

Hind Syntex Limited

**Annual Report
2011 - 2012**



Board of Directors

Directors

Shri Manohar Keshav
Shri Ravi Mohan
Shri Chandra Mohan
Shri S L Moondhra (Senior Executive Director)
Shri G S Chopra
Shri V D Nadkarni (Nominee Bank of India)

Auditors

Bansi S. Mehta & Co., Mumbai

Solicitor

Crawford Bayley & Co., Mumbai

Bankers

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

Registered Office

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

Mumbai Office

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

Works

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

Shri Rajesh Pipraiya, General Manager (Works)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that Thirty First Annual General Meeting of the Members of HIND SYNTEX LIMITED will be held at the Registered Office of the Company, at 1A & 8A Industrial area, A. B. Road, Dewas (M.P.) 455 001, on Monday the 10th day of September, 2012 at 12.00 Noon to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon
2. To elect a Director in place of Shri Ravi Mohan, who retires by rotation, and being eligible, offers himself for reappointment.
3. To elect a Director in place of Shri Chandra Mohan, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and fix their remuneration. The retiring Auditors Messrs Bansi S Mehta & Co., Chartered Accountants, Mumbai, are eligible for reappointment.

Pillukhedi
Dated: May 25, 2012

By Order of the Board,

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

S L Moondhra
Senior Executive Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 3rd day of September 2012 to Monday, the 10th day of September, 2012 (both days inclusive).
3. Members are requested to bring their copies of Annual Report to the Meeting.

Reappointment of Directors:

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

Shri Ravi Mohan, aged about 65 years, is a Promoter Director of the Company. He holds a Bachelors Degree in Mechanical Engineering from University of Jabalpur and Masters Degree in Industrial Engineering from Kansas State University, USA. He is a Director in Companies Viz: Hind Filters Limited (Chairman).

Mr Chandra Mohan, aged about 63 years is Director of the Company since 1990. He holds M.com. degree from Jabalpur University. He is a businessman and a Director in the Companies Viz., Vishwa Securities & Finance Pvt Ltd., Hitkarini Prakashan Limited, Binani Infrastructure Pvt Ltd., Omo Properties Pvt Ltd., Madhav Properties Pvt. Ltd. and Jabalpur Property Developers Pvt. Ltd.

Pillukhed
Dated: May 25, 2012

By Order of the Board,

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

S L Moondhra
Senior Executive Director

Directors' Report

To the Shareholders,

Your Directors present Thirty First Annual Report together with the Audited Statements of Accounts for the year ended March 31, 2012.

Operations

The total Income during the year was ` 11579.50 lacs. The operating results are as under:

	2011-2012	2010-2011
Surplus before Interest and Depreciation	79.04	864.11
Less: Interest	<u>766.56</u>	<u>720.47</u>
Profit / (Loss) before Depreciation	(687.52)	143.64
Less: Depreciation	<u>363.46</u>	<u>370.69</u>
Net Profit / (Loss)	(1050.98)	(227.05)

Dividend

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

Working of the Company

Birgod

As directed by lenders, the surplus Plant & Machinery excluding Power House was sold by E-auction through MSTC Ltd to the highest bidder. The sale of Land & Building and Power House is under process through E-auction, as per the revised valuation report obtained by lenders.

Pillukhedi

Presently the Company has 28,800 spindles in operation, operation of further spindles can be increased to 41,424 in stages. Due to working capital constrains, the installed capacity remains unutilized. In order to have viability of the unit, debt burden has to be reduced substantially by the lenders. The volatility of raw material prices, increase in power & labour cost coupled with tight finance has resulted in to losses.

The turnover was ` 11420.18 lacs (previous year ` 10576.51 lacs). During the year the Company made direct export of yarn ` 773.33 lacs (Previous year ` 1696.18 lacs).

Finance

Company is paying interest on Working Capital with effect from January, 2011 and has paid ` 1,24,50,159 till March,2012.

Out of the sale proceeds of surplus Plant & Machinery and electrical installation of Birgod Unit, Bank of India has recovered ` 220.00 lacs alongwith interest, as per the terms of loan of ` 220.00 lacs, which was disbursed to the Company towards labour dues.

Public Deposit

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

Directors

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

Bank of India has appointed Shri V D Nadkarni in place of Shri M V Venkateswaran as nominee w.e.f. January 17, 2012.

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 ` 690.15 lacs on F.O.B. realisation basis. The total foreign exchange outgo, during the year amounted to ` 29.91 lacs for payment of commission on export sales. The particulars of foreign exchange earned / utilised during the year are given in Note 37 D & F to the accounts.

Directors' Report - Continued

Corporate Governance Report

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

Directors' Responsibility Statement

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

- i) That in the preparation of the accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the accounts for the financial year ended March 31, 2012 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 vide SRN S05771282 dated August 29, 2011 as Cost Auditors of the Company to conduct the cost audit for the year ending on March 31, 2012. The cost Audit report for the year ended March 31, 2011 was submitted on August 29, 2011. The cost audit report for the year ended on March 31, 2012 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 and IDBI Bank Ltd., for their continued support to your Company.

On behalf of the Board,

Pillukhedi
Dated: May 25, 2012

Manohar Keshav
Director

S L Moondhra
Senior Executive Director

ANNEXURE FORM-A

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

	Current Year	Previous Year	
A. Power and Fuel Consumption:			
1. Electricity			
(a) Purchase Unit	2,80,08,097	2,75,86,261	
Total Amount	13,34,70,984	11,85,65,970	
Rate / Unit	4.77	4.30	
(Including 3,40,866 Units generated through Wind Electric Generators and fed into MPMKVCL grid)			
(b) Own Generation			
i) Through Diesel Generators			
Units produced	--	--	
Units / Litres	--	--	
Cost / Unit	--	--	
ii) Through Furnace Oil based Power Plants			
Units Produced	--	--	
Units/Litres	--	--	
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. Litres)	--	--	
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 Year	Previous Year
Product (with details)	--	Synthetic Blended Yarn	Synthetic Blended Yarn
Unit	--	Kg	Kg
Electricity	--	3.84 (Units)	3.65 (Units)
Coal (Specify quality) Steam Coal	--	-- (Kg)	-- (Kg)

On behalf of the Board,

Pillukhedi
Dated: May 25, 2012

Manohar Keshav
Director

S L Moondhra
Senior Executive Director

ANNEXURE FORM-B

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

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

Technology Absorption, Adaptation and Innovation.

- | | | |
|---|---|--|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation. | : | <p>(a) The Company has installed, Machinery to produce international quality Synthetic Blended Yarn. Chute Feed System from Blow Room Line to Cards have been installed, resulting in uniform silver and higher production. Autoconers, Two-for-One Twister Machines, Electronic yarn clearers and splicer units on winding Machines etc. have been installed, to manufacture uniform knotless yarn.</p> <p>(b) Four MBO are linked together in Blow Room and avoided toppling process.</p> <p>(c) Twenty three Doffer Drivers are added in Carding for better quality yarn.</p> |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction product development, import substitution. | : | <p>The Company has been able to manufacture international quality yarn by continuous improvement.</p> <p>The Company made direct exported of yarn ` 773.33 lacs (previous year ` 1696.18 lacs) earning valuable foreign exchange for the Country.</p> |
| 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,

Pillukhedi
Dated: May 25, 2012

Manohar Keshav
Director

S L Moondhra
Senior Executive Director

Management Discussion and analysis

1. Overall Review

The cost escalation due to high input prices and low demand in domestic and international textile markets, the financial results for the year 2011-12 were not satisfactory. The financial health of the Company continues to remain under pressure and has affected the working of the Company.

2. Review Operations

For the year 2011-12, production was 7286 MT (previous year 7560 MT), Turnover was ₹ 11420.18 lacs (previous ₹ 10577.18 lacs). During the year Company made direct export of yarn ₹ 773.33 lacs (previous year ₹ 1696.18 lacs). There has been decrease in exports due to recession in global market.

