



FORM B	
1 Name of the Company	Welspun Syntax Limited
2 Annual financial statements for the year ended	31st March 2015
3 Type of Audit qualification	Qualified
4 Frequency of qualification	Since 2002-03
5 Draw attention to relevant notes in the annual financial statement and management response to the qualification in the directors report:	<p>Attention is drawn to Note 29 regarding freehold land includes Rs.7.73 lacs and development expenses of Rs.14.98 lacs incurred on such land capitalized in year 2002-03 for which company hold no title. Company is in the process of executing the documents to transfer land in the name of company. The company is in possession of land without any interference for more than twelve years in respect of said land. Consequently, we are unable to determine whether any adjustment to these amount necessary.</p> <p><b>Management response</b> The management state that Company is in the process of executing the documents to transfer land in the name of company. The company is in possession of land without any interference for more than twelve years in respect of said land. further management is of the view that no adjustment to the amount as mentioned in note is necessary.</p>
6 Additional comments from the board/audit committee	As mentioned above
7 To be signed by -	
o Mr. B.A. Kale, Executive Director	
o Mr. Bhaskar Sen, Chief Financial Officer	
o Mr. Atul Desai, Chairman of Audit Committee	
o For MGB & CO. LLP Chartered Accountants Firm Registration Number 101169W/W-100035 Rajesh Chamaria Partner Membership Number 046788	

Date : 14 May 2015

Place: Mumbai

**Corporate Office**

Trade World, 'B' Wing 9th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel (West),  
Mumbai - 400013

Tel: +91 2266136000 / 24908000  
Fax: +91 2224908020  
E-mail: welspun@vsnl.com  
www.welspun.com

**Registered Office:** Survey No. 394 (P), Village Saily, Silvassa (U.T.) Dadra & Nagar Haveli Tel: +91 0260 2640596 / 9909990794 / 95 Fax: +91 2602 640597

**Works:** 12, 13, 14, Dewan Indl. Estate, Opp. Bidco Studs Factory, Village Mahim, Taluka Palghar, District Thane Tel: +91 02525 250749

**Corporate Identification No.:** L99999DN1983PLC000045

32nd Annual Report

2014 - 2015



Dare to Commit

**Welspun Syntex Ltd.**



## NOTICE

To,  
**The Members**

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting of Welspun Syntex Limited will be held at its Registered Office at Survey no. 394(P), Village Saily, Silvassa (U.T.) Dadra & Nagar Haveli on Wednesday, 23<sup>rd</sup> September 2015 at 11.00 A.M to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2015 and the Audited Profit and Loss Account for the year ended on that date.
2. To declare accumulated dividend subject to approval of Banks –
  - ₹3,06,11,750 on already redeemed 8% Redeemable Cumulative Preference Shares;
  - ₹37,87,397 on already converted 6% Optionally Convertible Cumulative preference shares into Equity shares.
3. To appoint a Director in place of Mr. R. R. Mandawewala, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. B A Kale, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution  
“RESOLVED THAT subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. MGB & Co. LLP, Chartered Accountants (Firm Registration No. 101169W), as the Statutory Auditors of the Company to hold office from the conclusion of this 32<sup>nd</sup> Annual General Meeting until the conclusion of the next Annual General Meeting to be held for the financial year 2015-16 on remuneration of ₹15,00,000 including fees for quarterly limited review.”

### SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Kirit Mehta & Co., the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, at a remuneration of ₹1,00,000/- be and is ratified.”
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
“Resolved that pursuant to the provisions of Sections 149,150,152,160,161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. K. H. Viswanathan who has been appointed as an additional independent director by the Board of Directors and in respect of whom the Company has received notice from a member proposing his appointment, be and is hereby appointed as an independent director of the Company for three years with effect from 31<sup>st</sup> July 2015.”
8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
“Resolved that pursuant to the provisions of Sections 152,161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Abhishek R. Mandawewala who has been appointed as an additional director by the Board of Directors and in respect of whom the Company has received notice from a member proposing his appointment, be and is hereby appointed as a director of the Company liable to retire by rotation ”
9. To consider and if thought fit to pass with or without modification(s), following resolution as a Special Resolution:  
“RESOLVED THAT Pursuant to Section 196,197 and other applicable provisions of and Schedule V to the Companies Act, 2013, Mr. Abhishek R. Mandawewala, be and is hereby appointed as a Whole time director of the Company for a period of three years with effect from 1<sup>st</sup> August 2015 on a remuneration of ₹75,00,000 per annum inclusive of all perquisites and allowances plus Commission @ 1% per annum of the net profits computed in the manner laid down under section 198 except that the remuneration of the directors shall not be deducted from the gross profits with a power to the Board of Directors to increase remuneration upto 25% of the last drawn remuneration every year with effect from 1st July of the financial year commencing from the financial year 2016”.  
“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to issue letter of appointment, a draft whereof is placed before this meeting and do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution.”  
“RESOLVED FURTHER THAT where in any financial year closing after 31<sup>st</sup> March, 2015, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Abhishek R. Mandawewala remuneration as per the limit specified in schedule V of the Companies act 2013 inclusive of all perquisites, allowances as minimum remuneration.”  
“RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary the terms and conditions to the said appointment to the extent the Board may consider appropriate and as may be agreed to between the Board and Mr. Abhishek R. Mandawewala.”

By order of the Board

Place: Mumbai  
Date: 31-07-2015

K. N. Kapasi  
Company Secretary

**NOTES:**

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**
2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
4. A statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special business to be transacted at the meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual report to the meeting.
6. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. The Register of Members of the Company will remain closed from Tuesday 15.09.2015 to Friday 18.09.2015, both days inclusive.
8. All correspondence pertaining to Equity Shares should be forwarded to the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai- 400 078 and are also requested to immediately inform their change of address, e-mail address or consolidation of folios, if any, to the Company's said Share Transfer Agent.
9. Members holding shares in dematerialized form are requested to intimate immediately any change pertaining to their bank details, Electronic Clearing Service (ECS), mandates, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Link Intime India Private Limited, Registrars and Transfer Agents.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository participants and members holding shares in physical form can submit their PAN details to M/s. Link Intime India Private Limited, Registrars and Transfer Agents.
11. The Company will send full Annual Reports in electronic mode to its Members who have registered their e-mail addresses for the purpose. Those shareholders who have not got their email address registered or wish to update a fresh email address may do so by submitting the attached E-mail Registration-Cum Consent Form to the Company or the Registrar and Transfer Agent of the Company consenting to send the Annual Report and other documents in electronic form at the said e-mail address.

12. The shareholders who wish to nominate, any person to whom his securities shall vest in the event of his death may do so by submitting the attached Nomination Form to the Company or the Registrar and Transfer Agent of the Company. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation.

13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Link Intime India Private Limited, Registrars and Transfer Agent, for consolidation into a single folio.

The Notice for the Annual general meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days between 10:00 a.m. to 12:00 noon upto the date of Annual General Meeting. The Notice shall also be available on the Company's website at: [www.welspunsyntex.com](http://www.welspunsyntex.com).

14. The businesses mentioned in this Notice may be transacted through electronic voting system, the process and manner and such other details are as under:

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual general meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The e-voting facility is available at the link <https://www.evoting.nsdl.com>

Initial password as below is given in the attendance slip for the AGM

EVEN (E-voting event number)	User ID	Password / PIN
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The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
20 <sup>th</sup> September 2015	22 <sup>nd</sup> September 2015

Please read the instructions printed overleaf before exercising the vote.

These details and instructions form integral part of the Notice for the Annual General Meeting to be held on 23<sup>rd</sup> September 2015.

**INSTRUCTIONS FOR E-VOTING**

Members are requested to follow the instructions below to cast their vote through e-voting:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
  - a. Open email and open PDF file viz.: "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - b. Launch the internet browser by typing the following <https://www.evoting.nsdl.com/>
  - c. Click on "Shareholder-Login"
  - d. Put user ID and Password noted in step (a) above as the initial password. Click login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.



- e. If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- f. Home page of "e-voting" opens. Click on remote e-voting: Active Voting Cycles.
- g. Select "EVEN (E-Voting Event Number)" of Welspun Syntex Limited. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
- h. Now you are ready for "e-voting" as "Cast Vote" Page opens.
- i. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message "Vote cast successfully" will be displayed. Kindly note that vote once cast cannot be modified.
- j. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to almakhija\_\_cs@yahoo.co.in with a copy marked to evoting@nsdl.co.in
- k. Once the vote on a resolution is cast by the shareholder/s, he/she shall not be allowed to change it subsequently.
- l. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16<sup>th</sup> September 2015.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
- a. Initial password is provided in the enclosed Attendance slip: EVEN (E-Voting Event Number), user ID and password.
- b. Please follow all steps from Sl. No. (a) to Sl. No. (j) above, to cast vote.
- C. In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "downloads" section of <https://www.evoting.nsd.com> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or send e-mail to the Company at [allcompanysecretaryofwsl@welspun.com](mailto:allcompanysecretaryofwsl@welspun.com) or Registrar & Share Transfer Agent or call on toll free no.: 1800-222-990.
- D. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- E. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 16<sup>th</sup> September 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.
- F. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.
- G. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM
- H. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper
- I. Mr. A.L. Makhija, Practicing Company Secretary (Membership No. ACS 3410) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- J. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility
- K. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- L. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company's website [www.welspunsyntex.com](http://www.welspunsyntex.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- M. The remote e-voting period commences on 20<sup>th</sup> September 2015 (9:00 am) and ends on 22<sup>nd</sup> September 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16<sup>th</sup> September 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

Place: Mumbai  
Date: 31 July 2015

By order of the Board  
K. N. Kapasi  
Company Secretary

**Registered Office of the Company:**

Survey no.394 (P), Village Saily, Silvassa,  
U.T of Dadra & Nagar Haveli

**Corporate Identity Number:** L99999DN1983PLC000045

**Phone:** 91 260 2640596, Fax: 91 260 2640597,

**E-mail:** [allcompanysecretaryofwsl@welspun.com](mailto:allcompanysecretaryofwsl@welspun.com),

**Website:** [www.welspunsyntex.com](http://www.welspunsyntex.com)

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND THE INFORMATION AS REQUIRED PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT**

**ITEM NO. 6**

The Company being in a textile industry has to appoint cost auditor pursuant to notification dated 31<sup>st</sup> December 2014 issued by the Ministry. The Board, on the recommendation of the audit committee, has approved the appointment of M/s. Kirit Mehta & Co. Cost auditors to conduct the audit of cost records of the Company for the financial year ending March 31, 2016 at a remuneration of ₹1,00,000/-p.a.

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

of the Company. Accordingly, consent of the members is sought for passing an Ordinary resolution as set out at Item No.6 of the Notice for ratification of the remuneration payable to M/s. Kirit Mehta & Co, Cost auditors for the financial year ending March 31, 2016

None of the key managerial personnel or directors of the Company or their relatives have any interest or concern in the proposed resolution.

Shareholders' approval is sought by way of ordinary resolution proposed under Item no. 6 of the accompanying Notice.

**ITEM No. 7**

Board of Directors at their meeting held on 31<sup>st</sup> July 2015 appointed Mr. K. H. Viswanathan as an additional independent director with effect from 31<sup>st</sup> July 2015 as mentioned in resolution no.7. He is B. Com, A.I.C.W.A. Mr. K.H. Viswanathan is a Management Consultant for the last 18 years, having over 29 years' experience in the field of Tax and Legal advisory and structuring, Management and Due - diligence audits, Business Strategy, Mergers and Acquisitions etc.

None of the key managerial personnel or directors of the Company except Mr. K. H. Viswanathan himself has any interest or concern in the proposed resolution.

Shareholders' approval is sought by way of ordinary resolution proposed under Item no. 7 of the accompanying Notice.

**ITEM NO. 8 & 9**

Board of Directors at their meeting held on 31<sup>st</sup> July 2015 appointed Mr. Abhishek R. Mandawewala as an additional director with effect from 31<sup>st</sup> July 2015 as mentioned in resolution no.8 and as a whole time director on remuneration as mentioned in resolution no.9.

Mr. Abhishek R. Mandawewala, aged 28 years is B.A./M.Eng (Honours.) in Manufacturing Engineering from University of Cambridge. He was executive director of RMG Alloy Steel Limited from 4th September 2010 to 28th March 2013. He subsequently joined Welspun India Limited as a President (Advance Textile) with effect from 1st April 2013

A copy of draft letter pertaining to his appointment is kept open for inspection of members at the registered office of the Company on any working day of the Company between 11.00 a.m. and 1.00 p.m. upto the date of this Annual General Meeting.

None of the Directors of the Company except Mr. Abhishek R. Mandawewala himself and Mr. R. R. Mandawewala being relative is in any way concerned or interested in the said resolution.

**Information pursuant to Schedule V of the Companies Act, 2013**

**GENERAL INFORMATION:**

- 1) Nature of industry – Textile
- 2) Financial performance based on given indicators –

	(₹ in lacs)	
	2014-15	2013-14
Gross Profit before Depreciation and Finance Expenses	8687.32	6303.31
Less: Finance Expenses	2391.64	2389.65
Depreciation	2020.22	1911.04
Profit/(Loss) before tax	4275.46	2002.62
Less – Current Tax – Current year	906.49	430.27
-Earlier period	-	33.59
Add - MAT credit entitlement	(906.49)	(430.27)
Profit/ (Loss) after tax	4275.46	1969.03

**INFORMATION ABOUT THE APPOINTEE:**

**1) Background details:**

Mr. Abhishek R. Mandawewala, aged 28 years is B.A./M.Eng (Honours.) in Manufacturing Engineering from University of Cambridge. He was executive director of RMG Alloy Steel Limited from 4th September 2010 to 28th March 2013. He subsequently joined Welspun India Limited as a President (Advance Textile) with effect from 1st April 2013

**2) Past remuneration:**

₹35,62,500 per annum inclusive of all perquisites and benefits

**3) Job profile and his suitability:**

**Job profile:** Strategic initiative improvements and automation in various processes, financial tie up and achieve unique position in the field of textile.

**Suitability:** He has experience in the field of steel and textiles for more than six years. He is president (Advance textile) of Welspun India Limited since 01.04.2013. He was executive director of RMG Alloy Steel Limited (Erstwhile Remi Metals Gujarat Limited) for about three years.

**4) Remuneration proposed:**

₹75, 00,000 /- per annum inclusive of all perquisites and allowances plus commission @1% p.a. of the net profits computed in the manner laid down under Section 198 of the Companies Act, 2013 except that the remuneration of the directors shall not be deducted with a power to the Board of Directors to increase remuneration upto 25% of the last drawn remuneration every year with effect from 1<sup>st</sup> July of the financial year commencing from the financial year 2016.

**5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

Looking to his education, experience in the field of textiles and steel, size of the company, the proposed remuneration is justified to retain the managerial person.

**6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

He is not related directly or indirectly with the managerial personnel. He is relative of Mr. R. R. Mandawewala, director of the Company. Further, he has no pecuniary relationship with the Company except as a whole time director of the Company. He does not hold any equity shares of the Company.

**OTHER INFORMATION:**

**i. Reason of loss or inadequate profits**

*Not applicable since net profits computed in the manner laid down under Section 197 of the Companies Act, 2013 as on 31<sup>st</sup> March 2015 prior to the date of his appointment is adequate.*

**ii. Steps taken for improvement**

*Not applicable since Net profit as on 31<sup>st</sup> March 2015 is adequate*

**iii. Expected increase in productivity and profits in measurable terms**

In view of expansion undertaken by the Company, the Company expects to increase productivity and profits.

By order of the Board

Place: Mumbai  
Date: 31-07-2015

K. N. Kapasi  
Company Secretary



## DIRECTORS' REPORT

To,  
The Members,

### WELSPUN SYNTEX LIMITED,

Your Directors are pleased to present the Thirty-Second Annual Report together with Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2015.

#### I. FINANCIAL RESULTS

(₹ in lacs)

	2014-15	2013-14
Gross Profit before Depreciation & Finance Expenses	8687.32	6303.31
Less: Finance Expenses	2391.64	2389.65
Depreciation	2020.22	1911.04
Profit/(Loss) before tax	4275.46	2002.62
Less – Current Tax – Current year	906.49	430.27
- Earlier period	-	33.59
Add - MAT credit entitlement	(906.49)	(430.27)
Add/(Less) -Fringe Benefit Tax	-	-
Profit/ (Loss) after tax	4275.46	1969.03

#### II. DIVIDEND

The Board of Directors has recommended accumulated dividend subject to approval of banks of –

- ₹3,06,11,750 on already redeemed 8% Redeemable Cumulative Preference Shares;
- ₹37,87,397 on already converted 6% Optionally Convertible Cumulative preference shares into Equity shares

#### III. OPERATIONS

During the year under review, Net sales and services and Gross Profit before Interest and Depreciation were of ₹834.86 Crores and ₹86.87 Crores respectively as compared to ₹896.38 Crores and ₹63.03 Crores respectively for the previous year. Net sales and services of the Company have been reduced by 6.86 % but net profit has increased by 117% over the previous year.

