



WEARIT
GROUP | HIND SYNTEX LTD.

Annual Report
2012 - 2013

Board of Directors

Directors

Shri Manish Kumar
Shri M. P. Rajan
Shri V. S. Crishna
Shri Vilas Agrawal (Wholetime Director)
Shri Shri Alok Krishna Agarwal
Shri S. K. Aggarwal (Nominee Bank of India)
Shri Umesh Wamorkar (Nominee Asset Reconstruction Company (India) Ltd.)

Auditors

Bansi S. Mehta & Co., Mumbai

Bankers

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

Registered Office

Plot No. 2, 3, 4 & 5, Sector A,
Industrial Growth Centre,
PILLUKHEDI - 465 667
District Rajgarh (M.P.)
Tel. : +91 7375 244350, +91 93015 28698
Email : pillukhedi@wearitgroup.com

Corporate Office

5E & F ,Crescent Tower,
229 A.J.C. Bose Road,
Kolkata - 700 020
Tel.: +91 33 4003 6164 / 6165.
Fax: +91 33 4003 6158,
Email : kolkata@wearitgroup.com

Indore Office

Sterling Tower,
Office No.214, 4th Floor,
2 M.G. Road,
Indore - 452 001 (M.P.)
Tel.: + 91 731 4065347
Fax : +91 731 4064767
Email : indore@wearitgroup.com

Manufacturing Complex

Plot No. 2, 3, 4 & 5, Sector A,
Industrial Growth Centre,
PILLUKHEDI - 465 667
District Rajgarh (M.P.)
Tel. : +91 7375 244350, +91 93015 28698
Email : pillukhedi@wearitgroup.com

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that Thirty Second Annual General Meeting of the Members of HIND SYNTEX LIMITED will be held at the Registered Office of the Company, at Plot no.2, 3, 4 & 5, Industrial Growth Centre, Pillukhedi, District - Rajgarh (M.P.) 465667, on Friday the 6th day of December, 2013, at 11.00 A.M. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at September 30, 2013, and the Profit and Loss Account for the period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. 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

3. To consider and if thought fit, pass, with or without modifications, the following Resolution as an **Ordinary Resolution**:
To regularise Shri Manish Kumar (Promoter), as Director of the Company:
"RESOLVED THAT Shri Manish Kumar (Promoter), who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 260 of the Companies Act, 1956 and article 118 of the Articles of Association, w.e.f. March 23, 2013, who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
4. To consider and if thought fit, pass, with or without modifications, the following Resolution as an **Ordinary Resolution**:
To regularise Shri M. P. Rajan as Director of the Company:
"RESOLVED THAT Shri M. P. Rajan, who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 260 of the Companies Act, 1956, and article 118 of the Articles of Association, w.e.f. March 23, 2013, who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and if thought fit, pass, with or without modifications, the following Resolution as an **Ordinary Resolution**:
To regularise Shri V. S. Crishna, as Director of the Company:
"RESOLVED THAT Shri V. S. Crishna, who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 260 of the Companies Act, 1956, and article 118 of the Articles of Association, w.e.f. March 23, 2013, who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, pass, with or without modifications, the following Resolution as an **Ordinary Resolution**:
To regularise Shri Alok Krishna Agarwal, as Director of the Company:
"RESOLVED THAT Shri Alok Krishna Agarwal, who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 260 of the Companies Act, 1956, and article 118 of the Articles of Association, w.e.f. July 31, 2013, who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. To consider and if thought fit, pass, with or without modifications, the following Resolution as an **Ordinary Resolution**:
To regularise Shri Vilas Agrawal, as Director / Wholetime director of the Company:
"RESOLVED THAT Shri Vilas Agrawal who was appointed as an Additional Director of the Company by the Board of Directors, in terms of Section 260 of the Companies Act, 1956, and article 118 of the Articles of Association, w.e.f. March 23, 2013, who holds office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company."
"RESOLVED THAT" pursuant to provisions of Section 198, 269 & 309, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Board be and is hereby accorded for the appointment of Shri Vilas Agrawal as Wholetime Director of the Company with effect from July 31, 2013, for a period of 5 years, up to July 30, 2018, without payment of any remuneration and in accordance with the terms and conditions set out in agreement entered into between the company and Shri Vilas Agrawal.
8. 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 re-appointed as the Wholetime Director, designated as Senior Executive Director of the Company for a period of six month w.e.f. March 1, 2013, 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, traveling, 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 whole time 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."

Kolkata
Dated: October 28, 2013

By Order of the Board

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

Vilas Agrawal
Wholetime director

Notice of Annual General Meeting - *Continued*

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 2nd day of December, 2013 to Friday, the 6th day of December, 2013 (both days inclusive).
3. Members are requested to bring their copies of Annual Report to the Meeting.

Appointment of Directors:

At the ensuing Annual General Meeting no directors retire by rotation and being eligible, offer themselves for reappointment as all the existing directors have resigned and new directors, were appointed as additional directors due to change in management. The information or details pertaining to all the additional directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchange are as under:

Shri Manish Kumar, aged about 44 years, is a Promoter Director of the Company. He holds a bachelor degree in Commerce and Diploma in Business Management from Harvard University, U.S.A. He is a director in Companies Viz: Ritspin Synthetics Ltd.- (Managing Director), Wearit Global Ltd., SPBP Tea (India) Ltd., Wearit Energy Ltd., Aryavat Trading Pvt.Ltd., SPBP Investments Pvt Ltd. ,SPBP Holdings Pvt. Ltd. and Dhanterash Sale Pvt. Ltd.

Shri M. P. Rajan, aged about 62 years is director of the Company. He holds bachelor degree in B.Sc (Chemistry) and M.Sc. (Corporate Finance). He is retired IAS officer. He is director in the Companies Viz. Ritspin Synthetics Ltd. and Strategic Business Advisory Pvt. Ltd.

Shri V. S. Crishna, aged about 63 years is director of the Company. He holds bachelor degree in B.A. (Honours) in English, Residential course in Managing Change in IIM, Kolkata. He is director in J. Thomas & Company Private Limited.

Shri Alok Krishna Agarwal, aged about 49 year is director of the Company. He is a director in the Companies viz. SPBP Tea (India) Ltd., Wearit Global Ltd., Bajaj Hindustan Ltd., Milestone Global Limited, Advanced Law College of India (P) Ltd., LawZ Media Private Limited, PNP Technologies India (P) Ltd., Brady Air Private Limited and Lalitpur Power Generating Company Ltd.

Shri Vilas Agrawal, aged about 51 years is wholetime director of the Company. He holds degree in Commerce and MBA (Finance). He is director in Ritspin Synthetics Ltd.

Kolkata

Dated: October 28, 2013

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

By Order of the Board,
Vilas Agrawal
Wholetime Director

Annexure to the Notice

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

Item 3

Shri Manish Kumar (Promoter), was appointed as an Additional Director of the Company on March 23, 2013. Pursuant to provision of Section 260 of the Companies Act, 1956, Shri Manish Kumar 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 Manish Kumar as a candidate for the office of Director. Except Shri Manish Kumar, none of the Directors of the Company is in any manner concerned or interested in the Resolution.

Item 4

Shri M. P. Rajan, was appointed as an Additional Director of the Company on March 23, 2013. Pursuant to provision of Section 260 of the Companies Act, 1956, Shri M.P. Rajan 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 M.P.Rajan as a candidate for the office of Director. Except Shri M. P. Rajan, none of the Directors of the Company is in any manner concerned or interested in the Resolution.

Item 5

Shri V. S. Crishana, was appointed as an Additional Director of the Company on March 23, 2013. Pursuant to provision of Section 260 of the Companies Act, 1956, Shri V. S. Crishana 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 V. S. Crishana, as a candidate for the office of Director, except Shri V. S. Crishana, none of the Directors of the Company is in any manner concerned or interested in the Resolution.

Item 6

Shri Alok Krishna Agarwal, was appointed as an Additional Director of the Company on July 31, 2013. Pursuant to provision of Section 260 of the Companies Act, 1956, Shri Alok Krishna Agarwal hold Office up to 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 Alok Krishna Agarwal, as a candidate for the office of Director. Except Shri Alok Krishna Agarwal, none of the Directors of the Company is in any manner concerned or interested in the Resolution.

Item 7

Shri Vilas Agrawal, was appointed as an Additional Director of the Company on March 23, 2013. Pursuant to provision of Section 260 of the Companies Act, 1956, Shri Vilas Agrawal hold Office upto the date of this Annual General Meeting. Shri Vilas Agrawal appointed as Wholetime Director of the company, w.e.f July 31, 2013, for a period of 5 years by the Board of Directors of the Company, without remuneration, subject to approval of Member of the Company. The said appointment are within the Section 198, 269 & 309, read with

Notice of Annual General Meeting - Continued

Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956. Member are requested to pass the above resolution as special resolution. Except Shri Vilas Agarwal. None of the Directors of the Company is in any manner concerned or interested in the Resolution.

Item 8

The Board of Directors at its meeting held on January 25, 2013 considered it expedient to reappoint Shri S. L. Moondhra, as Wholetime Director, designated as Senior Executive Director, of the Company for a period of six months w.e.f. March 1, 2013, subject to approval of Shareholders as per remuneration including perquisites as under:

- (a) Salary: Rs1,50,000/- per month.
- (b) Perquisites : In addition to salary Shri 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 30 days salary in a year.
- 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. 5,000/- 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) 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 user 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 to the Wholetime Director.
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 one month notice or the Company paying one month remuneration in lieu thereof.

The reappointment and remuneration of Whole time 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.

