

# Hind Syntex Limited

**Annual Report  
2009 - 2010**



## **Board of Directors**

### **Directors**

Shri Manohar Keshav  
Shri Ravi Mohan  
Shri Chandra Mohan  
Shri Manoj Maheshwari  
Shri S L Moondhra (Senior Executive Director)  
Shri G S Chopra (Additional Director)  
Shri P D Upadhye (Nominee Bank of India)

### **Auditors**

Messrs Bansi S. Mehta & Co., Mumbai

### **Solicitor**

Crawford Bayley & Co., Mumbai

### **Bankers**

Bank of India  
Union Bank of India  
State Bank of India  
IDBI Bank Ltd.

### **Registered Office**

1A/8A, Industrial Area,  
Agra Bombay Road,  
Dewas (M.P.) 455 001  
Tel: 07272-258293 (5 lines)  
Fax: 07272-258717, 400363  
E-Mail - hslindr@sancharnet.in  
Visit us at: [www.hind-syntex.com](http://www.hind-syntex.com)

### **Mumbai Office**

1521, Maker Chamber V,  
221, Backbay Reclamation,  
Nariman Point, Mumbai-400 021,  
Tel: 022-22830306 & 22830878  
Fax: 022-22041738

### **Works**

1. Village BIRGOD  
Block Tonk Khurd,  
District Dewas (M.P.) 455 116
2. Plot No. 2, 3, 4 & 5 Sector A,  
Industrial Growth Centre,  
PILLUKHEDI,  
District Rajgarh (M.P.) 465 667

Shri Rajesh Pipraiya, General Manager (Works)

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that Twenty Ninth Annual General Meeting of the Members of HIND SYNTEX LIMITED will be held at the Registered Office of the Company, at 1A & 8A Industrial area, A. B. Road, Dewas (M.P.) 455 001, on Friday the 10th day of September, 2010 at 12.00 Noon to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To elect a Director in place of Shri Ravi Mohan, who retires by rotation, and being eligible, offers himself for reappointment.
3. To elect a Director in place of Shri Chandra Mohan, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and fix their remuneration. The retiring Auditors Messrs Bansi S Mehta & Co., Chartered Accountants, Mumbai, are eligible for reappointment.

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:  
To appoint Shri G S Chopra, as a Director of the Company, who was appointed as an additional Director and hold Office upto the date of this meeting under the provision of Section 260 of the Companies Act, 1956 but who is eligible for reappointment and in respect of whom the Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956. Signifying their intention to move the following Resolution as an Ordinary Resolution.

"RESOLVED that Shri G S Chopra, be and is hereby appointed as a Director of the Company".

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of section 198, 269, 302, 309 & 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to the approval of members at the next General Meeting and Central Government, Shri S L Moondhra be and is hereby reappointed as the Whole Time Director, designated as Senior Executive Director of the Company for a period of three years w.e.f. 1st March, 2010 on the terms and conditions as approved by the Remuneration Committee of the Board and mentioned in the draft of the agreement placed before the meeting duly initialed by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT Shri S L Moondhra, wholetime Director, designated as Senior Executive Director will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, if any from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorised to execute the agreement with the Shri S L Moondhra, Wholetime Director, Designated as Senior Executive Director subject to the approval of the Central Government and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to accept any modification in the terms and conditions as may approved by the Central Government while according its approval and acceptable to Shri S L Moondhra, the wholetime director designated as Senior Executive Director and to modify the same in accordance with the said approval of the Central Government and to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company."

Dewas  
Dated: June 29, 2010

By Order of the Board,

Registered Office:  
1A & 8A Industrial Area,  
Dewas - (M.P.) 455 001

S L Moondhra  
Senior Executive Director

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 30th day of August, 2010 to Friday, the 10th day of September 2010 (both days inclusive).
3. Members are requested to bring their copies of Annual Report to the Meeting.

### Reappointment of Directors:

At the ensuing Annual General Meeting Shri Ravi Mohan, and Shri Chandra Mohan retires by rotation and being eligible, offer themselves for reappointment. The information or details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchange are as under:

Shri Ravi Mohan, aged about 63 years, is a Promoter Director of the Company. He holds a Bachelors Degree in Mechanical Engineering from University of Jabalpur and Masters Degree in Industrial Engineering from Kansas State University, USA. He is a Director in Companies Viz: Hind Filters Limited (Chairman).

Mr Chandra Mohan, aged about 61 years is Director of the Company since 1990. He holds M.Com. degree from Jabalpur University. He is a businessman and a Director in the Companies Viz., Vishwa Securities & Finance Pvt Ltd., Hitkarini Prakashan Limited, Binani Infrastructure Pvt Ltd and Omo Properties Pvt Ltd.

## Notice of Annual General Meeting - *Continued*

### Annexure to the Notice

Explanatory Statement Pursuant to Section 173(2) of the Companies Act,1956

#### Item 5

Shri G S Chopra, was appointed as an Additional Director of the Company on 5/10/2009. Pursuant to provision of Section 260 of the Companies Act,1956. Shri G S Chopra hold Office upto the date of this Annual General Meeting. Notices under Section 257 of the Companies Act,1956 has been received by the Company from some of members proposing Shri G S Chopra as a candidate for the office of Director. None of the Directors of the Company is in any manner concerned or interested in the Resolution.

#### Item 6

The Board of Directors at its meeting held on 31st January 2010 considered it expedient to reappoint Shri S L Moondhra, as Wholtime Director, designated as Senior Executive Director, of the Company for a period of three years w.e.f. 1st March, 2010, subject to approval of Central Government/Shareholders as per remuneration including perquisites as under:

(a) **Salary:** Rs.1,15,000/- per month in the scale of Rs.1,15,000/- to 1,30,000/-with annual increment of Rs.7,500/- in the year 2011 and Rs.7,500/- in the year 2012 due on completing of tenure of services of one year.

(b) **Perquisites :** In addition to salary Mr S L Moondhra shall be entitled to the following perquisites:

#### CATEGORY-A:

i) **Housing :**

House Rent of Rs. 8,000/- per month will be payable.

ii) **Medical Reimbursement:**

Expenses incurred for the Senior Executive Director and his family subject to a ceiling of 15 days salary in a year or one and half months' salary over a period of three years.

iii) **Leave Travel concession**

For the Senior Executive Director and his family once in a year incurred in accordance with Rules of the Company.

iv) **Personal Accident Insurance:**

Personal Accident Insurance of an amount, the premium of which does not exceed Rs. 4,000/- per annum.

#### CATEGORY B:

i) **Provident Fund:**

Company's contribution to Provident Fund shall be as per the scheme of the Company.

ii) **Superannuation Fund:**

Company's contribution to Superannuation fund shall be in accordance with the scheme of the Company.

iii) **Gratuity:**

As per the rules of the Company, payable in accordance with the approval fund at the rate of half a month's salary for the each completed year of service.

iv) **Leave Encashment :**

Encashment of leave at the end of tenure shall be paid in accordance with rules of the Company.

#### CATEGORY C:

i) **Car:**

Provision of car for use on Company's business. Use of car for private purpose shall be billed by the Company.

ii) **Telephone:**

Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company.

4. If, at any time, the Senior Executive Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Senior Executive Director in terms of the said Agreement and such Agreement shall terminate forthwith.
5. The Senior Executive Director shall not during the continuance of his employment or any time thereafter, divulge or disclose to any person or make use whatsoever for his own or for any other purpose of any confidential information or knowledge obtained by him during his employment as to the business of affairs of the Company and the Senior Executive Director during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.
6. The Senior Executive Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission nor shall he so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company.
7. If the Senior Executive Director ceases to be a Senior Executive Director, he shall cease to be a Director of the Company.
8. If the Senior Executive Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
9. The Senior Executive Director is appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283 (1) (l) of the Act.
10. The appointment may be terminated by either party giving to the other party three months notice or the Company paying three months remuneration in lieu thereof.  
The reappointment and remuneration of Wholtime director are subject to the approval by Central Government and members in general meeting. Directors commend this resolution for acceptance by the members.  
The above may be treated as an abstract under Section 302 of the Companies Act, 1956, of the terms of the remuneration payable to Shri S L Moondhra.  
None of the Directors other than Shri S L Moondhra is in any manner concerned or interested in the resolution.

Dewas

Dated: June 29, 2010

By Order of the Board,

Registered Office:  
1A & 8A Industrial Area,  
Dewas - (M.P.) 455 001

S L Moondhra  
Senior Executive Director

## Directors' Report

To the Shareholders,

Your Directors present Twenty Ninth Annual Report together with the Audited Statements of Accounts for the year ended March 31, 2010.

### Operations

The total Income during the year was Rs.7242.79 lacs. The operating results are as under:

	(Rs. in lacs)	
	<u>2009-2010</u>	<u>2008-2009</u>
Surplus before Interest and Depreciation	275.38	(140.29)
Less: Interest	<u>652.53</u>	<u>573.35</u>
Profit / (Loss) before Depreciation	(377.15)	(713.64)
Less: Depreciation	<u>379.71</u>	<u>454.52</u>
Profit / (Loss) before Tax	(756.86)	(1168.16)
Less: Provision for Taxation		
Income Tax	-	-
Wealth Tax	-	-
Fringe Benefit Tax	<u>-</u>	<u>1.64</u>
	(756.86)	(1169.80)
Add : Deferred Tax	<u>22.00</u>	<u>244.49</u>
Net Profit / (Loss) after Tax	(734.86)	(925.31)
Add : Short provision for Income Tax for earlier years	<u>-</u>	<u>11.10</u>
	(734.86)	(936.41)

### Reference to BIFR

As informed earlier, Company made reference to BIFR for rehabilitation consequent to erosion of its entire net worth, the reference has not been registered by BIFR .

### Dividend

In the absence of profits, your Directors regret their inability to propose any dividend.

### Working of the Company

#### Birgod

As per the the Hon'ble Madhya Pradesh High Court order dated March 31, 2008, Company has made payment of retrenchment compensation and wages to workers of Birgod Unit, till the date of its closure i.e. March 15, 2004. 9936 spindles alongwith balancing machineries of Birgod unit have been shifted to Pillukhedi unit to consolidate the operation of the company. The surplus machineries alongwith land and building will be sold in consultation with lenders.

#### Pillukhedi

Presently the Company has 26,000 spindles in operation, the operation of spindleage will gradually increase to 41,000, making the unit viable. Accordingly, Company has submitted revised restructuring plan to lenders. The gross turnover was Rs 7355.11 lacs (previous year Rs.6219.27 lacs). During the year the Company made direct export of yarn Rs 1155.97 lacs (previous year Rs 545.05 lacs).

### Finance

As advised by lenders, the Company has submitted revised comprehensive restructuring scheme under CDR package for their approval.

### Public Deposit

Your Company has not accepted any public deposits and as such no amount of principal and interest was outstanding as on the date of Balance Sheet.

### Directors

Shri Ravi Mohan and Shri Chandra Mohan, retire by rotation at the ensuing Annual General Meeting, and are eligible for reappointment.

