures have not been given in the Consolidated Financial Statements in view of Para 30 of Accounting Standard 21 – "Consolidated Financial Statement and consolidated Cash Flow Statement is also not prepared.

Significant Accounting Policies, Notes on accounts and other disclosures from Note no. 1 to 39 forming part of these financial statements.

In terms of our Audit Report of even date:

For KALANI & COMPANY
Chartered Accountants
FRN - 000722C

K.L. JHANWAR
Partner
M.No. 014080

Place : Mumbai
Dated : 24th May, 2014

R.L. TOSHNIWAL
Chairman

RAKESH MEHRA
Vice Chairman and C.F.O.

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

RAVINDRA KUMAR TOSHNIWAL
Managing Director

SHALEEN TOSHNIWAL
Jt. Managing Director

Directors
P. KUMAR
KAMAL KISHORE KACHOLIA
D.P. GARG
A.N. JARIWALA
VIJAY MEHTA
S.B. AGRAWAL

**Financial Information of Subsidiary Companies**

(All amounts are in ₹ Lacs otherwise stated)

The ministry of corporate affairs, Government of India, vide General circular no. 2 and 3 dated 08th Feb 2011 and 21st Feb 2011 respectively has granted a General Exemption from compliances with section 212 of the Companies Act, 1956, subject to fulfillment of condition stipulated in the circular. The companies has satisfied the condition stipulated in the circular and hence is entitled to the exemption. Necessary information related to the subsidiaries is given below:-

S.NO.	Particulars	Amount (₹ In lacs)
1	Name of Subsidiary Company	Banswara Global Limited
2	Capital	1,240
3	Reserves	57.65
4	Total Assets	1,889.56
5	Total Liabilities	1,889.56
6	Investment	-
7	Detail of Investment	-
8	Turnover	849.61
9	Profit / (Loss) before taxation	-28.03
10	Provision for taxation	34.22
11	Profit / (Loss) after taxation	6.19
12	Proposed Dividend	-

ANNUAL REPORT 2013-14

ANNEXURE-II TO DIRECTORS' REPORT

Additional information as required under the Companies (Disclosure of particulars in the report of Board of Directors) Rule, 1988, for the year ended 31st March, 2014.

A. CONSERVATION OF ENERGY:

a) Energy Conservation measures taken.

Machines

- 1) Installation of Dye liquor Heat recovery system in Dye house resulting in saving of 13 tones of steam; yearly saving of ₹ 35 Lacs in terms of rupees.
- 2) Installation of 24 nos. 7.5.KW IE3 Motors in Carding Machine resulting in annual saving of ₹7.15 lacs in cost of power.
- 3) Installation of 75.KW 2 nos. VFD on P.A. fans of boiler resulting in saving of ₹ 10 lacs per annum.

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

- 1) An investment of ₹70 lacs is proposed for preheating of DM water of thermal plant for Energy saving by harnessing waste heat recovery from centac compressor. Expected annual saving ₹ 39 lacs.
- 2) Installation of 2 nos. 75 KW inverter for CEP pump of turbine #2, with an investment of ₹4 lacs; expected annual saving- ₹7.50 lacs.
- 3) Replacement of 40 beacon make monobloer pumps by KSB coupled pumps to reduce burning of motors and to improve efficiency of pumps by around 15%.

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

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

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

As per form 'A' enclosed.

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption.

As per form 'B' enclosed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

The information in respect of Foreign Exchange outgoing and earning is contained in item Note No.40 (d) and (e) annexed to the Balance Sheet as at 31st March, 2014.