Kolkata
Dated : October 28, 2013
Registered Office:
Plot no. 2,3,4 & 5, Sector-A,
Industrial Growth Centre,
Pillukhedi - (M.P.) 465667

By Order of the Board,
Vilas Agrawal
Wholetime Director

Directors' Report

To the Shareholders,

Your Directors present Thirty Second Annual Report together with the Audited Statements of Accounts for the period ended September 30, 2013.

Operations

The total Income during the period was ` 17133.15 lacs. The operating results are as under:

	(` in lacs)	
	2012-2013 (18 Months)	2011-2012 (12 Months)
Surplus before Interest and Depreciation	2663.06	79.04
Less: Interest	<u>375.59</u>	<u>766.56</u>
Profit / (Loss) before Depreciation	2287.47	(687.52)
Less: Depreciation	<u>470.57</u>	<u>363.46</u>
Add: Tax expenses of earlier year	<u>13.85</u>	<u>(7.24)</u>
Net Profit / (Loss)	1803.05	(1058.22)

Change in Accounting Year :

In order to One Time Settlement (OTS) and change in management, also for administrative convenience, your Company has decided to extend its financial year from March 31 to September 30, 2013 i.e. April 1, 2013 to September 30, 2013. Accordingly, the Accounts for the year under review have been compiled for the 18 month period ended September 30, 2013. The figures in respect of the previous year, however, relate to 12 months ended March 31, 2012, and hence are not strictly comparable.

Dividend

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

Working of the Company

Birgod :

Lenders, have sold surplus Plant & Machinery including Power House by E-auction through MSTC Ltd to the highest bidder. The lenders directly sold Land & Building and the sale proceeds had distributed among Lenders. Now the Company has only one unit at Pillukhedi.

Pillukhedi :

Presently the company has unit at Pilukhedi in operation. Company has entered into Job Wok with Wearit Global Limited, Kolkata and 3178.95 M.T. job work done. The total turnover was ` 14874.72 lacs. During the period the company made direct export of yarn ` 584.45 lacs

Finance

Company has arrived at a one time settlement(OTS) of the dues (Principal together the outstanding interest) with its lenders viz. Asset Reconstruction Company (India) Ltd.. (ARCIL), Bank of India, IDBI Bank, Union Bank of India and State Bank of India with cut off date as September 30, 2012, the terms of settlement also stipulate transfer for management of new promoter and OTS approvals from the above Banks/Institutions as received and process of change in management has taken place on March 23, 2013.

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 Manohar Keshav, Shri Ravi Mohan, Shri G. S. Chopra have resigned from the directorship of the Company and Shri Manish Kumar, Shri M.P.Rajan, Shri V.S. Crishna and Shri Vilas Agrawal have joined as additional Directors of the Company on March 23, 2013, due to OTS and change in management.

Shri S. K. Aggarwal was appointed as Nominee Director of Bank of India w.e.f. September 25, 2012, in place of Shri V. D. Nadkarni.

Shri Umesh Wamorkar was appointed as Nominee Director of Asset Reconstruction Company (India) Ltd. (ARCIL) w.e.f. September 20, 2012.

Shri Chandra Mohan has resigned from the Board as director w.e.f. January 17, 2013.

Shri S. L. Moondhra, has resigned from the Board as Whole time Director, designated as Senior Executive Director w.e.f. May 31, 2013.

Shri Vilas Agrawal, appointed as Whole time director under section 269 of the Companies Act, 1956, w.e.f. July 31, 2013.

Shri Alok Krishan Agarwal, has appointed as Additional Director, w.e.f. July 31, 2013.

Directors' Report - Continued

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 ` 760.99 lacs on F.O.B. realisation basis. The total foreign exchange outgo, during the year amounted to ` 25.42 lacs for payment of commission on export sales. The particulars of foreign exchange earned / utilised during the period are given in note 35 D & F of 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 period ended September 30, 2013, 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 period and of the profit or loss of the Company for the period 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 period ended September 30, 2013, 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.

Shri Y. S. Tibrewala, Cost Accountant, was appointed on SRN S08784282 dated June 12, 2012 as Cost Auditors of the Company to conduct the cost audit for the period ending on September 30, 2013 (18 months period). The cost Audit report for the period ended March 31, 2012 was submitted on December 31, 2012 vide SRN S19698695 in Form I-XBRL. The cost audit report for the period ended on September 30, 2013 will be submitted before the due dates as prescribed by the Law.

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, IDBI Ltd. and HDFC Bank for their continued support to your Company.

On behalf of the Board,

Kolkata
Dated: October 28, 2013

Manish Kumar
Director

Vilas Agrawal
Wholetime Director

ANNEXURE FORM - A

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

	Current 18 Months Period ended on <u>September 30, 2013</u>	Previous year ended on <u>March 31, 2012</u>	
A. Power and Fuel Consumption:			
1. Electricity			
(a) Purchase Unit	43879360	28008097	
(b) Total Amount	23,03,15,677	13,34,70,984	
Rate / Unit	5.25	4.77	
(Including 616776 Units generated through Wind Electric Generators and fed into MPMKVCL grid and 4803585 Units purchased from open accesses)			
(c) Own Generation			
i) Through Diesel Generators			
Units produced	-	-	
Units / Litres	-	-	
Cost / Unit	-	-	
ii) Through Furnace Oil based Power Plants			
Units Produced	-	-	
Units/Ltr.	-	-	
Cost / Unit	-	-	
2. Coal (Specify Quality and where used)			
Steam Coal used in boiler for Generation			
Of Steam for Dye House			
Qty. (Tonnes)	-	-	
Total Cost	-	-	
Average Rate	-	-	
3. Furnace Oil based Boiler			
Qty. (K. Ltrs)	-	-	
Total cost	-	-	
Average Rate	-	-	
4. Others / internal generation			
(please give details)			
Qty.	N.A.	N.A.	
Total	N.A.	N.A.	
Rate / Unit	N.A.	N.A.	
B. Consumption per unit of production			
	Standards (if any)	Current 18 Months Period ended on <u>September 30, 2013</u>	Previous year ended on <u>March 31, 2012</u>
Product (with details)	--	Synthetic	Synthetic
Unit	--	Blended Yarn	Blended Yarn
Electricity		Kg	Kg
Coal (Specify quality) Steam Coal		4.01 (Units)	3.84 (Units)
		- (Kg)	- (Kg)

Kolkata
Dated: October 28, 2013

On behalf of the Board,
Manish Kumar **Vilas Agrawal**
Director Wholetime 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. The Company has started up gradation in auto coner machines from electrical, electronic and mechanical side to run single yarn resulting increase single yarn production. This also help product's level.
2. Benefit derived as a result of the above R & D : Company has introduced two new modern technology compressors from IR to replace old 24 compressors of reciprocating type. This will help to get better quality compressed air for improving yarn quality with proper energy saving. Company is availing excess power from open Market through Open Access, resulting profit centre for the Company.
4. Future Plan of action : Company has started old machine to make multifold yarn. Since old machines have been started, Company has applied for extra Contract Demand of 500KVA in first phase to MPMKVVCL and soon they shall be providing this facility to the Company.
5. 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 sliver and higher production. Auto coners, Two-for-One Twister Machines, Electronic yarn clearers and splicer units on winding Machines etc. have been installed, to manufacture uniform knotless yarn.
(b) Company has increased production efficiency and utilization by motivating existing work force. Output per day has increased due to better efficiency and utilization of the machine.
Multifold Polyester, PV yarn has been introduced in the Company for the first time in this financial year. It has a very good opportunity & opened a new export market for the Company. This Financial year company has introduced imported fibre for production of 100% Polyester and P/V yarn. Contribution has increased per kg marginally due to this newly introduced fibre. Company is now making Jumbo cone of 5.5 to 7 LGS for this 2 new Jumbo cone winding machines have been introduced. Further company is also introducing knot less yarn multifold yarn. This will give an upper edge in export market.
(b) Four MBO are linked together in Blow Room and avoided toppling process. Labour engagement is reduced in Mixing Department by 30%
(c) Twenty three Doffer Drivers are added in Carding (total Thirty Five Doffer Drivers) 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.
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,

Kolkata
Dated: October 28, 2013

Manish Kumar
Director

Vilas Agrawal
Wholetime Director

Management Discussion and analysis

1. Overall Review

During the last couple of years spinning units have been going through an extremely bad face. Spinning industry is squeezed between galloping input cost and unconditional price of synthetic blended yarn.

During the year, one time settlement with the lenders has taken place and management has changed on March 23, 2013. Looking to the said settlement and change in management, new management decided to extend its financial year for further six months to finalize the account for the period 2012-13 (Total 18 months).

2. Review Operations

For the year 2012-2013 for (18 months), production was 10937 MT including Job work. Turnover was ` 14874.72 lacs. During the year company made direct export of yarn ` 584.45 lacs. The Company has also started job work during the period and total job work done was ` 1200.93 lacs.

3. Industry structure and development

The Indian textile industry was stagnant before the introduction of TUFS by the Government of India. A large number of textile manufacturers in India have expanded their production capacity due Technology up gradation Fund (TUFS), which allows for interest subsidy.

The textile industry hold the significant position in the Indian industry and the 2nd largest employment generator in the country, therefore the Government is continuously extending support for the growth of segment.

4. Opportunity & Threats

The global growth in textile industry is expected to continue its slow recovery, but there are strong reasons to be bullish on the country's long term growth potential. Favorable demographics, a large growing middle class with increasing disposal incomes support a strong consumption story.

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 shortage/cost and power cost.
- iii) Threats from import of cheaper fabric from neighboring countries and consequent Pressure on domestic prices.

6. Outlook

The Company continues to modernize its Plant and Machinery and add balancing equipment. This would enable the Company to improve productivity and widen its product range and improve quality of its products. The Company's performance during the current year is expected to be satisfactory.

