



Dare to Commit

Welspun Syntex Ltd.

31st Annual Report
2013-2014

WELSPUN SYNTEX LIMITED (CIN: L99999DN1983PLC000045)
CORPORATE INFORMATION

BOARD OF DIRECTORS	MR. B.K.GOENKA MR. R.R.MANDAWEWALA MR. B.A. KALE MR. ATUL DESAI MR. RAJ KUMAR JAIN MR. M.K.TANDON	CHAIRMAN EXECUTIVE DIRECTOR
COMPANY SECRETARY	MR. K.N.KAPASI	COMPANY SECRETARY
AUDITORS	MGB & CO., CHARTERED ACCOUNTANTS	
BANKERS	BANK OF BARODA, STATE BANK OF BIKANER & JAIPUR, IDBI BANK LIMITED, CENTRAL BANK OF INDIA	
REGISTERED OFFICE	SURVEY NO. 394 (P), VILLAGE SAILY, SILVASSA, UNION TERRITORY OF DADRA & NAGAR HAVELI	
CORPORATE OFFICE	9TH FLOOR, TRADE WORLD, "B" WING, KAMALA MILLS COMPOUND, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI – 400 013. EMAIL: allcompanysecretaryofwsl@welspun.com WEBSITE: www.welspunsyntex.com	
FACTORY	1) SURVEY NO. 394 (P), VILLAGE SAILY, SILVASSA, UNION TERRITORY OF DADRA & NAGAR HAVELI. 2) PLOT NO. 14/15, DEWAN INDUSTRIAL ESTATE, PALGHAR, DISTRICT THANE, MAHARASHTRA.	
LISTING OF SHARES	THE BOMBAY STOCK EXCHANGE LIMITED, MUMBAI PHIROZE JEE-JEEBHOY TOWER, DALAL STREET, MUMBAI 400 001	
R & T AGENT	LINK INTIME INDIA PRIVATE LIMITED 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	

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NOTICE

To,

The Members

NOTICE is hereby given that the 31st 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, 24th September 2014 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Audited Profit and Loss Account for the year ended on that date.
2. To declare accumulated dividend subject to approval Banks of -
 - Rs.6,05,81,128/- on already redeemed 10% Optionally Cumulative Convertible preference shares (accumulated upto the date of redemption);
 - Rs.6,14,18,763/- on already redeemed 8% Redeemable Cumulative Preference Shares. (accumulated upto 31st March 2008)
3. To appoint a Director in place of Mr. B. K. Goenka, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. R. Mandawewala, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To consider and approve re-appointment of M/s. MGB & Co., Chartered Accountants as Statutory Auditors, who retires at the meeting and being eligible, offer themselves for re-appointment for a period of three years from conclusion of this 31st Annual General Meeting to the conclusion of 34th Annual General Meeting.

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 Sections 149, 150,152, schedule IV and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder, Mr. Atul Desai, the retiring Director who has been appointed by the Board of Directors as an independent director, be and is hereby appointed as an independent director for five years with effect from 29th May 2014 to 28th May 2019.”
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 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. M. K. Tandon, the retiring Director who has been appointed by the Board of Directors as an independent director, be and is

hereby appointed as an independent director for five years with effect from 29th May 2014 to 28th May 2019”

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 149, 150, 152,160,161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Ms. Mala Tadarwal who has been appointed as an additional independent by the Board of Directors and in respect of whom the Company has received notice from a member proposing her appointment, be and is hereby appointed as an independent director of the Company for Two years with effect from 1st August 2014 to 31st July 2016 ”
9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 88 of the Companies Act 2013 read with Rule 5 of the Companies (Management and Administration) Rules 2013 , the Register and index of Members for equity shares as prescribed under Section 88 of the Companies Act, 2013 be kept at the office of Link Intime India Private Limited, Registrar and Transfer agent (hereinafter referred to as R & T Agent) situated at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai- 400 078 or to any other place as may be decided by the R & T Agent at its office situated in Mumbai.”
10. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Place: Mumbai
Date : 19th August 2014

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

WELSPUN SYNTEX LIMITED

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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, 16th September 2014 to Thursday, 18th September 2014, 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 the Company.

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.

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 31st 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
Thursday, 18 th September 2014	Saturday, 20 th September 2014

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 Wednesday, 24th September 2014.