Bank of India has appointed Mr P D Upadhye in place of Shri Vikas Pande as nominee w.e.f. September 11, 2009. Shri G S Chopra was appointed as Additional Director by the Board with effect from October 05, 2009 in accordance with Article 118 of Articles of Association of the Company and Section 260 of the Act. Shri G S Chopra holds office upto the date of forthcoming Annual General Meeting. Notice under Section 257 of the Act has been received from a members signifying his intention to propose Shri G S Chopra's appointment as a Director.

## **Directors' Report - Continued**

The Board also reappointed Shri S L Moondhra as Whole time director, designated as Senior Executive Director with effect from March 01, 2010 for a period of three year. His reappointment and remuneration payable to him require the approval of the Central Government and Members at the ensuing Annual General Meeting.

### **Particulars of Employees**

There is no employee coming within the provisions as required under Section 217(2A) of the Companies Act,1956, read with the Companies (Particulars of Employees) Rules,1975.

### **Conservation of Energy**

In terms of Section 217 (1) (e) of the Companies Act, 1956 the Companies (disclosure of particulars in respect of Board of Directors), Rules 1988 additional information regarding Energy Conservation, Technology Absorption and R & D activities, are given in (Annexure A & B) forming part of this report.

### **Foreign Exchange Earnings and Outgo**

During the year, the Company was able to actualize export earnings of Rs.984.27 lacs on F.O.B. realisation basis. The total foreign exchange outgo, during the year amounted to Rs. 9.78 lacs for payment of commission on export sales. The particulars of foreign exchange earned / utilised during the year are given in Schedule 15 to the accounts.

### **Corporate Governance Report**

A separate report on Corporate Governance is furnished as a part of the Annual Report and the certificate from the Company's Auditors regarding compliance with the said Code annexed to the said Report.

### **Directors' Responsibility Statement**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement on the basis of the information made available to the Directors, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That 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 fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

### **Auditors**

Messers Bansi S. Mehta & Co., Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

On the basis of technical opinion, the Company continues to treat plant and machinery as continuous process plant, which is required and designed to operate 24 hours a day. Consequently depreciation has been charged at the rate pursuant to notification GSR No: 756E dated December 16, 1993 on straight line method, as continuous process plant. In respect of observations in the Auditor's report pertaining to depreciation charged on Plant & Machinery, the Company continues to treat on the basis of technical opinion all plant & machinery as continuous process plant, which is required and designed to operate 24 hours a day. The other observations in the Auditors' Report with regard to employees benefits, Impairment of Assets are dealt with in the notes to the accounts at appropriate place and are self explanatory. Your Directors wish to place on record their appreciation to the team of dedicated executives and employees, who have shown devotion to their duties.

We thank the various Departments of Central & State Governments, and Financial Institutions, viz. Assets Reconstruction Company (India) Limited (ARCIL), Bank of India, Union Bank of India, State Bank of India and IDBI Bank Ltd. for their continued support to your Company.

On behalf of the Board,

Dewas  
Dated: June 29, 2010

Ravi Mohan  
Director

S L Moondhra  
Senior Executive Director

## ANNEXURE FORM-A

Form for disclosure of particulars with respect to conservation of energy:

		<b>Current Year</b>		<b>Previous Year</b>
<b>A. Power and Fuel Consumption:</b>				
1. Electricity				
(a) Purchase Unit		2,25,92,714		1,99,85,160
Total Amount	Rs	8,68,81,054	Rs	7,89,48,915
Rate / Unit	Rs	3.85	Rs	3.95
(Including 3,71,207 Units generated through Wind Electric Generators and fed into MPMKVCL grid)				
(b) Own Generation				
i) Through Diesel Generators				
Units produced		--		--
Units / Litres		--		--
Cost / Unit	Rs	--	Rs	--
ii) Through Furnace Oil based Power Plants				
Units Produced		--		--
Units/Litres		--		--
Cost / Unit	Rs	--	Rs	--
2. Coal (Specify Quality and where used)				
Steam Coal used in boiler for Generation of Steam for Dye House				
Qty. (Tonnes)		--		--
Total Cost	Rs	--	Rs	--
Average Rate	Rs	--	Rs	--
3. Furnace Oil based Boiler				
Qty. (K. Litres)		--		--
Total Cost	Rs	--	Rs	--
Average Rate	Rs	--	Rs	--
4. Others / internal generation (please give details)				
Qty.		N.A.		N.A.
Total		N.A.		N.A.
Rate / Unit		N.A.		N.A.
<b>B. Consumption per unit of production :</b>				
	Standards (if any)	Current Year		Previous Year
Product (with details)	--	Synthetic Blended Yarn		Synthetic Blended Yarn
Unit	--	Kg		Kg
Electricity	--	3.65 (Units)		3.61 (Units)
Coal (Specify quality ) Steam Coal	--	-- (Kg)		-- (Kg)

On behalf of the Board,

Dewas  
Dated: June 29, 2010

Ravi Mohan  
Director

S L Moondhra  
Senior Executive Director

## ANNEXURE FORM-B

### Form for disclosure of particulars with respect to Absorption Research and Development (R&D)

1. Specific area in which R & D carried out by the Company : The Company manufactures standard product for which technology has established in past several years, therefore, no further research is being carried out.
2. Benefit derived as a result of the above R & D : -
3. Future Plan of action : -
4. Expenditure on R & D
  - (a) Capital : -
  - (b) Recurring : -
  - (c) Total : -
  - (d) Total R & D expenditure as a percentage of total turnover : -

### Technology Absorption, Adaptation and Innovation.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation. : (a) The Company has installed, Machinery to produce international quality Synthetic Blended Yarn. Chute Feed System from Blow Room Line to Cards have been installed, resulting in uniform silver and higher production. Autoconers, Two-for-One Twister Machines, Electronic yarn clearers and splicer units on winding Machines etc. have been installed, to manufacture uniform knotless yarn.  
(b) Two MBO are linked together in Blow Room and avoided toppling process.  
(c) Six Doffer Drivers are added in Carding for better quality yarn.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction product development, import substitution. : The Company has been able to manufacture international quality yarn by continuous improvement.  
  
The Company made direct exported of yarn Rs 1155.98 lacs (previous year Rs 545.05 lacs) earning valuable foreign exchange for the Country.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished. : No foreign technology has been imported by the Company during last 5 years or since inception.
  - (a) Technology imported : -
  - (b) Year of Import : -
  - (c) Has technology been fully absorbed : -
  - (d) If fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. : -

On behalf of the Board,

Dewas  
Dated: June 29, 2010

Ravi Mohan  
*Director*

S L Moondhra  
*Senior Executive Director*



## Management Discussion and analysis

### 1. Overall Review

During the last couple of years spinning units have been going through an extremely bad phase. Spinning industry is squeezed between galloping input costs and uneconomical prices of synthetic blended yarn.

Company has made payment of retrenchment compensation and wages to the permanent workers of Birgod unit, as per Hon'ble M. P. High Court. The shifting and commissioning of Machinery of Birgod Unit to Pillukhedi unit have taken place and production on finishing machinery has started. The management is confident that after implementation of proposed comprehensive restructuring scheme, with the financial support of lenders, the Company would be able to do well in future.

### 2. Review Operations

For the year 2009-2010, production was 6183 MT (previous year 5537 MT), Gross Turnover was Rs.7355.11 lacs (previous year Rs.6219.27 lacs). During the year company made direct export of yarn Rs 1155.97 lacs (previous year Rs.545.05 lacs).

### 3. Industry structure and development

The Textile industries is worstly hit by global recession and slump in demand for textile products. Government of India provided Special budget incentives for revival of textile industry which is the highest exchange earner and second highest employer. The funds were allocated for TUFs and SITP for development and to solve problem faced by the exporters.

Again, instead of reducing taxes on man - made fibres to enhance the competitiveness of Indian industry, the Budget has hiked excise on such fibres and products manufactured there from 8 to 10 per cent. This is proving counter productive.

### 4. Opportunity & Threats

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

### 5. Risk & Concern

Currently the company perceives the following main business risks :

- i) Volatility in prices of raw materials and increase in other input costs.
- ii) Continuous increase in labour and power cost.
- iii) Threats from import of cheaper fabric from neighboring countries and consequent pressure on domestic prices.

### 6. Outlook

The outlook for textile industry in India is very optimistic. It is expected that Indian textile industry would continue to grow at an impressive rate. India can also grab opportunities in the export market.

### 7. Internal Control System & their adequacy

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded, and protected against loss from unauthorised use or disposition, and that transactions are authorized, recorded and reported correctly.

### 8. Company's Financial Performance & Analysis :

(Rs. in lacs)

	<u>2009-2010</u>	<u>2008-2009</u>
Surplus before Interest and Depreciation	275.38	(140.29)
Less: Interest	<u>652.53</u>	<u>573.35</u>
Profit / (Loss) before Depreciation	(377.15)	(713.64)
Less: Depreciation	<u>379.71</u>	<u>454.52</u>
Profit / (Loss) before Tax	(756.86)	(1168.16)
Less: Provision for Taxation		
Income Tax	-	-
Wealth Tax	-	-
Fringe Benefit Tax	<u>-</u>	<u>1.64</u>
	(756.86)	(1169.80)
Add : Deferred Tax	<u>22.00</u>	<u>244.49</u>
Net Profit / (Loss) after Tax	(734.86)	(925.31)
Add : Short provision for Income Tax for earlier years	<u>-</u>	<u>11.10</u>
	<u>(734.86)</u>	<u>(936.41)</u>

### 9. Human Resources Development/Industrial Relations

The company is committed to create a healthy workplace for everybody in the organization. The company lays significant emphasis in training its employees to achieve the desired goal.

## Corporate Governance Report

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

Company's philosophy on corporate governance envisages transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders.

### 2. Board of Directors

The Board of Directors consists of 7 directors.

The composition of the Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of directorships in other public companies and committee across various public companies of which the Director is a Member / Chairman are given below:

Name of the Director	Category	Financial Year 2009-10 Attendance at		No of Outside Directorships	Committee Positions*	
		Board Meeting	Last AGM		Member	Chairman
Shri Manohar Keshav	Independent Director	2	No	None	3	1
Shri Ravi Mohan	Promoter & Director	4	Yes	1	None	None
Shri Chandra Mohan	Independent Director	1	No	1	2	None
Shri Manoj Maheshwari	Non-Independent Director	None	No	6	8	None
Shri S L Moondhra	Senior Executive Director	4	Yes	1	None	1
Shri P D Upadhye** (Nominee Director Bank of India)	Independent Director	2	No	None	3	None
Shri G S Chopra*** Additional Director	Independent Director	2	No	2	3	None
Shri Vikas Pande (Nominee Director, Bank of India)	Independent Director	2	No	None	2	None

\* Includes Audit Committee and Shareholders' / Investors' Grievance Committee / Remuneration Committee in all Companies including Hind Syntex Limited.

\*\* Shri P D Upadhye was appointed as Nominee Director of Bank of India on 11th September, 2009 in place of Shri Vikas Pande.

\*\*\* Shri G S Chopra, was appointed as additional Director w.e.f. 5th October, 2009.