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 :

The operating performance of the Company has been discussed in Directors Report under the head Financial Results and Operations for 18 months, the profit before tax for the period 2012-13 was at ` 1803.05 Lac and the turnover of ` 14874.72 Lac.

9. Human Resources Development / Industrial Relations

The company treat its human resources as the most important assets and believes in its contribution to the all round growth of the company. Your Company's progress is reflection and outcome of the human resources it has. Your company has fostered a culture of ownership, accountability and self evaluation that encourages employees to continuously improve on their efficiency. The industrial relations remained cordial throughout the period.

Corporate Governance Report

1. Company's Philosophy on Code of Governance

Company's philosophy on corporate governance envisages transparency, accountability and equity, in all facts 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 as on September 30, 2013.

The composition of the Board, attendance at Board Meetings held during the period extended for eighteen months i.e. from April 1, 2012 to September 30, 2013 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 2012 – 13 (18 Months) Attendance at		No of Outside Directorships	Committee Positions(#)	
		Board Meeting	Last AGM		Member	Chairman
*Shri Manish Kumar	Promoter & Director	2	No	4	1	None
*Shri M. P. Rajan	Independent Director	3	No	1	3	None
*Shri V. S. Crishna	Independent Director	None	No	None	3	None
*Shri Vilas Agrawal	Professional and Non Independent Director	3	No	1	1	None
**Shri Alok Krishana Agarwal	Professional and Non Independent Director	1	No	4	None	None
***Shri S. K. Aggarwal (Nominee Director Bank of India)	Independent Director	4	No	None	3	None
****Shri Umesh Wamorkar (Nominee Director ARCIL)	Independent Director	2	No	2	1	None
*Shri Manohar Keshav	Independent Director	6	No	None	2	1
*Shri Ravi Mohan	Promoter & Director	5	Yes	2	None	None
*Shri G S Chopra	Independent Director	5	No	3	3	None
***Shri V. D. Nadkarni (Nominee Director Bank of India)	Independent Director	2	No	None	3	None
***** Shri Chandra Mohan	Independent Director	None	No	1	2	None
*****Shri S L Moondhra	Senior Executive Director	7	Yes	2	None	1

* Shri Manish Kumar, Shri M. P. Rajan, Shri V. S. Crishna and Shri Vilas Agrawal, have appointed as additional directors of the Company. Shri Manohar Keshav, Shri Ravi Mohan, Shri G. S. Chopra have resigned on March 23, 2013, due to One time settlement and change in management of the Company.

Shri Vilas Agrawal is also appointed as Wholetime Director, w.e.f. July 23, 2013.

** Shri Alok Agrawal has appointed as additional Director of the Company w.e.f. July 31, 2013.

*** Shri S. K. Aggarwal was appointed as Nominee Director of Bank of India w.e.f. September 25, 2012, in place of Shri V. D. Nadkarni.

**** Shri Umesh Wamorkar was appointed as Nominee Director of Asset Reconstruction Company (India) Ltd. (ARCIL) w.e.f. September 20, 2012.

***** Shri Chandra Mohan has resigned from the Board as director w.e.f. January 17, 2013.

***** Shri S. L. Moondhra, has resigned from the Board as Wholetime Director, designated as Senior Executive Director w.e.f. May 31, 2013.

(#) Includes Audit Committee and Shareholders' / Investors' Grievance Committee / Remuneration Committee in all Companies including Hind Syntex Limited.

Number of Board Meetings held and the dates on which held

Eight Board Meetings were held during the period from April, 2012 to September, 2013, (18 Months). May 25, 2012, July 30, 2012, Nov 02, 2012, January 25, 2013, February 12, 2013, March 23, 2013, May 04, 2013 and July 31, 2013.

3. Audit Committee

The Board of Company has reconstituted an Audit Committee comprising, 4 Non Executive Director, viz: Shri M.P. Rajan, Shri V. S. Crishna, Shri Vilas Agrawal and Shri S K Aggarwal. The constitution of Audit Committee also meets requirements u/s 292(A) of the Companies Act, 1956.

Corporate Governance Report - *Continued*

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 six meetings on May 25, 2012, July 30, 2012, November 2, 2012, January 25, 2013, May 04, 2013 and July 31, 2013. The attendance of the members at these meeting are as under:

Name of Member	Meetings held	Number of Meetings attended
Shri M. P. Rajan	6	2
Shri V. S. Crishna	6	0
Shri Vilas Agarwal	6	2
Shri Manohar Keshav	6	4
Shri Chandra Mohan	6	0
Shri G. S. Chopra	6	2
Shri S. K. Aggarwal	6	3
Shri Umesh Wamorkar	6	2

Shri M.P. Rajan, Shri V. S. Crishana, and Shri Vilas Agarwal has become member of Committee from March 23, 2013.

Shri Manohar Keshav and Shri G. S. Chopra has resigned on March 23, 2013 and Shri Chandra Mohan has resigned on January 17, 2013.

Shri S. K. Aggarwal was appointed as Nominee Director of Bank of India w.e.f. September 25, 2012, in place of Shri V. D. Nadkarni.

Shri Umesh Wamorkar was appointed as Nominee Director of Asset Reconstruction Company (India) Ltd. (ARCIL) w.e.f. September 20, 2012.

4. Remuneration Committee

The Board of Directors of the Company has reconstituted Remuneration Committee, comprising Shri M.P.Rajan and Shri V. S. Crishna in place of Shri Manohar Keshav, Shri G. S. Chopra. The Remuneration committee has been constituted to recommend remuneration package for directors.

Shri S. K. Aggarwal, Nominee Director - Bank of India has become member of committee from September 25, 2012 in place of Shri V. D. Nadkarni.

5. Shareholders' / Investors' Grievance Committee

The Board of the company has reconstituted a shareholders' / Investors' Grievance Committee comprising of Shri Manish Kumar, Shri M. P Rajan, Shri V. S. Crishna in place of Shri Manohar Keshav, Shri Chandra Mohan and Shri G. S. Chopra. The committee look into redressal of shareholders' complaints like transfer of shares, non receipt of balance sheets, non receipt of declared dividends, etc. Shri S. K. Aggarwal, Nominee Director - Bank of India has become member of committee from September 25, 2012 in place of Shri V. D. Nadkarni.

During the period the Committee held one meeting on May 25, 2012. The attendance of members are as under:

Name	Category	Number of Meetings held during the period ended April 1, 2012 to Sept. 30, 2013	
		Held	Attended
Shri Chandra Mohan	Independent	1	-
Shri Manohar Keshav	Independent	1	1
Shri G S Chopra	Independent	1	1
Shri V D Nadkarni	Independent	1	1

No complaints / queries were received during the period under review. There was no pending complaints regarding transfer of shares as on September 30, 2013.

6 General Body Meetings

Location and time for last three Annual General Meeting were:

Year	AGM	Location	Date	Time
2009 - 2010	AGM	Hind Syntex Ltd 1A/8A Industrial Area AB Road, Dewas - 455 001 (MP)	10th September, 2010	12:00 Noon
2010 - 2011	AGM	Same as above	10th September, 2011	12:00 Noon
2011 - 2012	AGM	Same as above	10th September, 2012	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.

Corporate Governance Report - *Continued*

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, structures 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 Manish Kumar who holds 9,56,456 (7.52%).
- d. 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	None, Under preparation
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: December 6, 2013, at 11:00 A.M.
Venue: Plot No.2,3,4 & 5, Sector-A, Industrial Growth Centre, Pillokhedi-District - Rajgarh - 465 667 (M.P.)
- 9.2 Financial Calendar :
Results for quarter & year ending: Annual General Meeting, December 6, 2013
Results for quarter ending: September 30, 2013 by November 30, 2013
Results for quarter ending: December 31, 2013 by February 15, 2014
Results for quarter ending: March 31, 2014 by May 30, 2014
- 9.3 Book closure date: December 2, 2013 to December 6, 2013
- 9.4 Dividend payment date: The Directors have not recommended any dividend on equity shares for the financial period ended on September 30, 2013.
- 9.5 a. 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, 2014.
- 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 during April 1, 2012 to September 30, 2013 as under:

(In `)

Month	Month's High Price	Month's Low Price
April'12	2.25	1.95
May'12	2.95	2.35
June'12	2.80	2.60
July'12	2.60	2.40
August'12	2.90	2.50
September'12	2.35	2.15
October'12	2.90	2.30
November'12	4.45	2.85
December'12	5.75	3.70
January'13	6.55	5.30
February'13	8.45	6.00
March'13	7.75	6.80
April'13	8.05	7.65
May'13	8.05	7.00
June'13	7.00	5.25
July'13	5.75	5.75
August'13	-	-
September'13	6.60	5.50

Corporate Governance Report - Continued

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.

9.10 Distribution of Shareholding as on September 30, 2013

Shareholding pattern:

No. of Shares	No. of Holders Shareholders	% of Shareholders	No. of Shares Held	Voting Strength (%)
Upto 500	3601	70.57	836705	6.58
501 - 1000	720	14.11	631725	4.97
1001 - 2000	413	8.09	694083	5.45
2001 - 3000	127	2.49	324194	2.55
3001 - 4000	82	1.61	306763	2.41
4001 - 5000	40	0.78	189047	1.49
5001 - 10000	76	1.49	559643	4.40
10001 and above	44	0.86	9176440	72.15
	5103	100.00	12718600	100.00

Category	As on Sept. 30, 2013	
	No. of Shares	%
Promoters / Persons acting in concert	6135182	48.24
UTI & Mutual Funds	1771	0.01
Financial Institutions / Banks / Insurance Companies	1849262	14.54
Private Corporate Bodies	532133	4.18
Resident Individuals	4005171	31.50
NRI's / OCB's	195081	1.53
Total	12718600	100.00

9.11 Dematerialisation of shares

Over 92.56 % of the outstanding shares have been dematerialized up to September 30, 2013. Trading in equity shares of the Company is permitted only in dematerialised form w.e.f. August 28, 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

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, Plot no.2,3,4 & 5, Sector- A, Industrial Growth Centre, Pillukhedi- 465 667, Dist.- Rajgarh (MP)
Tel No: 07375-244350, 9301528698, E-mail: pillukhedi@wearitgroup.com

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.