FORM- A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

Sr. Particulars No.	Current Year 2013 -14	Previous Year 2012 -13
1. Electricity		
a) Purchased Units (Lacs)	193.50	66.80
Total Amount (₹ in lacs)	963.90	475.48
Rate/Unit (₹)	4.98	7.12
b) Own generation		
i) Through Coal based Thermal		
Power plant Unit (lacs)	1,779.63*	1,857.93*
Units per Kg. of Coal (No's)	1.170	0.882
Cost/Unit (₹)	4.03	4.30
ii) Through Furnace Oil		
Generator unit (lacs)	-	-
Units per Kg. of Furnace Oil (No's)	-	-
Cost/Unit (₹)	-	-
iii) Through Diesel Generator unit	1.23	1.02
Units per Ltr. of Diesel Oil (No's)	3.32	4.49
Cost/Unit (₹)	17.39	12.26
2. Coal		
Qty.(MT)	1,36,573	1,72,334
Total cost(₹ In lacs)	5,246.87	6,717.82
Average rate/MT(₹)	3,842	3,898
3. Lignite		
Qty.(MT)	17,988	67,171
Total cost(₹ In lacs)	514.15	1,756.73
Average rate/MT(₹)	2,858	2,615
4. Petcoke		
Qty. (MT)	36,549	11,770
Total cost (₹ in lacs)	3,056.80	916.17
Average Rate/MT(₹)	8,364	7,784
5. LPG		
Qty. (MT)	205	618
Total cost (₹ In lacs)	151.74	427.58
Average Rate/MT(₹)	73,919	69,237
6. Furnace Oil		
Qty.(Kgs.) lacs	3.84	5.94
Total Amount(₹ In lacs)	185.19	219.65
Average Rate/Kg.(₹)	48.20	36.98
7. Diesel		
Qty. (Ltrs.) lacs	1.02	0.99
Total Amount(₹ in lacs)	56.19	40.73
Average Rate/Ltr. (₹)	55.00	41.12
8. Other/Internal generation	Not applicable	Not applicable

* Including 4143412 KWH given to Banswara Global Ltd. for job weaving done for the Company (Previous year 4124161 KWH)

**B. CONSUMPTION PER UNIT OF PRODUCTION**

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

FORM B**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION 2013-2014****RESEARCH AND DEVELOPMENT (R & D)****A. Specific areas in which R & D carried out by the Company.**

1. The company has established a well-equipped laboratory for testing of Fibre, Yarn and fabric as per the requirements of International and Indian testing standards such as ISO, AATCC, ASTM, Levis & Co, Marks & Spencer, NEXT, COACH, Indian Standards etc.
2. The laboratory has been awarded accreditation/ certifications by various international buyers such as:
 - a. Levi @ Strauss
 - b. Marks & Spencer
 - c. NEXT
 - d. COACH.The Laboratory has also been certified by Research Designs & Standards Organization (RDSO), Ministry of Railways, Government of India, resulting in the supply of Fire Retardant Curtain Fabric to Indian Railways over two years.
3. The Laboratory is holding membership with AATCC, ASTM, BTRA & ATIRA so as to up-grade and equip itself and Organization with the latest technology and developments taking place in textile industry.
4. The Laboratory is also equipped with Technical Textile Fabric testing equipment for the testing of:
 - a) Fire Retardant Curtain fabric,
 - b) Three Layer Bonded Breathable fabric, Parachute fabric and Tent Fabric, supplied to Indian Defense services.
 - c) Bonded Fabric, supplied to COACH, Awarded Accreditation / Certification by SGS.
 - d) Automobile Fabrics for supply to Renault, Toyota, Tata Motors, etc.
5. The laboratory has been established with On-Line testing facility having equipment such as Data color Spectrophotometer, Auto dispensing dyeing technique, etc., and acts as a service provider to the production department by testing various dyes & chemicals, establish and provide recipe for dyeing and finishing departments.
6. The Company facility has been awarded Accreditation/ Certification by ADITYA BIRLA GRASIM-Cellulose Textile Research & Application Development Centre, for Excellence in Processing Cellulose Fabric and its blends and for demonstrating technical competence and quality management of the process house.
7. The Company facility has been awarded Accreditation / Certification by GRS (Global Recycle Standard) and CUC (Control Union Certification) for the consumption

of Re-Cycle Polyester fibre in the manufacture of yarns and fabrics.