INSTRUCTIONS FOR E-VOTING

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

- a. User ID and Password for e-voting is provided in the Attendance slip as annexed in Annual report. Please note that the Password is an Initial Password.
- b. Launch the internet browser by typing the following .
- 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 "e-voting": Active Voting Cycles.
- g. Select "EVEN (E-Voting Event Number)" of Welspun Syntex Limited. For and 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. 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 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 August 15, 2014.
- m. 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. (i) above, to cast vote.
- n. 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.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in or send e-mail to the Company at allcompanysecretaryofwsl@welspun.com or Registrar & Share Transfer Agent.
- o. Mr. A L Makhija, Company secretary in whole time practice has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- p. The result of voting shall be declared by the Chairman of the meeting on or after AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.welspunsyntex.com and will be communicated to the BSE Ltd.

Place: Mumbai
Date: 19th August 2014

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 ,
Website: www.welspunsyntex.com

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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

Mr. Atul Desai is a partner of M/s. Kanga & Co., leading Law firm. Mr. Atul Desai has attended large number of matters relating to merger, amalgamation, litigations, arbitration involving commercial dispute etc. He is a director of the Company since 29th January 2002 and is a retiring director.

He holds 30 Equity shares in the Company.

Directorship in other companies:

TCFC Finance Ltd, JSW Holdings Ltd, RMG Alloy Steel Limited, Welspun Global Brands Limited, Auchtel Products Ltd, Welspun Steel Ltd, Welspun Investments and Commercials Ltd, Welspun Projects Ltd, Welspun Energy Private Limited, Welspun Enterprises limited

Membership/Chairmanship of committees in the company and other Companies:

Sr. No	Name Of The Company	Name Of Committee	Member / Chairman
1	TCFC Finance Ltd.	Audit Committee	Member
		Share Transfer & Investor Grievance Committee	Member
2	JSW Holdings Ltd.	Audit Committee	Chairman
		Remuneration Committee	Member
3	Welspun Syntex Ltd.	Audit Committee	Member
		Share Transfer & Investor Grievance Committee	Chairman
		Remuneration committee	Member
4	Welspun Projects Ltd.	Audit Committee	Member
		Remuneration committee	Member
		Share Transfer and Investor Grievance committee	Chairman
5	Welspun Global Brands Ltd.	Audit Committee	Member
		Remuneration committee	Member
6	Welspun Enterprises Ltd.	Audit committee	Member
7	RMG Alloy Steel Ltd.	Audit committee	Chairman
		Remuneration Committee	Chairman
		Share Transfer and Investor Grievance committee	Chairman
8	Welspun Investments & Commercials Ltd.	Share Transfer and Investor Grievance committee	Member
		Audit committee	Member
		Remuneration Committee	Member

Board of directors of the Company at their meeting held on 29th May 2014 has opined that Mr. Atul Desai fulfils all conditions for

appointment as an independent director specified in Companies act 2013 particularly Section 149(6) read with rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules and regulations; the Board has appointed him as an independent director for a period of five years with effect from 29th May 2014 subject to the approval of shareholders at this Annual General Meeting.

None of the key managerial personnel or directors of the Company or their relatives except Mr. Atul Desai himself may be deemed to be concerned or interested in this resolution.

Shareholders' approval is sought by way of resolution proposed under Item no. 5 of the accompanying Notice.

ITEM NO.7

Mr. M. K. Tandon has experience in the field of insurance, management and administration. He is a director of the Company since 31st January 2004 and is a retiring director.

Directorship in other companies:

Ficom Organies Limited, Sabero Organics Gujarat Limited, Welspun Projects Limited, Liberty Phosphate Limited (Merged with Coromandel International Limited).

Membership/Chairmanship of committees in the company and other Companies:

Sr. No.	Name of The Company	Name of Committee	Member / Chairman
1	Welspun Projects Limited	Audit Committee	Chairman
		Remuneration Committee	Member
		Share transfer and investors grievance committee	Member
2	Sabero Organics Gujarat Limited	Audit Committee	Chairman
		Remuneration Committee	Chairman
3	Liberty Phosphate Limited (Merged with Coromandel International Limited)	Audit Committee	Chairman
		Remuneration Committee	Chairman

Board of directors of the Company at their meeting held on 29th May 2014 has opined that Mr. M. K. Tandon fulfils all conditions for appointment as an independent director specified in Companies act 2013 particularly Section 149(6) read with rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules and regulations; board has appointed him as an independent director for a period of five years at their meeting held on 29th May 2014 subject to approval of shareholders.