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 Period ended September 30, 2013 the Company has complied with the requirements of the said sub-clause.

Place: Kolkata
Date: October 28, 2013

For Hind Syntex Limited
Vilas Agrawal
Whole time 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 Period ended on September 30, 2013, as stipulated in clause 49 of the Listing Agreement of 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 give 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 that no investor grievances are pending for period exceeding one month against the company as per the records maintained by the Shareholder's / Investor's 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
Firm Registration No.100991W
Divyesh I. Shah
Partner
Membership No. 37326

Place : Kolkata
Date : October 28, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of

HIND SYNTEX LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HIND SYNTEX LIMITED** ("the Company"), which comprise the Balance Sheet as at September 30, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the period ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

- (a) *During the period ended on September 30, 2013, the Company has charged to the Statement of Profit and Loss of ₹ 4,562,725 in respect of Gratuity and of ₹ 1,738,402 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 Statement of Profit & Loss, we are unable to ascertain the adjustment and the charges which should have been made to the Statement of Profit & Loss, 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 Profit for the period and the consequential effect on the Statement of Profit & Loss, and Current Liabilities and Provisions carried forward for the period end. (Refer note No.25 of notes forming part of the financial statements)*

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).

- (b) *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 period would have been ₹ 12,293,997 (instead of ₹ 47,056,590), Profit for the period (Net of Deferred Tax Assets of ₹ 11,278,723 for such depreciation) would have been ₹ 226,346,083 (instead of ₹ 180,304,767) and for the period end, Net Block of Fixed Assets would have been ₹ 49,002,269 (instead of ₹ 172,109,870), Debit Balance in the Statement of Profit and Loss, after adjusting balances in Reserves and Surplus (except to the extent of ₹ 183,744,615 on account of Capital Reserves), (Net of Deferred Tax Asset of ₹ 39,942,261 for such depreciation) would have been ₹ 129,750,812 [instead of Debit Balance in the Statement of Profit and Loss, after adjusting balances in Reserves and Surplus (except to the extent of ₹ 183,744,615 on account of Capital Reserves), of ₹ 46,585,472] and there would have been Deferred Tax Asset (Net) of Rs. Nil (instead of Deferred Tax Assets (Net) of Nil).

- (c) *During the period ended on September 30, 2013, the Company has arrived at an "One Time Settlement" (OTS) of dues with its lenders, the cut-off date being September 30, 2012; as a result, the lenders have agreed to waive the principal amount of ₹ 174,826,756/- and such amount is credited to Capital Reserve which is not in accordance with the Accounting Standard (AS) 5 on "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" as notified under the Companies (Accounting Standards) Rules, 2006. In fact, the said treatment is not in line with the opinion of the Expert Advisory Committee (EAC) of the ICAI on Accounting treatment of waiver of loan.*

Had the said waiver of principal amount of loan been credited to the Statement of Profit and Loss instead of the Credit reflected in Capital Reserve account, the profit for the period and the carried forward balances in Surplus under the head 'Reserves & Surplus' would have been higher by ₹ 174,826,756.

INDEPENDENT AUDITORS' REPORT - *Continued*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects for the matter described in Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Balance Sheet, of the state of affairs of the Company as at September 30, 2013;
- b) in the case of Statement of Profit and Loss, of the profit for the period ended on that date; and
- c) in the case of Cash Flow Statement, of the Cash Flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 purpose 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the 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 the written representations received from the Directors as on September 30, 2013, taken on record by the Board of Directors, we report that none of the directors is disqualified as on September 30, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **BANSI S MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

PLACE : Kolkata
DATED : October 28, 2013

DIVYESH I. SHAH
Partner
Membership No.37326

Annexure referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of HIND SYNTEX LIMITED on the accounts for the period ended September 30, 2013

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 period so as to affect its going concern, subject to Note 24 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 period. 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 accounts.
- (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 lakh, are not applicable.
 - (e) During the period, 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.

INDEPENDENT AUDITORS' REPORT - *Continued*

- (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) According to the information and explanations given to us and the records of the Company examined by us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of Act have been so entered; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements (including purchase of services) entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any 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 period. 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 our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of accounts 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 September 30, 2013 for a period of more than six months from the date they became payable.
- (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:

Name of the statute	Nature of the dues	Amount in	Period to which the amount relate	Forum where dispute is pending
Entry Tax Act, 1976	Entry Tax	410,968	1997-98	Tribunal, Bhopal

- (x) **In our opinion, the accumulated losses of the Company as at the end of the financial period are more than fifty percent of its net worth. But the Company has not incurred cash losses during the period under audit. However in the immediately preceding financial period there were cash losses.**
- (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 are institutions:

Period	Total Amount due	Amount paid on or before due date	Default amount	Amount of Default made good	Period in which default made good	Amount in
						Amount of default as on September 30, 2012
2006-07	51,940,846	16,937,863	35,002,983	9,727,401	2007-08	25,275,582
2007-08	66,526,092	25,292,744	41,233,348	2,908,204	2008-09	38,325,144
2008-09	75,111,312	2,800,000	72,311,312	-	-	72,311,312
2009-10	75,111,312	-	75,111,312	-	-	75,111,312
2010-11	81,279,485	18,400,000	62,879,485	-	-	62,879,485
2011-12	78,779,485	-	78,779,485	-	-	78,779,485
Apr'12 to Sep'12	60,181,810	-	60,181,810	-	-	60,181,810
Total	488,930,342	63,430,607	425,499,735	12,635,605	-	#412,864,130

INDEPENDENT AUDITORS' REPORT - *Continued*

During the period the secured lenders invoked the provision of the SARFAESI Act, 2002 and took over the possession (including right to transfer by way of lease, assignment or sale) of fixed assets being Land & Building costing ₹ 50,266,490 in lieu of their outstanding term liability (refer note no. 24 of notes forming part of financial statements)

II. Interest

Amount in ₹

Period	Total Amount due	Amount paid on or before due date	Default amount	Amount of Default made good	Period in which default made good	Amount of default as on September 30, 2012*
2006-07	38,010,844	17,548,156	20,462,688	-	-	20,462,688
2007-08	56,694,298	26,429,413	30,264,885	1,097,696	2008-09	29,167,189
2008-09	60,818,220	9,042,313	51,775,907	-	-	51,775,907
2009-10	61,702,017	2,576,644	59,125,373	-	-	59,125,373
2010-11	70,273,125	4,775,462	65,497,663	-	-	65,497,663
2011-12	75,177,927	14,127,308	61,050,619	6,787,415	2008-09 to 2010-11	54,263,204
Apr'12 to Sep'12	31,051,484	-	31,051,484	-	-	31,051,484
Total	393,727,915	74,499,296	319,228,619	7,885,111	-	311,343,508

* The Company and the secured lenders had mutually agreed to arrive at consensus in respect of settlement of all the claims by the secured lenders on the Company and as a result, in pursuance to the scheme of "One Time Settlement (OTS)", with the cut-off date of September 30, 2012, the secured lenders had agreed to settle the total outstanding (principal and interest thereon) at ₹ 40 crores (Refer Note No. 23 of notes forming part of financial statements)

- (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 an overall examination of the balance sheet of the Company, we report that the funds raised on short term basis have not been utilised for long term investment.
- (xviii) According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the period, 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 period, 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 **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

PLACE : KOLKATA
DATED : October 28, 2013

DIVYESHI. SHAH
Partner
Membership No:37326

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AND OTHER EXPLANATORY INFORMATION

Note No. 1

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION:

1.1 Basis of Preparation of Financial Statements:

The Financial Statements of the Company are prepared on going concern under historical cost convention on 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. The accounting policies has been consistently applied by the company.

1.2 Use of Estimates:

The preparation of Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosure of contingent liability at the date of financial statement and the result of operations during the reporting period. Although this estimates based upon the management's best knowledge and current events and actions, actual result could differ from this estimates.

1.3 Revenue Recognition:

Sale of goods:

Sale are recognized at the time of dispatch of goods from factory and are recorded including excise duty but exclusive of sales tax and trade discounts, wherever applicable.

Interest from customer

Interest from customers on delayed payments are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

1.4 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).

1.5 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 ` 5000 or less are depreciated fully in the year of acquisition.

1.6 Inventories:

Items of Inventories are measured at lower of cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including appropriate overheads. Cost of raw materials is determined on first-in-first-out basis and stores and packing materials are determined on weighted average basis.

1.7 Foreign Exchange Transactions:

Transactions in foreign exchange are accounted at exchange rates prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year end are restated at year end rates. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the profit and loss account. Gains / Losses on forward exchange contracts are recognized over the life of the contract.

1.8 Employee Benefits

(i) Post Employment Benefit Plans

Defined Contribution Plan:

Contribution as per the Employee's 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 Employee's 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.

1.9 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.

1.10 Impairment of Assets:

If internal / external indications suggest that an Asset of the Company may be impaired, the recoverable amount of Asset / cash generating unit is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of the Asset / cash generating unit is reduced to the said recoverable amount. Subsequently, if there is a change in the indication, since the last impairment was recognized, so that recoverable amount of an Asset exceeds its carrying amount, an impairment recognized for an Assets in prior accounting period is reversed. The recoverable amount is measured as the higher of the net selling price and value in use of such Assets / cash generating unit, which is determined by the present value of the estimated future cash flows.