#### Number of Board Meetings held and the dates on which held

Four Board Meetings were held during the year, on 22nd June, 2009, 29th July, 2009, 26th October, 2009 and 29th January, 2010.

### 3. Audit Committee

The Board of Company has constituted an audit committee comprising, 4 Non Executive Director viz: Shri Manohar Keshav(Chairman), Shri Chandra Mohan, Shri G S Chopra and Shri P D Upadhye. The constitution of audit committee also meets requirements u/s 292(A) of the Companies Act, 1956.

The terms of reference stipulated by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement. The scope of the committee includes:

- 1] Discussion with the auditors periodically about internal control systems.
- 2] Review of the quarterly results and Annual financial statements before submission to the Board and to ensure compliance of internal control systems.
- 3] Review the accounting practices, financial statements and reports of the Auditors.

During the year the Committee held four meetings on 22nd June, 2009, 29th July, 2009, 26th October, 2009 and 29th January, 2010. The attendance of the members at these Meetings are as under:

Name of Member	Meetings held	Number of Meetings attended
Shri Manohar Keshav	4	2
Shri Chandra Mohan	4	1
Shri Vikas Pande (till 10.09.09)	4	2
Shri P D Upadhye(from 11.09.09)	4	2
Shri G S Chopra	4	2

## Corporate Governance Report - *Continued*

### 4. Remuneration Committee

The Board of Directors of the Company has constituted Remuneration Committee, comprising Shri Manohar Keshav, Shri Manoj Maheshwari, Shri G S Chopra and Shri P D Upadhye. The Remuneration committee has been constituted to recommend remuneration package for Whole time director.

During the year the Committee held one meeting on 29th January, 2010. The attendance of members are as under:

Name of Member	Meetings held	Number of Meetings attended
Shri Manohar Keshav	1	1
Shri Manoj Maheshwari	1	0
Shri P D Upadhye	1	1
Shri G S Chopra	1	1

### 5. Shareholders' / Investors' Grievance Committee

The Board of the company has constituted a shareholders' / Investors' Grievance Committee comprising of Shri Manohar Keshav, Shri Chandra Mohan, Shri Manoj Maheshwari, Shri P D Upadhye and Shri G S Chopra\*. The committee looks into redressal of shareholders' complaints like transfer of shares, non receipt of balance sheets, non receipt of declared dividends, etc.

During the year the Committee held one meeting on 22nd June, 2009. The attendance of Members are as under:

Name	Category	Number of Meetings During the year 2009 - 10	
		Held	Attended
Shri Chandra Mohan	Independent	1	1
Shri Manohar Keshav	Independent	1	-
Shri Manoj Maheshwari	Non Independent	1	-
Shri Vikas Pande-Special Invitee	Independent	1	1

\*Shri P D Upadhye (Nominee Director - Bank of India) and Shri G S Chopra (Additional Director) has become member of committee from 11th September, 2009 and 5th October, 2009 respectively.

Complaints / queries were received during the year under review were disposed off. There were no pending complaints / transfers as on 31st March, 2010.

### 6. General Body Meetings

Location and time for last three Annual General Meeting were:

Year	AGM	Location	Date	Time
2006 - 2007	AGM	Hind Syntex Ltd 1A/8A Industrial Area, A B Road, Dewas - 455 001 (MP)	29th Sept' 07	12.00 Noon
2007 - 2008	AGM	Same as above	2nd Sept' 08	12.00 Noon
2008 - 2009	AGM	Same as above	10th Sept' 09	12.00 Noon

All special resolutions moved at the last Annual General Meeting were passed, by show of hands unanimously by all members present at the meeting. No postal ballots were used / invited for voting at these meetings.

### 7. Disclosure

- (A) a. Disclosure on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc that may have potential conflict with the interest of the company at large.  
None of the transactions with any of the related parties have potential conflict with the interest of the Company.
- b. Details of non compliance by the Company, penalties, and strictures imposed on the Company by stock exchanges or SEBI, or any statutory authority, on any matter related to capital markets during the last three years.  
None.
- c. None of the Non Executive Directors are holding shares in the Company except Shri Ravi Mohan who holds 233,400 Shares (2.15%) and Shri Chandra Mohan 113,602 shares (1.04 %).

## Corporate Governance Report - *Continued*

- (B) Regarding qualification of auditors pertaining to gratuity liability of employees as per AS-15 (revised) though valuation has not been done by an actuary, but as per calculation made by the Company, funds available with LIC under Employees Group Gratuity Scheme are adequate to meet gratuity liability. The Company has determined the liability for the leave at the credit of its employees on the basis of their current salaries and made a provision for such a liability (without an actuarial valuation).

### 8. Means of Communication

Quarterly results	Are published in Free Press Journal & Dainik Swadesh
Any website, where displayed, whether it also displays Official news releases, and the presentation to institutions investors or to the analysts	www.hind-syntex.com Yes
Whether MD&A is a part of Annual Report or not	Yes

### 9. General Share holders information

- 9.1 Annual General Meeting :  
Date and time : 10th September, 2010, at 12.00 Noon  
Venue : 1A/8A Industrial Area,  
A B Road, Dewas - 455 001 (MP)
- 9.2 Financial Calendar : Annual General Meeting 10th September, 2010  
Results for quarter ending 30th June, 2010 by 15th August, 2010  
Results for quarter ending 30th Sept, 2010 by 15th November, 2010  
Results for quarter ending 31st Dec, 2010 by 15th February, 2011  
Results for quarter ending 31st Mar, 2011 by 15th May, 2011
- 9.3 Book closure date : 30th August, 2010 to 10th September, 2010
- 9.4 Dividend payment date : The Directors have not recommended any dividend on equity shares for the financial year 2009 - 2010.
- 9.5 Listing of equity shares on Stock Exchange at : The Bombay Stock Exchange Ltd., Mumbai  
National Stock Exchange of India Ltd., Mumbai  
Listing fee as prescribed has been paid to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited up to 31st March, 2010.
- 9.6 a. Stock Code : 503881  
b. Demat ISIN No. in NSDL & CDSL for equity Shares : INE 155BO1012
- 9.7 Stock market data: The market price data at National Stock Exchange (NSE) where shares were actively traded as under:  
(In Rs.)

Months	Month's High Price	Month's Low Price
April'09	2.00	1.75
May'09	2.50	1.80
June'09	3.65	2.65
July'09	3.30	2.75
August'09	3.45	2.70
September'09	3.75	3.00
October'09	3.75	3.15
November'09	3.45	2.70
December'09	5.55	2.95
January'10	4.90	4.15
February'10	4.75	3.25
March'10	3.60	3.10

- 9.8 Registrar and Transfer Agents:  
Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound  
L B S Marg, Bhandup (W), Mumbai - 400 078, E-mail: mumbai@linkintime.co.in
- 9.9 Share transfer system:  
The Board has constituted a share transfer committee for physical transfer of shares. Shares lodged for transfer are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects.

## Corporate Governance Report - *Continued*

### 9.10 Distribution of Shareholding as on 31st March 2010

Number of Shares	No. of Shareholders	% of Shareholders	No. of Share held	Voting Strength (%)
Upto 500	4005	66.67	984567	9.05
501 - 1000	884	14.72	783238	7.20
1001 - 2000	552	9.19	933942	8.59
2001 - 3000	192	3.19	490231	4.50
3001 - 4000	103	1.72	384367	3.53
4001 - 5000	71	1.18	339145	3.12
5001 - 10000	118	1.96	891806	8.20
10001 and above	82	1.37	6071304	55.81
	6007	100.00	10878600	100.00

#### Shareholding pattern:

Category	As on 31st March 2010	
	No of Shares	%
Promoters / Persons acting in concert	3863055	35.51
UTI & Mutual Funds	1771	0.02
Financial Institutions / Banks /Insurance Companies	11200	0.10
Private Corporate Bodies	1286571	11.83
Resident Individuals	5503956	50.59
NRI's / OCB's	212047	1.95
Total	10878600	100.00

#### 9.11 Dematerialisation of shares

Over 90.42 % of the outstanding shares have been dematerialised upto 31st March, 2010. Trading in equity shares of the Company is permitted only in dematerialised form w.e.f. 28th August, 2000, as per Notification issued by Securities and Exchange Board of India (SEBI).

#### 9.12 Outstanding GDR / Warrants and convertible Bonds, conversion date and likely impact on equity : None

#### 9.13 Plant Location

- (a) Village: BIRGOD, Block Tonk khurd, District Dewas (MP) 455 116
- (b) Plot No: 2, 3, 4 & 5 Sector A, Industrial Growth Centre, PILLUKHEDI, District Rajgarh (MP) 465 667

#### 9.14 Investors correspondence

Registrar & Transfer Agent:

Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai 400078, E-mail:mumbai@linkintime.co.in

Registered Office of the Company:

Hind Syntex Limited, 1A/8A Industrial Area, A B Road, Dewas 455 001 (MP)  
Tel No: 258293(5 lines) Fax No: 07272 400363/258717, E-mail:hsindr@sancharnet.in

## 10. Code of Conduct

Your Company has always encouraged and supported compliance to ethical business practices in personal and corporate by its employees. Your Company in order to further strengthen corporate practices has framed a specific code of conduct, for the members of the Board of Directors and Senior Management personnel of the Company.

## Corporate Governance Report - *Continued*

### CEO/CFO CERTIFICATION

As required under sub-clause V of clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial ended March 31, 2010 the Company has complied with the requirements of the said sub-clause.

For Hind Syntex Limited

Place : Dewas  
Date : 29th June, 2010

S L Moondhra  
*Senior Executive Director*

### **Auditors' Certificate on compliance with the condition of Corporate Governance under Clause 49 of the Listing Agreement.**

To the members of Hind Syntex Limited

We have examined the compliance of conditions of corporate governance by Hind Syntex Limited, for the year ended on March 31, 2010, as stipulated in clause 49 of the Listing Agreement 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 procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state the no investor grievance are pending for a period exceeding one month against the company as per the records maintained by the Shareholders'/Investors' Grievance 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 Bansi S Mehta & Co.  
*Chartered Accountants*

Place : Mumbai  
Dated : June 30, 2010

Amit A Desai  
*Partner*  
Membership No: 48512

## **Auditors' Report to the Members of HIND SYNTEX LIMITED**

1. We have audited the attached Balance Sheet of HIND SYNTEX LIMITED as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the basis of such checks, we considered appropriate and the information and explanations given to us, on the matters specified in paragraphs 4 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books;
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) **Refer to Note No. 5 of Schedule 15 to Accounts relating to the charge to the Profit & Loss Account of Rs. 37,90,824 in respect of Gratuity and of Rs. 2,13,144 in respect of Compensated Absences. In the absence of detailed information from an independent actuary, inter alia, as to the present value of obligation and employee benefits cost to be recognised respectively in the Balance Sheet and Profit & Loss Account, we are unable to ascertain the adjustment and the charges which should have been made to the Profit & Loss Account, respectively, in respect of Gratuity and Compensated Absences, as contemplated by the Accounting Standard-15 ("AS-15") on "Employees Benefits" [AS-15 (Revised)] and accordingly, we are unable to comment on the effect thereof on the Loss for the year and the consequential effect on Debit balance in the Profit & Loss Account, and Current Liabilities and Provisions carried forward at the year end.**

**Further, in view of the absence of the information as aforesaid, the Company has not made disclosures of reconciliation of obligation, fair value of plan assets, actuarial assumptions, etc. as required by AS-15 (Revised).**

**Further, as stated in Note 10 of Schedule 15 to the Accounts, on the basis of the working prepared by the Company to ascertain the impairment in terms of Accounting Standard-28, "Impairment of Assets", no impairment loss has been recognised. However, in view of the uncertainty involved with the internal restructuring (refer note 3 of schedule 15), and since the future cash flow prepared to determine the value in use are on basis of such restructuring, we are unable to comment whether there is an impairment of assets.**

Subject to our observation as mentioned in above paragraph (d) above, in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

- (e) On the basis of written representations received from the Directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of Companies Act, 1956;

## Auditors' Report - *Continued*

- (f) Based on a technical opinion, the Company has provided depreciation on all plant and machinery (including Power Plant) as continuous process plants at the rate pursuant to notification in GSR No.756E dated 16.12.1993 on straight line method.