3. Industry structure and development

The textile industry is one of the most important sectors in Indian economy and the second largest generator of employment after agriculture. The Government proposes to increase the investment in this sector to generate more employment through various schemes viz. Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme(TUFS), Integrated Skill Development Scheme (ISDS), Technology Mission on Technical Textiles (TMTT).

The allocation of funds by the Government in above schemes will help the development and growth of textile industry.

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. Favourable 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 revival of spinning industry in the short-to-medium term will depend largely on demand recovery in international markets as well as improvement in micro economic indicators for the domestic market. Companies with stronger capital structure, diversified product mix and geography, balanced presence across count ranges and favourable economies of scale are better positioned to tide over the current down cycle.

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 :

(₹ in lacs)

	<u>2011-2012</u>	<u>2010-2011</u>
Surplus before Interest and Depreciation	79.04	864.11
Less: Interest	<u>766.56</u>	<u>720.47</u>
Profit / (Loss) before Depreciation	(687.52)	143.64
Less: Depreciation	<u>363.46</u>	<u>370.69</u>
Net Profit / (Loss)	(1050.98)	(227.05)

9. Human Resources Development / Industrial Relations

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

Corporate Governance Report

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

The Board of Directors consists of 6 directors as on March 31, 2012

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

Name of the Director	Category	Financial Year 2011-12 Attendance at		No of Outside Directorships	Committee Positions*	
		Board Meeting	Last AGM		Member	Chairman
Shri Manohar Keshav	Independent Director	3	Yes	None	2	1
Shri Ravi Mohan	Promoter & Director	4	Yes	1	None	None
Shri Chandra Mohan	Independent Director	None	No	1	2	None
Shri S L Moondhra	Senior Executive Director	5	No	1	None	1
Shri G S Chopra	Independent Director	5	Yes	2	3	None
Shri V D Nadkarni** (Nominee Director, Bank of India)	Independent Director	1	No	None	3	None
Shri M V Venkateswaran** (Nominee Director, Bank of India)	Independent Director	3	No	None	3	None

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

** Shri V D Nadkarni was appointed as Nominee Director of Bank of India w.e.f. January 17, 2012 in place of Shri M V Venkateswaran.

Number of Board Meetings held and the dates on which held

Five Board Meetings were held during the year on April 20, 2011, June 24, 2011, July 26, 2011, November 12, 2011 and February 11, 2012.

3. Audit Committee

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

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

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

During the year the Committee held five meetings on April 20, 2011, June 24, 2011, July 26, 2011, November 12, 2011 and February 11, 2012. The attendance of the members at these meeting are as under:

Name of Member	Meetings held	Number of Meetings attended
Shri Manohar Keshav	5	3
Shri Chandra Mohan	5	0
Shri G S Chopra	5	5
Shri V D Nadkarni**	5	1
Shri M V Venkateswaran**	5	3

** Shri V D Nadkarni, Nominee Director - Bank of India has become member of committee from January 17, 2012 in place of Shri M V Venkateswaran .

Corporate Governance Report - *Continued*

4. Remuneration Committee

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

Shri V D Nadkarni, Nominee Director - Bank of India has become member of committee from January 17, 2012 in place of Shri M V Venkateswaran.

5. Shareholders' / Investors' Grievance Committee

The Board of the company has reconstituted a shareholders' / Investors' Grievance Committee comprising of Shri Manohar Keshav, Shri Chandra Mohan, Shri G S Chopra and Shri V D Nadkarni . The committee look into redressal of shareholders' complaints like transfer of shares, non receipt of balance sheets, non receipt of declared dividends, etc.

During the year the Committee held one meeting on June 24, 2011. The attendance of members are as under:

Name	Category	Number of Meetings During the year 2011 - 12	
		Held	Attended
Shri Chandra Mohan	Independent	1	-
Shri Manohar Keshav	Independent	1	-
Shri G S Chopra	Independent	1	1
Shri V D Nadkarni*	Independent	1	-
Shri M V Venkateswaran*	Independent	1	1

* Shri V D Nadkarni, Nominee Director - Bank of India has become member of committee from January 17, 2012 in place of Shri M Venkateswaran.

No complaints / queries were received during the year under review. There was no pending complaints / transfers as on March 31, 2012.

6. General Body Meetings

Location and time for last three Annual General Meeting were:

Year	AGM	Location	Date	Time
2008 - 2009	AGM	Hind Syntex Ltd 1A/8A Industrial Area, A B Road, Dewas - 455 001 (MP)	10th September 2009	12.00 Noon
2009 - 2010	AGM	Same as above	10th September 2010	12.00 Noon
2010 - 2011	AGM	Same as above	12th September 2011	12.00 Noon

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

7. Disclosure

- (A) a. Disclosure on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc that may have potential conflict with the interest of the company at large.

None of the transactions with any of the related parties have potential conflict with the interest of the Company.

- b. Details of non compliance by the company, penalties, 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 Ravi Mohan who holds 2,33,400 Shares (1.84%) and Shri Chandra Mohan 1,13,602 shares (0.89 %).

Corporate Governance Report - Continued

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

8. Means of Communication

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

9. General Share holders information

- 9.1 Annual General Meeting :
Date and time : 10th September, 2012, at 12.00 Noon
Venue : 1A/8A Industrial Area,
A B Road, Dewas - 455 001 (MP)
- 9.2 Financial Calendar : Annual General Meeting 10th September, 2012
Results for quarter ending 30th June, 2012 by 15th August, 2012
Results for quarter ending 30th Sept, 2012 by 15th November, 2012
Results for quarter ending 31st Dec, 2012 by 15th February, 2013
Results for quarter ending 31st Mar, 2013 by 30th May, 2013
- 9.3 Book closure date : 3rd September, 2012 to 10th September, 2012
- 9.4 Dividend payment date : The Directors have not recommended any dividend on equity shares for the financial year 2011 - 2012.
- 9.5 Listing of equity shares on Stock Exchange at : The Bombay Stock Exchange Ltd., Mumbai
National Stock Exchange of India Ltd., Mumbai
Listing fee as prescribed has been paid to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited up to March 31, 2012.
- 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 2011 to March 2012 as under: (In `)

Months	Month's High Price	Month's Low Price
April	4.40	3.25
May	4.50	3.00
June	4.40	3.10
July	4.45	3.60
August	3.85	3.60
September	2.90	2.65
October	2.80	2.55
November	3.10	3.10
December	2.75	2.75
January	2.25	1.75
February	2.40	2.15
March	2.15	1.90

9.8 Registrar and Transfer Agents:

Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound
L B S Marg, Bhandup (W), Mumbai - 400 078, E-mail: mumbai@linkintime.co.in

9.9 Share transfer system:

The Board has constituted a share transfer committee for physical transfer of shares. Shares lodged for transfer are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects.

Corporate Governance Report - Continued

9.10 Distribution of Shareholding as on March 31, 2012

Shareholding pattern:

Number of Shares	No. of Shareholders	% of Shareholders	No. of Share held	Voting Strength (%)	Category	As on March 31, 2012	
						No of Shares	%
Upto 500	3936	67.18	935207	7.35	Promoters / Persons acting in concert	3861994	30.36
501 - 1000	851	14.53	749267	5.89	UTI & Mutual Funds	1771	0.02
1001 - 2000	528	9.01	886833	6.97	Financial Institutions / Banks / Insurance Companies	1849262	14.54
2001 - 3000	159	2.71	407498	3.21	Private Corporate Bodies	1142852	8.99
3001 - 4000	109	1.86	404804	3.18	Resident Individuals	5658610	44.49
4001 - 5000	63	1.07	300236	2.36	NRI's / OCB's	204111	1.60
5001 - 10000	126	2.15	936015	7.36	Total	12718600	100.00
10001 and above	87	1.49	8098740	63.68			
	5859	100.00	12718600	100.00			

9.11 Dematerialisation of shares

Over 92.01 % of the outstanding shares have been dematerialised upto March 31, 2012. 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

(a) Village: BIRGOD, Block Tonk khurd, District Dewas (MP) 455 116

(b) Plot No: 2, 3, 4 & 5 Sector A, Industrial Growth Centre, PILLUKHEDI, District Rajgarh (MP) 465 667

9.14 Investors correspondence

Registrar & Transfer Agent:

Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W), Mumbai 400078, E-mail: mumbai@linkintime.co.in

Registered Office of the Company:

Hind Syntex Limited, 1A/8A Industrial Area, A B Road, Dewas 455 001 (MP)

Tel No: 258293(5 lines) Fax No: 07272 258717/400363, E-mail: hslindr@sancharnet.in

10. Code of Conduct

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

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 year ended March 31, 2012 the Company has complied with the requirements of the said sub-clause

For Hind Syntex Limited

S L Moondhra

Senior Executive Director

Place : Pillukhedi

Dated : 25th May, 2012

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 of Hind Syntex Limited (the Company), for the year ended on March 31, 2012, 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 given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement. We state that no investor grievances are pending for period exceeding one month against the company as per the records maintained by the shareholders' / investors Grievance Committee.