1.11 Provisions, Contingent Liabilities and Contingent Assets:

- 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.
- 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.
- Contingent Assets are neither recognized nor disclosed.

HIND SYNTEX LIMITED
Balance Sheet as at September 30, 2013

	Particulars	Note No.	As at September 30, 2013	As at March 31, 2012
A	EQUITY AND LIABILITIES			
I	Shareholders' funds			
	(a) Share capital	2	127,272,250	127,272,250
	(b) Reserves and surplus	3	(46,585,472)	(401,716,994)
			80,686,778	(274,444,744)
II	Non-current liabilities			
	Long-term borrowings	4	-	538,105,948
			-	538,105,948
III	Current liabilities			
	(a) Trade payables	5	35,524,102	18,128,050
	(b) Other current liabilities	6	181,137,818	296,213,820
	(c) Short-term provisions	7	7,991,241	6,038,937
			224,653,161	320,380,807
	TOTAL		305,339,939	584,042,011
B	ASSETS			
I	Non-current assets			
	(a) Fixed assets			
	Tangible assets	8	172,109,868	238,250,721
	(b) Long-term loans and advances	9	70,624,986	74,248,990
			242,734,854	312,499,711
II	Current assets			
	(a) Inventories	10	40,598,269	127,951,660
	(b) Trade receivables	11	245,668	61,292,285
	(c) Cash and cash equivalents	12	2,278,533	23,882,720
	(d) Short-term loans and advances	13	6,443,111	3,304,199
	(e) Other current assets	14	13,039,504	55,111,436
			62,605,085	271,542,300
	TOTAL		305,339,939	584,042,011
	Notes (including Significant Accounting Policies) forming part of financial statement and other explanatory information	1-35	-	-

As per our report of even date attached
For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

Divyesh I. Shah
Partner
Membership No.37326

Place : Kolkata
Dated : October 28, 2013

For and on behalf of the Board of Directors

Manish Kumar Director

Vilas Agrawal Wholetime Director

HIND SYNTEX LIMITED

Statement of Profit and Loss for the period ended September 30, 2013

	Particulars	Note No.	For the period ended September 30, 2013	For the year ended March 31, 2012
A	CONTINUING OPERATIONS			
I	Revenue from operations (gross)	15	1,487,900,871	1,146,159,108
	Less: Excise duty	15	428,548	85,225
	Revenue from operations (net)		1,487,472,323	1,146,073,883
II	Other income	16	224,020,488	9,679,442
III	Total revenue (I+II)		1,711,492,811	1,155,753,325
IV	Expenses			
	(a) Cost of materials consumed	17a	897,849,920	842,975,580
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	17b	54,566,556	15,314,732
	(c) Employee benefits expense	18	149,426,345	86,727,413
	(d) Finance costs	19	37,559,050	76,655,729
	(e) Depreciation and amortisation expense	8	47,056,590	36,345,678
	(f) Other expenses	20	347,935,820	209,084,529
	Total expenses		1,534,394,281	1,267,103,661
V	Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)		177,098,530	(111,350,336)
VI	Exceptional items		-	-
VII	Profit / (Loss) before extraordinary items and tax (V + VI)		177,098,530	(111,350,336)
VIII	Extraordinary items		-	-
IX	Profit / (Loss) before tax (VII + VIII)		177,098,530	(111,350,336)
X	Tax expense:	30		
	(a) Deferred tax		-	-
	(b) Net current tax expense		-	-
	(c) Excess / (Short) provision for income tax of earlier year		1,384,626	(724,046)
XI	Profit / (Loss) from continuing operations (IX + X)		178,483,156	(112,074,382)
B	DISCONTINUING OPERATIONS			
XII(a)	Profit / (Loss) from discontinuing operations (before tax)		-	-
XII(b)	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations	21	1,821,611	6,252,395
XII(c)	Add / (Less): Tax expense of discontinuing operations		-	-
XIII	Profit / (Loss) from discontinuing operations (XII(a) + XII(b) + XII(c))		1,821,611	6,252,395
C	TOTAL OPERATIONS			
XIV	Profit / (Loss) for the year (XI + XIII)		180,304,767	(105,821,987)
XV	Earnings per share (of ` 10/- each):	28		
	(a) Basic			
	(i) Continuing operations		14.02	(8.81)
	(ii) Total operations		14.17	(8.31)
	(b) Diluted			
	(i) Continuing operations		14.02	(8.81)
	(ii) Total operations		14.17	(8.31)
	Notes (including Significant Accounting Policies) forming part of financial statement and other explanatory information	1 - 35	-	-

As per our report of even date attached
For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

Divyesh I. Shah
Partner
Membership No.37326

Place : Kolkata
Dated : October 28, 2013

For and on behalf of the Board of Directors

Manish Kumar Director

Vilas Agrawal Wholetime Director

HIND SYNTEX LIMITED

Cash Flow Statement for the period ended September 30, 2013

Particulars	For the period ended September 30, 2013		For the year ended March 31, 2012	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		180,304,767		(105,821,987)
Adjustments for:				
Depreciation and amortisation	47,056,590		36,345,678	
Loss/ (Profit) on sale of assets	18,238,635		(6,252,395)	
Interest income	(2,271,451)		(1,428,016)	
Interest Expenses on Term Loan	-		4,134,417	
Provision no longer required written off	(206,707,474)		787,770	
	(143,683,700)	(143,683,700)	33,587,454	33,587,454
Operating profit before working capital changes		36,621,067		(72,234,533)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	87,353,391		26,866,181	
Trade receivables	61,046,617		8,743,205	
Other receivable	485,092		10,279,752	
Other current assets	(11,595,947)		(826,396)	
Adjustments for increase / (decrease) in operating liabilities:				
Short-term borrowings				
Trade payables	17,396,052		(15,492,259)	
Other current liabilities	167,168,326		47,259,292	
Short-term provisions	-		-	
	321,853,531	321,853,531	76,829,775	76,829,775
		358,474,598		4,595,242
Cash flow from extraordinary items				
Cash generated from operations				
Net income tax refunds				
Net cash flow from / (used in) operating activities (A)		358,474,598		4,595,242
B. Cash flow from investing activities				
Purchase of fixed assets	(8,331,394)		(2,061,798)	
Proceeds from sale of fixed assets (Net)	62,844,901		29,032,169	
Commission paid to MSTC	-		(1,128,369)	
Interest received	-		-	
	54,513,507		25,842,002	
Net cash flow from investing activities (B)		54,513,507		25,842,002
C. Cash flow from financing activities				
Interest paid on Term Loan	(127,906,040)		(9,493,816)	
Paid under the scheme of OTS	(306,686,252)		-	
Proceed from long term borrowing	-		5,905,854	
Repayment of other short-term borrowings	-		(22,000,000)	
	(434,592,292)		(25,587,962)	
Net cash flow from / (used in) financing activities (C)		(434,592,292)		(25,587,962)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(21,604,187)		4,849,282
Cash and cash equivalents at the beginning of the period		23,882,720		19,033,438
		2,278,533		23,882,720
* Comprises:				
(a) Cash on hand	145,691		58,821	
(b) Balances with banks				
In current accounts	2,132,842		23,823,899	
		2,278,533		23,882,720
		-		-

In terms of our report attached.

For **BANSI S. MEHTA & CO.**
Chartered Accountants
Firm Registration No. 100991W

Divyesh I. Shah
Partner
Membership No.37326

Place : Kolkata
Dated : October 28, 2013

For and on behalf of the Board of Directors

Manish Kumar Director

Vilas Agrawal Wholetime Director

Notes forming part of the financial statements and other explanatory informations

Note 2

2(a) Share capital

Particulars	As at September 30, 2013		As at March 31, 2012	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Equity shares, ₹ 10 par value	16,000,000	160,000,000	16,000,000	160,000,000
(b) Issued, Subscribed and fully paid up Equity shares, ₹ 10 par value	12,718,600	127,186,000	12,718,600	127,186,000
(c) Shares forfeited	30,350	86,250	30,350	86,250
Total	12,748,950	127,272,250	12,748,950	127,272,250

The company has only one class of shares referred to as equity shares having at par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

2(b) Details of Shares forfeited

Class of Shares	As at September 30, 2013		As at March 31, 2012	
	Number of shares	Amount originally paid up	Number of shares	Amount originally paid up
Equity shares, ₹ 10 par value	30,350	86,250	30,350	86,250

2(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at September 30, 2013		As at March 31, 2012	
	Number of shares	Amount	Number of shares	Amount
Equity shares at the beginning	12,718,600	127,186,000	12,718,600	127,186,000
Add: Fresh Issue	-	-	-	-
Less: Buy Back of shares	-	-	-	-
Equity shares at the end	12,718,600	127,186,000	12,718,600	127,186,000

2(d) Details of shares held by each shareholder holding more than 5% shares:

Class of Shares and Name of the Shareholders	As at September 30, 2013		As at March 31, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Assets Reconstruction Company (India) Limited	1,840,000	14.46	1,840,000	14.46
Hind Filter Limited	-	-	3,259,600	25.63
Mr Manish Kumar	956,456	7.52	-	-
Mr. Manish Kumar (RDM Family Trust)	747,348	5.88	-	-
Mr. Narendra Kumar (Devmanu Family Trust)	1,698,571	13.36	-	-
Mrs. Ritika Kumar	2,732,807	21.49	-	-

2(e) Out of the above Shares 8,158,950 Equity shares of ₹ 10 each have been allotted as fully paid up Bonus Shares by capitalisation of General Reserve on December 2, 1993 and January 16, 1998.

2(f) 1,840,000 Equity shares of ₹ 10 par value issued at par amounting to ₹ 18,400,000 to Asset Reconstruction Company (India) Limited, Mumbai against conversion of Funded Interest Term Loan (FITL) into equity, as per terms of CDR.