Exports during the financial year 2014-15 were of ₹185 Crores as compared to ₹214 Crores during the previous year.

Turnover of the Company is reduced due to reduction in price of raw materials and finished goods following slash in price of crude oil. Concentration on high margin products, development of new products and production of BCF yarn coupled with reduction in prices of raw materials following slash in price of crude oil has increased profitability of the Company.

The Company has received in house R & D recognition for Rakholi and Palghar R & D Centers from Department of Scientific & Industrial Research.

India Rating & Research vide their letter dated May 13 2015 has assigned a Long term issuer rating and working capital facilities of IND A-; outlook stable.

#### IV. EXPANSION

The Company proposes to double its existing BCF manufacturing capacity, increase capacity of Dyeing vessel, install Nylon mother yarn line, add laboratory equipment, etc. at an estimated project cost of ₹70 Crores which is proposed to be financed by way of internal accruals of ₹23 Crores and term loan of ₹47 Crores. Approvals of Banks for the term loan have been received. Implementation of the project is commenced and is likely to be completed by the end of 30th April 2016.

#### V. DIRECTORS' RESPONSIBILITY STATEMENT

- a) in the preparation of the annual accounts, the applicable

accounting standards had been followed along with proper explanation relating to material departures;

- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31<sup>st</sup> March 2015 and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### VI. DISCLOSURE AS REQUIRED UNDER THE COMPANIES ACT 2013:

- a. Mr. Atul Desai, Mr. M. K. Tandon, Ms. Mala Todarwal and Mr. K. H. Viswanathan, the independent directors have given declaration that they met the criteria of independent directors as provided in sub section 6 of Section 149 of the Companies act 2013.
- b. Nomination and Remuneration committee (NRC) at their meeting held on 29<sup>th</sup> May 2014 approved and recommended policy relating to criteria for determining qualifications, positive attributes and independence of directors, the remuneration for the directors, key managerial personnel and other employees; the Board of directors approved the said policy as recommended by NRC at its meeting held on 29<sup>th</sup> May 2014.
- c. NRC at their meeting held on 21<sup>st</sup> January 2015 laid down criteria for the evaluation of Board of directors. Evaluation of directors consisted of two parts i.e. quantitative data and qualitative data. The instruments was so designed that only ticks was required with no provision for descriptions, name of the directors who has evaluated is not disclosed. Evaluation took place in March 2015 and the same was discussed by the Board of directors and took remedial action at its meeting held on 30<sup>th</sup> March 2015 (Rules 8 (4) under Chapter 9 of the Companies (Accounts) Rules, 2014)
- d. CSR activities is attached- Refer Annexure A
- e. **Meeting of Board of directors were conducted four times during the financial year 2014-15.**
- f. **The Company is a subsidiary of Krishiraj Trading Limited.**
- g. **Ratio of remuneration of Mr. B A Kale to the median employee's remuneration and other details as may be prescribed – Section 197 (12)**
- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; 124.66 times
- (ii) the percentage increase in remuneration of Chief Financial Officer: 15%, Company Secretary:10%
- (iii) the percentage increase in the median remuneration of employees in the financial year: 0%

- (iv) the number of permanent employees on the rolls of company: 1535
- (v) the explanation on the relationship between average increase in remuneration and company performance:
- Increase in remuneration is largely based on performance of individuals.
- (vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company:
- Commission to ED and incentives to some of the executives besides fixed salary are directly related to performance of the Company

	31/03/2014	31/03/2015	Variation
Market capitalization (₹ in lacs)	30.10	134.79	104.69
P/E ratio	1.53	3.15	1.62
Market price per share (in ₹)	7.67	34.35	26.68
EPS (in ₹)	5.02	10.90	5.88
	<b>Public Offer price on issue of shares on preferential basis as on 7-12-2012</b>	<b>Market price as on 31/03/2015</b>	
	₹13.48 per share	₹34.35	

- (viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration - Average increase in remuneration of employees other than managerial personnel 10% and key managerial persons - 12.50%
- (ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company - Commission @ 2.50% on net Profit to executive director and Incentives to some of KMP is directly based on performance of the Company
- (x) the key parameters for any variable component of remuneration availed by the directors- 2.5% commission on Profits calculated under section 197 of the Companies act 2013 to Executive director besides fixed remuneration
- (xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- nil; and
- (xii) Affirmation that the remuneration is as per the remuneration policy of the company.

h. Mr. B. A. Kale, executive director of the Company has not received any remuneration from Krishiraj Trading Limited, the holding company.

**i. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

Internal financial controls are adequate and were operating effectively. The Company periodically reviews the internal controls to align it with the changing business needs and to improve governance and enhance compliance with evolving regulation.

- j. Details of arrangement entered into with Welspun Wintex Limited under section 189 ( related party) is mentioned in form AOC-2 as mentioned below under **Rule 8 (2) of the Companies (Accounts) Rules, 2014**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with Related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including Certain arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis – No such transaction
2. Details of material contracts or arrangement or transactions at arm's length basis
  - (a) Name(s) of the related party and nature of relationship  
**- Welspun Wintex Limited**
  - (b) Nature of contracts/arrangements/transactions  
**- Purchase of POY**
  - (c) Duration of the contracts / arrangements/transactions  
**- 01.04.2014 TO 30.06.2014**
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:  
**- ₹255.12 Lacs**
  - (e) Date(s) of approval by the Board, if any:  
**- Board meeting dated 01.08.2014**
  - (f) Amount paid as advances, if any:  
**- Nil**

**A. Particulars of loans, guarantees or investments under section 186.**

The Company has not made investment nor given loan nor provide any guarantee for repayment of loan under section 186 of the act

**B. Details of establishment of vigil mechanism for directors and employees**

Clause 49(II) (F) of listing agreement.

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees and no personnel have been denied access to the Audit Committee.

**VII. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

**The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:**

**A) Conservation of energy:**

- (i) the steps taken or impact on conservation of energy; nil
- (ii) the steps taken by the company for utilizing alternate sources of energy;

The Company has availed power partly from alternative source by entering into agreement with Daksha Infrastructure Pvt Ltd on open access basis and saved the amount of ₹50.56 Lacs

- (iii) the capital investment on energy conservation equipment's;

**Nil**





**(B) Technology absorption:**

- The Company has not entered into technical collaboration and as such not applicable.

The Research and Development capital/revenue expenditure during FY 2014-15 is ₹760.52 Lacs.

**(C) Foreign exchange earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

**FOB value of export – ₹17292.07 lacs**

**CIF value of imports – ₹19108.65 lacs**

**VIII. DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. B. A. Kale and Mr. R. R. Mandawewala, the directors of the Company retire by rotation at the 32nd Annual General Meeting and being eligible has offered themselves for reappointment.

Mr. Abhishek Mandawewala has been appointed as an additional director w.e.f. 31.07.2015 and whole time director w.e.f. independent 01.08.2015

Mr. K. H. Viswanathan has been appointed as an additional Independent director with effect from 31.07.2015.

Board has recommended re-appointment of the aforesaid retiring directors, appointment of Mr. K. H. Viswanathan as an independent director and Mr. Abhishek Mandawewala as a director/whole time director.

Mr. Bhaskar Sen, Sr. Vice President (Accounts and Commercial) is appointed as a CFO by the Board of Directors at its meeting held on 1<sup>st</sup> August 2014.

**IX. AUDIT COMMITTEE**

The Audit Committee consists of the following 5 Non-Executive Directors

- |  |                       |
|--|-----------------------|
| a. Mr. Atul Desai                            | - Chairman            |
| b. Mr. M. K.Tandon                           | - Member, independent |
| c. Ms. Mala Tadarwal                         | - Member, independent |
| d. Mr. K. H. Viswanathan (w.e.f. 31.07.2015) | - Member, independent |
| e. Mr. R. R. Mandawewala (w.e.f. 14.05.2015) | - Member              |

**X. DEPOSITS**

The Company has not accepted any deposit within the meaning of the Chapter V to Companies Act 2013 Further, no amount on account of principal or interest on deposit was outstanding as at the end of the year under report.

**XI. AUDITORS**

Your Company's Auditors, M/s. MGB & Co, Chartered Accountants were re-appointed for the period of three years till the conclusion of 34<sup>th</sup> Annual General meeting. Members are requested to ratify their appointment from the conclusion of 32<sup>nd</sup> Annual General Meeting to the conclusion of 33<sup>rd</sup> Annual General Meeting.

**XII. CORPORATE GOVERNANCE**

A separate report on Corporate Governance is annexed hereto as a part of this Report. Management Discussion and Analysis Statement is separately given in the Annual Report. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as prescribed under Clause 49 of the Listing Agreement is attached to this report.

**XIII. AUDITORS' REPORT**

Please refer to Auditors' Observations/ qualifications and in relation thereto the Board of directors' state as under: Auditors have qualified report under para "Basis for qualified opinion" drawing attention to Note no. 29 of notes to the accounts and state that the Company is in the process of executing document to transfer Land to the name of the Company. The Company is in possession of Land without any interference for more than 12 years. In view of the above, the Board is of the view that no adjustment to the amounts as mentioned in note no. 29 is necessary.

**XIV. SECRETARIAL AUDIT REPORT**

A Secretarial Audit Report given by Mr. A. L. Makhija, a company secretary in practice is herewith annexed.

**XV. RISK MANAGEMENT POLICY**

Board of Directors at their meeting held on 29<sup>th</sup> January 2015 considered and approved risk management policy and identified the major risk in price volatility in key raw materials.

**XVI. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR (CLAUSE 49 OF LISTING AGREEMENT)**

The details of familiarization program (for independent directors) is disclosed on the Company's website and a web link thereto is [http://www.welspunsyntex.com/userfiles/file/WSL\\_Familiarisation\\_policy.pdf](http://www.welspunsyntex.com/userfiles/file/WSL_Familiarisation_policy.pdf)

**XVII.CODE OF CONDUCT**

The Company has Code of Conduct for Board members and senior management personnel. A copy of the Code has been put on the Company's website for information of all the members of the Board and management personnel.

All Board members and senior management personnel have affirmed compliance of the same.

**XVIII.PARTICULARS OF EMPLOYEES**

Details of the every employee of the Company as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is herewith attached.

**XIX. ACKNOWLEDGEMENT**

Your Directors take this opportunity to express gratitude for valuable assistance and co-operation extended to the Company by Financial Institutions, Commercial Banks and other authorities. Your directors also wish to place on record their sincere appreciation of the dedicated services, hard work, solidarity and profuse support by all the employees of the Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**B. A. Kale**  
Executive Director  
Mumbai,  
Date: 31<sup>st</sup> July 2015

**R. R. Mandawewala**  
Director

**Form No. MGT –9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March31,2015

[Pursuant to section92(3) of the Companies Act,2013 and rule12(1) of the Companies (Management and Administration) Rules,2014]

**I. REGISTRATION AND OTHER DETAILS**

- i. CIN :- L99999DN1983PLC000045
- ii. Registration Date : March31,1983
- iii. Name of the Company : Welspun Syntex Limited
- iv. Category / Sub Category of the Company: Public Limited Company
- v. Address of the Registered office and contact details:394 (P), Village Saily, Silvassa, U. T. of Dadra & Nagar Haveli.  
Contact Tele:0260-2640596 / 022 6613 6000  
Email: allcompanysecretaryofwsl@welspun.com.
- vi. Whether listed company: Yes. The Bombay Stock Exchange Limited
- vii. Name, address and contact details of Registrar and Transfer Agent, if any.

**M/s. Link Intime India Private Limited**

Unit : Welspun Syntex Limited  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West),  
Mumbai –400078  
Email - rnt.helpdesk@linkintime.co.in  
Tele. No.: +91-022-25946970  
Fax No. : +91-22–25946969

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All business activities is from the business of textiles

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Name And Address Of The Company	CIN / GLN	Holding / Subsidiary / Associate	% Of Shares Held	Applicable Section
Krishiraj Trading Ltd	U65990GJ1992PLC050965	Holding	64.62%	2(46)

**IV. SHARE HOLDING PATTERN (equity share capital break-up as percentage of Total Equity)**

**i. Category-wise share holding**

Category of shareholders	No. of shares as on 01.04.2014				No. of shares held as on 31.03.2015				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian	0	0	0	0.00	0	0	0	0.00	0
a) Individual / HUF	35,429	0	35,429	0.09	35,429	0	35,429	0.09	0
b) Bodies Corp.	25,658,167	0	25,658,167	65.39	27,470,277	0	27,470,277	70.01	4.62
<b>Sub Total (A) (1):-</b>	<b>25,693,596</b>	<b>0</b>	<b>25,693,596</b>	<b>65.48</b>	<b>27,505,706</b>	<b>0</b>	<b>27,505,706</b>	<b>70.10</b>	<b>4.62</b>
		0		0.00				0.00	0
(2) Foreign	0	0	0	0.00	0	0	0	0.00	0
		0		0.00				0.00	0
<b>Sub Total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
		0		0.00				0.00	0
<b>Total shareholding of promoter (A)= (A)(1)+(A)(2)</b>	<b>25,693,596</b>	<b>0</b>	<b>25,693,596</b>	<b>65.48</b>	<b>27,505,706</b>	<b>0</b>	<b>27,505,706</b>	<b>70.10</b>	<b>4.62</b>



<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	105	0	105	0.00	105	0	105	0.00	0
b) Banks / FI	8,231,936	0	8,231,936	20.98	2,240,284	0	2,240,284	5.71	(15.27)
c) Insurance companies	228837	0	228837	0.58	228837	0	228837	0.58	0
d) FIs	0	0	0	0.00	21,662	0	21,662	0.06	0.06
<b>Subtotal (B)(1):-</b>	<b>8,460,878</b>	<b>0</b>	<b>8,460,878</b>	<b>21.56</b>	<b>2,490,888</b>	<b>0</b>	<b>2,490,888</b>	<b>6.35</b>	<b>(15.21)</b>
<b>2. Non Institutions</b>									
a) Bodies corp. indian	573802	2076	575878	1.47	2268141	2076	2270217	5.79	4.32
b) Individual									
i. Individual shareholding nominal share capital upto ₹1 lakh	2,839,179	24260	2863439	7.30	3,152,192	24050	3176242	8.09	0.79
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	1,280,268	0	1,280,268	3.26	3,391,728	0	3,391,728	8.64	5.38
c) Others (specify)									
Huf	54301	1200	55501	0.14	99938	1200	101138	0.26	0.12
Trust		4302	4,302	0.01		4302	4,302	0.00	0
Clearing member	71,566	0	71566	0.18	141,620	0	141,620	0.36	0.18
HUF	234,140	0	234,140	0.60	157,727	0	157,727	0.40	(0.19)
Sub Total (B)(2)	5,053,256	31838	5,085,094	12.96	9,211,346	31,628	9,242,974	23.56	10.6
<b>Total public shareholding (B) = (B)(1)+(B)(2)</b>	<b>13,514,134</b>	<b>31838</b>	<b>13,545,972</b>	<b>34.55</b>	<b>11,702,234</b>	<b>31,628</b>	<b>11,733,862</b>	<b>29.82</b>	<b>-4.62</b>
		0		0.00				0.00	0
<b>C. shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Grand total (A+B+C)</b>	<b>39,207,730</b>	<b>31838</b>	<b>39,239,568</b>	<b>100</b>	<b>39,207,940</b>	<b>31,628</b>	<b>39,239,568</b>	<b>100</b>	<b>0</b>

ii. Shareholding of Promoters

Sl. No	Shareholder's name	Shareholding as on 01.04.2014			Shareholding as on 31.03.2015			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Welspun India Ltd.	283,500	0.72	0	283,500	0.72	0	0
2	Welspun Finance Ltd.	137,191	0.35	0	137,191	0.35	0	0
3	Krishiraj Trading Ltd.	23,544,022	60.00	0	25,356,132	64.62	0	4.62
4	Welspun Steel Ltd.	25	0.00	0	25	0.00	0	0
5	Welspun Zucchi Textiles Ltd.	25	0.00	0	25	0.00	0	0
6	B.K. Goenka (HUF)	15,428	0.04	0	15,428	0.04	0	0
7	B.K. Goenka	3,405	0.01	0	3,405	0.01	0	0
8	Deepali B. Goenka	11,571	0.03	0	11,571	0.03	0	0
9	Radhika Goenka	5,025	0.01	0	5,025	0.01	0	0
10	Welspun Mercantile Ltd.	1,693,404	4.32	0	1,693,404	4.32	0	0
	<b>Total</b>	<b>25,693,596</b>	<b>65.48</b>	<b>0</b>	<b>27,505,706</b>	<b>70.10</b>	<b>0</b>	<b>4.62</b>

**iii. Change in Promoters' shareholding (please specify, if there is no change)**

There was change in shareholding of Krishiraj Trading Limited only as details below:

Sr No	Name of the Promoter	Shareholding as on 01.04.2014		Shareholding as on 31.03.2015	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>KRISHIRAJ TRADING LTD.</b>				
	At the beginning of the year	23544022	60.00	23544022	60.00
	10.10.2014	195000	0.50	23739022	60.50
	17.10.2014	1497110	3.82	25236132	64.31
	21.11.2014	70000	0.18	25306132	64.49
	05.12.2014	50000	0.13	25356132	64.62
	At the end of the year			25356132	64.62

**iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name of the Shareholder	Shareholding as on 01.04.2014		Shareholding as on 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	IFCI LTD	7741599	19.72	1749947	4.45
2	LIFE INSURANCE CORPORATION OF INDIA	374820	0.95	374820	0.95
3	ILA KIRAN GADHIA	137905	0.35	65747	0.16
4	SWAVIN BUSINESS CONSULTANTS PRIVATE LIMITED	92000	0.23	55000	0.14
5	MULTIPLEX CAPITAL LTD	82825	0.21	78750	0.20
6	SATYA PRAKASH MITTAL	78627	0.20	85267	0.21
7	KAILASH KUMAR MANWANI	75000	0.19	10000	0.02
8	RAM KALIANDAS DARYANANI	75000	0.19	75000	0.19
9	SOMESH MEHROTRA	0	0.00	1500000	3.82
10	VLS CAPITAL LIMITED	0	0.00	737961	1.88

**v. Shareholding of Directors and Key Managerial Personnel: There was no change during the year**

Sr. No.	Name of the Directors and KMP	Shareholding as on 01.04.2014		Shareholding as on 31.03.2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
01	Mr. B. K. Goenka	3405	0.01	3405	0.01
02	Mr. R. R. Mandawewala	-	-	-	-
03	Mr. B. A. Kale, ED	-	-	-	-
04	Mr. Atul Desai	30	0.00	30	0.00
05	Mr. M. K. Tandon	-	-	-	-
06	Ms. Mala Tadarwal	-	-	-	-
	<b>Key Managerial Personnel (other than Executive director)</b>				
01	Mr. Bhaskar Sen, CFO	-	-	-	-
02	Mr. Kaushik Kapasi, CS	-	-	-	-

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ In lacs)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	13975.14	-	-	13975.14
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	98.48	-	-	98.48
<b>Total (i + ii + iii)</b>	<b>14073.62</b>	-	-	<b>14073.62</b>
<b>Change in indebtedness during the financial year.</b>				
· Addition	2091.51	2503.4	-	4594.91
· Reduction	3307.12	-	-	3307.12
· Reduction in interest accrued but not due	12.08	-	-	12.08
<b>Net change</b>	<b>(1227.70)</b>	<b>2503.40</b>	-	<b>1275.70</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	12759.52	2503.40	-	15262.92
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	86.40	-	-	86.40
<b>Total (i+ii+iii)</b>	<b>12845.92</b>	<b>2503.40</b>	-	<b>15349.32</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

### A. Remuneration to Managing Director, whole-time directors and/or Manager

(₹ In lacs)

Sr. No.	Particulars of Remuneration	B. A. Kale (ED)
1	Gross Salary	*
	a) Salary as per provisions contained in section17(1) of the Income Tax Act1961.(excluding commission paid which was provided previous year)	48.69
	b) Value of perquisites u/s.17(2) Income Tax Act,1961	0.65
	c) Profits in lieu of salary under section17(3) Income Tax Act,1961	0
2	Stock Option	Nil
3	Sweat equity	Nil
4	Commission	111.02
	- As % of profit	2.50%
	- Others, specify	-
5	Others, please specify ( contribution to Provident fund)	2.70
	Total (A)	163.06
	Ceiling as per the Act.	222.04

### B. Remuneration to other directors

(₹ In lacs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Atul Desai	M. K. Tandon	Mala Todarwal (w.e.f.01.08.2014)	R.K. Jain (Upto01.10.2014)	
1.	Independent Directors					
	• Fee for attending board / committee meetings	3.15	2.16	1.19	1.56	8.07
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	3.15	2.16	1.19	1.56	8.07
	2. Other Non-Executive Directors					Nil
	Total (2)					Nil
	Total (B) = (1 +2)	3.15	2.16	1.19	1.56	8.07
	Total Managerial Remuneration (excluding sitting fees)					163.06
	Overall Ceiling as per the Act.					222.04

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ In lacs)

Sr. No.	Particulars of Remuneration	Bhaskar Sen (CFO)	K N Kapasi (CS)	Total Amount ₹
		--	--	
1	Gross Salary			
	a) Salary as per provisions contained in section17(1) of the Income Tax Act1961.	33.15	31.74	64.89
	b) Value of perquisites u/s.17(2) Income Tax Act,1961	0.12	-	0.12
	c) Profits in lieu of salary under section17(3) Income Tax Act,1961	0	0	0
2	Stock Option	0	0	0
3	Sweat equity	0	0	0
4	Commission	0	0	0
	- As % of profit	0	0	0
	- Others, specify.....	0	0	0
5	Others, please specify Incentives provided but not given)	22.00	0	22.00
	Total (A)	55.27	31.74	87.01
	Ceiling as per the Act.			NA

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

No penalties / punishment / compounding of offences are imposed to the Company nor to any directors of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE, SCENARIO & DEVELOPMENT

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand.

The most significant change in the Indian textiles industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe.

India is the bright spot on the "cloudy global horizon" and Asia's third largest Economy.

Recent policy reforms and improved business confidence have provided a booster shot to economic activity. While India's growth rate is expected to improve from 7.2 per cent in last fiscal to 7.5 per cent this year

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investment (FDI) worth ₹6,710.94 crore (US\$ 1.11 billion) during April 2000 to February 2014.

Man-made fibres includes manufacturing of clothes using fiber or filament synthetic yarns. It is produced in the large power loom factories. They account for the largest sector of the textile production in India. This sector provides employment to about 4.8 million people.

Installed capacity of Polyester filament yarn has marginally increased from 2058 million kg. during the year 2009-10 to 2118 million kg. in 2014-15 (upto December 2014). Production however has been reduced from 1434.88 million kg. during the year 2009-10 to 1213.06 kg. during the year 2013-14 and 873 million kg during 2014-15 (upto December 2014)

Installed capacity of Nylon filament yarn is at the same level at 32 million kg since 2009-10; production was decreased from 30.35 million kg during the year 2009-10 to 23.98 million kg during the year 2013-14.

The textile industry holds significant presence in Indian economy. The size of the industry is currently estimated to be over \$120 billion. It contributes around 14% in industrial production, 4% of the country's GDP and 12% of the country's merchandise exports.

At just 5.2 per cent share of global trade, the Indian textile industry ranks second in the world, far behind China. The Indian textiles and apparel industry is expected to grow to a size of US\$ 223 billion by 2021, according to a report by the experts.

The dramatic fall in global crude prices is a big boost for India as it can bring down the country's annual oil import bill by about USD 50 billion.

This welcome development enhances disposable income which will increase consumer demand for other goods and services, reduce input cost of businesses which will increase margins and help enthruse investment demand. This will also aid Government finances by reducing the energy subsidy burden.

The continued fall in crude oil prices over recent months has however led to domestic synthetic yarn makers incurring stock and margin losses. The fall in prices of petrochemicals, including key polyester yarn raw material such as monoethylene glycol (MEG) and purified terephthalic acid (PTA) has forced yarn makers to reduce prices. Adding to the problem for synthetic yarn makers is the sluggish demand from mills.

In the short run, growth will receive a boost from lower oil prices, from likely monetary policy easing facilitated by lower inflation and lower inflationary expectations.

Medium-term prospects will be conditioned by the "balance sheet syndrome with Indian characteristics," which has the potential to hold back rapid increases in private sector investment.

The new government has undertaken a number of new reform measures whose cumulative impact could be substantial. India's apparels, home textiles and technical textiles segments are expected to double their market size.

### OPPORTUNITY AND THREATS

The volatility in the Crude oil prices affects prices of PTA and MEG which are raw materials for polyester chips. Sluggishness in demand and sudden change in prices of crude affects margin on products.

The Company's sound business strategy is to concentrate on specialty & high quality yarns especially conventionally dyed & dope-dyed yarns, constant development of new products to strengthen its position in domestic as well as International markets, stepping up production of high contributing Nylon grey & dyed yarns, increase in capacity of texturised yarn, introduction of new products, etc.

### PRODUCT WISE PERFORMANCE

The Company manufactures Partially Oriented Yarn (POY), Texturised yarn/ Dyed yarn.

Revenue from POY were of ₹126.77 Crores as compared to ₹121.40 Crores of previous year, from Texturised Yarn/Dyed yarn were of ₹752.43 Crores as compared to ₹819.07 Crores of previous year.

### OUTLOOK

The Company is in the process of doubling capacity of BCF yarn, increasing capacity of texturized yarn, mother yarn, constant development of new products, R & D work in master batch, concentration on products yielding high margins are expected to increase margins of profits.

### RISKS & CONCERNS

Sluggish in demand of polyester, fluctuation in price of crude oil, foreign exchange are concern for the Company. The Company expects to mitigate the impact of risks and concerns since the Company concentrates on Specialty yarns, High quality and development of new products constantly.

### ADEQUACY OF INTERNAL CONTROL SYSTEM

Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorised, recorded and reported correctly.

The Company has SOP defining system, authority of executives, etc., internal audit system which covers cost saving aspects, system and procedure improvement. Such reports are regularly reviewed by the management and corrective measures are timely taken for improving efficiency.

### DISCUSSION ON FINANCIAL PERFORMANCE

#### REVENUE

Details are mentioned in Directors' report

#### HUMAN RESOURCES

During the year under review, your Company continued its concern for development of its personnel through various training programmes. Besides, Management has laid special emphasis on strengthening HR activities for all levels in the Organization with an introduction of PMS module.

Industrial relations during the year were cordial.

#### CAUTION STATEMENT

Company's performance as expressed or implied could differ materially due to economic conditions affecting demand/supply and price condition in the domestic & overseas markets, changes in the government regulations, tax laws & other incidental factors.

For and on behalf of the Board of Directors

**B. A. Kale**  
Executive Director  
Mumbai,  
Date: 31<sup>st</sup> July 2015

**R.R.Mandawewala**  
Director



## ANNEXURE - A

### FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

**The Policy in brief:**

To spend at least 2% average net profits of the company made during the three immediately preceding financial years calculated in accordance with the provisions of Section 198 of the Companies act 2013 in the sector as mentioned in schedule VII of the act.

To give preference to local area and areas around it where it operates, for spending the amount earmarked for corporate social responsibility activities

**List of activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013 as mentioned in the policy is placed on website of the Company at [www.welspunsyntex.com](http://www.welspunsyntex.com)**

1. The composition of the CSR Committee:

Mr. Atul Desai - Chairman  
Mr. B K Goenka - Member  
Mr. R R Mandawewala - Member

2. Average net profit of the Company for last three financial years: ₹1568.88 Lacs  
3. Prescribed CSR Expenditure (two percent of the amount as in item 2 above); ₹31.38 Lacs  
4. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year; ₹31.38 Lacs

(b) Amount unspent, if any; the Company has directly spent ₹9.65 Lacs in local area of Palghar where the Company's plant is located; the Company has contributed the amount of ₹24.26 Lacs to Welspun Foundation for Health and Knowledge (WFHK) for spending in the activities as mentioned in the policy; the amount of ₹1.26 Lacs is yet to be spent by WFHK.

(c) Manner in which the amount spent during the financial year is detailed below:

(1) Sr. No	(2) CSR Project / Activity undertaken	(3) Sector in which the project is identified	(4) State and District where project was undertaken	(5) Amount of outlay budget	(6) Direct Expenditure on program / Over Heads (₹ in lakhs)	(7) Cumulative expenditure up to 31.3.15 (₹ in lakhs)	(8) Amount spent Direct or through implementing agency	(9) Whether qualified as per Sch VII Of Co's Act.	(10) Applicable Clause as per Sch VII
1	Health Check-up through Mobile Health Check-up Vans	Promoting Preventive Health care	Maharashtra / Mumbai	13.00	13.01	13.01	Direct	YES	1
2	Scholarship to Unprivileged Children	Promoting Education	Maharashtra / Mumbai	2.00	1.77	1.77	Direct	YES	2
3	Sponsorship to Swimmers	Promoting Sports	Maharashtra / Mumbai	2.00	2.00	2.00	Direct	YES	7
4	Construction of Toilet blocks in Schools at Villages	Sanitation	Dadra & Nagra Haveli/ Rakholi	4.00	3.69	3.69	Direct	YES	1
5	Health Check-up through Mobile Health Check-up Vans	Promoting Preventive Health care	Maharashtra / Mumbai	1.01	1.01	1.01	Direct	YES	1
6	Education to Unprivileged Children	Promoting Education	Maharashtra / Mumbai	1.35	1.35	1.35	Direct	YES	2
7	Construction of Road/ Borewell/ Inverter at Aadivasi Pada for school at Mahim village	Promoting Sports	Maharashtra / Palghar-Mahim	1.60	1.60	1.60	Direct	YES	7
8	Construction of Toilet with Shed in Police Station	Sanitation	Maharashtra / Palghar-Satpati	2.17	2.17	2.17	Direct	YES	1
9	Education & other facilities to Unprivileged Children	Promoting Education	Dadra & Nagra Haveli/ Rakholi	3.51	3.51	3.51	Direct	YES	1
			<b>TOTAL</b>	<b>30.64</b>	<b>30.11</b>	<b>30.11</b>			

\* Give details of implementing agency: Welspun Foundation For ealth and Knowledge

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.  
- The Company has spent more than 2% of the average net profit of the last three Financial years.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

(B A Kale, Executive Director)

(Atul Desai, Chairman of CSR Committee)

**ANNEXURE 'B'**

**ANNEXURE TO THE DIRECTORS' REPORT**

INFORMATION UNDER SECTION 134 OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE DIRECTORS' REPORT.

**REMUNERATION OF ₹60, 00,000 PER ANNUM OR MORE RECEIVED BY EMPLOYEE THROUGH OUT THE YEAR:**

Name	Designation/ Nature of duties	Remuneration received	Educational Qualification	Experience in years	Date of Commencement of employment	Age	Last employment before joining the Company
1	2	3	4	5	6	7	8
Mr. B. A. Kale	Executive Director	₹1,63,06,000	B.Sc, DAM	34 years	2-Apr-07	61	M/s.Bhargavi Marketing Pvt.Ltd.
Mr. S. M. Khire	Director (Operation)	₹74,72,380	B.Sc, MBA	32	2-Apr-07	55	M/s.Bhargavi Marketing Pvt.Ltd.

**REMUNERATION OF ₹5, 00,000 PER MONTH OR MORE RECEIVED BY EMPLOYEE FOR A PART OF THE YEAR: NIL**

**Notes:**

1. Gross remuneration comprises salary & allowances. but incentives not paid is not included
2. The nature of employment is contractual.
3. Above mentioned employee is not a relative of any Directors of the Company.

**A. L. MAKHIJA & CO-COMPANY SECRETARIES.,**  
389/91, J.S.S. ROAD, MUMBAI-400 002. E Mail: almakhija\_cs@yahoo.co.in

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31-03-2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Welspun Syntex Limited.

I have conducted the Secretarial Audit of the Compliance of applicable Statutory Provisions and the adherence to good corporate practices by Welspun Syntex Ltd, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate conducts/Statutory Compliances and expressing my opinion thereon.

Based on my verification of Welspun Syntex Ltd's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit period covering the Financial year ended on 31<sup>st</sup> March, 2015 complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by Welspun Syntex Ltd, ("the Company") for the Financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-**
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;





- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) Other laws applicable specifically to the company are as per Annexure A.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with

Mumbai Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company has not undertaken any:

- i. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.during the year under review.
- ii. Redemption / buy-back of securities during the year under review.
- iii. Major decisions taken by the Company as per powers given to them by Members in pursuance to section 180 of the Companies Act, 2013 are within the Limits laid down and are complied as per Rules and Regulations laid down under the Companies Act, 2013
- iv. No Merger / amalgamation / reconstruction, etc have been undertaken during the year under review and
- v. There has been No Foreign technical collaborations during the year under review.