B. DESIGN & DEVELOPMENT.

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

C. BENEFITS DERIVED AS A RESULTS R & D.

1. All yarns & Fabrics manufactured in the company are meeting all International & National standards and have created wide acceptance in Global and local markets.
2. The fabric sample is being tested in the Company's laboratory as per customer's requirements/ international standards, thereby saving time and cost as far as delivery is concerned.
3. Due to constant up-gradation in technology in the laboratory and production facilities, the Company has produced Hi-Quality finished Apparel fabrics such as Wrinkle Recovery, Stain Defender, Moisture Management, Technical Textiles, Automotive Fabric etc.
4. The Company has developed Technical Textile fabrics such as three layer high altitude Breathable fabric, Fire Retardant Curtain Fabric and Automotive fabric for supply to Renault, Toyota, Tata Motors, Maruti Motors, etc.
5. The Company has installed and developed latest dyeing and radio frequency drying machines for Wool dyeing activities to enhance quality of production of Worsted suiting.
6. The Company has started shirting activities in linen, cotton, etc with modern high speed looms.
7. Further, the Company has installed latest finishing machines like Shearing & cropping, Scouring & milling & Scouring, Damping, Pressing for the processing of 100% woolen and woolen blended worsted finished fabric.

D. Future plans and action

1. Research and development is a continuous process. The Company is going to add new testing equipment for all wool and wool mixed fabrics and upholstery fabrics.
2. The Company is in the process of setting up dyeing and chemical testing Laboratory especially for Cotton and Linen Dyeing sector.
3. In line with continuous increase in the demand for Quality yarns and Finished Apparels and Technical Textile fabrics, latest Hi-Tech spinning, Weaving and Processing Machines are being installed.
4. For the garment division, the Company has imported Jackets stitching machinery which has been installed in garment factory at Surat.

Similarly, Testing activities are being expanded in spinning and Finished fabric testing by importing latest testing equipment like

ANNUAL REPORT 2013-14

HVI for cotton testing, UT-5 (evenness Tester), Tensorapid and other equipment for worsted Spinning.

E. Expenditure on R & D

- Capital expenditure for the establishment of new Cotton Laboratory - approx ₹200 lacs.
- Recurring Normal running expenditure ₹115 lacs.
- Total ₹ 315 lacs.
- Total R & D expenditure as percentage of total turnover is less than 1%.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

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

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

The Company's Designing and Marketing teams regularly attend various Seminars and Exhibitions both in India and overseas to understand and upgrade the latest trends in designing and development areas and utilize the knowledge to stand in pace with the other competitors.

The Company has joint venture (J.Vs) with M/s Treves S.A., France for manufacture of high value automotive fabric for supply to reputed brand like Nissan, Renault, Toyota, TATA

and other reputed automobile industries.

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

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

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

Not applicable.

For and on behalf of the Board

Place : Mumbai
Dated : 24th May, 2014

R.L. TOSHNIWAL
Chairman
DIN:00106933

BANSWARA SYNTEX LIMITED

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

CIN : L24302RJ1976PLC001684

Dear Shareholders,

RE : Green Initiative in Corporate Governance: Go Paperless

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

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

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

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

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

For Banswara Syntex Limited

J.K. JAIN

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

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

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

*applicable to investors holding shares in dematerialized form

BANSWARA SYNTEX LIMITED

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

CIN : L24302RJ1976PLC001684

Dear Shareholders,

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

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

For Banswara Syntex Limited

J.K. JAIN

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

ECS MANDATE FORM

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

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

Dear Sirs,

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

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

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

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

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

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

Signature of the first named/sole Member

Note :

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

Place :

Date :

ANNUAL REPORT 2013-14

Statement forming part of point no.11 of corporate Governance Report Annexure 1 to Director Report of Annual Report-2013-14 of Banswara Syntex Limited.