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

For Bansi S Mehta & Co.

Chartered Accountants

Firm Registration No. 100991W

Divyesh I. Shah

Partner

Membership No: 37326

Place : Pillukhedi

Dated : May 25, 2012

Auditors' Report to the Members of HIND SYNTEX LIMITED

1. We have audited the attached Balance Sheet of **HIND SYNTEX LIMITED** as at March 31, 2012 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the basis of such checks, we considered appropriate and the information and explanations given to us, on the matters specified in paragraphs 4 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) **Refer to Note No. 28 to Accounts relating to the charge to the Profit & Loss Account of ` 25,71,545 in respect of Gratuity and of ` 7,21,679 in respect of Compensated Absences. In the absence of detailed information from an independent actuary, inter alia, as to the present value of obligation and employee benefits cost to be recognised respectively in the Balance Sheet and Profit & Loss Account, we are unable to ascertain the adjustment and the charges which should have been made to the Profit & Loss Account, respectively, in respect of Gratuity and Compensated Absences, as contemplated by the Accounting Standard-15 ("AS-15") on "Employees Benefits" [AS-15 (Revised)] and accordingly, we are unable to comment on the effect thereof on the Loss for the year and the consequential effect on Debit balance in the Profit & Loss Account, and Current Liabilities and Provisions carried forward at the year end.**

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

Further, as stated in Note 34 to the Accounts, on the basis of the working prepared by the Company to ascertain the impairment in terms of Accounting Standard-28, "Impairment of Assets", no impairment loss has been recognised. However, in view of the uncertainty involved with the internal restructuring (refer note 26 of the accounts), and since the future cash flow prepared to determine the value in use are on basis of such restructuring, we are unable to comment whether there is an impairment of assets.

Subject to our observation as mentioned in paragraph (d) above, in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the Directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of Companies Act, 1956;
 - (f) Based on a technical opinion, the Company has provided depreciation on all plant and machinery (including Power Plant) as continuous process plants at the rate pursuant to notification in GSR No.756E dated 16.12.1993 on straight line method.

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

Had depreciation been provided at the rate other than that provided for continuous process plant, depreciation for the year would have been ` 1,00,18,680 (instead of ` 3,63,45,678), Loss for the year (Net of Deferred Tax Assets of ` 85,41,795 for such depreciation) would have been ` 7,10,29,139 (instead of ` 10,58,97,941) and at the year end, Net Block of Fixed Assets would have been ` 13,40,48,404 (instead of ` 29,19,18,598), Debit Balance in the Profit and Loss Account, after adjusting balances in Reserves and Surplus (except to the extent of ` 89,17,860 on account of Capital Reserves), (Net of Deferred Tax Asset of ` 5,12,20,984 for such depreciation) would have been ` 50,83,66,206 [instead of Debit Balance in the Profit and Loss Account, after adjusting balances in Reserves and Surplus (except to the extent of ` 89,17,860 on account of Capital Reserves), of ` 40,17,16,996] and there would have been Deferred Tax Asset (Net) of ` Nil (instead of Deferred Tax Assets (Net) of ` Nil).
 - (g) We would like to draw attention to Note 26(b) to the Accounts relating to non availability of loan statement and balance confirmation of loans outstanding from some of the lender banks/institutions as on March 31, 2012, due to which the interest charged to Profit & Loss Account is determined on the basis of the interest rate specified in the Corporate Debt Restructuring Scheme and therefore, the outstanding loan and interest balance has been taken as per the records of the Company;
 - (h) Subject to our observations as mentioned in paragraph (d) and (f) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes thereon and significant Accounting Policies stated in Schedule XIV give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - (ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date;
 - (iii) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Place : Pillukhedi
Dated : May 25, 2012

For Bansi S Mehta & Co.
Chartered Accountants
Firm Registration No. 100991W
Divyesh I. Shah
Partner
Membership No: 37326

Annexure referred to in paragraph 3 of the Auditors' Report of even date to the members of HIND SYNTEX LIMITED on the accounts for the year ended March 31, 2012.

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

- (i) (a) The Company is generally maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a phased programme of physical verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any substantial part of its fixed assets during the year so as to affect its going concern, subject to Note 27 of Notes to the Accounts relating to assets transferred to Pillukhedi Unit from Birgod Unit.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) As per the information furnished, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in (c) 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 (d) 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 year, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (f) As the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in & Register maintained under Section 301 of the Act, Clause (iii) (f) of the Order relating to rate of interest and terms (g) 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) According to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Consequently, reporting on clause 4(v)(b) of the said Order does not arise.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Hence, the question of complying with the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA or any relevant provision of the Act, and the rules framed there under, does not arise. Accordingly clause 4(vi) of the order is not applicable.
- (vii) **In lieu of Corporate Debt Restructuring, the Monitoring committee has appointed an independent firm of Chartered Accountants as Concurrent Auditor to conduct concurrent audit of the Company on monthly basis, in view of which, the Board of Directors had decided to discontinue separate internal audit of the Company.**

Auditors' Report - Continued

- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956, in respect of the manufacturing activities of the Company to which the said rules are applicable and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records examined by us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise-duty, Cess and other material Statutory dues, applicable to it and there were no arrears of such statutory dues as on March 31, 2012 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	4,10,968	1997-98	Tribunal, Bhopal

- (x) In our opinion, the accumulated losses of the Company as at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the year under audit. However in the immediately preceding financial year there were no 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 or Institutions:

I. Principal

Amount in `

Period	Total Amount due	Amount paid on or before due date	Default amount	Amount of Default made good	Year in which default made good	Amount of default as on March 31, 2012
2006-07	5,19,40,846	1,69,37,863	3,50,02,983	97,27,401	2007-08	2,52,75,582
2007-08	6,65,26,092	2,52,92,744	4,12,33,348	29,08,204	2008-09	3,83,25,144
2008-09	7,51,11,312	28,00,000	7,23,11,312	-	-	7,23,11,312
2009-10	7,51,11,312	-	7,51,11,312	-	-	7,51,11,312
2010-11	8,12,79,485	1,84,00,000	6,28,79,485	-	-	6,28,79,485
2011-12	7,87,79,485	-	7,87,79,485	-	-	7,87,79,485
Total	42,87,48,532	6,34,30,607	36,53,17,925	1,26,35,605	-	35,26,82,320

II. Interest

Amount in `

Period	Total Amount due	Amount paid on or before due date	Default amount	Amount of Default made good	Year in which default made good	Amount of default as on March 31, 2012
2006-07	3,80,10,844	1,75,48,156	2,04,62,688	-	-	2,04,62,688
2007-08	5,66,94,298	2,64,29,413	3,02,64,885	10,97,696	2008-09	2,91,67,189
2008-09	6,08,18,220	90,42,313	5,17,75,907	-	-	5,17,75,907
2009-10	6,17,02,017	25,76,644	5,91,25,373	-	-	5,91,25,373
2010-11	7,02,73,125	47,75,462	6,54,97,663	-	-	6,54,97,663
2011-12	7,51,77,927	1,41,27,308	6,10,50,619	67,87,415	2008-09 to 2010-11	5,42,63,204
Total	36,26,76,431	7,44,99,296	28,81,77,135	78,85,111	-	28,02,92,024