Notes forming part of the financial statements and other explanatory informations

Note 3

Reserves and Surplus

Particulars	As at September 30, 2013	As at March 31, 2012
	-	-
(a) Capital reserve		
(i) Central Investment Subsidy	1,500,000	1,500,000
(ii) State Investment Subsidy	2,500,000	2,500,000
(iii) Diesel Generator Set Subsidy	446,371	446,371
	4,446,371	4,446,371
Add:- Waiver of Principal Amount of Term Loan by the secured lenders in pursuance to the scheme of "One Time Settlement" (OTS) (Refer Note No. 23)	174,826,755	-
Closing Balance	179,273,126	4,446,371
(b) Power Subsidy Reserve	4,471,489	4,471,489
(c) General Reserve	286,518,693	286,518,693
(d) Surplus in Statement of Profit and Loss		
Opening balance	(697,153,547)	(591,331,560)
Add: Profit / (Loss) for the year	180,304,767	(105,821,987)
Closing Balance	(516,848,780)	(697,153,547)
Total	(46,585,472)	(401,716,994)

Note 4

Long-term borrowings

Particulars	As at September 30, 2013	As at March 31, 2012
	-	-
4.1. Term loans		
(A) From banks		
Secured		
(a) Bank of India	-	27,900,000
(Secured by first Equitable Mortgage of all the immovable properties, both present and future, ranking pari passu)		
(b) Bank of India	-	12,560,797
(Secured by specific charge on Assets)		
(c) Union Bank of India	-	29,880,350
(Secured by specific charge on Assets)	-	42,441,147
(d) Working Capital Term loans		
i. Bank of India	-	22,087,500
ii. Union Bank of India	-	15,601,407
iii. State Bank of India	-	10,206,859
iv. IDBI Bank Ltd.	-	20,625,000
(Secured / to be secured by first charge on fixed assets of the company)	-	68,520,766
(e) Funded Interest Term loans (FITL)		
i. Bank of India	-	16,512,203
ii. Union Bank of India	-	13,738,580
iii. State Bank of India	-	3,177,379
iv. IDBI Bank Ltd.	-	6,218,232
(Secured / to be secured by first charge on fixed assets of the company)	-	39,646,394
(B) From other parties		
Secured		
Asset Reconstruction Company (India) Ltd	-	205,013,132
(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)		
Funded Interest Term loans (FITL)		
Asset Reconstruction Company (India) Ltd	-	29,342,692
(Secured / to be secured by first charge on fixed assets of the company)	-	234,355,824

Notes forming part of the financial statements and other explanatory informations

Particulars	As at September 30, 2013	As at March 31, 2012
	-	-
4.2. Loans and advances from related parties		
Unsecured Loan	-	14,805,468
During 2006 an amount of ₹ 10,000,000/- was received from the associate concern of erstwhile promoters in pursuance to the CDR scheme approved by the Secured Lenders under consortium arrangement where Bank of India was led bankers. The said amount was deposited in "Escrow Account" with Bank of India. This amount along with interest thereon aggregates to ₹ 15,835,385/-. During the year and in terms of CDR scheme, the amount has been refunded by the company as new strategic investors has been inducted with the consent of the secured lenders and change of management have been duly effected in compliance to all statutory guidelines and norms.		
4.3. Other loans and advances		
Secured		
Working capital Loans from Banks	-	110,436,349
Total	-	538,105,948

The Term loan and working capital loan payable to the secured lenders has been mutually settled in pursuance to the scheme of "One Time Settlement" (OTS) amount of which is fully payable within stipulated time from the date of this financial statement and hence the same is considered as "Current liabilities" and have been disclosed accordingly. (Refer Note 6 & 23)

Note 5

Trade payables

Particulars	As at September 30, 2013	As at March 31, 2012
	-	-
Trade payables (Refer Note no.32)	35,524,102	18,128,050
Total	35,524,102	18,128,050

Note 6

Other current liabilities

Particulars	As at September 30, 2013	As at March 31, 2012
	-	-
Interest accrued and due on borrowings	-	280,292,024
Liability Payable under the scheme of "One Time Settlement" (OTS) with Secured Lenders (Refer Note 23)		
- For Term Loan	8,172,923	-
- For Working Capital Loan	1,827,077	-
	10,000,000	-
Pending waiver on payment of final instalment under Scheme of "One Time Settlement" (OTS) (Refer Note 23) (Principal ₹ 5,933,838 & Interest ₹ 3,849,091)	9,782,929	-
Other payables		
(i) Statutory remittances	901,739	1,147,594
(ii) M/s Wearit Global Limited (Advance against Job Work)	140,000,000	-
(iii) Others	20,453,150	14,774,202
Total	181,137,818	296,213,820

Note 7

Short-term provisions

Particulars	As at September 30, 2013	As at March 31, 2012
	-	-
1. Provision for employee benefits:		
(a) Provision for Bonus	4,066,419	2,564,654
(b) Provision for Leave	1,724,822	1,274,283
2. Other- Provision for Management fees for Bank of India	2,200,000	2,200,000
Total	7,991,241	6,038,937

Notes forming part of the financial statements and other explanatory informations

NOTE 8

(Amount in `)

FIXED ASSETS:

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at April 1, 2012	Additions during the year	Deductions and or transfers	As at Sep' 30, 2013	Upto April 1, 2012	On Deductions	For the period ended Sept' 30, 2013	As at Sep' 30, 2013	As at Sep' 30, 2013	As at March 31, 2012
(A) Owned Assets										
Leasehold Land	6,848,570	-	-	6,848,570	-	-	-	-	6,848,570	6,848,570
Buildings	134,312,657	-	-	134,312,657	66,842,007	-	6,201,147	73,043,154	61,269,503	67,470,650
Tube Wells	190,526	-	-	190,526	65,436	-	4,662	70,098	120,428	125,090
Plant and Machinery	729,916,717	3,161,340	161,971,232	571,106,825	576,129,404	135,138,342	39,073,269	480,064,331	91,042,494	153,787,313
Electrical Installations	26,082,293	1,207,107	-	27,289,400	20,071,853	-	1,326,376	21,398,229	5,891,171	6,010,440
Wind Electric Generators	22,000,000	-	-	22,000,000	20,900,000	-	-	20,900,000	1,100,000	1,100,000
Furniture and Fixtures	4,040,251	6,047	-	4,046,298	3,869,685	-	24,687	3,894,372	151,926	170,566
Office Equipments	3,000,653	274,396	-	3,275,049	2,402,268	-	135,594	2,537,862	737,187	598,385
Computers	10,199,610	42,000	-	10,241,610	9,688,022	-	2,261	9,690,283	551,327	511,588
Vehicles	4,116,318	-	1,681,823	2,434,495	2,488,197	1,099,056	288,594	1,677,735	756,760	1,628,121
TOTAL (A)	940,707,595	4,690,890	163,653,055	781,745,430	702,456,872	136,237,398	47,056,590	613,276,064	168,469,364	238,250,721
(B) Capital Work in Progress										
Air Compressor Under Installation	-	3,640,504	-	3,640,504	-	-	-	-	3,640,504	-
TOTAL (A+B)	940,707,595	8,331,394	163,653,055	785,385,934	702,456,872	136,237,398	47,056,590	613,276,064	172,109,868	238,250,721
Previous Year	938,645,792	2,061,803	-	940,707,595	666,111,195	-	36,345,678	702,456,874	238,250,721	-

Note 9

Long-term loans and advances

Particulars	As at September 30, 2013	As at March 31, 2012
(a) Capital advances		
Unsecured, considered good	263,726	263,726
(b) Security deposits		
Unsecured, considered good	14,313,625	11,287,248
(c) Loans and advances to related parties		
Unsecured, considered good		
Deposit - Escrow Account Bank of India (Refer Note 27(b))	-	14,805,468
(d) Others		
Unsecured, considered good		
(i) CENVAT credit receivable	48,807,841	39,861,548
(ii) Entry Tax [Refer Note 22(c)]	166,000	166,000
(iii) Income tax payments and TDS	7,073,794	7,865,000
	56,047,635	47,892,548
Total	70,624,986	74,248,990

Note 10

Inventories

(At lower of cost or net realisable value)

Particulars	As at September 30, 2013	As at March 31, 2012
(a) Raw materials	399,761	34,367,968
(b) Work-in-progress	-	25,484,633
(c) Finished goods (other than those acquired for trading)	19,969,447	48,999,461
(d) Stores and spares	20,000,916	17,911,776
(e) Packing Material	228,145	1,135,913
(f) Waste	-	51,909
Total	40,598,269	127,951,660

Notes forming part of the financial statements and other explanatory informations

Note 11

Trade receivables

Particulars	As at September 30, 2013	As at March 31, 2012
	-	-
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
(b) Other Trade receivables Unsecured, considered good	245,668	61,292,285
Total	245,668	61,292,285

Note 12

Cash and cash equivalents

Particulars	As at September 30, 2013	As at March 31, 2012
	-	-
(a) Cash balances with scheduled Banks In current accounts	2,132,842	23,823,899
(b) Cash in hand	145,691	58,821
Total	2,278,533	23,882,720

Note 13

Short-term loans and advances

Particulars	As at September 30, 2013	As at March 31, 2012
	-	-
(a) Loans and advances to employees Secured, considered good	27,000	17,000
(b) Prepaid expenses - Unsecured, considered good	937,905	1,211,972
(c) Balances with government authorities Unsecured, considered good		
(i) VAT credit receivable	250,085	429,157
(ii) Duty Drawback receivable on Export	-	555,070
(d) Others Unsecured, considered good		
(i) Advance to Suppliers	5,056,704	915,933
(ii) Insurance Deposit	171,417	150,067
(iii) Earnest Money	-	25,000
Total	6,443,111	3,304,199