**Place:** Mumbai  
**Date:** 31.07.2015

Signature:  
**A. L. MAKHIJA**  
**ACS No.:** 5087  
**C P No.:** 3410

## ANNEXURE A:

The other laws applicable specifically to the Company are as follows:

- a) The Water (Prevention & Control of Pollution) Act, 1974;
- b) The Water (Prevention & Control of Pollution) Rules, 1975;
- c) The Water (Prevention & Control of Pollution) Cess Act, 1977;
- d) The Air (Prevention & Control of Pollution) Act, 1981;
- e) The Air (Prevention & Control of Pollution) Rules 1982/1983;
- f) The Hazardous Wastes (Management & Handling) Rules 1989;
- g) Indian Explosive Act, 1884;
- h) Indian Explosive Rules, 1983;
- i) Environment Statement Under Gujarat Pollution Control Rules;
- j) Environmental Protection Act, 1986;
- k) The Forest (Conservation) Act, 1980;
- l) The Environment Impact Assessment Notification;
- m) The Hazardous Waste (Management & Handling) Rules, 1989, Amended 2003;
- n) Ozone Depleting Substances (Regulation & Control) Rules, 2000, Amended 2003;
- o) The Energy Conservation Act, 2001;
- p) E Waste Management And Handling Rules 2011;
- q) Dangerous Machines (Regulations) Act, 1983;
- r) Dangerous Machines (Regulations) Rules, 1984;
- s) Boilers Act (Indian Boilers Act), 1923;
- t) Motor Vehicle Act, 1988;
- u) Indian Electricity Rules, 1956;
- v) Apprentices Act, 1961;
- w) Child Labour (Prohibition & Regulation) Rules, 1986;
- x) Contract Labour (Regulation & Abolition) Act, 1970;
- y) Employees Provident Funds & Miscellaneous Provisions Act, 1952;
- z) Employees State Insurance Act, 1948;
- aa) Employment Exchange (Compulsory Notification of Vacancies) Act, 1976;
- ab) Equal Remuneration Act, 1976;
- ac) Factory's Act, 1948;
- ad) Bombay Industrial Relation Act, 1946;
- ae) Industrial Employment (Standing Orders) Act, 1946;
- af) Inter State Migrant Workers (Regulation of Employment and Condition of Service) Act, 1979;
- ag) Maternity Benefit Act, 1961;
- ah) Minimum Wages Act, 1948;
- ai) Payment of Bonus Act, 1965;
- aj) Payment of Gratuity Act, 1972;
- ak) Payment of Wages Act, 1936;
- al) Trade Unions Act, 1926;
- am) Workmen's Compensation Act, 1923;
- an) Weekly Holidays Act, 1942;

**Place:** Mumbai  
**Date:** 31.07.2015

Signature:  
**A. L. MAKHIJA**  
**ACS No.:** 5087  
**C P No.:** 3410

**CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**  
**Annexure to the Directors' Report**

**A. COMPANY'S PHILOSOPHY**

**Welspun Syntex Limited believes that for a company to succeed on a sustained basis, it must maintain global standards of corporate conduct towards its employees, shareholders, consumers and society.**

The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness.

**B. BOARD OF DIRECTORS**

**(i) Composition**

Present strength of the Board of Directors is 6. Details of composition of the existing Board of Directors are given below:

Sr. No	Name of the Director	Category	No. of Directorship in other Companies*	Member / Chairman in No. of Committees including other Companies	No. of Board Meetings Attended (01/04/14 to 31/03/15)	Attendance at last AGM
1.	Mr. B. K. Goenka	P,S,NE,C,	15	1C/3M	1	Yes
2.	Mr. R. R. Mandawewala	P, NE	16	4M	4	No
3.	Mr. Raj Kumar Jain upto 01.10.2014)	NE,I	-	--	2	Yes
4.	Mr. Atul Desai	I, S	8	3C/6M	4	No
5.	Mr. M. K. Tandon	I	1	1C/1M	4	No
6.	Mr. B.A.Kale	E	2	Nil	4	No
7.	Ms. Mala Todarwal (w.e.f. 01.08.2014)	IW	6	2C/5M	2	No

\*excludes directorship in foreign companies.

**NOTE:** For the purpose of counting Membership in Board Committee of other Companies, Chairmanship/ Membership of the Audit Committee and the Stakeholders Relationship Committee alone are considered.

**Abbreviations:**

P = Promoter, E = Executive Director, NE = Non - Executive Director, I = Independent Non Executive, IW= Independent woman Director S = Shareholders, C = Chairman, M = Member.

**(ii) Details of Date of Board Meetings:**

Four meetings of the Board of Directors were held during the financial year 2014-15 i.e. 29 May 2014, 01 August 2014, 13 November 2014 and 29 January 2015.

**C. COMMITTEES OF THE BOARD**

The Committees constituted by the Board as on date are mentioned below

**1. AUDIT COMMITTEE**

The Audit Committee consists of the following 3 Independent Non-Executive Directors as on 31 March 2015.

- Mr. Atul Desai - Chairman
- Mr. M. K.Tandon - Member
- Ms. Mala Todarwal - Member (w.e.f. 01.08.2014)
- Mr. Raj Kumar Jain - Ex-Chairman (upto 01.10.2014)

The Secretary of the Company also acts as a Secretary to the Committee.

**Terms of Reference:**

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

Four meetings of Audit Committee of Board of Directors were held on 29 May 2014, 01 August 2014, 13 November 2014 and 29 January 2015. The details of Attendance of Members of audit committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2014 to 31/03/2015)
1.	Mr. Atul Desai	Chairman	4
2.	Mr. M.K.Tandon	Member	4
3.	Ms. Mala Todarwal (w.e.f. 01.08.2014)	Member	2
4.	Mr. Raj Kumar Jain (upto 01.10.2014)	Ex-Chairman	2

**3. NOMINATION AND REMUNERATION COMMITTEE**

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee".

a. Nomination and Remuneration Committee of the Board of Directors of the Company consists of the following members.

- Mr. Atul Desai - Chairman
- Mr. M. K. Tandon - Member
- Mr. R. R. Mandawewala - Member
- Mr. R K Jain - Member (upto 01.10.2014)
- Ms. Mala Todarwal - Member (w.e.f. 01.08.2014)

Four meetings of Nomination and Remuneration Committees were held on 29 May 2014, 18 June 2014, 01 August 2014 and 21 January 2015. The details of Attendance of Members of the committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2014 to 31/03/2015)
1.	Mr. R K Jain (upto 01.10.2014)	Ex-Chairman	3
2.	Mr. Atul Desai	Chairman	4
3.	Mr. R R Mandawewala	Member	1
4.	Mr. M K Tandon	Member	4
5.	Ms. Mala Todarwal (w.e.f. 01.08.2014)	Member	1

**b. Terms of Reference**

The terms of reference stipulated by the Board of Directors to the Nomination and Remuneration Committee are as contained under Clause 49 of the Listing Agreement.

**Remuneration to Executive Director**

To recommend payment of Remuneration of Executive Director.



The details of Remuneration paid/ payable during the year under review are mentioned below:

	<b>Mr. B.A. Kale Executive Director (₹ per annum)</b>
Salary & allowance	51,31,208
Commission	1,11,01,971
Perquisites	72,600
<b>TOTAL</b>	<b>1,63,05,779</b>
Notice period	1 month

**c. Criteria of making payments to non-executive directors:**

The Company pays sitting fees to non-executive directors for attending meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Finance committee, Stakeholder Relationship Committee, Independent Directors committee, Corporate social responsibility committee etc., Details of the same are mentioned below:

<b>Name of Directors</b>	<b>Sitting Fees (including service tax)</b>
Mr. Raj Kumar Jain	₹1,56,743/-
Mr. Atul Desai	₹3,15,171/-
Mr. M.K. Tandon	₹2,16,856/-
Ms. Mala Tadarwal	₹1,19,102/-

**d. Remuneration Policy**

**Remuneration policy**

Nomination and Remuneration committee (NRC) at their meeting held on 29<sup>th</sup> May 2014 approved and recommended policy relating to criteria for determining qualifications, positive attributes and independence of directors, the remuneration for the directors, key managerial personnel and other employees, formulation of criteria for evaluation of independent directors and the Board, policy on Board diversity; the Board of directors approved the said policy as recommended by NRC at its meeting held on 29<sup>th</sup> May 2014;

Nomination and remuneration policy is reproduced as under:

**1. Objective of the Committee:**

The Company believes that individuals associated with the Company are its most important asset and it can achieve its vision of becoming a global leader with support of directors and employees. While achieving Company's growth, the Company is committed to fulfill the aspirations of our Customers, Employees and Shareholders.

**2. Constitution of Nomination and Remuneration Committee:**

Nomination and Remuneration Committee shall be constituted by the Board of Directors and its members shall be selected from amongst the directors serving on the Board of Directors.

The Board may induct or remove any member of the Committee at its sole discretion.

**3. Role and responsibility:**

The Committee shall focus on recommending, persons who may be appointed as directors, KMP and senior management officials, to the Board of Directors. The Committee shall also scan performance of directors, KMP and senior management and recommend their removal if the performance is found unsatisfactory. The Board may mandate duties as it may deem fit from time to time

**4. Identification of persons who may be appointed as directors:**

The Committee shall identify persons who may be appointed as directors of the Company and recommend their appointment to the Board of Directors in this regard. While recommending appointment of any such persons as directors the Committee shall consider following aspects:

- Business of the Company,
- Strength, weakness, opportunity and threats to Company's business,
- Existing composition of the Board of Directors,
- Diversity in background of existing directors,
- Background, skills, expertise and qualification possessed by persons being considered,
- Specific requirements under Companies Act, 2013, standard listing agreement and any other laws as to composition of the Board.

**5. Recommending appointment of Independent Directors**

The Committee shall regularly review composition of the Board of Directors and recommend appointment of persons who may be qualified to be Independent Directors pursuant to provisions of section 149(6) of the companies act 2013

Apart from being 'Independent', such candidate should be eligible worthy to be appointed as directors based on criteria mentioned below:

An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

**6. Appointment of Key Managerial Personnel and senior management personnel**

The Committee shall review organization structure. It shall identify persons who may be appointed as Key Managerial Personnel or as a part of senior management. While recommending appointment of any such candidate, the Committee shall consider expectations of the role of the position being considered, qualification, skill, expertise, background, human qualities such as abilities to perform as a part of a team, emotional quotient, etc.

**7. Remuneration of directors, Independent Directors, KMPs, senior management personnel**

The Committee shall recommend the remuneration payable to directors, Independent Directors, KMPs, senior management personnel. The Committee shall consider top industry indicators, requirements of role, qualification and experience of candidate, challenges specific to the Company and such other matters as the Committee may deem fit. The Committee shall consider that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate individuals of the quality required to run the Company successfully. The remuneration must motivate individuals to achieve benchmarks which must be aligned to the vision of the Company.

**8. Evaluation of performance**

The Committee shall screen and evaluate performance of Non-independent directors, Independent Directors, KMPs, senior management personnel, various committees

of the Board. Evaluation of performance should provide both positive and negative aspects of performance. The Committee will suggest areas of improvement, if any. The Committee will co-ordinate the process of self-evaluation of the Board. During such process, the Committee shall review performance of the Company, deliberations at the Board meetings, impact of the decisions, etc.

**9. Powers:**

The Committee may seek support of advisors from within the Company or from outside. It may seek such reasonable support as it may deem fit. The Company shall facilitate functioning of the Committee.

**10. Meetings of Nomination and Remuneration committee**

The Committee shall meet at least once a year. It may have additional meetings as it may require or as may be directed by the Board.

**11. Evaluation Criteria**

The Nomination and Remuneration committee has laid down criteria for performance evaluation of Board, its committees, independent directors, non-independent directors and Chairperson to comply provisions of Sections 134(3)(p), 149(8) and 178(2) of the Companies Act, 2013 and Clause 49(II)(B)(5) and (6) of the Listing Agreement as follows:

- i. The guideline for the board evaluation policy and the process to implement it was that it should be :-
- ii. Simple with ease to understand and handle the instruments to be used for this purpose;
- iii. Able to meet the statutory requirements; and
- iv. Having accent on improvement of the performance of the board, its committees and the directors, instead of being judgmental in nature.
- v. The Nomination and Remuneration Committee of the board would formulate the criteria for the evaluation and generally oversee the process.
- vi. The evaluation of individual directors would have two parts, viz., (a) quantitative data in the form of number of meetings of the board and committees attended as against the total number of such meetings held, and (b) qualitative data coming out of the process of filling in a questionnaire by the directors, which would be subjective, by its very nature.
- vii. In order to induce the respondents to give their frank views, the instruments would be so designed that only ticks would be required, with no provision for description and the directors would not be required to identify themselves below the filled in questionnaire.
- viii. The result of the evaluation would be discussed threadbare by the Board and remedial action taken.
- ix. In case of individual directors' performance falling below a threshold, there would be a provision for individual counseling by the Chairman of the Company.

**e. Meeting of Independent directors**

The independent directors of the Company shall hold at least one meeting in a year without the attendance of non-independent directors and members of management. The meeting of Independent directors was held on 30 March 2015 and the following points were discussed:

- reviewed the performance of non-independent directors and the Board as a whole;

- reviewed the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assessed the quality, quantity and timeliness of flow of information between the Company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR (CLAUSE 49 OF LISTING AGREEMENT)**

The details of familiarization program (for independent directors) is disclosed on the Company's website and a web link thereto is [http://www.welspunsyntex.com/userfiles/file/WSL\\_Familiarisation\\_policy.pdf](http://www.welspunsyntex.com/userfiles/file/WSL_Familiarisation_policy.pdf)

- f. There are no pecuniary relationships or transactions with the non-executive directors vis-a-vis the company.

- g. No. of Shares held by Non – Executive Directors:

Sr. No.	Non-Executive Directors	No. of Equity shares held
01	Mr. B.K.Goenka	3405
02	Mr. Atul Desai	30
03	Mr. M.K. Tandon	Nil
04	Mr. R.R. Mandawewala	Nil
05	Ms. Mala Todarwal (w.e.f. 01.08.2014)	Nil
06	Mr. Raj Kumar Jain (Upto 01.10.2014)	Nil

**4. STAKEHOLDERS RELATIONSHIP COMMITTEE**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders' and Investors' Grievance Committee" as the "Stakeholders' Relationship Committee".

Stakeholders Relationship Committee of the Board of Directors of the Company consists of the following members:

- a) Mr. Atul Desai - Chairman
- b) Mr. B K Goenka - Member
- c) Mr. R. R. Mandawewala - Member

Terms of Reference:

Approval of Share Transfer deeds, transmission, transposition and issue of share certificates including duplicate, split, sub divide or consolidated and all related matters, to look into redressing of shareholders and investors complaints.

**Name and designation of Compliance Officer:** Mr. Kaushik N. Kapasi – Company Secretary

99.92% of the shares of the Company are in Dematerialized form.

Four meetings of Stakeholders' Relationship Committees were held i.e on 10.04.2014, 07.07.2014, 07.10.2014 and 07.01.2015. The details of attendance of members of committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2014 to 31/03/2015)
1.	Mr. Atul Desai	Chairman	4
2.	Mr. B.K Goenka	Member	4
3.	Mr. R R Mandawewala	Member	4

During the year no complaints were received from shareholders.

The dematerialized shares are directly transferred to the beneficiaries by the depositories.



## 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Company constituted a Corporate Social Responsibility Committee comprising of three Directors.

a) Composition:

The Committee comprises of;

- |                          |   |          |
|--------------------------|---|----------|
| i. Mr. Atul Desai        | - | Chairman |
| ii. Mr. B K Goenka       | - | Member   |
| iii. Mr. R R Mandawewala | - | Member   |

The Company Secretary acts as the Secretary to the Committee.

b) Terms of reference of the Committee, inter alia include the following:

The Group's social vision has been enshrined in the three E's which have become the Guiding Principles of our CSR initiatives - Education, Empowerment and Environment and Health.

c) Meetings and Attendance:

During the year under review, the Corporate Social Responsibility Committee met once i.e on 29<sup>th</sup> May, 2014. All the members attended the meeting.

## D. GENERAL BODY MEETING

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2011-12	29/09/2012	10.30 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2012-13	30/09/2013	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2013-14	24/09/2014	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)

Special Resolution passed in the previous three Annual General Meetings:

Financial Year	Date	Special Resolution passed
2011-12	29/09/2012	1. Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956 2. Alteration of Article no. 3 of the Articles of Association of the Company for reclassification of Authorised Share Capital. 3. Issue and allot 160,00,000 6% Optionally Convertible Cumulative Preference Shares (OCCPS) of ₹10/- each at par to promoters on preferential basis with an option to convert into equity shares of ₹10 each at any time in one or more tranches within eighteen months from the date of allotment of OCCPS at a premium of ₹0.25/- per share .
2012-13	30/09/2013	1. Increase in remuneration of Mr. B.A. Kale from ₹40,00,000/- per annum to ₹52,50,000 /- per annum with effect from 1 <sup>st</sup> July 2013 to 29 <sup>th</sup> October 2013 2. Re-Appointment of Shri B.A. Kale as an Executive Director on remuneration of ₹52,50,000/- per annum for a period of three years with effect from 30 October 2013
2013-14	24/09/2014	1. Approval of place for keeping of register & index of members at Mumbai 2. Adoption of Articles of Association in substitution of existing Articles of Association pursuant to the provisions under the companies act, 2013 read with Companies (Incorporation) Rules, 2014

The following Special Resolutions, as set out in the Postal Ballot Notice dated 29 October 2013 and voted through Postal Ballot were assented to by the requisite majority as per the result declared by the Chairman on 11 December 2013 and therefore taken as approved by the shareholders:

- 1) Resolution confirming consent of the Company accorded to the Board of Directors of the Company to borrow upto a limit of ₹1000 crores;
- 2) Resolution confirming consent of the Company accorded for authorizing Board of Directors to mortgage and/or create any charge on immovable and/or movable properties of the Company.