Auditors' Report - Continued

- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) As the Company is not a chit fund, Nidhi, mutual benefit fund or society the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) According to the information and explanations given to us, in our opinion the Company is not dealing or trading in shares, securities, debentures and other investments and hence, the requirements of Clause 4(xiv) of the Order are not applicable to the Company.
- (xv) As the Company has not given any guarantee for loans taken by others from banks or financial institutions, clause 4(xv) of the Order is not applicable to the Company.
- (xvi) In our opinion, the term loans availed by the Company were prima facie, applied for the purpose for which the loans were obtained.
- (xvii) **According to the information and explanations given to us and on examination of the financial statements of the Company, we report that, the Company has utilized short-term funds for long-term purpose amounting to Rs.730.39 lacs. The utilization of short term funds towards long terms funds is due to recovery of interest on term loan by the bank.**
- (xviii) According to the information and explanations given to us, as the Company has not made any preferential allotment of shares during the year, Clause 4 (xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us, as the Company has not issued any debentures and hence, the question of creating security or charges in respect thereof does not arise, Clause 4 (xix) of the Order is not applicable.
- (xx) As the Company has not raised any money by public issues during the year, Clause 4 (xx) of the Order is not applicable.
- (xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Bansil S Mehta & Co.
Chartered Accountants
Firm Registration No. 100991W

Place : Pillukhedi
Dated : May 25, 2012

Divyesh I. Shah
Partner
Membership No: 37326

Note No. 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

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

Sales 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 01.03.1995. 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 Employees' Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

Defined Benefit Plan:

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

(ii) Other Benefits

Provision has been made in respect of leave standing to the credit of the employees on the basis of their current salaries and not on the basis of actuarial valuation method.

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 indications suggest that assets of the company may be impaired, the recoverable amount of asset are determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of assets are reduced to the said recoverable amount.

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 March 31, 2012

	Particulars	Note No.	As At	As At
			March 31, 2012	March 31, 2011
A	EQUITY AND LIABILITIES			
	I Shareholders' funds			
	(a) Share capital	2	12,72,72,250	12,72,72,250
	(b) Reserves and surplus	3	(40,17,16,994)	(29,58,95,007)
			(27,44,44,744)	(16,86,22,757)
	II Non-current liabilities			
	Long-term borrowings	4	53,81,05,948	53,22,00,094
			53,81,05,948	53,22,00,094
	III Current liabilities			
	(a) Short-term borrowings	5	-	2,20,00,000
	(b) Trade payables	6	1,81,28,050	3,29,85,895
	(c) Other current liabilities	7	29,62,13,820	25,55,59,148
	(d) Short-term provisions	8	60,38,937	38,68,376
			32,03,80,807	31,44,13,419
	TOTAL		58,40,42,011	67,79,90,756
B	ASSETS			
	I Non-current assets			
	(a) Fixed assets			
	Tangible assets	9	29,19,18,600	34,56,53,885
	(b) Long-term loans and advances	10	7,42,48,990	7,75,16,610
			36,61,67,590	42,31,70,495
	II Current assets			
	(a) Inventories	11	12,79,51,660	15,48,17,841
	(b) Trade receivables	12	6,12,92,285	7,00,35,490
	(c) Cash and cash equivalents	13	2,38,82,720	1,90,33,438
	(d) Short-term loans and advances	14	33,04,199	1,03,16,331
	(e) Other current assets	15	14,43,557	6,17,161
			21,78,74,421	25,48,20,261
	TOTAL		58,40,42,011	67,79,90,756
	See accompanying notes forming part of the financial statements		-	-

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 : Pillukhedi
Dated : May 25, 2012

For and on behalf of the Board
Manohar Keshav Director
S L Moondhra Senior Executive Director
G S Chopra Director
V D Nadkarni Nominee Director
(Bank of India)

Place : Pillukhedi
Dated : May 25, 2012

Hind Syntex Limited

Statement of Profit and Loss for the year ended March 31, 2012

Particulars		Note No.	As At March 31, 2012	As At March 31, 2011
A	CONTINUING OPERATIONS			
I	Revenue from operations (gross)	16	1,14,21,03,647	1,05,77,64,821
	Less: Excise duty	16	85,225	1,14,024
	Revenue from operations (net)		1,14,20,18,422	1,05,76,50,797
II	Other income	17	96,79,442	73,14,650
III	Total revenue (I+II)		1,15,16,97,864	1,06,49,65,447
IV	Expenses			
	(a) Cost of materials consumed	18	84,29,75,580	75,11,52,464
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	1,53,14,732	(5,51,20,044)
	(c) Employee benefits expense	19	8,67,27,413	8,07,83,372
	(d) Finance costs	20	7,66,55,729	7,20,47,579
	(e) Depreciation and amortisation expense	9	3,63,45,678	3,70,68,828
	(f) Other expenses	21	20,50,29,068	20,18,05,607
	Total expenses		1,26,30,48,200	1,08,77,37,806
V	Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)		(11,13,50,336)	(2,27,72,359)
VI	Exceptional items		-	-
VII	Profit / (Loss) before extraordinary items and tax (V + VI)		(11,13,50,336)	(2,27,72,359)
VIII	Extraordinary items		-	-
IX	Profit / (Loss) before tax (VII + VIII)		(11,13,50,336)	(2,27,72,359)
X	Tax expense			
	(a) Deferred tax	32	-	-
	(b) Net current tax expense	33	-	-
XI	Profit / (Loss) from continuing operations (IX + X)		(11,13,50,336)	(2,27,72,359)
B	DISCONTINUING OPERATIONS			
XII	(a) Profit / (Loss) from discontinuing operations (before tax)	22	-	67,094
	(b) Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations	23	62,52,395	-
	(c) Add / (Less): Tax expense of discontinuing operations		-	-
XIII	Profit / (Loss) from discontinuing operations XII (a) + (b) + (c)		62,52,395	67,094
C	TOTAL OPERATIONS			
XIV	Profit / (Loss) for the year (XI - XIII)		(10,50,97,941)	(2,27,05,265)
XV	Earnings per share (of ` 10/- each):	31		
	(a) Basic			
	(i) Continuing operations		(8.81)	(1.89)
	(ii) Total operations		(8.31)	(1.88)
	(b) Diluted			
	(i) Continuing operations		(8.81)	(1.89)
	(ii) Total operations		(8.31)	(1.88)
	See accompanying notes forming part of the financial statements			

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 : Pillukhedi
Dated : May 25, 2012

For and on behalf of the Board
Manohar Keshav Director
S L Moondhra Senior Executive Director
G S Chopra Director
V D Nadkarni Nominee Director
(Bank of India)

Place : Pillukhedi
Dated : May 25, 2012

Hind Syntex Limited

Cash Flow Statement for the year ended March 31, 2012

(` in Lacs)