Note 14

Other current assets

Particulars	As at September 30, 2013	As at March 31, 2012
	-	-
Interest accrued on trade receivables	3,358,266	1,443,557
Unbilled yarn job charges receivable	9,681,238	-
Assets for Disposal	-	53,667,879
Total	13,039,504	55,111,436

Note 15

Revenue from operations

Particulars	For the period ended September 30, 2013	For the year ended March 31, 2012
	-	-
Sale of products	1,367,807,400	1,146,159,108
Less: Excise duty	428,548	85,225
	1,367,378,852	1,146,073,883
Job Work Charges (Gross) (TDS ` 2,218,017)	120,093,471	-
Total	1,487,472,323	1,146,073,883

Notes forming part of the financial statements and other explanatory informations

Note 16

Other income

Particulars	For the period ended	For the year ended
	September 30, 2013	March 31, 2012
	-	-
(a) Interest income (Refer Note 16.1 below)	10,590,617	5,015,249
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)	947,680	741,817
(c) Liability no longer payable in persuance to the scheme of OTS, hence written back		
- Accrued Interest on Term Loan	136,998,220	-
- Accrued Interest on Working Capital Loan	13,116,313	-
- Principal of Working Capital Loan	56,592,941	-
(d) Other non-operating income (net of expenses directly attributable to such income) (Refer Note 16.2 below)	5,774,717	3,922,376
Total	224,020,488	9,679,442

Note 16.1

Particulars	For the period ended	For the year ended
	September 30, 2013	March 31, 2012
	-	-
Interest income comprises:		
(i) Interest from banks on deposits (Gross) (TDS ` 54,850)	626,670	806,850
(ii) Interest on overdue trade receivables (Gross)	4,737,060	3,428,932
(iii) Interest on income tax refund	3,582,106	158,301
(iv) Other interest (Gross) (TDS ` 1,09,176)	1,644,781	621,166
Total	10,590,617	5,015,249

Note 16.2

Particulars	For the period ended	For the year ended
	September 30, 2013	March 31, 2012
	-	-
(i) Profit on sale of fixed assets	1,846,273	-
(ii) Excess provision written back	151,899	-
(iii) Miscellaneous income	3,776,545	3,922,376
Total	5,774,717	3,922,376

Note 17.a

Cost of materials consumed

Particulars	For the period ended	For the year ended
	September 30, 2013	March 31, 2012
	-	-
Opening stock	34,367,968	36,526,584
Add: Purchases	863,881,713	840,816,964
	898,249,681	877,343,548
Less: Closing stock	399,761	34,367,968
Cost of material consumed	897,849,920	842,975,580

Notes forming part of the financial statements and other explanatory informations

Note 17.b

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the period ended	<i>For the year ended</i>
	September 30, 2013	March 31, 2012
	-	-
Inventories at the end of the period:		
Finished goods	19,969,447	48,999,461
Work-in-progress	-	25,484,633
Waste	-	51,909
	19,969,447	74,536,003
Inventories at the beginning of the year:		
Finished goods	48,999,461	61,078,235
Work-in-progress	25,484,633	28,743,898
Waste	51,909	28,602
	74,536,003	89,850,735
Net (increase) / decrease	54,566,556	15,314,732

Note 18

Employee benefits expense

Particulars	For the period ended	<i>For the year ended</i>
	September 30, 2013	March 31, 2012
	-	-
Salaries and wages	129,865,096	75,485,788
Contributions to provident and other funds	17,743,310	10,227,718
Staff welfare expenses	1,817,939	1,013,907
Total	149,426,345	86,727,413

Note 19

Finance costs

Particulars	For the period ended	<i>For the year ended</i>
	September 30, 2013	March 31, 2012
	-	-
Interest expense on Borrowings From Banks	37,559,050	76,655,729
Total	37,559,050	76,655,729

Note 20

Other expenses

Particulars	For the period ended	<i>For the year ended</i>
	September 30, 2013	March 31, 2012
	-	-
Consumption of stores and spare parts	37,614,564	24,014,050
Consumption of packing materials	10,828,155	8,524,616
Power and fuel	230,315,677	133,470,984
Rent including lease rentals	203,347	136,634
Repairs and maintenance-Buildings	1,140,282	321,316
Repairs and maintenance-Machinery	7,622,745	9,147,290
Repairs and maintenance-Others	1,477,007	1,386,735
Insurance	1,722,986	1,442,896
Rates and taxes	731,180	399,637
Communication	426,765	227,823
Travelling and conveyance	1,610,201	716,275
Printing and stationery	654,393	357,856
Freight and forwarding	5,064,056	5,166,065
Sales commission	11,085,296	11,729,592
Legal and professional	1,857,434	742,846
Payments to auditors (Refer Note (20.1) below)	427,080	297,145
Loss on sale of fixed assets	20,060,246	-
Miscellaneous expenses	15,094,406	11,002,769
Total	347,935,820	209,084,529

Notes forming part of the financial statements and other explanatory informations

Notes (20.1)

Particulars	For the period ended September 30, 2013	<i>For the year ended March 31, 2012</i>
	-	-
Payments to the auditors comprises (net of service tax input credit, where applicable):		
Statutory audit fees	210,000	140,000
Taxation matters- Tax Audit	40,000	40,000
Other services	177,080	117,145
Total	427,080	297,145

Note 21

Gain from disposal of Assets

Particulars	For the period ended September 30, 2013	<i>For the year ended March 31, 2012</i>
	-	-
Profit on sale of fixed assets	1,446,127	6,252,395
Profit on sale of VSF	375,484	-
Total	1,821,611	6,252,395

NOTES FORMING A PART OF THE FINANCIAL STATEMENTS AND OTHER EXPLANATORY INFORMATION:

NOTES TO ACCOUNT

22. Contingent Liabilities and Commitments Not Provided For:

- Estimated amount of contracts remaining to be executed on capital account of ` 2,103,731 (` 2,103,731) advances paid ` 2,63,736 (` 2,63,736).
- Income tax demands disputed in Appeals ` 3,717,890 (` 6,350,331) against which amount deposited ` 3,717,890 (` 6,350,331).
- Entry Tax demands for FY (1997- 98) disputed in Appeals ` 576,968 (` 576,968) against which amount deposited ` 166,000 (` 166,000) in 2001 and 2003.
- Central Excise Duty demands disputed in Appeals ` 76,026 (` 171,151) against which amount deposited ` Nil (` Nil).

23. The Company and the secured lenders have mutually agreed to arrive at consensus in respect of settlement of all the claims by the secured lenders on the Company. The Lenders and Company has agreed to determine the liability, in this respect, with the cut-off date of September 30, 2012. In pursuance of the scheme of "One Time Settlement (OTS)" the secured lenders agreed to settle the total outstanding (principal and interest thereon) as on September 30, 2012 for an amount of ` 40 Crore payable on deferred manner as per details below;

Particulars	Date of Acceptance of OTS Scheme	Outstanding prior to scheme of OTS			Amount paid/Payable under OTS			Waiver Under OTS					
		Principal	Interest	Total	Paid till	Payable as on	Total	on Amount paid by 30.09.13		on Amount Payable			
					30.09.2013			30.09.2013	Principal	Interest	Principal	Interest	
A. Term Loan													
Bank of India	15/01/2013	69,434,830	37,471,469	106,906,299	52,688,680	1,350,992	54,039,672	33,478,061	18,066,900	858,412	463,254		
Union Bank	04/02/2013	52,010,220	31,850,217	83,860,437	41,330,546	1,059,758	42,390,304	25,076,771	15,356,609	642,994	393,759		
State Bank of India	21/01/2013	11,754,698	9,194,757	20,949,455	10,324,921	264,742	10,589,663	5,667,537	4,433,260	145,321	113,673		
IDBI Bank	22/01/2013	23,575,050	14,534,523	38,109,573	18,782,271	481,597	19,263,868	11,366,730	7,007,832	291,455	179,688		
ARCIL	23/01/2013	205,822,842	191,088,788	396,911,630	195,617,565	5,015,835	200,633,400	99,237,655	92,133,619	2,544,555	2,362,400		
Sub Total		362,597,640	284,139,754	646,737,394	318,743,985	8,172,923	326,916,907	174,826,755	136,998,220	4,482,737	3,512,775		
A. Working Capital Loan													
Bank of India	15/01/2013	34,400,130	8,562,139	42,962,269	21,173,918	542,921	21,716,839	16,586,051	4,128,242	425,283	105,852		
Union Bank	04/02/2013	35,264,264	11,915,750	47,180,014	23,252,630	596,221	23,848,852	17,002,694	5,745,189	435,967	147,313		
State Bank of India	21/01/2013	22,317,333	5,171,534	27,488,867	13,547,865	347,381	13,895,246	10,760,321	2,493,459	275,906	63,935		
IDBI Bank	22/01/2013	25,394,282	1,554,331	26,948,613	13,281,601	340,554	13,622,155	12,243,874	749,422	313,945	19,216		
ARCIL	23/01/2013	-	-	-	-	-	-	-	-	-	-		
Sub Total		117,376,009	27,203,754	144,579,763	71,256,015	1,827,077	73,083,093	56,592,941	13,116,313	1,451,101	336,316		
Total		479,973,649	311,343,508	791,317,157	390,000,000	10,000,000	400,000,000	231,419,696	150,114,532	5,933,838	3,849,091		

The Amount of principal as considered above is after adjusting the value of assets at the unit situation at Birgod. (Refere Note no.24)

The amount payable under the OTS Scheme has been determined in a consolidated manner in pursuance to the Corporate Debt Restructuring (CDR) Scheme. The amount paid / payable under the OTS scheme to the consortium of Secured Lender and the amount of waiver is recognized in the manner proportionate to the outstanding of the lenders. The eligible amount of waiver pertaining to the amount already paid during the year is being proportionately recognized in this financial statement in the following manner;

- The waiver of principal on the Term Loan of ` 1748.27 Lac is considered to be 'capital receipt' and hence is being credit to the 'Capital Reserve.' The interest waiver on term loan of ` 1369.98 Lac is credit to Profit & Loss Account under the head 'Other Income';
- The waiver of principal (` 565.93 Lac) and interest (` 131.16 Lac) on working capital loan are credit to Profit & Loss Account under the head 'Other Income'.

