



# BANSWARA SYNTEX LIMITED

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

CIN: L24302RJ1976PLC001684

Web site: [www.banswarasyntex.com](http://www.banswarasyntex.com), Email: [secbsw@banswarafabrics.com](mailto:secbsw@banswarafabrics.com)

Contact No.: 91 2962 240690, 257679-681 Fax No.: (2962) 240692



## POSTAL BALLOT NOTICE

Notice pursuant to Section 110 of the Companies Act, 2013

Dear Shareholder(s),

**NOTICE** is hereby given that pursuant to Section 110 of the Companies Act, 2013, (the Act) read with Rule 22 of Companies (Management and Administration) Rules, 2014, the following special businesses be transacted by the Members of Banswara Syntex Limited by passing the Resolutions through Postal Ballot.

Your consideration and approval is sought for the Resolutions annexed herewith. The Statement to be annexed to Notice under Section 102 of the Act setting out the material facts and reasons for the resolutions is also appended herewith and is being sent to you along with a Postal Ballot Form for your consideration.

The Board of Directors of the Company has appointed CS Manoj Maheshwari, Practising Company Secretary, Jaipur, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Please read carefully the instructions printed on the Postal Ballot Form and return the Form duly completed with the assent(for) or dissent (against), in the enclosed self-addressed business reply envelope so that it reaches the Scrutinizer on or before the closing of working hours i.e. 5.00 p.m on Wednesday, 9<sup>th</sup> day of July, 2014, at M/s Computech Sharecap Limited, 147 Mahatma Gandhi Road, Fort, Mumbai-400001.

As per the provisions of the Companies Act, 2013, Special Resolution shall be declared as passed by way of postal ballot if votes cast in favour of the resolution are not less than three times the number of the votes, if any, cast against the resolution by members entitled to vote. .

### E-Voting Option

Members may note that as required under the provisions of Section 108, 110 and other applicable provisions (if any) of the Companies Act, 2013 and the rules as applicable in that regard and Clause 35B of the Listing Agreement, the Company has engaged the services of Central Depository Services (India) Limited to provide e-voting facility to members of the Company. Only members entitled to vote are entitled to fill in the Postal Ballot Form and send it to the Scrutinizer or vote under the e-voting facility offered by the Company, and any other recipient of the Notice who has no voting rights should treat the Notice as an intimation only.

Therefore, we are pleased to offer e-voting facility also as an alternative which would enable you to cast your votes electronically, instead of physical postal ballot form. E-voting is optional. Please carefully read and follow the instructions on e-voting printed in the Postal Ballot Form. References to Postal Ballot(s) below include votes received electronically.

The Scrutinizer will submit his report to the Director after completion of the scrutiny and the result of the voting by postal ballot will be announced on Friday, 18<sup>th</sup> July, 2014, at 4.00 P.M. (appointed time) by the Managing Director or Whole time Director or Company Secretary of the Company. Members who wish to be present at the time of declaration of results may do so by reaching at the registered office of the Company at the appointed time. Also, the result of the postal ballot will be posted on the Company's website: [www.banswarasyntex.com](http://www.banswarasyntex.com) and shall also be intimated through press release in newspapers. The resolutions, if approved, will be taken as passed effectively on the date of declaration of results.

### SPECIAL BUSINESS

**1. To sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company under Section 180(1)(a) of the Companies Act, 2013 both present and future.**

To consider and, if thought fit, to give assent or dissent to pass the following resolution as a **Special Resolution** through Postal Ballot:

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and subject to other approvals, if applicable or required under any statute(s) / rule(s)/ regulation(s) or any law for the time being in force or required from any other concerned authorities and in supersession of all earlier Resolutions passed in this regard under the Companies Act (earlier in force), the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company and/ or any Committee thereof to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company, create such mortgages/charges/ hypothecation and/or other encumbrances, in addition to the existing mortgages, charges, hypothecation and other encumbrances, if any created by the Company on all or any part of the immovable and /or movable properties, current and /or fixed assets, tangible or intangible assets, book debts and / or claims of the Company wherever situated, present and future such charge to rank either pari-passu with or second, subsequent, subservient and subordinate to all charges, mortgages, hypothecation and other encumbrances created/ to be created by the Company in favour of Indian or Foreign Financial Institutions, Banks and other Lending Institutions, and/or to such other person, if any from whom the Company has /or proposed/proposes to borrow money/sums of money by way of Terms Loan, cash Credits, Overdrafts, discounting of bills, inter corporate deposits, commercial papers or such other financial instruments permitted to the extent of Rs.2000 crores (Rupees Two Thousand crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto and to settle any question, difficulty or matters connected or incidental thereto, to give effect to the aforesaid resolution."