Particulars	As At		As At	
	March 31, 2012		March 31, 2011	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		(1,058.22)		(227.05)
<i>Adjustments for:</i>				
Depreciation and amortisation	363.46		370.69	
Profit on sale of assets	(62.52)		(12.39)	
Interest income	(14.28)		(10.01)	
Interest Expenses on Term Loan	41.34		55.51	
Provision no longer required written off	7.88	335.87	-	403.80
		(722.35)		176.75
Operating profit before working capital changes				
<i>Changes in working capital</i>				
<i>Adjustments for (increase) / decrease in operating assets :</i>				
Inventories	268.66		(585.06)	
Trade receivables	87.43		(302.90)	
Short-term loans and advances	70.12		28.17	
Other current assets	(8.26)		(42.19)	
Long term loans and advances	32.68		(48.19)	
<i>Adjustments for increase / (decrease) in operating liabilities :</i>				
Trade payables	(154.92)		(107.78)	
Other current liabilities	472.89		713.22	
Short-term provisions	(0.29)	768.30	16.41	(328.32)
		45.95		(151.57)
Cash flow from extraordinary items				
Cash generated from operations		-		-
Net income tax refunds		-		88.14
Net cash flow from / (used in) operating activities		45.95		(63.43)
B. Cash flow from investing activities				
Purchase of fixed assets	(20.62)		(4.90)	
Proceeds from sale of fixed assets (Net)	290.32		16.53	
Commission paid to MSTC	(11.28)		-	
Interest received	14.28	272.70	60.80	72.43
Net cash flow from investing activities		272.70		72.43
C. Cash flow from financing activities				
Conversion of part Term loan into Equity Shares	-		184.00	
Interest paid on Term Loan	(109.22)		(55.51)	
Term loan paid	-		(184.00)	
Proceed from long term borrowing	59.06		10.38	
Repayment of other short-term borrowings(Labour Dues)	(220.00)	(270.16)	-	(45.13)
Net cash flow from / (used in) financing activities		(270.16)		(45.13)
Net increase/ (decrease) in Cash and cash equivalents (A+B+C)		48.49		(36.13)
Cash and cash equivalents at the beginning of the year		190.33		226.46
Cash and cash equivalents at the end of the year*		238.83		190.33
*Comprises				
(a) Cash on hand	0.59		0.22	
(b) Balances with banks - In current accounts	238.24	238.83	190.11	190.33
		238.83		190.33

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 : Pillukhedi
Dated : May 25, 2012

For and on behalf of the Board
Manohar Keshav Director
S L Moondhra Senior Executive Director
G S Chopra Director
V D Nadkarni Nominee Director
(Bank of India)

Place : Pillukhedi
Dated : May 25, 2012

Notes forming part of the Balance Sheet as at March 31, 2012

Note 2

(a) Share capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of shares	Amount	No. of shares	Amount
(a) Authorised				
Equity shares, ₹ 10 par value	1,60,00,000	16,00,00,000	1,60,00,000	16,00,00,000
(b) Issued, Subscribed and fully paid up				
Equity shares, ₹ 10 par value	1,27,27,225	12,72,72,250	1,27,27,225	12,72,72,250
Total	1,27,27,225	12,72,72,250	1,27,27,225	12,72,72,250

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

(b) Details of forfeited shares

Class of shares	As at March 31, 2012		As at March 31, 2011	
	No. of shares	Amount originally paid up	No. of shares	Amount originally paid up
Equity shares ₹ 10 par value	8,625	86,250	8,625	86,250

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

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning	1,27,18,600	12,71,86,000	1,08,78,600	10,87,86,000
Add: Fresh Issue	-	-	18,40,000	1,84,00,000
Equity shares at the end	1,27,18,600	12,71,86,000	1,27,18,600	12,71,86,000

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

Name of shareholder	As at March 31, 2012		As at March 31, 2011	
	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				
Hind Filter Limited	32,59,600	25.63	32,59,600	25.63
Assets Reconstruction Company (India) Limited	18,40,000	14.46	18,40,000	14.46

(e) Out of the above Shares 81,58,950 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.

(f) 18,40,000 Equity shares of ₹ 10 par value issued at par amounting to ₹ 1,84,00,000 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 Balance Sheet as at March 31, 2012

Note 3 Reserves and surplus

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
(a) Capital reserve		
(i) Central Investment Subsidy	15,00,000	15,00,000
(ii) State Investment Subsidy	25,00,000	25,00,000
(iii) Diesel Generator Set Subsidy	4,46,371	4,46,371
	44,46,371	44,46,371
(b) Power Subsidy Reserve	44,71,489	44,71,489
(c) General reserve	28,65,18,693	28,65,18,693
(d) Surplus in Statement of Profit and Loss		
Opening balance	(59,13,31,560)	(56,86,26,295)
Add: Profit / (Loss) for the year	(10,50,97,941)	(2,27,05,265)
Less: Short Provision of Income Tax of Earlier Years	7,24,046	-
Closing balance	(69,71,53,547)	(59,13,31,560)
Total	(40,17,16,994)	(29,58,95,007)

Note 4 Long-term borrowings

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
4.1. Term loans		
(A) From Banks - Secured		
(a) Bank of India	2,79,00,000	2,79,00,000
(Secured by first Equitable Mortgage of all the immovable properties, both present and future, ranking pari passu and first charge by way of hypothecation of all movable assets (except stock of inventories and book debts), subject to prior charge in favour of the Company's Bankers for securing working capital requirements).		
(b) Bank of India	1,25,60,797	1,25,60,797
(Secured by specific charge on Assets)		
(c) Union Bank of India	2,98,80,350	2,98,80,350
(Secured by specific charge on Assets)		
(d) Working Capital Term loans		
i. Bank of India	2,20,87,500	2,20,87,500
ii. Union Bank of India	1,56,01,407	1,56,01,407
iii. State Bank of India	1,02,06,859	1,02,06,859
iv. IDBI Bank Ltd.	2,06,25,000	2,06,25,000
(Secured / to be secured by first charge on fixed assets of the company and second charge over current asset of the Company both present and future).	6,85,20,766	6,85,20,766

Notes forming part of the Balance Sheet as at March 31, 2012

Note 4

Long-term borrowings

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
(e) Funded Interest Term loans (FITL)		
i. Bank of India	1,65,12,203	1,65,12,203
ii. Union Bank of India	1,37,38,580	1,37,38,580
iii. State Bank of India	31,77,379	31,77,379
iv. IDBI Bank Ltd.	62,18,232	62,18,232
(Secured/to be secured by first charge on fixed assets of the Company and second charge over current asset of the Company both present and future).	3,96,46,394	3,96,46,394
(B) From other parties - Secured		
Asset Reconstruction Company (India) Ltd	20,50,13,132	18,66,13,132
(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 (except stock of inventories and book debts), subject to prior charge in favour of the Company's Bankers for securing working capital requirements).		
Funded Interest Term loans (FITL)		
Asset Reconstruction Company (India) Ltd	2,93,42,692	4,77,42,692
(Secured / to be secured by first charge on fixed assets of the company and second charge over current asset of the company both present and future).		
	23,43,55,824	23,43,55,824
4.2. Loans and advances from related parties		
Unsecured Loan (Refer Note 30(b))	1,48,05,468	1,37,57,061
4.3. Other loans and advances - Secured		
Working capital Loans from Banks		
(Secured by hypothecation of Stores and Spareparts, Raw Materials, Work-in-progress, Finished goods and Book debts and second charge on Fixed Assets)	11,04,36,349	10,55,78,902
Total	53,81,05,948	53,22,00,094

4.4. The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	As at March 31, 2012		As at March 31, 2011	
	Period of default		Period of default	
Term loans from banks				
Principal	2007-08 to 2011-12	15,12,54,965	2007-08 to 2010-11	11,54,43,971
Interest	2008-09 to 2011-12	10,79,93,247	2008-09 to 2010-11	8,19,08,994
Term loans from other parties				
Principal	2006-07 to 2011-12	20,14,27,355	2006-07 to 2010-11	15,84,58,865
Interest	2006-07 to 2011-12	17,22,98,777	2006-07 to 2010-11	13,73,32,411

Notes forming part of the Balance Sheet as at March 31, 2012

Note 5 Short-term borrowings

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
Other loans and advances - Secured Loan from Bank of India for Labour Dues	-	2,20,00,000
Total	-	2,20,00,000

Note 6 Trade payables

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
Trade payables	1,81,28,050	3,29,85,895
Total	1,81,28,050	3,29,85,895

Note 7 Other current liabilities

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
Interest accrued and due on borrowings	28,02,92,024	21,92,41,405
Other payables		
(i) Statutory remittances	11,47,594	12,54,994
(ii) Others	1,47,74,202	3,50,62,749
Total	29,62,13,820	25,55,59,148

Note 8 Short-term provisions

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
1. Provision for employee benefits		
(a) Provision for bonus	25,64,654	25,27,070
(b) Provision for Leave	12,74,283	13,41,306
2. Other- Provision for Management fees for Bank of India	22,00,000	-
Total	60,38,937	38,68,376