Further, no special resolution is proposed to be conducted through postal ballot in the forthcoming Annual General Meeting.

## E. DISCLOSURES

Disclosures 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 interests of the company at large.

a. Related party transactions: Please refer Note no. 34 of notes forming part of the financial statements.

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with the Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and listing agreement with the stock exchanges. The same is available on the website of the Company:

<http://www.welspunsyntex.com/userfiles/file/POLICY%20ON%20THE%20TRANSACTIONS%20WITH%20THE%20RELATED%20PARTIES.pdf>

b. Details of non - compliance by the Company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital market during the last 3 years: Nil

c. Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee:

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees and no personnel have been denied access to the Audit Committee. A copy of policy is displayed on the website of the Company at URL:

<http://www.welspunsyntex.com/userfiles/file/Whistle%20blower%20policy%20WSL-Upd.pdf>

### Details of Compliance of the mandatory and non-mandatory clauses of this clause

i) **Basis of Related Party transactions** - Complied in Audit Committee meetings and Board Meetings held during the financial year.

ii) **Disclosure of Accounting Treatment** - Accounting standards have been followed.

iii) **Board Disclosures – Risk Management** – Audit committee members at their meeting held on 29<sup>th</sup> January 2015 reviewed Risk assessment policy as circulated and that each HOD has been given task of identifying risk and mitigation of risk and on completion of their task, the management shall brief the Committee.

iv) **Code of Conduct** – Code of Conduct as approved by the Board of Directors is posted on website of the Company at URL: <http://www.welspunsyntex.com/userfiles/file/CODE%20OF%20CONDUCT%20FOR%20THE%20BOARD%20OF%20DIRECTORS%20AND%20SR.pdf>

All Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis.

A declaration signed by the Executive director of the Company is given below:

"I hereby confirm that all Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company."

**For Welspun Syntex Limited**  
**Sd/-**  
**B A Kale**  
**Executive Director**

**v) Proceeds from public issues, right issues, and preferential issues etc** – No money is raised through public issue, rights issue or preferential issues.

**vi) Certification by CEO/CFO** - Certificate obtained by Executive director /CFO on the Financial Statements of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board, who took note of it and took the same on record.

**vii) LISTING AGREEMENT COMPLIANCE:**

The Company complies with all the requirements of the listing agreement entered into with the stock exchanges and the mandatory requirements of clause 49 of the listing agreement entered into with the stock exchanges.

**viii) Details of adoption of the non-mandatory requirement of the Clause 49 of the Listing Agreement**

The Company is in compliance with the mandatory requirement mentioned under the Clause 49(I) to 49(VIII) to the extent applicable and in addition, the Company has adopted the following Non-Mandatory requirements on Corporate Governance as recommended under clause 49 of the listing agreement entered into with the stock exchanges:

- The Company has separate individual occupying the position of Chairman and that of Executive Director.
- The Internal Auditor reports directly to the Audit Committee.

**F. MEANS OF COMMUNICATION**

The quarterly Un-audited financial results and yearly Audited financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board of Directors in their Board meetings.

Audited financial results for the year ended 31 March 2014 and Un-audited financial results for the quarter ended 30 June 2014, 30 September 2014 and 31 December 2014 were published in The Economic Times (E)+ (G), Ahmedabad edition.

Management Discussion and Analysis is a part of Annual Report.

**G. APPOINTMENT / REAPPOINTMENT OF DIRECTORS**

**1. Mr. Rajesh R Mandawewala** aged 53 years is a qualified Chartered Accountant. He has experience in textiles, home textiles, pipes other related business activities. He is associated with the Company as a director on the Board since 1991. He acted as an executive director/managing director of the Company with effect from 1995 to 2010. Under his guidance and direction, the Company has improved its performance consistently over a period of years.

**2. Mr. B A Kale** worked with M/s. Garware Nylon Ltd as All India Marketing Manager for NFY and PFY for 13 years.

He founded a professionally managed Textile Marketing Company in 1988 and achieved sustained growth for over 17 years. He is 60 years of age. He has handled Agency Business of various

renowned companies He has in depth market knowledge and excellent contacts in Textile Industry including PFY, Fabric (Knitted & Woven), Garment Exporters, Home Textiles & Dyes. He is a Science Graduate from Bombay University, Post Graduate-Diploma in Textile and Marketing Management and passed D.A.M from Bombay University.

He is Executive director from 30<sup>th</sup> October 2010 and under his leadership the company has progressed as evident from the financial results of last 6 years.

**3. Mr. K. H. Viswanathan**, aged 53 years old is B. Com, A.I.C.W.A. He is a Management Consultant for the last 18 years, having over 29 years' of experience in the field of Tax and Legal advisory and structuring, Management and Due - diligence audits, Business Strategy, Mergers and Acquisitions etc.

**4. Mr. Abhishek R. Mandawewala**, aged 28 years is B.A./M.Eng (Honours.) in Manufacturing Engineering from University of Cambridge. He was executive director of RMG Alloy Steel Limited from 4th September 2010 to 28th March 2013. He subsequently joined Welspun India Limited as a President (Advance Textile) with effect from 1st April 2013

**H. GENERAL SHAREHOLDERS INFORMATION**

a. 32<sup>nd</sup> Annual General Meeting Venue - Survey No. 394(P), Village Saily, Silvassa, U. T. of Dadra & Nagar Haveli)

Time - 11.00 a.m.

Day and Date - Wednesday, 23.09.2015

Financial year - From 01 April 2014 to 31 March 2015

b. Date of Book Closure - Tuesday, 15.09.2015 To Friday, 18.09.2015 (Both days inclusive)

c. Dividend payment date - within five days from the date of declaration of accumulated dividend on preference shares subject to approval of Banks.

d. Board Meetings for Quarterly Unaudited Financial results: (Tentative and subject to change)

I Qtr Results (Apr - Jun) Upto August 14, 2015

II Qtr Results (Jul - Sep) Upto November 14, 2015

III Qtr Results (Oct - Dec) Upto February 14, 2016

IV Audited Results (15-16)(Jan-Mar) Upto May 30, 2016

e. Listing on Stock Exchanges and Stock Codes:

The Company's securities are listed on Bombay Stock Exchange Limited, Mumbai, P. J. Tower, Dalal Street, Fort, Mumbai and Stock Code No. is 508933.

f. Market Price Data- High-Low Quotations on Bombay Stock Exchange Limited, Mumbai during each month for the year 01 April 2014 to 31 March 2015:

Month	Bombay Stock Exchange (Rupees)		Sensex	
	High	Low	High	Low
April-14	9.50	7.12	22939.31	22197.51
May-14	13.00	8.00	25375.63	22277.04
June-14	20.80	13.40	25725.12	24270.2
July-14	20.15	15.00	26300.17	24892.00
August-14	27.65	16.10	26674.38	25232.82
September-14	29.00	22.05	27354.99	26220.49
October-14	30.60	21.85	27894.32	25910.77
November-14	54.20	24.55	28822.37	27739.56
December-14	51.80	33.30	28809.64	26469.42
January-15	50.90	35.10	29844.16	26776.12
February-15	43.85	34.00	29560.32	28044.49
March-15	38.90	31.50	30024.74	27868.21



#### I. REGISTRAR AND SHARE TRANSFER AGENT:

**Link Intime India Private Limited**

**Address:** C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai- 400 078.

**Tel. No.:** 022 - 25946970,

**Fax No.:** 022 – 25926969,

**E-mail:** rnt.helpdesk@linkintime.co.in

#### SHARE TRANSFER SYSTEM

Shares sent for transfer in physical form are registered by the Company's Registrars and Share Transfer Agents within 15 days from the date of receipt of documents, if the same are found in order. Shares under objection are returned within two weeks.

#### J. DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding as on 31 March 2015 was as follows:

Shareholding of nominal value	Share holders		Amount	
	Number	% to Total	In ₹	% to Total
₹	(2)	(3)	(4)	(5)
Upto - 5,000	5422	79.13	83,36,720	2.12
5,001 - 10,000	531	7.75	44,98,920	1.15
10,001 – 20,000	406	5.93	61,45,880	1.57
20,001 – 30,000	148	2.16	38,12,240	0.97
30,001 – 40,000	50	0.73	17,97,440	0.46
40,001 – 50,000	72	1.05	34,23,650	0.87
50,001 - 1,00,000	105	1.53	80,66,870	2.06
1,00,001 and above	118	1.72	35,63,13,960	90.80
<b>TOTAL</b>	<b>6852</b>	<b>100</b>	<b>39,23,95,680</b>	<b>100</b>

#### K. CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2015:

Sr. No.	Category	No. of shares held	% of share holding
1	<b>Promoter's Holding (A)</b>	27505706	<b>70.10</b>
2	<b>Non-Promoters Holding (B)</b>		
	- Mutual Funds, Fls, Banks, Insurance companies & Foreign Institutional Investors	2490888	6.35
	- Body Corporates	2270217	5.79
	- Resident Indians	6810728	17.35
	- NRIs	157727	0.40
	- Trust	4302	0.01
	<b>Sub- Total (B)</b>	<b>11733862</b>	<b>29.90</b>
	<b>Total (A+B)</b>	<b>39239568</b>	<b>100.00</b>

#### L. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Shares of the Company are fully dematerialized under the category of compulsory delivery in dematerialized mode by all categories of investors.

The Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on 31 March 2015, 99.92 % of the shares of the Company are dematerialized. Bifurcation of shares are mentioned below:

Category	As on 31 <sup>st</sup> March, 2015	%
No. of Shares held by NSDL	34496018	87.91
No. of Shares held by CDSL	4711922	12.01
Physical	31628	0.08
<b>Total</b>	<b>39239568</b>	<b>100.00</b>

The Company has not issued any GDRs/ ADRs and there are no warrants or any convertible instruments.

#### M. LOCATION OF PLANT

Rakholi Plant and

Registered Office : Survey No. 394(P), Village Saily, Silvassa, (U. T. of Dadra & Nagar Haveli);

Palghar Plant : Plot no. 8 to 15, I & J, Dewan Industrial Estate, Palghar, Maharashtra;

Address for correspondence : 9<sup>th</sup> Floor, Trade world, "B" Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013;

Telephone No : 022 – 66136000

Fax No. : 022 – 24908020

E-mail id : kaushik\_kapasi@welspun.com

Website : www.welspunsyntex.com

**Auditors' Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement**

**TO THE MEMBERS OF WELSPUN SYNTEX LIMITED**

We have examined the compliance of conditions of Corporate Governance by Welspun Syntex Limited ("the Company"), for the year ended 31 March, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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 **MGB & CO, LLP**  
Chartered Accountants  
Firm Registration Number 101169W / W-100035

**Rajesh Chamaria**  
Partner  
Membership Number 046788

Place: Mumbai, 31 July 2015





## Independent Auditors' Report

To

**The members of Welspun Syntex Limited**  
**Report on the Financial Statements**

1. We have audited the accompanying financial statements of **Welspun Syntex Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

### Basis for Qualified Opinion

4. *Attention is drawn to Note 29 regarding freehold land includes ₹7.73 lacs and development expenses of ₹14.98 lacs incurred on such land capitalized in the financial year 2002-03 for which the Company holds no title. The Company is in possession of the said land without any interference for more than twelve years and is in the process of executing the documents to transfer the said land in its name. Consequently, we are unable to determine whether any adjustment to these amounts is necessary. Our audit opinion on the financial statements for the year ended 31 March 2014 was also qualified in respect of the above matter.*

### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, *except for possible effects of the matters described in the Basis of Qualified Opinion paragraph above*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory requirements

6. As required by the 'Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a Statement on the matters specified in paragraphs 3 and 4 of the Order.
7. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and except for the matter described in the Basis of Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) Except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) Except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2015.

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Rajesh Chamaria**

Partner

Membership Number 046788

Mumbai, 14 May 2015

**Annexure referred to in Paragraph 6 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Welspun Syntex Limited on the financial statements for the year ended 31 March 2015.**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management during the year as per the phased program designed to cover all the fixed assets over a period, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the books of accounts.
- (ii) (a) As explained to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion, 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) As explained to us, the Company is maintaining proper records of inventories and discrepancies noticed on physical verification of inventories as compared to the book records, which are not material, have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control systems in respect of the aforesaid areas.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- (vi) We have broadly reviewed the cost accounting records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed records have been maintained. However, we are neither required to carry out nor have carried out detailed examination of such cost accounting records with a view to determine whether they are accurate or complete.
- (vii) According to the records of the Company, examined by us and information and explanations given to us:
- (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly

deposited with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2015 for a period of more than six months from the date they became payable.

- (b) The disputed dues of income tax, sales tax, service tax, duty of customs and duty of excise which have not been deposited are as under:

Name of the statute (Nature of dues)	Period to which the amount relates	Amount (₹ in lacs)	Forum where dispute is pending
The Customs Act, 1962			
Duty of customs	F.Y.1996-1997 and F.Y.1997-1998	72.55	Commissioner of Customs, Mumbai
	F.Y. 2006-2007	168.36	Commissioner of Customs (Imports), Navi Mumbai
	F.Y. 2006-2007 and F.Y.2007-2008	3.78	Deputy Commissioner of Central Excise and Customs, Vapi
	F.Y. 2013-14	25.00	Commissioner of Customs (Appeals), Mumbai
The Central Excise Act, 1944			
Duty of excise	F.Y.1997-1998	546.24	The Supreme Court of India
	F.Y. 2005-2006 and F.Y.2006-2007	138.34	Commissioner of Central Excise and Customs, Vapi
	F.Y.2003-2004	0.50	Commissioner of Central Excise (Appeals), Mumbai
	F.Y.2007-2008	41.42	Joint Commissioner of Central Excise and Customs, Vapi
Service tax	F.Y.2005-2007	1.95	Deputy Commissioner of Central Excise and Customs, Vapi
	2006-2007	55.96	Commissioner of Central Excise, Customs and Service Tax, Vapi
	F.Y.2007-2013	123.52	Commissioner of central excise, Vapi
Bombay Sales Tax Act, 1959			
Sales tax	F.Y. 2002-2004	166.09	Joint Commissioner of Sales Tax (Appeal), Thane
Income Tax Act, 1961			
Income tax	F.Y. 2009-2010 and F.Y. 2011-2012	46.86	Commissioner of Income Tax (Appeals), Mumbai



- (c) There were no amounts required to be transferred to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- (viii) The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses in the current or immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions during the year.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans raised during the year have been applied for the purposes for which they were raised.
- (xii) Based on the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For **MGB & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101169W/W-100035

**Rajesh Chamaria**  
Partner  
Membership Number 046788  
Mumbai, 14 May 2015

**BALANCE SHEET AS AT 31 MARCH**

		(₹ in lacs)	
	Notes	2015	2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	3,923.96	3,923.96
Reserves and surplus	4	10,713.00	7,372.43
		<b>14,636.96</b>	<b>11,296.39</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	12,763.10	11,590.15
Long-term provisions	6	670.22	587.79
		<b>13,433.32</b>	<b>12,177.94</b>
<b>Current liabilities</b>			
Short-term borrowings	7	4,514.74	6,991.46
Trade payables	8	5,808.09	7,101.12
Other current liabilities	9	4,704.99	4,731.43
Short-term provisions	6	719.40	1,792.08
		<b>15,747.22</b>	<b>20,616.09</b>
	<b>Total</b>	<b>43,817.50</b>	<b>44,090.42</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	10		
Tangible assets		20,472.44	20,909.79
Intangible assets		17.35	19.78
Capital work-in-progress		1,831.99	708.77
Non-current investments	11	0.17	1,217.02
Long-term loans and advances	12	3,367.37	1,963.12
Other non-current assets	17	-	447.57
		<b>25,689.32</b>	<b>25,266.05</b>
<b>Current assets</b>			
Current investments	13	2,155.60	200.00
Inventories	14	6,507.96	7,827.78
Trade receivables	15	3,214.82	4,546.47
Cash and bank balances	16	2,212.22	1,080.73
Short-term loans and advances	12	3,376.14	4,180.97
Other current assets	17	661.44	988.42
		<b>18,128.18</b>	<b>18,824.37</b>
	<b>Total</b>	<b>43,817.50</b>	<b>44,090.42</b>

**Notes forming part of the financial statements** 1-43  
As per our attached report of even date

**For MGB & CO LLP**  
Chartered Accountants  
Firm Registration Number 101169 W/W-100035

**Rajesh Chamaria**  
Partner  
Membership Number 046788

Mumbai, 14 May 2015

**For and on behalf of the Board**

**R. R. Mandawewala**  
Director

**Kaushik Kapasi**  
Company Secretary

**B. A. Kale**  
Executive Director

**Bhaskar Sen**  
Chief Finance Officer



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH

		(₹ in lacs)	
	Notes	2015	2014
<b>Revenue</b>			
<b>Revenue from operations</b>			
Sales and services (gross)	18	89,269.78	95,728.75
Less: Excise duty		5,783.55	6,090.60
<b>Sales and services (net)</b>		<b>83,486.23</b>	<b>89,638.15</b>
Other income	19	310.23	314.23
	<b>Total</b>	<b>83,796.46</b>	<b>89,952.38</b>
<b>Expenditure</b>			
Cost of materials consumed	20	50,880.85	61,324.89
Changes in inventories of finished goods and goods-in-process	21	895.57	(46.25)
Employee benefits expense	22	4,330.54	3,883.68
Other expenses	23	19,002.18	18,486.73
	<b>Total</b>	<b>75,109.14</b>	<b>83,649.05</b>
<b>Earnings before depreciation \ amortisation expense, finance costs and tax</b>		<b>8,687.32</b>	<b>6,303.33</b>
Depreciation and amortisation expense		2,020.22	1,911.04
Finance costs	24	2,391.64	2,389.65
<b>Profit before tax</b>		<b>4,275.46</b>	<b>2,002.64</b>
<b>Tax expense</b>	30		
Current tax - current year		906.49	430.27
- earlier years		-	33.59
MAT credit entitlement		(906.49)	(430.27)
<b>Profit for the year</b>		<b>4,275.46</b>	<b>1,969.05</b>
<b>Earnings per share (face value ₹10/- each)</b>			
Basic and diluted earnings per share (₹)	37	10.90	5.02
Weighted average no. of shares used in computing earning per share - basic and diluted		39,239,568	39,239,568

**Notes forming part of the financial statements** 1-43  
As per our attached report of even date

**For MGB & CO LLP**  
Chartered Accountants  
Firm Registration Number 101169 W/W-100035

**Rajesh Chamaria**  
Partner  
Membership Number 046788

Mumbai, 14 May 2015

**For and on behalf of the Board**

**R. R. Mandawewala**  
Director

**Kaushik Kapasi**  
Company Secretary

**B. A. Kale**  
Executive Director

**Bhaskar Sen**  
Chief Finance Officer

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **1. Corporate information**

Welspun Syntex Limited is a Company incorporated under the Companies Act, 1956. Welspun Syntex Limited was established in 1983. Since its inception, it has grown manifold and today is amongst the largest manufacturers and exporters of Polyester Texturised Filament Yarn, Nylon Filament Yarn and Bulk Continuous Filament Yarn from India.