The waiver proportionate to the balance amount payable as of September 30, 2013 will be recognised in the similar manner as and when such amount is being paid by the Company. The residue amount of ` 100 Lac is subject to reconciliation and adjustment of amount paid on other heads / adhoc basis. The Company is assured to obtain final clearance of its liability under OTS, dully paid, in due course of time.

24. In terms of the order of Hon'ble High Court of Indore dated March 31, 2008, the operation at the production unit of the Company situated at Birgod, Madhya Pradesh was discontinued. During the period as per the said order and in manner referred therein, the fixed assets amounting to ` 34,01,389/- (previous year ` 1,94,51,407/-) was disposed-off for settling the Workmen Compensation Term Loan Liability with Bank of India.

Further, during the period the secured lenders invoked the provision of the SARFAESI Act, 2002 and took over the possession (including right to transfer by way of leave assignment are sale) of fixed assets being Land & Building valuing ` 5,02,66,490/- situated at survey No. 134 to 140 and 142 at Village Birgod, Tehsil - Sonkutch, Dist - Dewas, M.P. in lieu of their outstanding term liability.

25. 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 Statement of Profit and Loss, respectively.

NOTES FORMING A PART OF THE FINANCIAL STATEMENTS AND OTHER EXPLANATORY INFORMATION:

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 ₹ 30,02,725 (₹ 20,00,000 on 12.12.2012, ₹ 9,27,725 on 13.12.2012 and ₹ 75,000 on 13.12.2012) and made provision for ₹ 15,60,000. 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 AS-15 (Revised), the funds available with LIC is dedicated to meet Company.

In accordance with the provisions of AS-15 (Revised), the contribution so made is charged to the Statement of Profit and Loss, based on calculations made by the Company, itself which is not verified by any independent authority and the fund 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 ₹ 2,45,102 has been made during the period ended September 30, 2013 and the accumulated balance as on September 30, 2013 is ₹ 17,24,822 on the aforesaid basis (without an actuarial valuation) in respect of the aggregate leave at the credit of its employees. The Company does not have a certificate from an independent actuary to the effect that the provision so made has been worked out is accurate in accordance with the provisions of AS-15 (Revised), the provision so made is charged to the Statement of Profit and Loss. 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 and 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.

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

(a) Transaction during the period:

Name of Related Party	Description of Relationship	Nature of Transaction	Amount in Transaction	
			30.09.2013 (₹)	31.03.2012 (₹)
(a) S. L. Moondhra Senior Executive Director	Key Management Personnel	Remuneration	2,683,744	1,627,471
(b) Wearit Global Limited	Associate Company	Sales	269,750,822	-
(c) Wearit Global Limited	Associate Company	Job Work	110,412,233	-
(d) Wearit Global Limited	Associate Company	Purchases	35,320,591	-
(e) Dhanterash sale Pvt. Ltd.	Associate Company	Purchases	4,111,525	-

(b) Balances at the end of the period:

Name of Related Party	Description of Relationship	Nature of Transaction	Amount in Transaction	
			30.09.2013 (₹)	31.03.2012 (₹)
(a) Hind Filters Ltd.	Associate Company	Long Term Unsecured Loan	-	14,805,468
(b) Hind Filters Ltd.	Associate Company	Deposit – Escrow Account	-	14,805,468
(c) Wearit Global Limited	Associate Company	Short Term advance against sales	140,000,000	-
(d) Wearit Global Limited	Associate Company	Trade Receivable	262,422	-

NOTES FORMING A PART OF THE FINANCIAL STATEMENTS AND OTHER EXPLANATORY INFORMATION:

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

	<u>30.09.2013</u>	<u>31.03.2012</u>
a) Profit / (Loss) available to Equity Shareholders (in `)	180,304,767	(105,821,987)
b) No. of Equity Shares Outstanding during the period / year	12,718,600	12,718,600
c) Nominal Value per equity Share (in `)	` 10.00	` 10.00
a) Basic		
i) Continuing operation	14.02	(8.81)
ii) Total operation	14.17	(8.32)
b) Diluted		
i) Continuous operation	14.02	(8.81)
ii) Total operation	14.17	(8.32)

29. 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 there under, in absence of virtual certainty the Company has not recognized Deferred Tax Assets in respect of carry forward losses ` 356,461,827 including unabsorbed depreciation ` 272,701,849 and also in terms of Para 15, the Company has not recognized Deferred Tax Assets in respect of other items in absence of reasonable certainty.

30. No provision for taxation is made in view of brought forward business losses and unabsorbed depreciation of earlier years.

Tax Expense	For the period ended September 30, 2013	For the year ended March 31, 2012
Current Tax	-	-
Add : Excess / (Short) provision of Income tax of earlier year.	1,384,626	(724,046)
Net current tax expense	1,384,626	(724,046)

31. 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. Cash flow 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, no instance of impairment arises.

32. Disclosure in accordance with Section 22 of Micro, Small & Medium Enterprises Development Act, 2006

Sr. No.	Particulars	As at September 30, 2013 (`)
a.	Principal amount remaining unpaid and interest due thereon	Nil
b.	Interest paid in terms of Section 16	Nil
c.	Interest due and payable for the period of delay in payment	Nil
d.	Interest accrued and remaining unpaid	Nil
e.	Interest due and payable in succeeding periods	Nil

In the absence of any information as to which suppliers are Micro, Small & Medium Enterprises as required under Micro, Small and Medium Enterprises Development Act, 2006, the liability, if any, of Principal and Interest which would be payable to Micro, Small and Medium Enterprises cannot be ascertained. However, the Company has not received any claims in respect thereof.

NOTES FORMING A PART OF THE FINANCIAL STATEMENTS AND OTHER EXPLANATORY INFORMATION:

33. The Board of Directors of the Company vide its Resolution of the meeting dated July 31, 2013 found appropriate to prepare the Financial statement as per the provision of the Companies Act, 1956 for a period of 18 months commencing from April 01, 2012 and ending on September 30, 2013. Necessary approval for the Registrar of Companies, in this regard, has been obtained.
34. The figure of the current period are of eighteen months and are not comparable with the previous year's figure. However, the previous year's figures, wherever necessary, have been regrouped, reclassified and recast to confirm with this period's classification.

35A. Raw Material Consumed

	<u>Current period ended September 30, 2013</u>	<u>Previous year ended March 31, 2012</u>
1. Cellulosic Fibre	34,48,51,531	25,92,25,737
2. Non-Cellulosic Fibre	54,95,83,590	58,21,60,708
3. Dyes & Chemicals	34,14,799	15,89,135
	<u>89,78,49,920</u>	<u>84,29,75,580</u>

35B. Imported and Indigenous Consumption :

	<u>Current period ended September 30, 2013</u>		<u>Previous year ended March 31, 2012</u>	
	Value (`)	Percentage	Value (`)	Percentage
(a) Raw Materials :				
Imported	-	-	-	-
Indigenous	<u>89,63,29,707</u>	<u>100.00</u>	<u>84,13,86,445</u>	<u>100.00</u>
Total	<u>89,63,29,707</u>	<u>100.00</u>	<u>84,13,86,445</u>	<u>100.00</u>
(b) Stores & Spare Parts :				
Imported	12,71,794	3.58	8,13,716	3.55
Indigenous	<u>3,42,33,201</u>	<u>96.42</u>	<u>2,20,80,161</u>	<u>96.45</u>
Total	<u>3,55,04,995</u>	<u>100.00</u>	<u>2,28,93,877</u>	<u>100.00</u>

35C. C.I.F. Value of Imports

	Value in (`)	
	30.09.2013	31.03.2012
(i) Raw Materials	-	-
(ii) Stores & Spares	10,44,405	7,55,807
(iii) Capital Goods	-	-

35D. Expenditure in Foreign Currency on account of:

1. Travelling	-	-
2. Commission on export sales	25,41,437	29,91,267

35E. Remittance in Foreign Currency on account of :

Dividends	Nil	Nil
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35F. Earning in foreign currency :

Export of goods (F.O.B. realisation basis)	7,60,99,466	6,90,15,664
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As per our report of even date attached

For **BANSI S. MEHTA & CO.**

Chartered Accountants

Firm Registration No. 100991W

Divyesh I. Shah

Partner

Membership No.37326

Place : Kolkata

Dated : October 28, 2013

For and on behalf of the Board of Directors

Manish Kumar Director

Vilas Agrawal Wholetime Director

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 THIRTY SECOND 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 Thirty Second Annual General Meeting of the Company to be held on Friday the 6th day of December, 2013 and at any adjournment thereof.

Signed this day of 2013.

Affix
Revenue
Stamp here

Signature

Note : The proxy form must reach the Company's Registered Office at Plot No. 2, 3, 4 & 5, Sector A, Industrial Growth Centre, PILLUKHEDI - 465 667, District Rajgarh (M.P.) not less than FORTY-EIGHT hours before the time for holding the meeting.

Book - Post

If not delivered, please return to :

Hind Syntex Limited

Plot No. 2, 3, 4 & 5, Sector A,
Industrial Growth Centre,
PILLUKHEDI - 465 667
District Rajgarh (M.P.)
Tel. : +91 7375 244350, +91 93015 28698
Email : pillukhedi@wearitgroup.com

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