**2. Borrowing Powers of the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 upto Rs.2000 Crores.**

To consider and, if thought fit, to give assent or dissent to pass the following resolution as a **Special Resolution** through Postal Ballot:

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and in supersession of all earlier Resolutions passed in this regard under the Companies Act (earlier in force), the consent of the members of the company, be and is hereby accorded to the Board of Directors of the Company and / or any Committee thereof to borrow at its discretion, either from the Company's Bank or any other Indian or Foreign Bank(s), Financial Institution(s) and/ or any other Lending Institutions or persons from time to time such sum(s) of money(s) and the sum(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers/ Financial Institutions in the ordinary course of business) with or without security on such terms and conditions as they may think fit shall exceed the aggregate of the paid-up capital and free reserves of the Company that is to say, reserves not set apart for any specific purpose provided that the total amount together with the money(s) already borrowed by the Board of Directors but shall not exceed the sum of Rs. 2000 crores (Rupees Two Thousand Crores Only) at any one time."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed appropriate by the Board, to give effect to the said resolution including delegation of all or any of the powers conferred on it by or under this resolution to any committee of Directors of the Company and / or to any other director / directors or any other officer / employee/ advisor of the Company, as it may consider appropriate and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution."

**3. Related Party Transactions Under Section 188 (1)(a) and (d) of the Companies Act, 2013 with M/s. Banswara Global Limited**

To consider and, if thought fit, to give assent or dissent to pass the following resolution as a **Special Resolution** through Postal Ballot:

**"RESOLVED THAT** pursuant to the provisions of Section 188 (1)(a) and (d), and other applicable provisions (if any) of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and provisions of Articles of Association, subject to compliances of all applicable laws and regulations, the consent of members of the company by means of Special Resolution be and is hereby accorded to the Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) for execution of a contract with M/s. Banswara Global Limited in which Shri R.L. Toshniwal and Shri Ravindra Kumar Toshniwal, Directors of the Company are interested, to sell, purchase or supply of any goods or materials and to avail or render any service of any nature whatsoever, as the Board in its discretion deem proper, upto an amount not exceeding an aggregate of Rs. 25 crores (Rupees Twenty Five Crores Only) as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the Chairman for the purposes of identification and in such form and manner as it may deem fit.

**RESOLVED FURTHER THAT** Shri R.L. Toshniwal, Chairman, Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman, Shri Shaleen Toshniwal, Jt. Managing Director, Shri J.K. Rathi (President Commercial) and Shri J.K. Jain, Sr. Vice President (Fin. & Com.) & Company Secretary be and is hereby authorised severally to execute the agreement with M/s. Banswara Global Limited and perform all such acts, deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this resolution and for matter connected therewith or incidental thereto in the best interest of the Company.

**4. Related Party Transactions Under Section 188 (1)(a) and (d) of the Companies Act, 2013 with M/s. Treves Banswara Private Limited**

To consider and, if thought fit, to give assent or dissent to pass the following resolution as a **Special Resolution** through Postal Ballot:

**"RESOLVED THAT** pursuant to the provisions of Section 188 (1)(a) and (d), and other applicable provisions (if any) of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and provisions of Articles of Association, subject to compliances of all applicable laws and regulations, consent of members of the company by means of Special Resolution be and is hereby accorded to the Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) be and is hereby accorded for execution of a contract with M/s. Treves Banswara Private Limited in which Shri Rakesh Mehra and Shri Ravindra Kumar Toshniwal, Directors of the Company are interested, to sell, purchase or supply of any goods or materials and to avail or render any service of any nature whatsoever, as the Board in its discretion deem proper, upto an amount not exceeding an aggregate of Rs. 25 crores (Rupees Twenty Five Crores Only) as per the terms and conditions set out in the draft agreement placed before the meeting and initialled by the Chairman for the purposes of identification and in such form and manner as it may deem fit.

**RESOLVED FURTHER THAT** Shri R.L. Toshniwal, Chairman, Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman, Shri Shaleen Toshniwal, Jt. Managing Director, Shri J.K. Rathi (President Commercial) and Shri J.K. Jain, Sr. Vice President (Fin. & Com.) & Company Secretary be and is hereby authorised severally to execute the agreement with M/s. Treves Banswara Private Limited and perform all such acts, deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this resolution and for matter connected therewith or incidental thereto in the best interest of the Company.