### **2. Significant Accounting Policies**

#### **i) Basis of preparation of financial statements**

The financial statements are prepared on going concern basis in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and comply with in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of these financial statements are consistent with those of previous year.

#### **ii) Use of estimates**

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates and in such case the difference is recognised when known or materialised.

#### **iii) Tangible and intangible assets**

- a) Tangible assets are stated at original cost of acquisition / installation (net of cenvat credit availed) net of accumulated depreciation, amortization and impairment losses except freehold land which is carried at cost. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including borrowing costs incurred during pre-operational period.
- b) Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- c) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.

#### **iv) Depreciation/amortization on tangible and intangible assets**

- a) Depreciation on tangible assets is provided on straight line method based on the useful lives specified in Schedule II of the Companies Act, 2013. Depreciation on both Partially Oriented Yarn (POY) and Bulk Continuous Filament Yarn (BCF) plant and machinery is charged as continuous process plant based on technical opinion taken by the Company/Expert.
- b) Intangible assets are amortized on a straight-line basis over the economic useful life estimated by the management.

#### **v) Impairment of tangible and intangible assets**

At each balance sheet date, the Company reviews the carrying amount of tangible and intangible assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

#### **vi) Borrowing costs**

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use, are capitalised as part of the cost of the assets. All other borrowing costs are expensed in the period they occur.

#### **vii) Revenue recognition**

- a) Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the customers, which is generally on dispatch of goods. Export sales are accounted for on the basis of date of bill of lading. Gross sales include excise duty and adjustments for price variations and are net of sales tax / value added tax. Consignment sales are recognized on confirmation from consignee/consignment agent.
- b) Export benefits / incentives are accounted on accrual basis.
- c) Revenue from services is recognized when the services are completed.
- d) Dividend income is recognized when right to receive the dividend is established.
- e) Interest income is recognized on a time proportion basis taking into account outstanding amount and the applicable interest rate except interest income from customers which is accounted on receipt basis.

**viii) Operating lease**

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized as an expense on accrual basis in accordance with the respective lease agreements.

**ix) Investments**

- a) Investments, which are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- b) Long-term investments are valued at cost less provision for diminution other than temporary, in the value of such investments. Current investments are valued at lower of cost and fair market value.

**x) Inventories**

Inventories are valued at lower of cost and estimated net realizable value. The basis of determining cost for various categories of inventories is as follows:

- a) Raw materials, stores and spares, dyes and chemicals and packing materials: Moving weighted average basis.
- b) Goods-in-process – Cost of materials, labour and other production overheads.
- c) Finished goods – Cost of materials, labour, production overheads and excise duty.

**xi) Accounting for taxes on income**

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year computed as per the provisions of the Income Tax Act, 1961.
- b) Deferred tax is recognized subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.
- c) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

**xii) Employee benefits**

- a) Short- term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related services are rendered.
- b) Post employment and other long-term benefits are recognized as an expense in the statement of profit and loss of the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are recognized in the statement of profit and loss.
- c) Payments to defined contribution retirement benefit schemes are expensed as and when they fall due.

**xiii) Foreign currency transactions**

- a) Transactions in foreign currency are accounted at the exchange rate prevailing on the date of such transactions. Current monetary assets and liabilities are translated at the exchange rate prevailing at the reporting date. Non-monetary items are carried at cost.
- b) In respect of forward contracts assigned to the foreign currency monetary assets and liabilities as at balance sheet date, the premium / discount for the period up to the date of balance sheet is recognized in the statement of profit and loss. The exchange difference measured by the change rate between the inception of forward contract and date of balance sheet is applied on foreign currency amount of the forward contract and is recognized in the statement of profit and loss. Profit or loss on settlement / cancellation of forward contract is recognised as an income or expense for the year in which they arise except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer note 36).
- c) Gains or losses arising on settlement / translations of foreign currency monetary assets and liabilities at the year-end rates are recognized in the statement of profit and loss except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer note 36).

**xiv) Earnings per share**

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

**xv) Provisions, contingent liabilities and contingent assets**

- a) Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events. A provision is made when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the yearend date.
- b) Contingent assets are not recognized or disclosed in the financial statements.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note - 3 Share capital**

		(₹ in lacs)	
		2015	2014
<b>Authorised</b>			
9,20,00,000 (9,20,00,000) equity shares of ₹10/- each		9,200.00	9,200.00
2,80,00,000 (2,80,00,000) optionally convertible cumulative preference shares of ₹10/- each		2,800.00	2,800.00
<b>Total</b>		<b>12,000.00</b>	<b>12,000.00</b>
<b>Issued, subscribed and paid up</b>			
3,92,39,568 (3,92,39,568) equity shares of ₹10/- each fully paid up		3,923.96	3,923.96
<b>Total</b>		<b>3,923.96</b>	<b>3,923.96</b>

**(a) Reconciliation of the equity shares outstanding at the beginning and at the end of year.**

	2015		2014	
	Number of equity shares	Amount in ₹ lacs	Number of equity shares	Amount in ₹ lacs
At the beginning of the year	39,239,568	3,923.96	39,239,568	3,923.96
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>39,239,568</b>	<b>3,923.96</b>	<b>39,239,568</b>	<b>3,923.96</b>

**(b) Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹10 per share. All issued shares rank pari-passu and have same voting rights per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shares held by holding company**

	2015		2014	
	Number of equity shares	Percentage (%) holding	Number of equity shares	Percentage (%) holding
Krishiraj Trading Limited	25,356,132	64.62%	23,544,022	60%

**(d) Details of shareholders holding more than 5% shares in the Company**

	2015		2014	
	Number of equity shares	Percentage (%) holding	Number of equity shares	Percentage (%) holding
Krishiraj Trading Limited	25,356,132	64.62%	23,544,022	60.00%
IFCI Limited	1,749,947	4.46%	7,741,599	19.73%

(e) No bonus shares have been issued and no shares bought back during five years preceding 31 March 2015.

**Note - 4 Reserves and surplus**

	2015	2014
(a) Capital reserve - As per last balance sheet	2,664.93	2,664.93
(b) Capital redemption reserve - As per last balance sheet	293.36	293.36
(c) Debenture redemption reserve - As per last balance sheet	107.06	107.06
(d) Securities premium - As per last balance sheet	40.55	40.55
<b>(e) Surplus in the statement of profit and loss</b>		
As per last balance sheet	4,266.53	3,724.82
Less: Adjustment as per transitional provisions of Schedule II to the Companies Act, 2013 [Refer Note 10(d)]	522.12	-
<b>Profit for the year</b>	<b>8,019.87</b>	<b>1,969.05</b>





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in lacs)	
	2015	2014
<b>Less: Appropriations</b>		
Dividend proposed on 6% optionally convertible cumulative preference shares	37.87	605.81
Dividend proposed on 8% redeemable cumulative preference shares	306.12	614.19
Tax on preference dividend	68.78	207.34
	<b>7,607.10</b>	<b>4,266.53</b>
<b>Total</b>	<b>10,713.00</b>	<b>7,372.43</b>

### Note - 5 Long-term borrowings

	Non-current		Current	
	2015	2014	2015	2014
<b>Secured</b>				
<b>Term loans from banks</b>				
- Rupee loans	4,894.49	6,833.90	2,007.33	1,914.48
- Foreign currency loans	5,365.21	4,756.25	492.50	470.52
<b>Unsecured</b>				
Inter-corporate deposits from related parties	2,503.40	-	-	-
	<b>12,763.10</b>	<b>11,590.15</b>	2,499.83	2,385.00
Amount disclosed under the head " Other current liabilities" (Refer Note 9)	-	-	2,499.83	2,385.00
<b>Total</b>	<b>12,763.10</b>	<b>11,590.15</b>	-	-

- (a) Term loans from banks except (f) below, are secured by way of first charge on immovable and movable assets of the Company, both present and future, ranking pari passu and also secured by second charge on current assets subject to prior charge in favour of banks for working capital facilities.
- (b) Term loan of ₹1,282.56 lacs (₹1,239.57 lacs) from Central Bank of India carries interest @ 13.00% p.a. and is repayable in 24 stepped-up quarterly installments by 2020-21.
- (c) Term loan of ₹4,030.14 lacs (₹4,147.61 lacs) from Industrial Development Bank of India carries interest @ 12.50 % p.a. and is repayable in 24 stepped-up quarterly installments by 2020-21.
- (d) Term loan of ₹262.92 lacs (₹1,130.32 lacs) from State Bank of Bikaner and Jaipur carries interest @ 13.00% p.a. and is repayable in 3 quarterly installments ending in 2015-16.
- (e) Term loan of ₹76.20 lacs (₹Nil) from Karur Vyasya Bank carries interest @ 12.25% p.a. and is repayable in 28 stepped up quarterly installments by 2024-25.
- (f) Term loan of ₹1,250.00 lacs (₹1,500.00 lacs) from State Bank of Bikaner and Jaipur is secured by first charge, ranking pari passu, by way of hypothecation of Company's raw materials, goods-in-process, finished goods, stores, spares and book debts and second charge, ranking pari passu, on fixed assets (immovable) of the Company. It carries interest @ 13.25 % p.a. and is repayable in 5 quarterly installments of ₹250 lacs each ending in 2016-17.
- (g) Foreign currency term loan of ₹1,426.46 lacs ( ₹885.55 lacs) from State Bank of Bikaner and Jaipur carries interest @ libor+3.00% p.a. and is repayable in 13 quarterly installments by 2019-20.
- (h) Foreign currency term loan of ₹4,431.25 lacs (₹4,341.22 lacs) from Bank of Baroda, Dubai carries interest @ libor+4.25% p.a. and is repayable in 24 quarterly installments ranging from 2.5% to 4.75% of disbursed loan amount by 2020-21.
- (i) Term loan of ₹Nil (₹105.88 lacs) from State Bank of Bikaner and Jaipur has been fully repaid during the year.
- (j) Converted term loan of ₹Nil (₹625.00 lacs) from State Bank of Bikaner and Jaipur has been fully repaid during the year.
- (k) Inter-corporate deposits of ₹2,503.40 lacs (₹Nil) carries interest @ 10.00% p.a. and are repayable by September 2016.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note - 6 Provisions**

(₹in lacs)

	Long-term		Short-term	
	2015	2014	2015	2014
Employee benefits	452.92	370.49	99.27	99.27
<b>Other provisions for</b>				
Income tax (Net of advance tax)	-	-	207.36	227.57
Mark to market losses on forward contracts	-	-	-	37.90
Proposed dividend on 6% optionally convertible cumulative preference shares	-	-	37.87	605.81
Proposed dividend on 8% redeemable cumulative preference shares	-	-	306.12	614.19
Tax on proposed dividends	-	-	68.78	207.34
Litigations	217.30	217.30	-	-
<b>Total</b>	<b>670.22</b>	<b>587.79</b>	<b>719.40</b>	<b>1,792.08</b>

**Note - 7 Short-term borrowings**

**Secured**

**Working capital loans from banks**

- Rupee loans
- Foreign currency loans

**Foreign currency loans - Buyers credit**

	2015	2014
	2,954.98	4,194.18
	-	402.63
	1,559.76	2,394.65
<b>Total</b>	<b>4,514.74</b>	<b>6,991.46</b>

Working capital loans from banks are secured by way of hypothecation of raw materials, finished goods, goods-in-process, stores and spares and book debts and second charge by way of mortgage on entire fixed assets of the Company.

**Note - 8 Trade payables**

Acceptances

Due to micro small and medium enterprises(Refer note 28)

Due to others

	2015	2014
	4,366.25	5,785.69
	60.82	69.72
	1,381.02	1,245.71
<b>Total</b>	<b>5,808.09</b>	<b>7,101.12</b>

**Note - 9 Other current liabilities**

Current maturities of long-term borrowings (Refer note 5)

Interest accrued but not due

Creditors for capital goods

Creditors for expenses

Trade advances and deposits received

Unclaimed preference capital

Statutory liabilities

	2015	2014
	2,499.83	2,385.00
	86.40	98.48
	156.69	82.00
	1,300.82	1,656.21
	414.90	333.60
	0.21	0.21
	246.14	175.93
<b>Total</b>	<b>4,704.99</b>	<b>4,731.43</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 10: Fixed assets (at cost)

Sr. No.	Gross Block				Depreciation/ Amortisation			Impairment loss	Net Block	
	As at 01 April 14	Additions	Deductions	As at 31 March 15	For the year [Refer note (d) below]	Reserve adjustment	Deductions	as at 31 March 15	As at 31 March 15	As at 31 March 14
<b>A</b>	<b>Tangible assets</b>									
	Freehold land (Refer Note29)	1,535.11	1.65	-	-	-	-	191.04	1,345.73	1,344.08
	Buildings	4,717.57	57.66	-	1,660.34	36.32	-	-	2,941.22	3,057.23
	Plant and machinery	38,709.11	2,086.66	823.76	17,129.66	455.28	602.32	5,187.71	15,984.52	16,277.72
	Vehicles	128.77	30.00	-	45.41	0.11	-	2.93	94.69	80.44
	Furniture and fixtures	153.83	15.87	0.15	100.77	1.94	0.07	10.14	49.06	42.92
	Equipments	138.08	11.80	-	48.01	18.27	-	15.20	42.52	74.88
	Computers	265.61	6.45	-	195.87	10.19	-	37.22	14.71	32.52
	<b>Sub-total - A</b>	<b>45,648.09</b>	<b>2,210.08</b>	<b>823.91</b>	<b>19,180.05</b>	<b>522.12</b>	<b>602.39</b>	<b>5,444.23</b>	<b>20,472.44</b>	<b>20,909.79</b>
	Previous year	36,354.39	9,379.68	85.97	17,321.92	-	48.59	5,558.26	20,909.79	
<b>B</b>	<b>Intangible assets</b>									
	Softwares	114.32	-	-	114.32	-	-	3.08	17.35	19.78
	<b>Sub-total - B</b>	<b>114.32</b>	<b>-</b>	<b>-</b>	<b>114.32</b>	<b>-</b>	<b>-</b>	<b>3.08</b>	<b>17.35</b>	<b>19.78</b>
	Previous year	106.63	7.70	-	87.14	-	-	3.08	19.78	16.41
<b>C</b>	<b>Capital work-in-progress</b>									
									<b>1,831.99</b>	<b>708.77</b>

### Notes:

- Refer note 25 for reversal of impairment loss during the year.
- Refer note 36 for exchange difference capitalised during the year.
- Borrowing cost allocated to fixed assets/ capital work-in-progress is ₹0.26 lacs (₹43.68 lacs)
- The useful life of fixed assets has been revised in accordance with Schedule II to the Companies Act 2013, which is applicable for accounting periods commencing on or after 1 April 2014. Consequently, ₹522.12 lacs representing the written down value of fixed assets whose lives have expired as at 1 April 2014 have been adjusted in the surplus in statement of profit and loss. The unamortised carrying value of other assets existing as at 1 April 2014 has been depreciated / amortised over the revised/remaining useful lives.
- Pre-operative expenses including trial run expenses of ₹ Nil (₹681.58 lacs) in respect of projects have been capitalised during the year.
- Additions during the year include capital expenditure of ₹290.36 lacs (₹767.49 lacs) incurred on in-house research and development activities.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note - 11 Non-current investments**