On the basis of the Guidance Note issued by the Institute of Chartered Accountants of India on "Some Important Issues Arising From The Amendments To Schedule XIV to the Companies Act, 1956", in our opinion, depreciation should have been provided at the rate other than that provided for continuous process plant Schedule XIV of the Companies Act, 1956.

**Had depreciation been provided at the rate other than that provided for continuous process plant, depreciation for the year would have been Rs. 1,24,11,495 (instead of Rs. 3,79,70,737), Loss for the year (Net of Deferred Tax Assets of Rs. 86,87,586 for such depreciation) would have been Rs. 5,66,14,209 (instead of Rs. 7,34,85,865) and at the year end, Net Block of Fixed Assets would have been Rs. 17,27,76,780 (instead of Rs. 38,26,46,820, including Assets held for disposal Rs.7,45,82,998), Debit Balance in the Profit and Loss Account, after adjusting balances in Reserves and Surplus (except to the extent of Rs. 89,17,860 on account of Capital Reserves), (Net of Deferred Tax Liability of Rs. 7,13,34,827 for such depreciation) would have been Rs. 41,17,24,957 [instead of Debit Balance in the Profit and Loss Account, after adjusting balances in Reserves and Surplus (except to the extent of Rs. 89,17,860 on account of Capital Reserves), of Rs. 27,31,89,744] and there would have been Deferred Tax Asset (Net) of Rs. Nil (instead of Deferred Tax Liability (Net) of Rs. Nil).**

- (g) We would like to draw attention to Note 3(c) of Schedule 15 to the Accounts relating to non availability of loan statement and balance confirmation of loans outstanding from some of the lender banks/institutions as on March 31, 2010, due to which the interest charged to Profit & Loss Account is determined on the basis of the interest rate specified in the Corporate Debt Restructuring Scheme and therefore, the outstanding loan and interest balance has been taken as per the records of the Company;
- (h) We would like to further draw attention Note 11 of Schedule 15 to the Accounts relating to non provisioning of management fees amounting to Rs. 22,00,000 payable to Bank of India for disbursement of loan taken by the Company for paying labour dues as the same is payable out of the sale proceeds of balance assets of the Company at Birgod unit remaining after reallocation of assets from Birgod unit to Pillukhedi Unit.
- (i) Subject to our observations as mentioned in paragraph (d) and (f) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes thereon and significant Accounting Policies stated in Schedule XIV give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
  - (ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date;
  - (iii) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For Bansi S Mehta & Co.  
*Chartered Accountants*

Place : Mumbai  
Dated : June 30, 2010

Amit A Desai  
*Partner*  
Membership No: 48512



**Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of HIND SYNTEX LIMITED on the accounts for the year ended March 31, 2010.**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- (i) (a) The Company is generally maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a phased programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern, subject to Note 4 of Schedule 15 to the Accounts relating to assets transferred to Pillukhedi Unit from Birgod Unit.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, 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.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) As per the information furnished, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, Clause (iii) (b) of the Order relating to the rate of interest and terms and conditions being prima facie prejudicial to the Company, Clause (iii) (c) relating to regularity of receipt of principal amount and interest and Clause (iii) (d) relating to steps taken for recovery of overdue principal and interest of more than rupees one lac, are not applicable.
- (e) During the year, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (f) As the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in Register maintained under Section 301 of the Act, Clause (iii) (f) of the Order relating to rate of interest and terms and conditions being prima facie prejudicial to the interest of Company, Clause (iii) (g) relating to regularity in repayment of principal amount and interest, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. As informed to us, the Company is not engaged in the sale of any services. During the course of our audit, no major weakness has been noticed in these internal control systems.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, wherever applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Hence, the question of complying with the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA or any relevant provision of the Act, and the rules framed there under, does not arise. Accordingly clause 4(vi) of the order is not applicable.
- (vii) **In lieu of Corporate Debt Restructuring, Asset Reconstruction Company India Limited (ARCIL) has appointed an independent firm of Chartered Accountants as Concurrent Auditor to conduct concurrent audit of the Company on monthly basis, in view of which, the Board of Directors had decided to discontinue separate internal audit of the Company.**
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956, in respect of the manufacturing activities of the Company to which the said rules are applicable and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise-duty, Cess and other material Statutory dues, applicable to it and there were no arrears of such statutory dues as on March 31, 2010 for a period of more than six months from the date they became payable except the following statutory due:

## Auditors' Report - Continued

Name of the statute	Nature of the dues	Amount in Rupees	Period to which the amount relate	Due Date	Date of payment
Income Tax Act, 1961	Income Tax Assessment dues	2,83,670	1989 - 90	September 26, 2008	-

- (b) According to the information and explanations given to us, given herein below are the details of dues of sales tax, income tax, wealth tax, service tax, customs duty, excise duty, cess which have not been deposited on account of disputes and the forum where the dispute is pending:

Sr. No.	Name of the statute	Nature of The dues	Amount in Rupees	Period to which the amount relate	Forum where dispute is pending
1.	Entry Tax Act, 1976	Entry Tax Assessment dues	4,10,968	1997-98	Tribunal, Bhopal
2.	M.P. Commercial Tax Act, 1994	Commercial Tax Assessment dues	2,90,738	2003-04	Tribunal, Bhopal
3.	Central Sales Tax Act, 1956	Central Sales Tax Assessment dues	4,17,790	2003-04	Tribunal, Bhopal

- (x) In our opinion, the accumulated losses of the Company as at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the year under audit and the immediately preceding financial year.
- (xi) In view of the sanction of CDR package and related extension of the due dates, the Company has defaulted in following repayment of dues to Banks or Institutions:

### I. Principle

Amount in Rupees

Period	Total Amount due	Amount paid on or before due date	Default amount	Amount of Default made good	Year in which default made good	Amount of default as on March 31, 2010
2006-07	5,19,40,846	1,69,37,863	3,50,02,983	97,27,401	2007-08	2,52,75,582
2007-08	6,65,26,092	2,52,92,744	4,12,33,348	29,08,204	2008-09	3,83,25,144
2008-09	7,51,11,312	28,00,000	7,23,11,312	-	-	7,23,11,312
2009-10	7,51,11,312	-	7,51,11,312	-	-	7,51,11,312
<b>Total</b>	<b>26,86,89,562</b>	<b>4,50,30,607</b>	<b>22,36,58,955</b>	<b>1,26,35,605</b>	<b>-</b>	<b>21,10,23,350</b>

### II. Interest

Amount in Rupees

Period	Total Amount due	Amount paid on or before due date	Default amount	Amount of Default made good	Year in which default made good	Amount of default as on March 31, 2010
2006-07	3,80,10,844	1,75,48,156	2,04,62,688	-	-	2,04,62,688
2007-08	5,66,94,298	2,64,29,413	3,02,64,885	10,97,696	2008-09	2,91,67,189
2008-09	5,74,94,893	90,42,313	4,84,52,580	-	-	4,84,52,580
2009-10	6,17,02,017	25,76,644	5,91,25,373	-	-	5,91,25,373
<b>Total</b>	<b>21,39,02,052</b>	<b>5,55,96,526</b>	<b>15,83,05,526</b>	<b>10,97,696</b>	<b>-</b>	<b>15,72,07,830</b>

## **Auditors' Report - *Continued***

- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) As the Company is not a chit fund, Nidhi, mutual benefit fund or society the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us, in our opinion the Company is not dealing or trading in shares, securities, debentures and other investments and hence, the requirements of Clause 4(xiv) of the Order are not applicable to the Company.
- (xv) As the Company has not given any guarantee for loans taken by others from banks or financial institutions, clause 4(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion, the term loans availed by the Company were prima facie, applied for the purpose for which the loans were obtained.
- (xvii) **According to the information and explanations given to us and on examination of the financial statements of the Company, we report that, the Company has utilized short-term funds for long-term purpose amounting to Rs. 378.27 lacs. The utilization of short term funds towards long terms funds is due to recovery of interest on term loan by the bank.**
- (xviii) According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the year, Clause 4 (xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us, as the Company has not issued any debentures and hence, the question of creating security or charges in respect thereof does not arise, Clause 4 (xix) of the Order is not applicable.
- (xx) As the Company has not raised any money by public issues during the year, Clause 4 (xx) of the Order is not applicable.
- (xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Bansil S Mehta & Co.  
*Chartered Accountants*

Place : Mumbai  
Dated : June 30, 2010

Amit A Desai  
*Partner*  
Membership No: 48512

**Hind Syntex Limited**  
**Balance Sheet as at March 31, 2010**

	Schedule	As At March 31, 2010 Rupees	As At March 31, 2009 Rupees
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	1	10,88,72,250	10,88,72,250
Reserves and Surplus	2	89,17,860	89,17,860
<b>LOAN FUNDS:</b>			
Secured Loans	3	73,59,01,046	66,40,08,730
Unsecured Loans	4	1,29,71,548	1,20,29,633
Deferred Tax Liability ( Net)		-	22,00,268
<b>TOTAL</b>		<u>86,66,62,704</u>	<u>79,60,28,741</u>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS:</b>			
Gross Block	5	1,19,83,30,620	1,20,01,39,238
Less: Depreciation		<u>81,56,83,800</u>	<u>78,05,75,196</u>
Net Block		38,26,46,820	41,95,64,042
<b>CURRENT ASSETS, LOANS AND ADVANCES:</b>			
Inventories		9,63,11,890	10,06,42,939
Sundry Debtors		3,97,44,742	2,03,61,714
Cash and Bank Balances		2,26,45,779	1,28,74,943
Loans and Advances		<u>9,46,71,326</u>	<u>8,96,89,858</u>
		25,33,73,737	22,35,69,454
Less: Current Liabilities and Provisions	7	<u>5,14,65,457</u>	<u>5,57,26,494</u>
<b>NET CURRENT ASSETS</b>		20,19,08,280	16,78,42,960
<b>Profit and Loss Account</b>		56,86,26,298	
Less: Credit Balance in General Reserve		<u>(28,65,18,694)</u>	<u>20,86,21,739</u>
<b>TOTAL</b>		<u>86,66,62,704</u>	<u>79,60,28,741</u>
Statement of Significant Accounting policies	14		
Notes on Accounts	15		