**5. Related Party Transactions Under Section 188 (1)(a) and (d) of the Companies Act, 2013 with M/s. Banswara Fabrics Limited.**

To consider and, if thought fit, to give assent or dissent to pass the following resolution as a **Special Resolution** through Postal Ballot:

**"RESOLVED THAT** pursuant to the provisions of Section 188 (1)(a) and (d), and other applicable provisions (if any) of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force) and provisions of Articles of Association, subject to compliances of all applicable laws and regulations, consent of members of the company by means of Special Resolution be and is hereby accorded to the Board of Directors (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) be and is hereby accorded for execution of a contract with M/s. Banswara Fabrics Limited in which Shri R. L. Toshniwal and Shri Rakesh Mehra, Directors of the Company are interested, to sell, purchase or supply of any goods or materials and to avail or render any service of any nature whatsoever, as the Board in its discretion deem proper, upto an amount not exceeding an aggregate of Rs. 50 crores (Rupees Fifty Crores Only) as per the terms and conditions set out in the draft agreement placed before the meeting and initialed by the Chairman for the purposes of identification and in such form and manner as it may deem fit.

**RESOLVED FURTHER THAT** Shri R.L. Toshniwal, Chairman, Shri Ravindra Kumar Toshniwal, Managing Director, Shri Rakesh Mehra, Vice Chairman, Shri Shaleen Toshniwal, Jt. Managing Director, Shri J.K. Rathi (President Commercial) and Shri J.K. Jain, Sr. Vice President (Fin. & Com.) & Company Secretary be and is hereby authorised severally to execute the agreement with M/s. Banswara Fabrics Limited and perform all such acts, deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this resolution and for matter connected therewith or incidental thereto in the best interest of the Company.

By Order of the Board of Directors

Sd/-

J.K. Jain

Sr. Vice President (Fin. & Com.)  
& Company Secretary

Place : Mumbai

Date : 24.05.2014

**NOTES:**

1. Explanatory statement pursuant to Section 102 and other applicable provisions of the Companies Act, 2013, in respect of the business set out above is annexed hereto.
2. The Board of Directors has appointed CS Manoj Maheshwari, Practicing Company Secretary, Jaipur, as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.
3. The voting rights of the Members shall be reckoned as on Monday, 9<sup>th</sup> June, 2014 which is the cut-off date.
4. The Scrutinizer will submit their report to the Chairman or any other Director after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on Friday, 18<sup>th</sup> July, 2014, at the registered office of the Company and the same will also be placed on the Company's website i.e. "www.banswarasyntex.com". The result of the postal ballot shall also be announced through newspaper advertisement.
5. The Scrutinizer's decision on the validity of a Postal Ballot form shall be final.
6. Member(s) desiring to exercise vote can do so either by sending Postal Ballot Form or by using e-voting facility.
7. In case a member(s) desires to exercise vote by Postal Ballot Form, he is requested to carefully read the instructions printed on the Postal Ballot Form. After completing the enclosed Postal Ballot Form, send the self-addressed Business Reply Envelope to the Scrutinizer. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent other than by regular post at the expenses of the registered member will also be accepted. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours on Wednesday, 9<sup>th</sup> day of July, 2014. All Postal Ballot Forms received after this date will be treated as if reply from such Member has not been received. Also no other Form or Photocopy thereof is permitted.
8. In case a member desires to exercise vote by using e-voting facility, then he has to carefully follow the instructions given under the heading "Instructions" of Postal Ballot Form. He can use the facility and log in any number of times till he has voted on the resolution or till the end of the voting period i.e. Wednesday, 9<sup>th</sup> July, 2014, whichever is earlier.
9. All the material documents referred to in the Explanatory Statement will be made available for inspection by the Members, at the Registered Office of the Company, between 11:00 a.m. to 5:00 p.m. on any working day till 9<sup>th</sup> July, 2014.
10. Any query in relation to the resolutions proposed to be passed by Postal Ballot may be addressed to the Company Secretary, Banswara Syntex Limited., Industrial Area, Dohad Road, Banswara-327 001.

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

**ITEM NO. 1**

The borrowings as iterated in point no. 2 above to the extent of Rs. 2000 crores (Rupees Two Thousand crores only) may be required to be secured by over all or any part of the movable and / or immovable properties of the Company. Considering the above facts, the Board of Directors of the Company are of the opinion that chargeholder will have the right to sell, or dispose off the assets or the company may have to sell, lease or dispose off (as the case may be) the immovable property, movable property (s) of the Company to a person / any other entity as a going concern or otherwise at an agreed price with the mutual consent of both the parties.