(₹ in lacs)

	2015	2014
<b>Long term (at cost) - Non-trade</b>		
<b>(a) Quoted</b>		
Welspun India Limited 1,485 (1,485) Equity Shares of ₹10 each fully paid up	0.15	0.15
Welspun Investments and Commercials Limited 67 (67) Equity Shares of ₹10 each fully paid up	0.01	0.01
<b>(b) Unquoted</b>		
Crescent Trading Private Limited Nil (1,21,685) 6% Redeemable Preference Shares of ₹10 each fully paid up.	-	1,216.85
Welspun Steel Limited 100 (100) Equity Shares of ₹10 each fully paid up.	0.01	0.01
<b>All the above shares and securities are fully paid up</b>		
Aggregate book value of quoted investments ₹0.16 lacs(₹0.16 lacs)		
Aggregate book value of unquoted investments ₹0.01 lacs (₹1,216.86 lacs)		
Aggregate market value of quoted investments ₹5.27 lacs(₹1.51 lacs)		
<b>Total</b>	<b>0.17</b>	<b>1217.02</b>

**Note - 12 Loans and advances**

(Unsecured and considered good, unless otherwise stated)

	Long-term		Short-term	
	2015	2014	2015	2014
Capital advances	885.12	376.02	-	-
Other loans and advances	-	-	894.09	467.63
Loans and advances to employees	2.89	13.33	39.84	32.48
MAT credit entitlement	2,249.01	1,342.51	-	-
Balances with government authorities				
- Indirect taxes	217.30	217.30	2,332.02	3,554.42
Security deposits	12.70	11.43	25.28	25.28
Prepaid expenses	0.35	2.53	84.91	101.16
<b>Total</b>	<b>3,367.37</b>	<b>1,963.12</b>	<b>3,376.14</b>	<b>4,180.97</b>

**Note - 13 Current investments**

(Valued at lower of cost and fair value, unless stated otherwise )

	2015	2014
<b>In Bonds ( Quoted )</b>		
8.06% Rural Electrification corporation Limited - 2023 Nil (₹20) Bonds of ₹10,00,000 each	-	200.00
8.10% Indian Railway Finance Corporation Limited - 2027 2,00,000 ( Nil ) Bonds of ₹1,000 each	2,155.60	-
<b>Total</b>	<b>2,155.60</b>	<b>200.00</b>

Aggregate book value of quoted investments ₹2,155.60 lacs (₹200 lacs)  
Aggregate market value of quoted investments ₹2,155.60 lacs (₹202.46 lacs)

**Note - 14 Inventories**

	2015	2014
Raw materials	2,192.38	2,700.75
Goods-in-process	600.49	749.20
Finished goods	1,793.70	2,540.56
Stores, spares and packing materials	1,921.39	1,837.27
<b>Total</b>	<b>6,507.96</b>	<b>7,827.78</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lacs)

Details of inventories under broad heads		2015	2014
<b>(a) Raw materials</b>			
Chips		1,137.78	1,536.78
Partially oriented yarn/texturised yarn		1,054.60	1,163.97
<b>Total</b>		<b>2,192.38</b>	<b>2,700.75</b>
<b>(b) Goods-in-process</b>			
Partially oriented yarn/texturised yarn		600.49	749.20
<b>Total</b>		<b>600.49</b>	<b>749.20</b>
<b>(c) Finished goods</b>			
Partially oriented yarn		384.73	447.33
Dyed/tex and twisted yarn		1,408.97	2,093.23
<b>Total</b>		<b>1,793.70</b>	<b>2,540.56</b>

### Note - 15 Trade receivables

(Unsecured)

#### Over six months

Considered good

Considered doubtful

#### Others

Considered good

Considered doubtful

Less: Provision for doubtful debts

	2015	2014
Considered good	110.77	36.20
Considered doubtful	26.83	-
Others		
Considered good	3,104.05	4,510.27
Considered doubtful	-	-
	<b>3,241.65</b>	<b>4,546.47</b>
Less: Provision for doubtful debts	26.83	-
<b>Total</b>	<b>3,214.82</b>	<b>4,546.47</b>

### Note - 16 Cash and bank balances

	Non-current		Current	
	2015	2014	2015	2014
<b>Cash and cash equivalents</b>				
Balances with banks in current account	-	-	858.51	443.63
Cash on hand	-	-	15.46	59.11
	-	-	<b>873.97</b>	<b>502.74</b>
<b>Other bank balances</b>				
- In escrow accounts	-	-	147.66	145.61
- In margin money deposits with banks having original maturity period upto twelve months	-	-	1,190.59	265.60
- In margin money deposits with banks having original maturity period of more than twelve months	-	402.80	-	166.78
Disclosed under "Other non-current assets" (Refer note 17)	-	(402.80)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,212.22</b>	<b>1,080.73</b>

### Note - 17 Other assets

(Unsecured and considered good, unless otherwise stated)

	Non-current		Current	
	2015	2014	2015	2014
Deposit with banks having original maturity period of more than twelve months	-	402.80	-	-
Interest accrued				
- Fixed deposits	-	44.77	80.71	41.81
- Current investments	-	-	73.84	14.74
Export benefit receivables	-	-	380.13	798.16
Mark to market gain on forward contracts	-	-	6.03	-
Other receivables	-	-	120.73	133.71
<b>Total</b>	<b>-</b>	<b>447.57</b>	<b>661.44</b>	<b>988.42</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note - 18 Revenue from operations**

	(₹ in lacs)	
	2015	2014
<b>Revenue from operations</b>		
<b>Sales of products</b>		
Finished goods	87,919.86	94,046.58
<b>Sales of services</b>		
Job work charges	78.71	101.97
<b>Other operating revenues</b>		
Scrap sales	504.09	523.59
Export benefits	767.12	1,056.61
<b>Total</b>	<b>89,269.78</b>	<b>95,728.75</b>
<b>Details of sale of products under broad heads</b>		
Partially oriented yarn	12,676.79	12,139.83
Dyed/tex and twisted yarn	75,243.07	81,906.75
<b>Total</b>	<b>87,919.86</b>	<b>94,046.58</b>

**Note - 19 Other income**

	2015	2014
Interest income		
- Current investments	2.22	36.06
- Fixed deposits	84.80	92.35
- Others	156.83	127.26
Dividend income on current investments	17.98	3.73
Profit on sale of fixed assets (net)	5.82	-
Miscellaneous income	42.58	54.83
<b>Total</b>	<b>310.23</b>	<b>314.23</b>

**Note - 20 Cost of materials consumed**

	2015	2014
Opening stock	2,700.75	2,586.38
Purchases	50,372.48	61,439.26
	53,073.23	64,025.64
Less: Closing stock	2,192.38	2,700.75
<b>Total</b>	<b>50,880.85</b>	<b>61,324.89</b>
<b>Details of materials consumed</b>		
Chips	29,442.53	31,197.87
Partially oriented yarn / Texturised yarn	21,438.32	30,127.02
<b>Total</b>	<b>50,880.85</b>	<b>61,324.89</b>

**Note - 21 Changes in inventories of finished goods and goods-in-process**

	2015	2014
<b>Closing stock</b>		
Finished goods	1,793.70	2,540.56
Goods-in-process	600.49	749.20
<b>(A)</b>	<b>2,394.19</b>	<b>3,289.76</b>
<b>Less: Opening stock</b>		
Finished goods	2,540.56	2,814.37
Goods-in-process	749.20	429.14
<b>(B)</b>	<b>3,289.76</b>	<b>3,243.51</b>
<b>Total (A-B)</b>	<b>(895.57)</b>	<b>46.25</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note - 22 Employee benefits expense

(₹ in lacs)

	2015	2014
Managerial remuneration	163.06	102.29
Salaries, wages and allowances	3,468.77	3,345.45
Contribution to provident and other funds	190.93	183.39
Staff welfare expenses	507.78	252.55
<b>Total</b>	<b>4,330.54</b>	<b>3,883.68</b>

### Note - 23 Other expenses

	2015	2014
Stores and spares consumed	2,077.98	2,214.11
Power, fuel and water charges	4,861.63	5,003.91
Packing materials consumed	2,781.96	2,501.56
Dyes and chemicals consumed	3,466.11	2,687.57
Increase/(decrease) in excise duty on finished goods	101.23	9.72
Repairs and maintenance		
- Plant and machinery	146.15	264.54
- Buildings	101.58	114.49
- Others	224.81	312.34
Insurance	74.21	88.42
Rent	278.64	158.59
Rates and taxes	10.85	19.25
Directors sitting fees	8.08	5.09
Printing and stationery	37.97	39.84
Travelling and conveyance	433.68	359.33
Communication expenses	39.69	48.73
Vehicle expenses	88.38	80.15
Legal and professional charges	275.65	155.11
Exchange difference (net)	133.72	614.30
Freight and forwarding	1,317.66	1,451.71
Discounts and rebates	583.41	555.99
Brokerage and commission	1,177.37	1,238.22
Provision for doubtful debts	26.83	-
Loss on sale of fixed assets (net)	-	15.84
Donations	10.60	14.31
Corporate social responsibility expenditure (Refer note 40)	33.91	-
Miscellaneous expenses (Refer note 33)	710.10	533.61
<b>Total</b>	<b>19,002.18</b>	<b>18,486.73</b>

### Note - 24 Finance costs

	2015	2014
Interest on		
- Borrowings	1,513.46	1,405.03
- Others	52.62	69.95
Other borrowing costs	817.39	818.18
Exchange difference (net)	8.17	96.49
<b>Total</b>	<b>2,391.64</b>	<b>2,389.65</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

25. During the year, impairment loss aggregating ₹114.03 lacs (₹4.19 lacs) has been reversed consequent to the relevant fixed assets being sold.

**26. Contingent liabilities not provided for**

- a) Guarantees given by banks ₹698.86 lacs (₹450.93 lacs)
- b) Disputed Indirect taxes ₹1,343.72 lacs (₹1,318.72 lacs)
- c) Disputed direct taxes ₹46.86 lacs (₹4.96 lacs)
- d) Unexpired letters of credit ₹1,604.21 lacs (₹802.66 lacs).
- e) Custom duty on pending export obligation for import under advance license ₹116.37 lacs (₹144.88 lacs)
- f) The accumulated dividend of ₹ Nil (₹340.45 lacs) payable on redeemable cumulative / optionally convertible cumulative preference shares
- g) Claims against the Company not acknowledged as debt ₹139.85 lacs (₹139.85 lacs)
- h) Bills receivable discounted ₹1,702.54 lacs (₹1,788.67 lacs)

**27. Capital commitment not provided for ₹1,764.62 lacs (₹153.33 lacs) net of advances.**

**28. Micro, Small and Medium Enterprises**

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31 March 2015 The disclosure pursuant to the said Act is as under:

	(₹ in lacs)	
	2015	2014
i. Principal amount due to suppliers under MSMED Act, 2006	60.82	69.72
ii. Interest accrued and due to suppliers under MSMED Act, on the above amount	0.49	0.85
iii. Payment made to suppliers (Other than interest) beyond the appointed day, during the year	-	-
iv. Interest paid to suppliers under MSMED Act, (Other than Section 16)	-	-
v. Interest paid to suppliers under MSMED Act, (Section 16)	-	-
vi. Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
vii. Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act.	9.93	9.44

The above information and that given in Note - 8 "Trade payables" regarding Micro, Small and Medium Enterprises has been determined to the extent such parties are identified on the basis of the information available with the Company.

29. Freehold Land includes ₹7.73 lacs (₹7.73 lacs) and development expenses of ₹14.98 lacs (₹14.98 lacs) incurred on such land capitalized in the year 2002-2003 for which the Company holds no title. The Company is in possession of the said land without any interference for more than twelve years and is in the process of executing the documents to transfer the said land in its name.

**30. Taxation**

- a) Provision for current tax for the year has been made under Minimum Alternate Tax (MAT) as per the provisions of Section 115JB of the Income-Tax Act, 1961. In accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Income-Tax Act, 1961 issued by the Institute of Chartered Accountants of India (ICAI), the Company has recognized the MAT credit entitlement of ₹906.49 lacs (₹430.27 lacs) as an asset under the Note "Loans and Advances" and has credited the same to the statement of profit and loss under "Provision for Taxation".
- b) In accordance with the Accounting Standard - 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred tax assets and liabilities should be recognized for all timing differences in accordance with the said standard. However, considering the present financial position of the Company and requirement of the Accounting Standard regarding certainty/virtual certainty, deferred tax asset has not been created. The same will be reassessed at a subsequent balance sheet date and will be accounted for in the year of certainty / virtual certainty in accordance with the aforesaid accounting standard.

**31. Operating Leases**

The Company has taken on lease offices and residential facilities under operating lease agreements that are renewable on periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for six months to thirty six months.

Minimum rental payments are required to be made under the operating leases that have initially or remaining non-cancelable lease term in excess of one year as at 31 March 2015 as per the contracts are as under:

- Not later than one-year ₹70.39 lacs (₹70.39 lacs)
- Later than one year but not later than five years ₹Nil (₹40.84 lacs)

The aggregate rental expenses of all the leases for the year are ₹278.64 lacs (₹158.59 lacs).





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 32. Disclosures pursuant to adoption of Accounting Standard 15 (Revised 2005) Employee Benefits

The Employees Gratuity and Leave Encashment schemes are defined benefit plans. The present value of obligation is based on actuarial valuation using the projected unit credit method.

#### Defined Benefit Plan

Details of defined benefit plan for contribution to Gratuity (Non-funded) is as follows:

#### I. Actuarial Assumptions

##### Economic Assumptions

Major Assumptions	2015 (% p.a)	2014 (% p.a)
Discount Rate (p.a.)	8.0	9.0
Salary Escalation Rate	5.5	6.0

##### Demographic Assumptions

Major Assumptions	
Mortality	Indian assured lives Mortality
Retirement Age	60 Years for staff and 62 years for presidents and above. worker category 58 years.
Attrition Rate	2% up to age 44 and 1% thereafter

#### II. Expenses recognized in the statement of profit and loss

	(₹ in lacs)	
	2015	2014
Current service cost	48.45	97.79
Interest cost	32.87	48.97
Net actuarial (gain)/loss recognized in the period	17.05	(106.03)
Expenses recognized in the statement of profit and loss*	<b>98.37</b>	<b>40.73</b>

\*Included in the employee benefits expense (Refer Note-22).