Re-appointment of Independent Directors

As per the provision of section 149, 152 read with schedule-IV of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors), Rules, 2014 and provision of clause 49 of the Listing Agreement, the Resolution for appointment of Eight Independent Directors, of the Company namely Shri D.P.Garg, Shri A. N. Jariwala, Shri S.B. Agarwal, Shri Pradeep Kumar Bhandari, Shri P. Kumar, Shri Vijay Kumar Agarwal, Shri Kamal Kishore Kacholia and Shri Vijay Mehta are being put up before the shareholders in the 38th Annual General Meeting of the Company for their approval, as set out in the Notice of the Annual General Meeting.

Brief resume of the Directors, nature of their expertise in specific functional area and name of the companies in which they holds Directorship and membership/ chairmanship of the Board Committees, shareholding and relationship between directors are as under. This also forming part of Explanatory Statement pursuant to section 102 of Companies Act, 2013 for Item Nos. 12 to 19 of the notice to shareholders.

- 1) **Shri D.P. Garg**, aged 66 years, Industrialist, is on the Board of the Company for the last 11 years. He is a graduate in Mech. Engineering from University of Delhi and has done Masters in Industrial Engineering from Illinois Institute of Technology, Chicago, U.S.A. He has vast experience in Projects execution, implementation, monitoring and Import & Export trade. His shareholding in the Company is NIL.

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

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

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

Sr. No.	Name of the Company
1.	Nil

- 2) **Shri A. N. Jariwala**, aged 83 years, Industrialist, is on the Board of the Company for the last 16 years. He holds Master Degree in Textile from Leeds University, England. He was technical advisor of Surat Textile Mills, Surat. He was past President of Southern Gujarat Chambers of Commerce and Industry Surat. He is Vice President of Manmade Textile Research Association, Surat. He is Chairman of Federation of Indian Art Silk Weaving Industry, Mumbai. His shareholding in the Company is NIL.

Names of Public Limited Companies in which Shri A. N. Jariwala is Director:-

Sr. No.	Name of the Company
1.	Garden Silk Mills Ltd.
2.	Gujarat Eco Textiles Ltd.

Names of Public Limited Companies in which Shri A. N. Jariwala is member /Chairman of any Committee:-

Sr. No.	Name of the Company
1.	Garden Silk Mills Ltd.

- 3) **Shri S.B. Agarwal**, aged 75 years, Consultant, is on the Board of the Company for the last 6 years having over all 45 years of professional experience. He is M. Com, M.A. (Eco.) LLB, FCA, Ph.D. has been a pioneer in the textile industry. He was Group Executive President (Textile) of Grasim Industries Limited. His shareholding in the Company is NIL.

Names of Public Limited Companies in which Shri S. B. Agarwal is Director:-

Sr. No.	Name of the Company
1.	Tecnocraft Industries (India) Ltd.

Names of Public Limited Companies in which Shri S.B. Agarwal is Member/Chairman of any Committee:-

Sr. No.	Name of the Company
1.	Tecnocraft Industries (India) Ltd.

- 4) **Shri Pradeep Kumar Bhandari**, aged 55 years is a commerce and law graduate from the University of Kolkata and a Fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Company Secretaries of India and has over 30 years of experience in the field of project finance, industry, business and corporate management. His shareholding in the Company is 8060.

Names of Public Limited Companies in which Shri Pradeep Kumar Bhandari is Director:-

Sr. No.	Name of the Company
1.	Nil



Names of Public Limited Companies in which Shri Pradeep Kumar Bhandari is Member/Chairman of any Committee.

Sr. No.	Name of the Company
1.	Nil

- 5) **Shri P. Kumar**, aged 76 years, retired, is on the Board of the Company for the last 12 years. He holds a degree in Masters of Arts, Chartered Accountant and LLB, He is a senior banking professional and retired as Chief General Manager of IDBI. He looked after various project appraisal, financing, monitoring and recoveries during his tenure with IDBI. He has also worked with Reserve Bank of India. His shareholding in the Company is NIL.