Notes forming part of the Balance Sheet as at March 31, 2012

NOTE 9 :

FIXED ASSETS:

(Amount in `)

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at April 1, 2011	Additions during the year	Deductions and/or transfers	As at March 31, 2012	Upto April 1, 2011	On Deductions	For the year	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
(A) Owned Assets										
Leasehold Land	68,48,570	-	-	68,48,570	-	-	-	-	68,48,570	68,48,570
Buildings	13,43,12,657	-	-	13,43,12,657	6,27,11,680	-	41,30,327	6,68,42,007	6,74,70,650	7,16,00,977
Tube Wells	1,90,526	-	-	1,90,526	62,331	-	3,105	65,436	1,25,090	1,28,195
Plant and Machinery	72,78,54,914	20,61,803	-	72,99,16,717	54,51,71,041	-	3,09,58,363	57,61,29,404	15,37,87,313	18,26,83,873
Electrical Installations	2,60,82,293	-	-	2,60,82,293	1,91,62,257	-	9,09,596	2,00,71,853	60,10,440	69,20,036
Wind Electric Generators	2,20,00,000	-	-	2,20,00,000	2,09,00,000	-	-	2,09,00,000	11,00,000	11,00,000
Furniture and Fixtures	40,40,251	-	-	40,40,251	38,44,464	-	25,221	38,69,685	1,70,566	1,95,787
Office Equipments	30,00,653	-	-	30,00,653	23,11,891	-	90,377	24,02,268	5,98,385	6,88,762
Computers	1,01,99,610	-	-	1,01,99,610	96,76,160	-	11,862	96,88,022	5,11,588	5,23,450
Vehicles	41,16,318	-	-	41,16,318	22,71,371	-	2,16,827	24,88,199	16,28,119	18,44,947
TOTAL (A)	93,86,45,792	20,61,803	-	94,07,07,595	66,61,11,195	-	3,63,45,678	70,24,56,874	23,82,50,721	27,25,34,599
(B) Assets for Disposal										
Leasehold Land	3,31,343	-	-	3,31,343	-	-	-	-	3,31,343	3,31,343
Buildings	4,48,59,159	-	-	4,48,59,159	2,66,22,255	-	-	2,66,22,255	1,82,36,904	1,82,36,904
Tube Wells	4,12,823	-	-	4,12,823	1,47,445	-	-	1,47,445	2,65,378	2,65,378
Plant and Machinery	19,33,88,266	-	11,92,15,662	7,41,72,604	14,19,72,118	10,26,33,768	-	3,93,38,350	3,48,34,254	5,14,16,148
Electrical Installations	1,29,00,981	-	1,29,00,981	-	1,00,31,468	1,00,31,468	-	-	-	28,69,513
TOTAL (B)	25,18,92,572	-	13,21,16,643	11,97,75,929	17,87,73,286	11,26,65,236	-	6,61,08,050	5,36,67,879	7,31,19,286
TOTAL (A+B)	1,19,05,38,364	20,61,803	13,21,16,643	1,06,04,83,524	84,48,84,481	11,26,65,236	3,63,45,678	76,85,64,924	29,19,18,600	34,56,53,885
Previous Year	1,19,83,30,620	4,90,000	82,82,256	1,19,05,38,364	81,56,83,800	78,68,147	3,70,68,828	84,48,84,481	34,56,53,885	

Note 10

Long Term - Loans and Advances

Particulars	As At March 31, 2012	As At March 31, 2011
	(a) Capital advances	
Unsecured, considered good	2,63,726	3,80,920
(b) Security deposits		
Unsecured, considered good	1,12,87,248	92,87,890
(c) Loans and advances to related parties		
Unsecured, considered good		
Deposit - Escrow Account Bank of India (Refer Note 30(c))	1,48,05,468	1,37,42,535
(d) Others		
Unsecured, considered good		
(i) CENVAT credit receivable	3,98,61,548	4,51,10,571
(ii) Entry Tax (Refer Note 24(c))	1,66,000	1,66,000
(iii) Income tax payments and TDS	78,65,000	88,28,694
Total	4,78,92,548	5,41,05,265
	7,42,48,990	7,75,16,610

Notes forming part of the Balance Sheet as at March 31, 2012

Note 11

Inventories (At lower of cost or net realisable value)

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
(a) Raw materials	3,43,67,968	3,65,26,584
Goods-in-transit	-	96,59,248
(b) Work-in-progress	3,43,67,968	4,61,85,832
(c) Finished goods (other than those acquired for trading)	2,54,84,633	2,87,43,898
(d) Stores and spares	4,89,99,461	6,10,78,235
(e) Packing Material	1,79,11,776	1,78,74,402
(f) Waste	11,35,913	9,06,872
	51,909	28,602
Total	12,79,51,660	15,48,17,841

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

Note 12

Trade receivables

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
(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 (Unless otherwise stated)	6,12,92,285	7,00,35,490
Total	6,12,92,285	7,00,35,490

Note 13

Cash and cash equivalents

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
(a) Balances with banks In current accounts	2,38,23,899	1,90,11,209
(b) Cash in hand	58,821	22,229
Total	2,38,82,720	1,90,33,438

Note 14

Short-term loans and advances

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
(a) Loans and advances to employees Secured, considered good	17,000	59,060
(b) Prepaid expenses - Unsecured, considered good	12,11,972	10,47,527
(c) Balances with government authorities Unsecured, considered good		
(i) VAT credit receivable	4,29,157	14,550
(ii) Duty Drawback receivable on Export	5,55,070	79,29,559
(d) Others - Unsecured, considered good		
(i) Advance to Suppliers	9,15,933	9,39,898
(ii) Insurance Deposit	1,50,067	11,672
(iii) Earnest Money	25,000	25,000
(iv) Deposit with Labour Court	-	2,89,065
Total	33,04,199	1,03,16,331

Notes forming part of the Balance Sheet as at March 31, 2012

Note 15

Other current assets

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
(a) Interest accrued on trade receivables	14,43,557	6,16,941
(b) Others	-	220
Total	14,43,557	6,17,161

Notes forming part of the Profit and Loss Statements as at March 31, 2012

Note 16

Revenue from operations

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
Sale of products	1,14,21,03,647	1,05,77,64,821
Less: Excise duty	85,225	1,14,024
Total	1,14,20,18,422	1,05,76,50,797

Note 17

Other income

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
(a) Interest income (Refer Note 17.1 below)	50,15,249	43,48,556
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)	7,41,817	9,47,197
(c) Other non-operating income (net of expenses directly attributable to such income) (Refer Note 17.2 below)	39,22,376	20,18,897
Total	96,79,442	73,14,650

Note 17.1

Interest income

Particulars	As At	As At
	March 31, 2012	March 31, 2011
	-	-
Interest income comprises		
(i) Interest from banks on deposits (Gross) (TDS ` 79,860)	8,06,850	4,94,680
(ii) Interest on overdue trade receivables (Gross)	34,28,932	16,79,634
(iii) Interest on income tax refund	1,58,301	16,67,072
(iv) Other interest (Gross) (TDS ` 60,897)	6,21,166	5,07,170
Total	50,15,249	43,48,556

Notes forming part of the Profit and Loss Statements as at March 31, 2012

Note 17.2

Other non-operating income

Particulars	As At March 31, 2012	As At March 31, 2011
(i) Profit on sale of fixed assets (Net)	-	12,39,391
(ii) Miscellaneous income	39,22,376	7,79,506
Total	39,22,376	20,18,897

Note 18

a. Cost of materials consumed

Particulars	As At March 31, 2012	As At March 31, 2011
Opening stock	3,65,26,584	3,45,54,776
Add: Purchases	84,08,16,964	75,31,24,272
	87,73,43,548	78,76,79,048
Less: Closing stock	3,43,67,968	3,65,26,584
Cost of material consumed	84,29,75,580	75,11,52,464