As per our report of even date :  
for BANSI S. MEHTA & CO.  
Chartered Accountants  
AMIT A. DESAI  
Partner  
Membership No.: 48512

Place : Mumbai  
Dated : June 30, 2010

For and on behalf of the board

Ravi Mohan            *Director*  
S L Moondhra        *Senior Executive Director*  
G S Chopra           *Additional Director*  
P D Upadhye         *Nominee Director*  
   *(Bank of India)*

Place : Dewas  
Dated : June 29, 2010

## Hind Syntex Limited

### Profit and Loss Account for the year ended March 31, 2010

	Schedule	For the year ended March 31, 2010 Rupees	For the year ended March 31, 2009 Rupees
<b>INCOME:</b>			
Gross Turnover		73,55,11,124	62,19,26,619
Less: Excise Duty recovered on sales		<u>63,872</u>	<u>2,81,606</u>
<b>Net Turnover</b>		73,54,47,252	62,16,45,013
Other Income	8	73,63,227	27,41,524
Increase(Decrease) in Stock	9	<u>(1,85,28,764)</u>	<u>(3,18,50,018)</u>
		72,42,81,715	59,25,36,519
<b>EXPENDITURE:</b>			
Raw Materials Consumed	10	48,30,38,929	42,04,46,975
Manufacturing and Other Expenses	11	19,83,15,671	17,49,94,537
Interest	12	6,52,53,559	5,73,34,904
Selling and Distribution Expenses	13	1,53,88,952	1,11,23,704
Depreciation		<u>3,79,70,737</u>	<u>4,54,52,188</u>
		79,99,67,848	70,93,52,308
Profit / (Loss) before Taxation		(7,56,86,133)	(11,68,15,789)
Less :- Income Tax		-	-
Wealth Tax		-	-
Fringe Benefit Tax		-	1,63,863
Add :- Deferred Tax		<u>22,00,268</u>	<u>2,44,49,371</u>
Profit / (Loss) after taxation		<u>(7,34,85,865)</u>	<u>(9,25,30,281)</u>
Add/Less: Excess/Short provision for Income Tax of earlier year		-	11,10,830
		(7,34,85,865)	(9,36,41,111)
Add: Balance of Profit/(Loss) brought forward from previous years		<u>(49,51,40,433)</u>	<u>(40,14,99,322)</u>
Balance Carried to Balance Sheet		<u>(56,86,26,298)</u>	<u>(49,51,40,433)</u>
Basic and Diluted Earnings per Equity Share( Note 15(8) )		(6.76)	(8.61)
Statement of Significant Accounting Policies	14		
Notes on Accounts	15		

As per our report of even date :  
for BANSI S. MEHTA & CO.  
*Chartered Accountants*  
AMIT A. DESAI  
*Partner*  
Membership No.: 48512

Place : Mumbai  
Dated : June 30, 2010

For and on behalf of the board

Ravi Mohan *Director*  
S L Moondhra *Senior Executive Director*  
G S Chopra *Additional Director*  
P D Upadhye *Nominee Director*  
*(Bank of India)*

Place : Dewas  
Dated : June 29, 2010

## Schedules forming part of the Balance Sheet as at March 31, 2010

	Rupees	As At March 31, 2010 Rupees	As At March 31, 2009 Rupees
<b>SCHEDULE 1 :</b>			
<b>SHARE CAPITAL:</b>			
AUTHORISED:			
1,60,00,000 Equity Shares of Rs. 10 each (Previous year 1,60,00,000 Equity Shares of Rs. 10 each)		<u>16,00,00,000</u>	<u>16,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP:			
10878600 Equity Share (Previous year 10878600) of Rs.10 each fully paid (Out of the above shares 8158950 Equity Shares of Rs.10 each have been allotted as fully paid up Bonus Shares by Capitalisation of General Reserves)		10,87,86,000	10,87,86,000
Add: Shares Forfeited		<u>86,250</u>	<u>86,250</u>
		<u>10,88,72,250</u>	<u>10,88,72,250</u>
<b>SCHEDULE 2 :</b>			
<b>RESERVES AND SURPLUS:</b>			
<b>(1) CAPITAL RESERVE:</b>			
Central Investment Subsidy		15,00,000	15,00,000
State Investment Subsidy		25,00,000	25,00,000
Diesel Generator Set Subsidy		<u>4,46,371</u>	<u>4,46,371</u>
		44,46,371	44,46,371
<b>(2) POWER SUBSIDY RESERVE:</b>			
		44,71,489	44,71,489
<b>(3) GENERAL RESERVE:</b>			
As per Last Balance Sheet	28,65,18,694		28,65,18,694
Less: Debit Balance in Profit and Loss Account to the extent of General Reserve	<u>(28,65,18,694)</u>		<u>(28,65,18,694)</u>
		<u>-</u>	<u>-</u>
		<u>89,17,860</u>	<u>89,17,860</u>

## Schedules forming part of the Balance Sheet as at March 31, 2010

	As At March 31,2010 Rupees	As At March 31,2009 Rupees
<b>SCHEDULE 3 :</b>		
<b>SECURED LOANS :</b>		
<b>A. TERM LOANS FROM :</b>		
I (1) Asset Reconstruction Company (India) Ltd.	20,50,13,132	20,50,13,132
(2) Bank of India (Secured by first Equitable Mortgage of all the immovable properties, both present and future, ranking pari passu and first charge by way of hypothecation of all movable assets (except stock of inventories and book debts),subject to prior charge in favour of the Company's Bankers for securing working capital requirements).	<u>2,79,00,000</u> 23,29,13,132	<u>2,79,00,000</u> 23,29,13,132
II (1) Union Bank of India	2,92,42,926	2,92,42,926
(2) Bank of India (Secured by specific charge on Assets).	<u>1,25,60,797</u> 4,18,03,723	<u>1,25,60,797</u> 4,18,03,723
III Bank of India ( For Labour Dues) (Secured by sale proceeds of balance assets / properties of the company at Birgod unit remaining after reallocation of assets from Birgod unit to Pillukhedi unit)	2,20,00,000	2,20,00,000
<b>B. WORKING CAPITAL TERM LOANS :</b>		
(1) Bank of India	2,20,87,500	2,20,87,500
(2) IDBI Bank Ltd.	2,06,25,000	2,06,25,000
(3) Union Bank of India	1,53,18,750	1,53,18,750
(4) State Bank of India (Secured / to be secured by first charge on fixed assets of the Company and second charge over current assets of the Company both present and future).	1,02,06,859 <u>6,82,38,109</u>	1,02,06,859 <u>6,82,38,109</u>
<b>C. FUNDED INTEREST TERM LOANS (FITL) :</b>		
(1) Asset Reconstruction Company (India) Ltd.	4,77,42,692	4,77,42,692
(2) IDBI Bank Ltd.	62,18,232	62,18,232
(3) Union Bank of India	1,36,20,809	1,36,20,809
(4) State Bank of India	31,77,379	31,77,379
(5) Bank of India (Secured / to be secured by first charge on fixed assets of the Company and second charge over current assets of the Company both present and future).	1,65,12,203 <u>8,72,71,315</u>	1,65,12,203 <u>8,72,71,315</u>
<b>D. WORKING CAPITAL LOANS FROM BANKS :</b>		
Rupee Loan with Banks (Secured by hypothecation of Stores and Spare parts, Raw Materials, Work-in-progress, Finished goods and Book debts and second charge on Fixed Assets).	12,64,66,937	11,58,22,304
<b>E. INTEREST ACCRUED AND DUE :</b>		
	<u>15,72,07,830</u>	<u>9,59,60,147</u>
	<u>73,59,01,046</u>	<u>66,40,08,730</u>
<b>SCHEDULE 4 :</b>		
<b>UNSECURED LOANS :</b>		
Hind Filters Limited (Refer Note 15(2a))	<u>1,29,71,548</u>	<u>1,20,29,633</u>
	<u>1,29,71,548</u>	<u>1,20,29,633</u>

## Schedules forming part of the Balance Sheet as at March 31, 2010

### SCHEDULE 5 :

#### FIXED ASSETS:

(Amount in Rs.)

	GROSS BLOCK			As at March 31, 2010	DEPRECIATION			NET BLOCK		
	As at April 1, 2009	Additions during the year	Deductions and/or transfers		Upto April 1, 2009	On Deductions	For the year	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
<b>(A) Owned Assets</b>										
Leasehold Land	41,58,446	-	-	41,58,446	-	-	-	41,58,446	41,58,446	
Buildings	13,43,12,657	43,37,013	43,37,013	13,43,12,657	5,44,51,026	1,984	41,32,311	5,85,81,353	7,57,31,304	7,98,61,631
Tube Wells	1,90,526	-	-	1,90,526	56,121	-	3,105	59,226	1,31,300	1,34,405
Plant and Machinery	73,59,06,201	-	83,121	73,58,23,080	48,78,01,517	53,037	3,22,82,857	52,00,31,337	21,57,91,743	24,81,04,684
Electrical Installations	2,60,30,998	-	-	2,60,30,998	1,67,62,821	-	12,36,471	1,79,99,292	80,31,706	92,68,177
Wind Electric Generators	2,20,00,000	-	-	2,20,00,000	2,09,00,000	-	-	2,09,00,000	11,00,000	11,00,000
Furniture and Fixtures	40,40,992	-	741	40,40,251	37,37,063	704	77,507	38,13,866	2,26,385	3,03,929
Office Equipments	30,00,653	-	-	30,00,653	20,95,337	-	1,11,097	22,06,434	7,94,219	9,05,316
Computers	1,01,99,610	-	-	1,01,99,610	96,49,486	-	14,411	96,63,897	5,35,713	5,50,124
Vehicles	57,16,459	12,29,360	29,54,116	39,91,703	51,22,127	28,06,408	1,12,978	24,28,697	15,63,006	5,94,332
<b>TOTAL (A)</b>	<b>94,55,56,542</b>	<b>55,66,373</b>	<b>73,74,991</b>	<b>94,37,47,924</b>	<b>60,05,75,498</b>	<b>28,62,133</b>	<b>3,79,70,737</b>	<b>63,56,84,102</b>	<b>30,80,63,822</b>	<b>34,49,81,044</b>
<b>(B) Assets for Disposal</b>										
Leasehold Land	30,21,467	-	-	30,21,467	-	-	-	-	30,21,467	30,21,467
Buildings	4,48,59,159	-	-	4,48,59,159	2,66,22,255	-	-	2,66,22,255	1,82,36,904	1,82,36,904
Tube Wells	4,12,823	-	-	4,12,823	1,47,445	-	-	1,47,445	2,65,378	2,65,378
Plant and Machinery	19,33,88,266	-	-	19,33,88,266	14,31,98,530	-	-	14,31,98,530	5,01,89,736	5,01,89,736
Electrical Installations	1,29,00,981	-	-	1,29,00,981	1,00,31,468	-	-	1,00,31,468	28,69,513	28,69,513
<b>TOTAL (B)</b>	<b>25,45,82,696</b>	<b>-</b>	<b>-</b>	<b>25,45,82,696</b>	<b>17,99,99,698</b>	<b>-</b>	<b>-</b>	<b>17,99,99,698</b>	<b>7,45,82,998</b>	<b>7,45,82,998</b>
<b>TOTAL (A+B)</b>	<b>1,20,01,39,238</b>	<b>55,66,373</b>	<b>73,74,991</b>	<b>1,19,83,30,620</b>	<b>78,05,75,196</b>	<b>28,62,133</b>	<b>3,79,70,737</b>	<b>81,56,83,800</b>	<b>38,26,46,820</b>	<b>41,95,64,042</b>
Previous Year	1,20,01,95,547	-	56,309	1,20,01,39,238	73,51,76,538	53,530	4,54,52,188	78,05,75,196	41,95,64,042	