#### III. Present value of defined benefit obligation and the fair value of assets

	(₹ in lacs)	
	2015	2014
Present value of obligation as at 31 March	425.65	365.21
Fair value of plan assets as at 31 March	-	-
Liability recognized in the balance sheet and disclosed under provisions (Refer note-6)	425.65	365.21

#### IV. Change in the present value of obligation

	(₹ in lacs)	
	2015	2014
Present value of obligation as at 1 April	365.21	365.32
Current service cost	48.45	97.79
Interest cost	32.87	48.97
Benefits paid	(37.92)	(40.84)
Actuarial (gain) / loss on obligation	17.05	(106.03)
Present value of obligation as at 31 March	<b>425.65</b>	<b>365.21</b>

#### V. Amounts recognised in current year and previous four years

	(₹ in lacs)				
	As at 31 March				
Gratuity	2015	2014	2013	2012	2011
Defined benefit obligation	425.65	365.21	365.32	286.56	223.87
Actuarial (gain) / loss on plan obligation	17.05	(106.03)	(6.86)	28.29	4.50

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note:**

- Amount recognized as an expense and included in Note 22- Employee benefits expense is Gratuity ₹98.37 lacs (₹40.73 lacs) and Leave Encashment expense of ₹36.08 lacs (₹18.51 lacs)
- Contribution to provident and other funds" is recognised as an expense in note 22 of the statement of profit and loss.
- The estimate of future salary increases considered in the actuarial valuation, is after taking into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

33. Miscellaneous expenses include Auditors' Remuneration as under :

(₹ in lacs)

	2015	2014
Statutory audit fees	10.00	8.00
Tax audit fees	2.00	2.00
Fees for certifications (including fees for limited reviews)	3.85	3.65
Out of pocket expenses	0.27	0.27
<b>Total</b>	<b>16.12</b>	<b>13.92</b>

**34. Related party disclosures**

As per Accounting Standard - 18, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

a) **Holding company**

Krishiraj Trading Limited

b) **Directors /Key Management Personnel**

Non-executive Chairman	B. K. Goenka
Executive Director	B.A. Kale
Director	R.R. Mandawewala
Chief Finance Officer	Bhaskar Sen
Company Secretary	Kaushik Kapasi

d) **Other related parties with whom transactions have taken place during the year or balances outstanding as on the last day of the year.**

Welspun India Limited, Welspun Corp Limited, Welspun Steel Limited, Welspun Wintex Limited, Welspun Realty Private Limited, Goodvalue Polyplast Limited, Welspun Fintrade Limited, Mertz Securities Limited, Vipuna Trading Limited, Welspun USA Inc, Welspun Infra Developers Private Limited, Welspun Logistics Limited, Welspun Maxsteel Limited, Welspun Captive Power Generation Limited and Welspun Investments and Commercial Limited.

e) **Transactions with Related Parties**

(₹ in lacs)

Nature of transactions	2015	2014
<b>Sales (net) to and recoveries from</b>	<b>6,859.64</b>	<b>5,012.28</b>
Welspun India Limited	6,759.29	4,984.50
Welspun USA Inc	100.35	27.78
<b>Purchase of Goods and Services</b>	<b>786.32</b>	<b>1,473.99</b>
Welspun India Limited	40.34	50.03
Welspun Steel Limited	184.38	137.18
Welspun Wintex Limited	255.12	1,136.98
Welspun Maxsteel Limited	0.63	-
Welspun Realty Private Limited	79.09	79.09
Goodvalue Polyplast Limited	71.57	70.71
Mertz Securities Limited	82.49	-
Vipuna Trading Limited	56.91	-
Welspun Corp Limited	15.79	-



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in lacs)

Nature of transactions	2015	2014
<b>Loans taken</b>	<b>2,503.40</b>	-
Krishiraj Trading Limited	1,201.48	-
Welspun Infra Developers Private Limited	600.89	-
Welspun Logistics Limited	701.03	-
<b>Repayment of loans taken</b>	-	<b>125.00</b>
Welspun Fintrade Limited	-	125.00
<b>Reimbursement of expenses</b>	<b>10.81</b>	<b>14.47</b>
Welspun India Limited	1.89	6.48
Welspun Maxsteel Limited	0.19	-
Welspun Corp Limited	8.73	7.99
<b>Purchase of fixed assets</b>	<b>30.00</b>	-
Welspun Maxsteel Limited	30.00	-
<b>Interest expense</b>	<b>3.78</b>	<b>6.04</b>
Welspun Fintrade Limited	-	6.04
Krishiraj Trading Limited	1.64	-
Welspun Infra Developers Private Limited	0.99	-
Welspun Logistics Limited	1.15	-
<b>Purchase of investments</b>	-	-
Welspun Captive Power Generation Limited	-	<b>77.10</b>
Equity Shares (converted out of share application money)	-	48.20
Preference shares	-	28.90
<b>Sale of investments</b>	-	<b>368.09</b>
Welspun Corp Limited	-	0.09
Welspun Captive Power Generation Limited	-	-
Equity shares	-	84.93
Preference shares	-	283.07
<b>Remuneration paid</b>	<b>228.07</b>	<b>169.65</b>
Executive Director	163.06	102.29
Chief Finance Officer*	33.27	34.91
Company Secretary*	31.74	32.45
<b>Closing balances as at 31 March</b>		
<b>Trade receivables</b>	<b>140.94</b>	<b>69.41</b>
Welspun India Limited	140.93	41.62
Welspun Steel Limited	0.01	0.01
Welspun USA Inc	-	27.78
<b>Trade payables</b>	<b>18.61</b>	<b>2.06</b>
Welspun India Limited	1.34	1.09
Welspun Steel Limited	17.27	0.97
<b>Loans taken</b>	<b>2,503.40</b>	-
Krishiraj Trading Limited	1,201.48	-
Welspun Infra Developers Private Limited	600.89	-
Welspun Logistics Limited	701.03	-
<b>Advances given</b>	<b>11.36</b>	<b>131.87</b>
Welspun Wintex Limited	11.36	131.87
<b>Investments outstanding</b>	<b>0.17</b>	<b>0.17</b>
Welspun India Limited	0.15	0.15
Welspun Steel Limited	0.01	0.01
Welspun Investments and Commercials Limited	0.01	0.01

\*Gross Salary as computed under The Income Tax, 1961

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

35. Details of remuneration paid/payable to the executive director included in "employee benefits expense" are as under

(₹ in lacs)

	2015	2014
Salaries and Allowances	48.61	46.81
Contribution to Provident Fund	2.70	2.51
Commission	111.02	52.23
Perquisites	0.73	0.74
<b>Total</b>	<b>163.06</b>	<b>102.29</b>

Note: Provision for post retirement benefits which are based on actuarial valuation done on an overall Company basis are excluded from above.

**36. Foreign exchange**

- a) The Companies (Accounting Standards) Amendment Rules 2011 has amended the provision of AS-11 related to "The effects of changes in Foreign Exchange Rates" vide notification dated 11 May 2011 (as amended on 29 December 2011 and further clarification dated 9 August 2012) issued by the Ministry of Corporate Affairs. Accordingly, the Company has adjusted exchange difference loss amounting to ₹206.70 lacs (loss of ₹511.64 lacs) and ₹86.23 lacs (gain of ₹5.75 lacs) to the cost of fixed assets and capital work-in-progress respectively.
- b) The Company is exposed to various financial risks, most of which relate to changes in exchange rates, interest rate etc. The Company hedges risks of the aforesaid nature using forward contracts. The outstanding foreign currency forward contracts as at 31 March 2015 are as follows:

**Forward Contracts**

- i. Details of foreign currency exposures that are hedged by forward contracts outstanding as at year end are as under

(in lacs)

Derivative Contracts	Covered for	2015		2014	
		Foreign Currency	Equivalent Indian Rupee	Foreign Currency	Equivalent Indian Rupee
USD/ INR	Foreign currency loan	21.31	1331.88	6.72	402.63
USD/ INR	Exports	20.56	1284.98	19.39	1,161.67
USD/ INR	Imports	-	-	26.70	1,599.79

- ii. As at balance sheet date, the Company has foreign currency liabilities payable (net) that is not hedged by a derivative instrument or otherwise amounting to ₹7,661.04 lacs (₹7,492.46 lacs)

**37. Earnings per share (EPS)**

(₹ in lacs)

	2015	2014
Profit after tax (₹ in lacs)	4,275.46	1,969.05
Profit available for appropriation to equity share holders (₹ in lacs)	4,275.46	1,969.05
Weighted average number of equity shares for computation of EPS (Nos.)	39,239,568	39,239,568
Basic and diluted earnings per share (₹)	10.90	5.02

**38. Segment information**

- a) The Company operates in a single primary business segment i. e. manufacture of Synthetic Yarn and hence, there are no reportable segments as per Accounting Standard (AS) - 17 "Segment Reporting".
- b) Information about Secondary-Geographical segment.

(₹ in lacs)

	2015			2014		
	India	Outside India	Total	India	Outside India	Total
Sales	64,442.33	19,043.90	83,486.23	68,188.92	21,449.23	89,638.15
Carrying amount of segment assets	42,663.38	1,154.12	43,817.50	43,434.43	655.99	44,090.42
Capital expenditure	3,842.40	-	3,842.40	4,003.03	-	4,003.03



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note:** The segment revenue in the geographical segments considered for disclosure is as follows:

- Revenue within India includes sales to customers located within India and earnings in India.
- Revenue outside India includes sales to customers located outside India, earnings outside India.
- Capital expenditure also includes expenditure incurred on capital work in progress and capital advances.

39. a) Balances of certain debtors, creditors and advance are subject to confirmation/reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments except otherwise stated.
- c) In the opinion of management, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for expenses and all known liabilities is adequate and not in excess of the amount reasonably stated.

### 40. Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company is required to spend ₹31.38 lacs and has spent ₹33.91 lacs on activities specified in Schedule VII of the Companies Act, 2013. The entire amount has been paid during the year.

### 41. Information required under section 186(4) of the Companies Act, 2013

- a) Loans, guarantees and securities given – The Company has not given any loans, guarantees or securities during the year.
- b) Investments made – There are no investments other than as disclosed in Note 11 Non-current investments and Note 13 Current investments.
42. Previous year's figures have been regrouped/reclassified/recasted wherever necessary to correspond with the current year's classifications/disclosures. Figures in brackets pertain to the previous year.

### 43. Additional information

(₹ in lacs)

		2015		2014	
		(%)	₹ in lacs	(%)	₹ in lacs
i)	<b>Raw materials consumed</b>				
	Imported	37.27	18,962.20	28.68	17,586.89
	Indigenous	62.73	31,918.65	71.32	43,738.00
	<b>Total</b>	<b>100.00</b>	<b>50,880.85</b>	<b>100.00</b>	<b>61,324.89</b>
ii)	<b>Stores, spares, dyes and chemicals consumed</b>				
	Imported	10.71	593.88	9.82	481.13
	Indigenous	89.29	4,950.21	90.18	4,420.55
	<b>Total</b>	<b>100.00</b>	<b>5,544.09</b>	<b>100.00</b>	<b>4,901.68</b>
iii)	<b>CIF value of imports</b>				
	Raw materials		17,167.95		16,195.41
	Capital goods		1,281.27		1,231.43
	Stores and Spares		659.43		1,259.92
iv)	<b>Expenditure in foreign currency</b>				
	Traveling and conveyance		67.53		51.82
	Membership and other fees		0.07		5.38
	Commission on export sales		136.03		305.40
	Finance expenses (including bank charges)		238.16		337.66
	Legal and professional charges		49.37		39.94
	Quality claims accepted		11.99		8.81
	Others		1.66		-
v)	<b>Earnings in foreign currency:</b>				
	FOB value of exports		17,292.07		20,509.60

As per our attached report of even date

#### For MGB & CO LLP

Chartered Accountants  
Firm Registration Number 101169 W/W-100035

#### Rajesh Chamaria

Partner  
Membership Number 046788

Mumbai, 14 May 2015

#### For and on behalf of the Board

#### R. R. Mandawewala

Director

#### Kaushik Kapasi

Company Secretary

#### B. A. Kale

Executive Director

#### Bhaskar Sen

Chief Finance Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH**

	(₹ in lacs)	
	2015	2014
<b>Cash flow from operating activities</b>		
Profit before tax	4,275.46	2,002.64
<b>Adjustments for:</b>		
Depreciation and amortisation expense	2,020.22	1,911.04
Balances written back	(34.11)	-
(Profit)/loss on sale of fixed assets (net)	(5.82)	15.84
Interest income	(243.86)	(255.67)
Interest expense	1,566.08	1,474.98
Dividend income on current investments	(17.98)	(3.73)
Exchange adjustments (net)	3.99	159.73
<b>Operating profit before working capital changes</b>	<b>7,563.98</b>	<b>5,304.83</b>
Trade and other receivables	2,586.57	(480.20)
Inventories	1,319.82	(452.33)
Trade and other payables	(1,427.07)	505.48
<b>Cash generated from operations</b>	<b>10,043.30</b>	<b>4,877.78</b>
Taxes paid (net of refunds)	(926.71)	(245.10)
<b>Net cash generated from operating activities</b>	<b>9,116.59</b>	<b>4,632.68</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work-in-progress)	(3,561.01)	(4,008.96)
Sale of fixed assets	113.31	17.42
Purchase of current investments	(3,355.60)	(3,124.87)
Sale of current investments	1,400.00	2,924.87
Purchase of long-term investments	-	(28.90)
Redemption of long-term investments	1,216.85	368.09
Investment in margin money deposits with banks	(357.46)	72.27
Interest received	190.62	216.06
Dividend received	17.98	3.73
<b>Net cash used in investing activities</b>	<b>(4,335.31)</b>	<b>(3,560.29)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	1,881.59	5,006.16
Repayment of long-term borrowings	(3,307.12)	(3,172.52)
Proceeds from short-term borrowings	9,370.42	9,121.82
Repayment of short-term borrowings	(10,197.64)	(10,683.64)
Increase/(decrease) in other borrowings	(1,655.20)	513.98
Proceeds from inter-corporate deposits	2,503.40	-
Repayment of inter-corporate deposits	-	(125.00)
Interest paid	(1,578.16)	(1,419.34)
Dividend paid (including tax)	(1,427.34)	-
<b>Net cash generated/(used in) in financing activities</b>	<b>(4,410.05)</b>	<b>(758.54)</b>
Net increase/ (decrease) in cash and cash equivalents	<b>371.23</b>	<b>313.85</b>
Cash and cash equivalents at the beginning of the year	<b>502.74</b>	<b>188.89</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>873.97</b>	<b>502.74</b>
Add: Earmarked bank balances	1,338.25	577.99
<b>Cash and bank balances at the end of the year</b>	<b>2,212.22</b>	<b>1080.73</b>

**Notes**

- 1) Previous year figures are regrouped/reconsidered wherever necessary.
- 2) Cash and bank balances include gain of ₹6.44 lacs (₹3.96 lacs) on account of fluctuation in foreign exchange rates.

As per our attached report of even date

**For MGB & CO LLP**

Chartered Accountants  
Firm Registration Number 101169 W/W-100035

**Rajesh Chamaria**

Partner  
Membership Number 046788

Mumbai, 14 May 2015

**For and on behalf of the Board**

**R. R. Mandawewala**  
Director

**Kaushik Kapasi**  
Company Secretary

**B. A. Kale**  
Executive Director

**Bhaskar Sen**  
Chief Finance Officer



## Welspun Syntex Limited

(Corporate Identification Number – L99999DN1983PLC000045)

Reg. Office: Survey No. 394 (P), village Saily, Silvassa, (U. T.) Dadra & Nagar Haveli

Tel No. +91-260-2640596/2640599, Fax No. + 91 260-2640597,

Corp. Office: Trade world, 'B' wing, 9<sup>th</sup> floor, Kamala city, Senapati Bapat Marg, Lower Parel (W), Mumbai, Maharashtra – 400013

Email: allcompanysecretaryofwsl@welspun.com; www.welspunsyntex.com

### E-mail Registration-Cum-Consent Form

To,  
The Company Secretary,  
Welspun Syntex Limited,  
Survey No. 394 (P),  
Village Saily, Silvassa,  
(U. T.) Dadra & Nagar Haveli

I/ we the members of the Company do hereby request you to kindly register/ update my e-mail address with the Company. I/ We, do hereby agree and authorize the Company to send me/ us all the communications in electronic mode at the e-mail address mentioned below. Please register the above e-mail address / mobile number for sending communication through e-mail/ mobile.

Folio No.	:	DP – ID	:	Client ID	:
Name of the Registered Holder (1 <sup>st</sup> )		:			
Name of the joint holder(s)		:			
		:			
Registered Address		:			
		Pin:			
Mobile Nos. (to be registered)		:			
E-mail Id (to be registered)		:			

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**Signature of the Shareholder(s)\***

\* Signature of all the shareholders is required in case of a joint holding.



## Welspun Syntex Limited

(Corporate Identification Number – L99999DN1983PLC000045)

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Email: allcompanysecretaryofwsl@welspun.com; www.welspunsyntex.com

### Form No. SH-13 Nomination Form

(Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies  
(Share Capital and Debentures) Rules 2014)

To,  
Link Intime India Private Limited.  
C-13 Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup (W), Mumbai 400 078.

I/ We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

#### 1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

#### 2. PARTICULARS OF NOMINEE/S —

- (a) Name: \_\_\_\_\_ (b) Date of Birth: \_\_\_\_\_  
(c) Father's/Mother's/Spouse's name: \_\_\_\_\_ (d) Occupation: \_\_\_\_\_  
(e) Nationality: \_\_\_\_\_ (f) Address: \_\_\_\_\_  
(g) E-mail id: \_\_\_\_\_ (h) Relationship with the security holder: \_\_\_\_\_

#### 3. IN CASE NOMINEE IS A MINOR--

- (a) Date of birth: \_\_\_\_\_ (b) Date of attaining majority \_\_\_\_\_  
(c) Name of guardian: \_\_\_\_\_ (d) Address of guardian: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Name of the Security Holder(s) \_\_\_\_\_ Signatures: \_\_\_\_\_

Witness with name and address: \_\_\_\_\_

#### Instructions:

- Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
- The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the Shares are held jointly all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
- A minor can be nominated by a holder of Shares and in that event the name and address of the Guardian shall be given by the holder.
- The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
- Transfer of Shares in favour of a nominee shall be a valid discharge by a Company against the legal heir(s).
- Only one person can be nominated for a given folio.
- Details of all holders in a folio need to be filled; else the request will be rejected.
- The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
- Whenever the Shares in the given folio are entirely transferred or dematerialised, then this nomination will stand rescinded.
- Upon receipt of a duly executed nomination form, the Registrars & Transfer Agent of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
- The nomination can be varied or cancelled by executing fresh nomination form.
- The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.
- The intimation regarding nomination / nomination form shall be filed in duplicate with the Registrars & Transfer Agents of the Company who will return one copy thereof to the Shareholders.
- For shares held in dematerialised mode nomination is required to be filed with the Depository Participant in their prescribed form.



*If undelivered, please return to:*

**Welspun Syntex Ltd.**

**Regd. Office :** Survey No. 394 (P), Village Saily, Silvassa, Union Territory of Dadra & Nagar Haveli