Since the sale, lease or dispose off of assets i.e. immovable / movable properties of the Company may amount to the sell, lease or dispose off of the whole or substantially the whole of an undertaking of the Company, it requires approval of the shareholders.

As per Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, approval of the members is sought by way of a Special Resolution.

Hence, the Board of Directors recommend passing of the enabling resolution mentioned at item No. 1 in the notice.

None of the Directors, key managerial personnel and their relatives are deemed to be concerned or interested, financial or otherwise in the proposed special resolution except to the extent of their shareholding in the company.

**ITEM NO. 2**

The Board of Directors of the Company envisages requirements of funds in future. As per the provisions of Section 180 (1) (c) of the Companies Act, 2013, the Board can borrow money subject to the condition that the money to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose unless the Shareholders by way of special resolution, have authorized the Board to borrow the monies for some higher monetary limits.

Hence, it is proposed to empower and authorize the Board of Directors of the Company to borrow money from any Bank(s), Financial Institutions (FIs), Bodies Corporate or Business Associates or any other person or entity etc., in excess of paid up capital and free reserves of the Company by a sum not exceeding Rs.2000 crores (Rupees Two Thousand Crores Only) in Indian Rupees or equivalent thereof in any foreign currency(ies) for the purposes of business activities of the Company.

As per Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, approval of the members is sought by way of a Special resolution.

Hence, the Board of Directors recommend passing of the enabling resolution mentioned at item No. 2 in the notice.

None of the Directors, key managerial personnel and their relatives are deemed to be concerned or interested, financial or otherwise in the proposed special resolution except to the extent of their shareholding in the company.

#### ITEM NO. 3, 4 and 5

The provisions of Section 188 of the Companies Act, 2013 governs the Related Party Transactions, requiring a Company to obtain prior approval of the Board of Directors and in case the paid up share capital of a Company is Rs.10 Crores or more, the prior approval of shareholders by way of Special Resolution.

Further third proviso of Section 188(1) provides that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

The provisions of Section 188(3) also provide that any contract or arrangement entered into u/s 188(1) may be ratified by the board or as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In the light of the provisions of 2013 Act, the Board of Directors of your Company has approved the proposed transactions along with the limits that the Company may enter into with its Related Parties for the financial year 2014-15 and beyond.

All the prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Company's (Meetings of Board and its Powers) Rules, 2014 are given hereinbelow in a tabular format for kind perusal of members:

#### PARTICULARS OF PROPOSED TRANSACTIONS FOR THE PURPOSE OF APPROVALS U/S 188 OF THE COMPANIES ACT, 2013.

(Rs. in crores)

NAME and NATURE OF RELATIONSHIP with Related Parties:	MAXIMUM VALUE OF CONTRACT/TRANSACTION		
	Sale, purchase, job work or supply of any goods or materials	Availing or rendering of any services	Others
M/s. Banswara Global Limited, (Subsidiary Company)	25.00	25.00	-
M/s. Treves Banswara Private Limited (J.V. Company)	25.00	25.00	-
M/s. Banswara Fabrics Limited (Group Company)	50.00	50.00	-

- (a) The name of the related party and nature of relationship: As provided in the table above
- (b) The nature, duration of the contract and particulars of the contract or arrangement: The nature and particular of contract are mentioned in the table above. Duration of the contract is one year from 01.04.2014 to 31.03.2015.
- (c) The material terms of the contract or arrangement including the value, if any: As provided in the table above.
- (d) Any advance paid or received for the contract or arrangement, if any: Nil
- (e) The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract: All business transactions would be carried out as part of business requirements of the Company. Further the Company is also subject to pricing norms prevailing in the country.
- (f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors :Yes
- (g) Any other information relevant or important for the Board to take a decision on the proposed transaction: Nil

Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company has approved this Item in the Board meeting held on 24<sup>th</sup> May, 2014 and recommends the resolution as set out in the accompanying notice for the approval of members of the Company as Special Resolutions.

None of the Directors, key managerial personnel and their relatives except Shri R.L. Toshniwal, Shri Ravindra Kumar Toshniwal and Shri Rakesh Mehra are deemed to be concerned or interested, financial or otherwise in the proposed special resolutions except to the extent of their shareholding and interest mentioned herein above, in the company.

By Order of the Board of Directors

Sd/-

J.K. Jain

Sr. Vice President (Fin. & Com.)  
& Company Secretary

Place : Mumbai  
Date : 24.05.2014