### SCHEDULE 6 :

#### CURRENT ASSETS, LOANS AND ADVANCES:

##### (a) INVENTORIES:

(As taken and certified by the Management)

Stores and Spares

Raw Materials

(including goods in transit Rs. 36,77,668)

(Previous Year Rs. 29,09,583)

Packing Materials

Work-in-progress

Finished Goods

Waste

Coal

##### (b) SUNDRY DEBTORS:

(Unsecured, considered good unless otherwise stated)

Debts outstanding for a period exceeding six months

Other debts

##### (c) CASH AND BANK BALANCES:

Cash in hand

Balance with scheduled Banks on Current Accounts

##### (d) LOANS AND ADVANCES:

Advances Recoverable in cash or in kind or for value to be received

Advance against Capital expenditure

Deposits

Balance with Central excise authorities

	Rupees	As At March 31, 2010 Rupees	As At March 31, 2009 Rupees
2,09,96,140			2,26,80,777
3,95,71,348			2,27,80,932
10,13,711			10,56,999
2,12,01,619			2,08,72,072
1,35,13,751			3,23,78,275
15,321			9,108
-		9,63,11,890	8,64,776
			<u>10,06,42,939</u>
1,43,100			-
3,96,01,642		3,97,44,742	2,03,61,714
			<u>2,03,61,714</u>
75,591			54,129
2,25,70,188		2,26,45,779	1,28,20,814
			<u>1,28,74,943</u>
4,29,49,659			3,97,86,614
-			22,00,000
88,07,890			76,61,890
4,29,13,777			4,00,41,354
		9,46,71,326	8,96,89,858
		<u>25,33,73,737</u>	<u>22,35,69,454</u>



## Schedules forming part of the Balance Sheet as at March 31, 2010

	Rupees	As At March 31,2010 Rupees	As At March 31,2009 Rupees
<b>SCHEDULE 7 :</b>			
<b>CURRENT LIABILITIES AND PROVISIONS:</b>			
<b>CURRENT LIABILITIES:</b>			
Sundry Creditors - Micro, Small and Medium Enterprises @ - Others	-	-	-
	<u>2,22,08,660</u>	2,22,08,660	<u>2,60,89,636</u> 2,60,89,636
@ The Company has not received Information from vendors regarding their Status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.			
Other Liabilities		<u>2,92,56,797</u>	<u>2,96,36,858</u>
		<u>5,14,65,457</u>	<u>5,57,26,494</u>

## Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2010

	Rupees	As At March 31,2010 Rupees	As At March 31,2009 Rupees
<b>SCHEDULE 8 :</b>			
<b>OTHER INCOME :</b>			
Profit on sale of Fixed Assets		61,88,308	16,121
Miscellaneous Income		<u>11,74,919</u>	<u>27,25,403</u>
		<u>73,63,227</u>	<u>27,41,524</u>
<b>SCHEDULE 9 :</b>			
<b>INCREASE/(DECREASE) IN STOCK:</b>			
<b>CLOSING STOCK:</b>			
Work-in-progress	2,12,01,619		2,08,72,072
Finished Goods	1,35,13,751		3,23,78,275
Waste	<u>15,321</u>		<u>9,108</u>
		3,47,30,691	5,32,59,455
<b>Less:OPENING STOCK:</b>			
Work-in-progress	2,08,72,072		2,43,23,667
Finished Goods	3,23,78,275		6,07,78,771
Waste	<u>9,108</u>		<u>7,035</u>
		<u>5,32,59,455</u>	<u>8,51,09,473</u>
		<u>(1,85,28,764)</u>	<u>(3,18,50,018)</u>
<b>SCHEDULE 10 :</b>			
<b>RAW MATERIALS CONSUMED:</b>			
Opening Stock	1,98,71,349		2,12,75,645
Add: Purchases	<u>49,90,61,260</u>		<u>41,90,42,679</u>
		51,89,32,609	44,03,18,324
Less: Closing Stock		<u>3,58,93,680</u>	<u>1,98,71,349</u>
		<u>48,30,38,929</u>	<u>42,04,46,975</u>

**Schedules annexed and forming part of the Profit and Loss Account  
for the year ended March 31, 2010**

	Rupees	As At March 31,2010 Rupees	As At March 31,2009 Rupees
<b>SCHEDULE 11 :</b>			
<b>MANUFACTURING AND OTHER EXPENSES:</b>			
Consumption of Stores,Spare parts etc.		2,06,02,040	1,51,82,477
Consumption of Packing Materials		68,48,829	60,86,008
Power, Fuel and other charges		8,68,81,054	7,82,59,060
Excise duty on closing sotck		-	25,168
<b>REPAIRS AND MAINTENANCE:</b>			
Building	2,73,680		1,27,478
Plant and Machinery	76,30,770		56,44,016
Others	<u>6,88,094</u>		<u>8,07,172</u>
		85,92,544	65,78,666
<b>EMPLOYEES COST:</b>			
Salaries,wages,Bonus,Provident Fund and other funds	6,07,18,381		5,23,67,321
Staff and Labour Welfare Expenses	10,41,404		6,46,568
Director's Remuneration	<u>12,39,500</u>		<u>11,24,500</u>
		6,29,99,285	5,41,38,389
Lease Rent and Hire Charges		2,72,709	6,16,709
Rates and Taxes		17,45,737	33,44,076
Insurance		13,82,530	15,92,924
Water Charges		16,78,667	15,86,347
Postage and Telegram		2,50,437	2,46,695
Transportation		16,85,301	15,99,828
Travelling Expenses (Directors' Travelling Rs.9057 (Rs.55951)		6,38,226	3,00,510
Legal and professional Charges		9,32,079	3,93,005
Telephone		2,26,054	2,30,868
Printing and Stationary		3,99,095	3,18,382
Books and Periodicals		70,768	55,424
Conveyance		2,57,296	2,88,323
Advertisement		42,826	41,895
Gardening and Cleaning Expenses		45,571	47,475
Licence and other Fees		4,46,976	5,55,245
Bank Commission and other charges		17,43,673	30,93,271
Exchange Difference Net		1,01,454	1,73,792
Excise duty expenses on Plant & Machinery		2,12,520	-
Auditors' Remuneration			
Audit fees	1,25,000		1,25,000
Tax Audit fees	40,000		40,000
Other matters fees	<u>95,000</u>		<u>75,000</u>
		<u>2,60,000</u>	<u>2,40,000</u>
		<u>19,83,15,671</u>	<u>17,49,94,537</u>
<b>SCHEDULE 12 :</b>			
<b>INTEREST</b>			
Term Loan	5,21,49,681		4,54,19,636
Others (Net ) ( Note No 15(14))	<u>1,31,03,878</u>		<u>1,19,15,268</u>
		<u>6,52,53,559</u>	<u>5,73,34,904</u>
<b>SCHEDULE 13 :</b>			
<b>SELLING AND DISTRIBUTION EXPENSES:</b>			
Commission		84,26,710	67,47,245
Freight,Insurance and Other Expenses (Net)		<u>69,62,242</u>	<u>43,76,459</u>
		<u>1,53,88,952</u>	<u>1,11,23,704</u>

## Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2010

### SCHEDULE 14 : STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

1. **Basis of Accounting:**

The Financial Statements of the Company are prepared on going concern under historical cost convention as also accrual basis and in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, which have been prescribed by the Companies (Accounting Standard) Rules, 2006, and the relevant provisions of the Companies Act, 1956.
2. **Revenue Recognition:**

Sales are recognized at the time of despatch of goods from the factory and are recorded including excise duty but exclusive of Sales Tax and Trade Discounts, wherever applicable.
3. **Basis of valuation of Fixed assets :**
  - (a) Leasehold land - at cost.
  - (b) Owned Fixed Assets - at cost less depreciation, cost includes all costs incurred till the asset is put to use (including borrowing costs).
4. **Method of Depreciation :**

Depreciation on Fixed assets has been provided on straight line method at the rates as specified in Schedule XIV of the Companies Act, 1956, as amended vide notification GSR No. 756E dated 16.12.1993 and subsequent notification GSR No. 101 (E) dated 1.3.1995. Further fixed assets whose aggregate cost is Rs 5000 or less are depreciated fully in the year of acquisition.
5. **Valuation of Inventories :**

Inventories are valued at lower of cost and net realizable value. Cost for manufactured goods comprise of materials, labour and other appropriate overheads. Cost for raw materials is determined on first-in-first-out basis and stores and packing materials are determined on weighted average basis.
6. **Foreign Exchange Transactions :**

Transactions in foreign exchange are accounted at exchange rates prevailing on the date of transaction. Gains / losses on foreign exchange rate fluctuations relating to current assets and current liabilities are translated at the rates of exchange ruling on the Balance Sheet date. Gains / losses arising out of fluctuations in the exchange rates are accounted for in the Profit and Loss Account. Gains / Losses on forward exchange contracts are recognised over the life of the contract.
7. **Employee Benefits :**
  - (i) **Post Employment Benefit Plans**

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

**Defined Benefit Plan :**  
Liability in respect of Employees' Group Gratuity Cash Accumulation Cum-Life Assurance Scheme and Group Superannuation Scheme are funded by way of contribution to Life Insurance Corporation of India.
  - (ii) **Other Benefits**

Provision has been made in respect of leave standing to the credit of the employees on the basis of their current salaries and not on the basis of actuarial valuation method.
8. **Taxation:**
  - (a) **Provision for Taxation:**

Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
  - (b) **Deferred Taxation:**

In accordance with Accounting Standard- 22 on "Accounting for Taxes on Income", the deferred tax for timing differences is accounted for, using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets arising from timing differences are recognized only on the consideration of prudence.
9. **Impairment of Assets:**

In terms of Accounting Standard- 28 "Impairment of Assets" the Company assesses impairment of the assets on the reporting date, as per criteria prescribed in the Standard.
10. **Provisions, Contingent Liabilities and Contingent Assets:**
  - (a) The Company recognizes as Provisions, the liabilities being present obligations arising out of past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
  - (b) Contingent liabilities are disclosed by way of a note to the financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved.
  - (c) Contingent Assets are neither recognized nor disclosed.

## Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2010

### SCHEDULE 15 :

#### NOTES TO ACCOUNTS :

1. Contingent Liabilities Not Provided For :
  - a) Income tax demands disputed in Appeals Rs. 2,08,46,361 (Rs. 1,71,28,471) against which amount deposited - Rs. 1,71,28,471 (Rs. 1,71,28,471).
  - b) Entry Tax demands disputed in Appeals Rs. 5,76,968 (Rs. 8,33,157 ) against which amount deposited Rs.1,66,000 (Rs. 2,78,462).
  - c) Central Excise Duty demands disputed in Appeals Rs. 3,63,039 (Rs. 7,31,333) against which amount deposited Rs. 1,91,888 (Rs. 5,60,182).
2. a) In compliance with the scheme, the Promoters of the Company has brought Rs. 1 Crore as advance against the issue of equity shares which is deposited in an Escrow Account. This amount shall be allowed to be refunded by the Company to the Promoter in case a strategic investor is inducted resulting in change in the present management.
  - b) Considering the future market potential of Polyester Viscose blended textile barring any unforeseen circumstances, the management is confident that after implementation of the revised CDR scheme, the Company would be able to generate sufficient returns to make its net worth positive in future. In view of the order of the Hon'ble High Court of Judicature, Indore bench allowing the closure of Birgod Unit and thereby settling the labour disputes relating to the closure of the said unit and payment of labour dues the Company is of the view that the Going Concern Assumption is still in existence. Accordingly, the accounts of the Company are prepared on Going Concern basis.
3. Corporate Debt Restructuring Scheme:
  - a) As per the Approved Restructuring Scheme, the interest on Term Loans and Working Capital Term Loans is payable at the rate of 9 % p.a. payable monthly. The scheme has funded the interest on these loans from April 1, 2004 to June 30, 2006. These loans were repayable, as per the proportion specified in the scheme, in 24 quarterly installments commencing from December 15, 2006.
  - b) As desired by Lenders the Company has submitted revised Restructuring Scheme on April 24, 2010 with a request for funding of Interest on Working Capital from April, 2010 to December, 2010 and Interest on Term loan of Rs. 15 Crores from April, 2010 to March, 2012 and repayment of Term Loans of Rs. 15 Crores and Interest on Loans will start from 2012-13.
  - c) As per Schedule of repayment of the loan a sum of Rs 6,95,11,312 (Rs 6,95,11,312) was payable during the current year out of which Rs 3,15,97,936 (Rs 3,15,97,936) was payable to banks other than ARCIL. Out of the above loans payable to banks other than ARCIL, the company during the current year has paid Rs. Nil (Rs Nil.) and remaining amount of Rs 3,15,97,936 (Rs.3,15,97,936) is still unpaid. The Company out of the outstanding dues of loan payable to banks other than ARCIL as on April 1, 2009 of Rs.3,71,35,032, is still unpaid. Further, the interest which became payable to banks other than ARCIL for the current year was Rs. 2,92,11,197 (Rs. 2,79,15,532). The entire outstanding interest of Rs. 1,98,56,100 due as on April 1, 2009 is still unpaid.

As regards payment to ARCIL, loan of Rs 3,79,13,376.(Rs 3, 79,13,376) and interest of Rs 3,06,71,225 (Rs 2,80,40,814) was payable during the current year and the outstanding dues on account of loan and interest as on April 1, 2009 was Rs. 9,59,77,006 and Rs.7,42,06,393 respectively, however the Company has not paid any of the aforesaid amounts.

Further, the Company has requested for the loan statement and balance confirmation of loans outstanding from lender banks/institutions as on March 31, 2010. However, as the same has not been provided by some of the banks/institutions therefore the Company has accrued the interest at the rate specified as per revised CDR Scheme and therefore the outstanding loan and interest balances have been taken as per records of the Company. The banks /institutions who has not provided the loan statement and balance confirmation of loans outstanding are as follow:

**Amount in Rupees**

Sr. No.	Name of the Bank/Institution	Balance of Loans as on March 31, 2010
1.	ARCIL	
	-Term loan	20,50,13,132
	-FITL	4,77,42,692
2.	IDBI Bank Ltd.	
	-WCTL	2,06,25,000
	-FITL	62,18,232

Also, the Company has not received the bank confirmations from the following bank accounts:

**Amount in Rupees**

Sr. No.	Name of the Bank	Bank Account No.	Balance as on March 31, 2010
1.	IDBI Bank Ltd.	001655100000037	2,41,80,532

- d) In the event of default for compliance of the Restructuring Scheme, the lenders have the right to convert 100% of the debt into equity, at par, during the tenure of the assistances on default.

## Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2010

### NOTES ON ACCOUNTS : *Continued*

4. Production of one of the units of the Company at Birgod was discontinued on October 10, 2003 due to Industrial relation problem. The Hon'ble High Court of Judicature, Indore bench vide its order dated March 31, 2008 has allowed the closure of the Birgod unit and directed the Company to pay workmen compensation in terms of Section 25(O) of the Industrial Dispute Act, 1947. The Company has taken a loan from Bank of India and has paid the said dues as per the instructions of the Hon'ble High Court, Judicature, Indore Bench and accordingly the Birgod Unit has been closed down.

Out of the total net block of assets of Rs. 12,67,26,930 held at Birgod unit, the Company has transferred assets of Rs. 3,31,63,675 to its Pillukhedi unit and assets worth Rs.1,89,80,257 will be transferred to Pillukhedi unit and balance assets worth Rs.7,45,82,998 are held for disposal and no depreciation has been claimed on the same. Further as per the Valuation Report obtained by the Company from an independent valuer, the Net Realizable Value(NRV) of the assets held for disposal is higher than their carrying amount and hence such assets are shown at their carrying amount in the Balance Sheet. Further, during the year Company has merged balance of Birgod Unit with continuing unit and Company has stopped maintaining unit wise accounts after the closure of the Birgod Unit.

5. Provision for Gratuity and Leave Encashment

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

As regards Gratuity, the Company is under the Employee Group Gratuity Scheme of the Life Insurance Corporation of India ("LIC") and as per LIC's renewal intimation, the Company has contributed a sum of Rs.37,90,824. However, since the Company does not have a certificate either from "LIC" or any other source to the effect that the contribution so made has been worked out by a qualified actuary in accordance with the provisions of AS-15 (Revised), the contribution so made is charged to the Profit and Loss Account. However, as per the calculations made by the Company, the funds available with LIC is adequate to meet the Company's Gratuity liability as on the date of the Balance Sheet.

As regards Compensated Absences, the Company has determined the liability for the leave at the credit of its employees on the basis of their current salaries and made a provision for such a liability. Accordingly, a provision of Rs.13,78,850 has been made at the year end on the aforesaid basis (without an actuarial valuation) in respect of the aggregate leave at the credit of its employees. However, since the Company does not have a certificate from an independent actuary to the effect that the provision so made has been worked out by a qualified actuary in accordance with the provisions of AS-15 (Revised), the provision so made is charged to the Profit and Loss Account. Accordingly, in respect of liability for leave at the credit of employees, the Company is not in a position to determine its liability and charge the same to the Profit & Loss Account in conformity of AS - 15 (Revised).

In the absence of availability of the detailed information for determining the liabilities for Gratuity and Compensated Absences in terms of AS-15 (Revised), the disclosures regarding reconciliation of obligation, fair value of plan assets, actuarial assumptions, etc. as required in terms of AS-15 (Revised) have also not been made.

6. The Company's operation relate only to Synthetic Blended Yarn and thus has only one reportable segment under Accounting Standard-17 on "Segment Reporting".
7. Information on related party transactions as per Accounting Standard-18 on "Related Party Disclosures".

<u>Related Party</u>	<u>Relationship</u>	<u>Description of Transaction</u>	<u>Amount (in Rs.)</u>	
			<u>31.03.2010</u>	<u>31.03.2009</u>
S L Moondhra	Key Management	Payment of Remuneration	12,92,925	11,77,989
Senior Executive Director	personnel	and other benefits		

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

	<u>31.03.2010</u>	<u>31.03.2009</u>
a) Profit / (Loss) available to equity Shareholders (in Rupees)	(7,34,85,865)	(9,36,41,111)
b) No. of Equity Shares Out standing during the year	1,08,78,600	1,08,78,600
c) Nominal Value per equity Share (in Rupees)	Rs 10.00	Rs. 10.00
d) Basic & Diluted Earning Per Share (in Rupees)	(Rs 6.76)*	(Rs 8.61)*

\* The approved Corporate Debt Restructuring Scheme has a conversion clause allowing conversion of 100% of debt (including overdue amounts) into equity, at par, during the tenure of assistances on default. The Company has made request for modification / relief in the existing CDR scheme and has resubmitted the new Restructuring Scheme. Hence in view of Management, Diluted Earnings Per Share is not to be considered.

## Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2010

### NOTES ON ACCOUNTS : *Continued*

9. The break up of Deferred Tax Assets and Liabilities, and the effect on the reserves and the profit after tax are as under:

Amount in Rupees

Nature of Timing Difference	Deferred Tax (Assets) /Liabilities as at April 1, 2009	(Charge)/Credit during the year	Deferred Tax (Assets)/ Liabilities as at March 31, 2010
a. Deferred Tax liability on account of:			
- Depreciation	7,48,15,626		Nil
b. Deferred Tax Asset on account of:			
- Expenses allowed for Tax purpose when paid	(7,26,15,358)		Nil
<b>Net Deferred Tax</b>	<b>22,00,268</b>	<b>22,00,268</b>	

In terms of Para 17 of Accounting Standard-22 (AS-22) on "Accounting for Taxes on Income" read with Accounting Standard Interpretation 9 (ASI 9) issued thereunder, in absence of virtual certainty the Company has not recognized Deferred Tax Assets in respect of carry forward losses Rs. 39,46,48,521 including unabsorbed depreciation Rs. 24,88,94,924.

And in terms of Para 15, the Company has not recognized Deferred Tax Assets in respect of other items in absence of reasonable certainty.

10. For the purpose of ascertaining impairment of assets as per Accounting Standard-28 "Impairment of Assets", the entire business operation of the Company have been considered as a cash generation unit (CGU) and the recoverable amount of the CGU is determined on the basis of its value in use. In view of the pending implementation of revised restructuring scheme, as approved under CDR, involving proper balancing of Machines, it is expected that CGU shall take longer period to generate regular future economic benefits. Thereby cash flows for 8 years have been taken in to account to assess value in use of the business operation. On the basis of comparing the value in use so arrived at, with the carrying value of the entire CGU, it was noticed that there is no impairment in CGU.

Further, Company has carried out the valuation of surplus assets of Birgod Unit, and as per the valuation report, the Net Realizable Value (NRV) of the assets is more than the carrying amount of the assets. On the basis of the above valuation report, management is of the view that NRV of the assets of Pillukhedi unit will be more than the carrying amount of such assets.