Note 18

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

Particulars	As At March 31, 2012	As At March 31, 2011
Inventories at the end of the year		
Finished goods	4,89,99,461	6,10,78,235
Work-in-progress	2,54,84,633	2,87,43,898
Waste	51,909	28,602
	7,45,36,003	8,98,50,735
Inventories at the beginning of the year		
Finished goods	6,10,78,235	1,35,13,751
Work-in-progress	2,87,43,898	2,12,01,619
Waste	28,602	15,321
	8,98,50,735	3,47,30,691
Net (increase) / decrease	1,53,14,732	(5,51,20,044)

Note 19

Employee benefits expenses

Particulars	As At March 31, 2012	As At March 31, 2011
Salaries and wages	7,54,85,788	7,01,09,221
Contributions to provident and other funds	1,02,27,718	95,23,766
Staff welfare expenses	10,13,907	11,50,385
Total	8,67,27,413	8,07,83,372

Note 20

Finance costs

Particulars	As At March 31, 2012	As At March 31, 2011
Interest expenses on Borrowings		
From Bnaks	7,66,55,729	7,20,47,579
Total	7,66,55,729	7,20,47,579

Notes forming part of the Profit and Loss Statements as at March 31, 2012

Note 21

Other expenses

Particulars	As At	As At
	March 31, 2012	March 31, 2011
Consumption of stores and spare parts	2,40,14,050	2,66,20,219
Consumption of packing materials	85,24,616	88,48,086
Power and fuel	13,34,70,984	11,85,65,970
Rent including lease rentals	1,36,634	1,27,784
Repairs and maintenance - Buildings	3,21,316	4,23,542
Repairs and maintenance - Machinery	91,47,290	91,31,912
Repairs and maintenance - Others	13,86,735	35,37,152
Insurance	14,42,896	14,61,265
Rates and taxes	3,99,637	7,72,928
Communication	2,27,823	2,26,144
Travelling and conveyance	7,16,275	8,01,642
Printing and stationery	3,57,856	4,52,955
Freight and forwarding	51,66,065	99,06,350
Sales commission	1,17,29,592	1,28,07,501
Legal and professional	7,42,846	7,05,912
Payments to auditors (Refer Note (21.1) below)	2,97,145	3,16,265
Miscellaneous expenses	69,47,308	70,99,980
Total	20,50,29,068	20,18,05,607

Notes 21.1

Payments to the auditors

Particulars	As At	As At
	March 31, 2012	March 31, 2011
Payments to the auditors comprises (net of service tax input credit, where applicable)		
Statutory audit fees	1,40,000	1,40,000
Taxation matters- Tax Audit	40,000	40,000
Other services	1,17,145	1,36,265
Total	2,97,145	3,16,265

Note 22

Revenue from discontinuing operations

Particulars	As At	As At
	March 31, 2012	March 31, 2011
Other operating revenues		
Sale of Scrap	-	67,094
Total	-	67,094

Note 23

Gain from disposal of Assets

Particulars	As At	As At
	March 31, 2012	March 31, 2011
Profit on sale of fixed assets (Net)	62,52,395	-
Total	62,52,395	-

Notes forming part of the Profit and Loss Statements as at March 31, 2012

NOTES TO ACCOUNTS

24. Contingent Liabilities Not Provided For:

- Estimated amount of contracts remaining to be executed on capital account of ₹ 21,03,731 (₹ 42,85,579) advances paid ₹ 2,63,736 (₹ 3,80,920).
- Income tax demands disputed in Appeals ₹ 63,50,331 (₹ 75,23,958) against which amount deposited ₹ 63,50,331 (₹ 75,23,958).
- Entry Tax demands for FY (1997- 98) disputed in Appeals ₹ 5,76,968 (₹ 5,76,968) against which amount deposited ₹ 1,66,000 (₹ 1,66,000) in 2001 and 2003.
- Central Excise Duty demands disputed in Appeals ₹ 1,71,151 (₹ 1,71,151) against which amount deposited ₹ Nil (₹ Nil).

- In compliance with the CDR scheme, the Promoters of the Company has brought ₹ 1 Crore as advance which is deposited in an Escrow Account. This amount shall be allowed to be refunded by the Company to the Promoter in case a strategic investor is inducted resulting in change in the present management.
- Considering the future market potential of Polyester Viscose blended textile barring any unforeseen circumstances, the management is confident that after implementation of the CDR scheme, the Company would be able to generate sufficient returns to make its net worth positive in future. In view of the order of the Hon'ble High Court of Judicature, Indore bench allowing the closure of Birgod Unit and thereby settling the labour disputes relating to the closure of the said unit and payment of labour dues and transfer of Spindles alongwith balancing machinery from Birgod unit to Pillukhedi unit. The Company is of the view that the Going Concern Assumption is still in existence. Accordingly, the accounts of the Company are prepared on Going Concern basis.

26. Corporate Debt Restructuring Scheme:

- As per the Approved Restructuring Scheme, the interest on Term Loans and Working Capital Term Loans is payable at the rate of 9 % p.a. payable monthly. The scheme has funded the interest on these loans from April 1, 2004 to June 30, 2006. These loans were repayable, as per the proportion specified in the scheme, in 24 quarterly installments commencing from December 15, 2006.
- As per Schedule of repayment of the loan a sum of ₹ 7,87,79,485 (₹ 7,87,79,485) was payable during the current year out of which ₹ 3,58,10,995 (₹ 3,58,10,995) was payable to banks other than ARCIL. Out of the above loans payable to banks other than ARCIL during the current year has paid ₹ Nil (₹ Nil) and remaining amount of ₹ 3,58,10,995 (₹ 3,58,10,995) is still unpaid. Out of the outstanding dues of loan payable to banks other than ARCIL as on April 1, 2011 of ₹ 11,54,43,971 is still unpaid. Further, the interest which became payable to banks other than ARCIL for the current year was ₹ 2,60,84,253 (₹ 2,94,27,583). The outstanding interest dues as on April 1, 2011 of ₹ 8,19,08,994 is still unpaid.

As regards payment to ARCIL, loan of ₹ 4,29,68,490 (₹ 4,29,68,490) and interest of ₹ 3,49,66,366 (₹ 3,24,54,793) was payable during the current year and the outstanding dues of loan and interest as on April 1, 2011 was ₹ 15,84,58,865 and ₹ 13,73,32,411 respectively.

Further, the Company has requested for the loan statement and balance confirmation of loans outstanding from lender banks/institutions as on March 31, 2012. However, as the same has not been provided by some of the banks/institutions therefore the Company has accrued the interest at the rate specified as per CDR Scheme and therefore the outstanding loan and interest balances have been taken as per records of the Company. The banks /institutions who has not provided the loan statement and balance confirmation of loans outstanding are as follow:

Amount in ₹

Sr. No.	Name of the Bank/Institution	Balance of Loans as on March 31, 2012
1.	ARCIL	
	-Term loan	20,50,13,132
	-FITL	2,93,42,692
2.	IDBI Bank Ltd.	
	-WCTL	2,06,25,000
	FITL	62,18,232
3.	State Bank of India	
	-WCTL	1,02,06,859
	FITL	31,77,379