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

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

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

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

- 6) **Shri Vijay Kumar Agarwal**, aged 64 years, Industrialist, is on the Board of the Company for the last 9 years. He is the Founder, Promoter & Chairman of the Creative group. He is an Engineer from VJTI. His Shareholding in the Company is NIL.

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

Sr. No.	Name of the Company
1.	Raviraj Creative Infrastructure Ltd.

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

Sr. No.	Name of the Company
1.	NIL

- 7) **Shri Kamal Kishore Kacholia**, aged 64 years, Industrialist, is on the Board of the Company for the last 33 years. He holds a degree in Chemical Engineering and Masters in Business Administration from Western Reserve University, OHIO, USA. He had been engaged with various R&D projects for US, Army, Navy, EPA, NASA etc. His Shareholding in the Company is NIL.

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

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

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

Sr. No.	Name of the Company
1.	Nil

- 8) **Shri Vijay Mehta**, aged 61 years, Consultant, is on the Board of the Company for the last 33 years. He holds a degree in Bachelor of Commerce and LLB. He is a renowned Stock broker and financial consultant. His Shareholding in the Company is NIL.

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

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

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

Sr. No.	Name of the Company
1.	NIL

None of these eight directors are relative of one other.

BANSWARA SYNTEX LIMITED

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

CIN : L24302RJ1976PLC001684

PROXY FORM

Regd. Folio No. / DP ID & Client ID No.	
No. of Shares	

38th Annual General Meeting

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

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 3.30 P.M. on Monday, the 22nd September, 2014 and at any adjournment thereof.

Signed this day _____ of _____ 2014

Signature _____

AFFIX
1 Rupee
revenue
stamp

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

BANSWARA SYNTEX LIMITED

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

CIN : L24302RJ1976PLC001684

ATTENDANCE SLIP

Regd. Folio No. / DP ID & Client ID No.	
No. of Shares	

38th Annual General Meeting

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

I hereby record my presence at the Annual General Meeting of the Company at 3.30 P.M. on Monday, the 22nd September, 2014 at the Company's Registered Office.

Member's/Proxy's name in BLOCK Letters

Member's/Proxy's Signature

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

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

Please read the instructions printed under the note No. 18 to the Notice of the 38th Annual General Meeting. The e-voting will commence on 5.00 a.m. on September 15, 2014 and end at 5.00 p.m. on September 17, 2014 (i.e. e-voting shall remain open for maximum 3 days only). Thereafter, the voting module shall be disabled by CDSL.

REGISTERED

**ANNUAL REPORT
2013-14**

To,

If undelivered, please return to

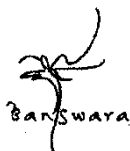
BANSWARA SYNTEX LIMITED

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

Web : www.banswarasyntex.com

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

Fax : +91-2962-240692



BANSWARA SYNTEX LIMITED

Corporate Identity Number: L24302RJ1976PLC001684

Registered Office & Mills:

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

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

An IS / ISO 9001:2008 Company

www.banswarasyntex.com

secbsw@banswarafabrics.com

www.saintx.

BSL: SECL: 14

10th September, 2014

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

Dear Sir/ Ma'am,

FORM A

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

1	Name of the Company	Banswara Syntex Limited
2	Annual financial statements for the year ended	31.03.2014
3	Type of Audit observation	Unqualified
4	Frequency of observation	-
5	Signed by CEO/Managing Director	Yes
	CFO	Yes
	Auditors of the Company	Yes
	Audit Committee Chairman	Yes

We are enclosing herewith a copy of our Annual Report for the Financial Year 2013-14.

Thanking you,

Yours faithfully,
For BANSWARA SYNTEX LIMITED,

(J.K. JAIN)
CFO & COMPANY SECRETARY

Encl.: as above