11. The Company has not provided for management fees amounting to Rs.22,00,000 payable to Bank of India for disbursement of loan taken by the company for paying labour dues, as in the view of the management the same is payable out of sale proceeds of balance assets of the company at Birgod unit remaining after reallocation of assets from Birgod unit to Pillukhedi Unit.
12. Unpaid amounts overdue for more than thirty days to Micro, Small and Medium Enterprise suppliers on account of principal together with interest is Rs. Nil (Previous year Rs. Nil). This disclosure is on the basis of the information available with the Company regarding the status of the suppliers as defined under The Micro, Small and Medium Enterprises Development Act, 2006.
13. Advances recoverable in cash or in kind or for value to be received shown under Schedule 6(d) includes a sum of Rs. 48,36,158 (Rs. 49,46,836) in respect of interest receivable on sale from customers which are outstanding for more than six months etc., and a sum of Rs. 1,76,43,113 (Rs 1,73,80,651) as Income Tax paid in advance after net of provision for Income Tax. Out of the above information in respect of interest receivable, an amounting of Rs. 45,77,635 (Rs. 45,77,635) is outstanding from S. Kumars Nationwide since August, 2006, of which the Management is confident of realization and subsequently the Company has received Rs. 20,00,000 from the said amount outstanding from S. Kumars Nationwide.
14. Other interest shown under Schedule 12 is net of interest income amounting to Rs. 22,83,545 (Rs 27,75,569).
15. A sum of Rs. 49,05,231 (Rs 10,49,411) has been deducted from consumption of raw materials on account of receivable amount of export benefits, under the Duty Entitlement Pass Book (DEPB) scheme of the Government of India, framed under the provisions of EXIM Policy. Such benefits have been quantified, based on entitlements, and on the basis of applications for the issue of DEPB - post shipment basis, at the rates as notified from time to time and the extent to which the Company perceives to import, duty free goods for use in its manufacture process or face value of saleable entitlements, to offset the cost of materials used for the manufacture of such exported goods.
16. The Company has re-appointed Mr. S L Moondhra as Senior Executive Director with effect from March 01, 2010. According to the provision of section 269 read with Schedule XIII of Companies Act, 1956. The Company has made an application to the Central Government for approval of the appointment and remuneration of Mr. S L Moondhra and said approval is awaited.

## Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2010

### NOTES ON ACCOUNTS : *Continued*

#### 17. MANAGERIAL REMUNERATION :

Executive Directors' Remuneration paid	<u>31.03.2010</u>	<u>31.03.2009</u>
i. Salary	12,39,500	11,24,500
ii. Other perquisites and benefits	53,425	53,489
iii. Contribution to Provident Fund	1,37,220	1,23,420

18. Additional information pursuant to provision of Part - II of Schedule - VI to the Companies Act, 1956.

#### A. Licensed Capacity (Spindles) :

Pillukhedi Unit	Not applicable	<i>Not applicable</i>
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#### Installed Capacity (Spindles) :

(As certified by the Management)

Pillukhedi Unit	36,768	36,768
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#### B. Quantitative Information :

	Unit	Current Year ended <u>March 31, 2010</u>		Previous Year ended <u>March 31, 2009</u>	
		Quantity	Value (Rs)	Quantity	Value (Rs)
1. Synthetic Blended Yarn	Kgs	61,82,704	-	55,36,603	-
Production					
Turnover-Domestic	Kgs	54,41,905	61,89,26,165	53,56,909	56,63,45,175
Turnover-Export	Kgs	9,25,533	11,55,97,189	4,38,532	5,45,05,644
Opening Stock (Packed)	Kgs	2,98,613	3,23,78,275	5,57,451	6,07,78,771
Closing Stock (Packed)	Kgs	1,13,879	1,35,13,751	2,98,613	3,23,78,275
2. Waste Sales		-	9,87,770	-	10,75,800

#### C. Raw Material Consumed

1. Cellulosic Fibre	Kgs	16,45,154	17,08,33,441	15,45,435	15,41,02,625
2. Non-Cellulosic Fibre	Kgs	47,16,083	31,10,06,171	40,79,950	26,47,92,173
3. Dyes & Chemicals	Kgs	-	<u>11,99,317</u>	-	<u>15,52,177</u>
		<u>63,61,237</u>	<u>48,30,38,929</u>	<u>56,25,385</u>	<u>42,04,46,975</u>

#### D. Imported and Indigenous Consumption :

	Current Year ended <u>March 31, 2010</u>		Previous Year ended <u>March 31, 2009</u>	
	Value (Rs.)	Percentage	Value (Rs.)	Percentage
(a) Raw Materials :				
Imported	-	-	-	-
Indigenous	<u>48,18,39,612</u>	<u>100.00</u>	<u>41,88,94,798</u>	<u>100.00</u>
Total	<u>48,18,39,612</u>	<u>100.00</u>	<u>41,88,94,798</u>	<u>100.00</u>
(b) Stores & Spare Parts :				
Imported	9,08,939	4.90	11,21,127	7.83
Indigenous	<u>1,76,28,572</u>	<u>95.10</u>	<u>1,31,96,035</u>	<u>92.17</u>
Total	<u>1,85,37,511</u>	<u>100.00</u>	<u>1,43,17,162</u>	<u>100.00</u>

## Schedules annexed and forming part of the Profit and Loss Account for the year ended March 31, 2010

### NOTES ON ACCOUNTS : *Continued*

E. C.I.F. Value of Imports	Value in (Rupees)	
	31.03.2010	31.03.2009
(i) Raw Materials	-	-
(ii) Stores & Spares	2,29,104	15,71,040
(iii) Capital Goods	-	-
<b>F. Expenditure in Foreign Currency for (On payment)</b>		
1. Travelling	-	-
2. Commission on export sales	9,78,098	34,01,563
<b>G. Remittance in Foreign Currency :</b>		
For dividends	Not applicable	Not applicable
<b>H. Earning in foreign currency :</b>		
Export of goods (F.O.B. realisation basis)	9,84,26,724	5,46,62,698

19. The previous years figures, wherever necessary, have been regrouped, reclassified and recast to confirm with this years classification.

20. The figures in brackets are in respect of previous year.

As per our report of even date :

for BANSI S. MEHTA & CO.  
Chartered Accountants  
AMIT A. DESAI  
Partner  
Membership No.: 48512

Place : Mumbai  
Dated : June 30, 2010

For and on behalf of the board

Ravi Mohan            *Director*  
S L Moondhra        *Senior Executive Director*  
G S Chopra           *Additional Director*  
P D Upadhye         *Nominee Director*  
                                   *(Bank of India)*

Place : Dewas  
Dated : June 29, 2010



## Hind Syntex Limited Cash Flow Statement

(Rs in lacs)

Descriptions	Year ended March 31, 2010	Year ended March 31, 2009
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit before tax and extraordinary items	(756.86)	(1168.16)
<i>Adjustment for :</i>		
Deferred Revenue Expenditure Written off	-	-
Profit / Loss on Sale of Fixed Assets	(61.88)	(0.16)
Depreciation	379.71	454.52
Interest (Net)	652.54	573.35
Operating Profit before Working Capital Charges	213.51	(140.45)
<i>Adjustment for:</i>		
Trade and other receivables	(253.06)	156.95
Inventories	43.31	343.45
Trade Payables	76.12	(253.36)
Cash generated from operations	79.88	106.59
Interest Received	20.35	38.71
Interest paid on Working Capital	(73.25)	(146.91)
Direct taxes paid	(2.62)	(6.05)
Cash flow before extra ordinary items	24.36	(7.66)
Add/ Less: Extra ordinary items	-	-
Net cash from operating activities	24.36	(7.66)
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(33.66)	-
Sales of fixed Assets	107.01	0.19
Net Cash used in investing activities	73.35	0.19
<b>C. Cash Flow from financing activities:</b>		
Interest paid on Term loans	-	(35.53)
Proceeds from long term borrowing from Financial Institutions / Banks	-	162.93
Others	-	-
Net Cash from financing activities	-	127.40
Net increase / (decrease) in cash and cash equivalent A+B+C	97.71	119.93
Cash and Cash equivalents (opening balance)	128.75	8.82
Cash and Cash equivalent (closing balance)	226.46	128.75

This is the cash flow statement referred to in our report of even date.

As per our report of even date :  
for BANSI S. MEHTA & CO.  
*Chartered Accountants*  
AMIT A. DESAI  
*Partner*  
Membership No.: 48512  
Place : Mumbai  
Dated : June 30, 2010

For and on behalf of the board  
Ravi Mohan *Director*  
S L Moondhra *Senior Executive Director*  
G S Chopra *Additional Director*  
P D Upadhye *Nominee Director*  
*(Bank of India)*  
Place : Dewas  
Dated : June 29, 2010

## Hind Syntex Limited

**Balance Sheet Abstract and Company's General Business Profile pursuant to provisions of part IV of Schedule VI to the Companies Act, 1956 as amended vide Notification no: G.S.R. 388 (E) dated 15.05.95.**

I. Registration Details			
Registration No.	: 1697	State Code	: 10
Balance Sheet Date	: 31.03.2010		
II. Capital Raised during the year (Amount in Rs. Thousands)			
Public Issue	: NIL	Rights Issue	: NIL
Bonus Issue	: NIL	Private Placement	: NIL
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities	: 918128	Total Assets	: 918128
Sources of Funds:			
Paid-Up capital	: 108872*	Reserves & Surplus	: 8918
*(Including forfeited shares 86)			
Secured Loans	: 735901	Unsecured Loans	: 12972
Application of Funds:			
Net Fixed Assets	: 382647	Investments	: NIL
Net Current Assets	: 201908	Misc. Expenditure	: NIL
Accumulated Losses	: 282108		
IV. Performance of Company (Amount in Rs Thousands)			
Turnover	: 735511	Total Expenditure	: 799968
Profit/(Loss)Before Tax	: (75686)	Profit/(Loss)After Tax	: (73486)
Earning Per Share in Rs.	: (6.76)	Dividend rate %	: NIL
V. Generic Name of Principal Product :			
Item Code No. (ITC Code)	: 5509 51 00		
Product Description	: Synthetic Blended yarn		

**BOOK - POST**

*If not delivered, please return to :*

**HIND SYNTEX LIMITED**

1A / 8A, Industrial Area,  
Agra-Bombay Road,  
DEWAS [M.P.] - 455 001.

*Print Pack Pvt. Ltd., Ph. 2763121*

## HIND SYNTEX LIMITED

### ATTENDANCE SLIP

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

I/We hereby record my/our presence at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company.

.....  
Name of Proxy (if any) Mr./Mrs./Miss.

.....  
Signature of Member/Proxy

**Note :** *This meeting is of Members only and you are requested not to bring along with you any person who is not a member.*

## HIND SYNTEX LIMITED

### PROXY FORM

Ledger Folio No/ CLIENT ID No. ....

No. of Shares held .....

I/We .....

of .....

in the district of .....

being a Member/Members of the above named Company hereby appoint .....

..... 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 Twenty Ninth Annual General Meeting of the Company to be held on Friday the 10th day of September, 2010 and at any adjournment thereof.

Signed this ..... day of ..... 2010

Affix  
Revenue  
Stamp here

Signature

**Note :** *The proxy form must reach the Company's Registered Office at 1A/8A, Industrial Area, Agra-Bombay Road, Dewas-455 001 not less than FORTY-EIGHT hours before the time for holding the meeting.*