Notes forming part of the Profit and Loss Statements as at March 31, 2012

- c) In the event of default for compliance of the Restructuring Scheme, the lenders have the right to convert 100% of the debt into equity, at par, during the tenure of the assistances on default.
27. Production of one of the units of the Company at Birgod was discontinued on October 10, 2003 due to Industrial relation problem. The Hon'ble High Court of Judicature, Indore bench vide its order dated March 31, 2008 has allowed the closure of the Birgod unit and directed the Company to pay workmen compensation in terms of Section 25(O) of the Industrial Dispute Act, 1947. The Company has taken a loan from Bank of India and has paid the said dues as per the instructions of the Hon'ble High Court, Judicature, Indore Bench and accordingly the Birgod Unit has been closed down.
- Out of the total net block of assets of ₹ 12,67,26,930 held at Birgod unit, the Company has transferred assets of ₹ 5,30,01,477 to its Pillukhedi unit and assets worth ₹ 6,06,167 will be transferred to Pillukhedi unit.
- As per the decision Asset Sale Committee of lenders, the surplus assets worth ₹ 1,94,51,407 of Birgod unit have been disposed off through e-auction by MSTC Ltd. During the year and balance assets worth ₹ 5,36,67,879 are held for disposal and no depreciation has been claimed on the same.
28. Provision for Gratuity and Leave Encashment;
- Accounting Standard-15 ("AS-15") on "Employees Benefits" [AS-15 (Revised)] requires an enterprise to recognize its obligation and employee benefits cost under defined benefit plans such as gratuity and compensated absences, based on an actuarial valuation. The obligation and employee benefits cost are to be reflected in the Balance Sheet and Profit and Loss Account, respectively.
- As regards Gratuity, the Company is under the Employee Group Gratuity Scheme of the Life Insurance Corporation of India ("LIC") and as per LIC's renewal intimation, the Company has contributed a sum of ₹ 25,71,545. However, since the Company does not have a certificate either from "LIC" or any other source to the effect that the contribution so made has been worked out by a qualified actuary in accordance with the provisions of AS-15 (Revised), the contribution so made is charged to the Profit and Loss Account. However, as per the calculations made by the Company, the funds available with LIC is adequate to meet the Company's Gratuity liability as on the date of the Balance Sheet.
- As regards Compensated Absences, the Company has determined the liability for the leave at the credit of its employees on the basis of their current salaries and made a provision for such a liability. Accordingly, a provision of ₹ 7,21,679 has been made during the year and the accumulated balance as on March 31, 2012 is ₹ 12,74,283 on the aforesaid basis (without an actuarial valuation) in respect of the aggregate leave at the credit of its employees. However, since the Company does not have a certificate from an independent actuary to the effect that the provision so made has been worked out by a qualified actuary in accordance with the provisions of AS-15 (Revised), the provision so made is charged to the Profit and Loss Account. Accordingly, in respect of liability for leave at the credit of employees, the Company is not in a position to determine its liability and charge the same to the Profit & Loss Account in conformity of AS - 15 (Revised).
- In the absence of availability of the detailed information for determining the liabilities for Gratuity and Compensated Absences in terms of AS-15 (Revised), the disclosures regarding reconciliation of obligation, fair value of plan assets, actuarial assumptions, etc. as required in terms of AS-15 (Revised) have also not been made.
29. The Company's operation relate only to Synthetic Blended Yarn and thus has only one reportable segment under Accounting Standard-17 on "Segment Reporting".
30. Information on related party transactions as per Accounting Standard-18 on "Related Party Disclosures".

Sr. No.	Name of Related Party	Description of Relationship	Nature of Transaction	Amount of Transaction	
				2011-2012	2010-2011
(a)	S. L. Moondhra Senior Executive Director	Key Management Personnel	Remuneration	16,27,471	15,36,922
(b)	Hind Filters Ltd.	Associate Company	Long Term Unsecured Loan	1,48,05,468	1,37,57,061
(c)	Hind Filters Ltd.	Associate Company	Deposit Escrow Account	1,48,05,468	1,37,57,061

Notes forming part of the Profit and Loss Statements as at March 31, 2012

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

	<u>31.03.2012</u>	<u>31.03.2011</u>
a) Profit / (Loss) available to Equity Shareholders (in `)	(10,58,21,987)	(2,27,05,265)
b) No. of Equity Shares Out standing during the year	1,27,27,225	1,20,58,216
c) Nominal Value per equity Share (in `)	` 10.00	` 10.00
d) Basic		
i) Continuing operation	(8.81)	(1.89)
ii) Total operation	(8.31)	(1.88)
e) Diluted		
i) Continuous operation	(8.81)	(1.89)
ii) Total operation	(8.31)	(1.88)

32. 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 ` 36,38,07,661 including unabsorbed depreciation ` 26,43,36,749 and in terms of Para 15, the Company has not recognized Deferred Tax Assets in respect of other items in absence of reasonable certainty.

33. No provision for taxation is made in view of brought forward business losses and unabsorbed depreciation of earlier years & in view of current year loss.

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

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

35. Unpaid amounts overdue for more than thirty days to Micro, Small and Medium Enterprise Suppliers on account of principal together with interest is ` Nil (Previous year ` Nil). This disclosure is on the basis of the information available with the Company regarding the status of the suppliers as defined under The Micro, Small and Medium Enterprises Development Act, 2006.

36. Quantitative Information

	Unit	Current Year ended <u>March 31, 2012</u>		Previous Year ended <u>March 31, 2011</u>	
		Quantity	Value (`)	Quantity	Value (`)
1. Synthetic Blended Yarn Production	Kgs	72,85,577	-	75,59,982	-
Turnover-Domestic	Kgs	69,30,851	1,06,11,31,362	62,33,856	88,63,28,235
Turnover-Export	Kgs	4,52,022	7,73,32,922	10,21,925	16,96,18,109
Opening Stock (Packed)	Kgs	4,18,080	6,10,78,235	1,13,879	1,35,13,751
Closing Stock (Packed)	Kgs	3,20,784	4,89,99,461	4,18,080	6,10,78,235
2. Waste & Scrap Sales		-	36,39,363	-	18,85,571

Notes forming part of the Profit and Loss Statements as at March 31, 2012

	Unit	Current Year ended March 31, 2012		Previous Year ended March 31, 2011	
		Quantity	Value (`)	Quantity	Value (`)
37A. Raw Material Consumed;					
1. Cellulosic Fibre	Kgs	18,12,824	25,92,25,737	20,22,940	26,23,70,424
2. Non-Cellulosic Fibre	Kgs	56,48,567	58,21,60,708	57,17,083	48,70,53,641
3. Dyes & Chemicals	Kgs	-	15,89,135	-	17,28,399
		<u>74,61,391</u>	<u>84,29,75,580</u>	<u>77,40,023</u>	<u>75,11,52,464</u>

37.B. Imported and Indigenous Consumption :

	Current Year ended March 31, 2012		Previous Year ended March 31, 2011	
	Value (`)	Percentage	Value (`)	Percentage
(a) Raw Materials :				
Imported	-	-	-	-
Indigenous	84,13,86,445	100.00	74,94,24,065	100.00
Total	<u>84,13,86,445</u>	<u>100.00</u>	<u>74,94,24,065</u>	<u>100.00</u>
(b) Stores & Spare Parts :				
Imported	8,13,716	3.55	6,02,101	2.41
Indigenous	2,20,80,161	96.45	2,43,91,535	97.59
Total	<u>2,28,93,877</u>	<u>100.00</u>	<u>2,49,93,636</u>	<u>100.00</u>

37C. C.I.F. Value of Imports;

	Value in (`)	
	31.03.2012	31.03.2011
(i) Raw Materials	-	-
(ii) Stores & Spares	7,55,807	1,08,838
(iii) Capital Goods	-	-

37D. Expenditure in Foreign Currency on account of:

1. Travelling	-	-
2. Commission on export sales	29,91,267	48,19,211

37E. Remittance in Foreign Currency on account of :
Dividends

Nil Nil

37F. Earning in foreign currency :

Export of goods (F.O.B. realisation basis) 6,90,15,664 16,45,33,916

38. The previous year's figures, wherever necessary, have been regrouped, reclassified and recast to confirm with this years classification.

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

In terms of our report attached.
for BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W
Divyesh I. Shah
Partner
Membership No.: 37326

For and on behalf of the Board
Manohar Keshav Director
S L Moondhra Senior Executive Director
G S Chopra Director
V D Nadkarni Nominee Director
(Bank of India)

Place : Pillukhedi
Dated : May 25, 2012

Place : Pillukhedi
Dated : May 25, 2012

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 FIRST 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 First Annual General Meeting of the Company to be held on Monday the 10th day of September, 2012 and at any adjournment thereof.

Signed this day of 2012.

Affix
Revenue
Stamp here

Signature

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

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If not delivered, please return to :

HIND SYNTEX LIMITED

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

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