He does not hold any share in the Company.

None of the key managerial personnel or directors of the Company or their relatives except Mr. M. K. Tandon himself may be deemed to be concerned or interested in this resolution.

ITEM NO. 8

Ms. Mala Tadarwal is a partner of Mumbai based firm of Chartered Accountants and having rich experience over 8 years in the field



of audit assurance, corporate restructuring, valuations, due diligence and taxation.

Directorship in other companies:

Welspun Investment and Commercials Limited, Welspun Projects Limited, Welspun Enterprises Limited.

Membership/Chairmanship of committees in other Companies:

Sr. No	Name of the Company	Name of Committee	Member / Chairman
1	Welspun Investment and Commercials Limited	Audit Committee	Member
		Share Transfer and Investors Grievance Committee	Member
		Remuneration Committee	Member

Board of directors of the Company at their meeting held on 1st August 2014 has opined that Ms. Mala Tadarwal fulfils all conditions for appointment as an independent director specified in Companies act 2013 particularly Section 149(6) read with rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules and regulations; board has appointed her as an independent director for a period of two years at their meeting held on 1st August 2014 subject to approval of shareholders.

She does not hold any share in the Company.

None of the key managerial personnel or directors of the Company or their relatives except Ms. Mala Tadarwal herself may be deemed to be concerned or interested in this resolution.

ITEM NO.9

Section 88 of the Companies Act 2013 deals with the register of members and permits to keep register of members at place where more than one tenth of shareholders of the Company resides. It is proposed to keep register of members at the office of Link Intime India Private Limited, Registrar and Transfer agent situated at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai- 400 078. Total number of shareholders

of the Company is 6650 as on 11th April 2014 out of which 1589 no. of shareholders reside at Mumbai.

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

ITEM NO.10

With the commencement of the Companies act 2013, it is essential to alter articles of association of the Company in order to match with provisions of the said act. Reference of the Companies act 1956 has also to be changed in order to mention new provisions of the act. Approval of shareholders is required by passing Special resolution for alteration of articles of association of the company. Hence this resolution.

Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) the nominee(s)/ legal representatives of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (b) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (c) existing articles have been streamlined and aligned with the Act;
- (d) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included;

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

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

Place: Mumbai
Date: 19th August 2014

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

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DIRECTORS' REPORT

To,

The Members,

WELSPUN SYNTEX LIMITED,

Your Directors are pleased to present the Thirty-first Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March 2014.

FINANCIAL RESULTS

(Rs. in Lacs)

	2013-14	2012-13
Gross Profit before Depreciation and Finance Expenses	6303.33	4948.19
Less: Finance Expenses	2389.65	1864.70
Depreciation	1911.04	1481.03
Profit/(Loss) before tax	2002.64	1602.46
Less – Current Tax – Current year	430.27	318.19
-Earlier period	33.59	0
Add - MAT credit entitlement	(430.27)	(318.19)
Add/(Less) -Fringe Benefit Tax	-	-
Profit/ (Loss) after tax	1969.05	1602.46

DIVIDEND

The Board of Directors have recommended accumulated dividend subject to approval of Banks of -

- Rs.6,05,81,128/- on already redeemed 10% Optionally Cumulative Convertible preference shares (accumulated upto the date of redemption);
- Rs.6,14,18,763/- on already redeemed 8% Redeemable Cumulative Preference Shares. (accumulated upto 31st March 2008)

OPERATIONS

During the year under review, Net sales and services and Gross Profit before Interest and Depreciation were of Rs. 89638.15 Lacs and Rs.6303.33 Lacs respectively as compared to Rs. 77611.82 Lacs and Rs. 4948.19 Lacs respectively for the previous year. Net sales and services of the Company and Gross Profits have thus increased by 15.50% and 27.39 % respectively over the previous year.

Exports during the financial year 2013-14 were of Rs. 21449.23 Lacs as compared to Rs. 21335.30 Lacs during the previous year.

Power cost is increased due to increase in power tariff both in Palghar, Maharashtra as well as at Rakholi, Silvassa. Interest cost has been increased due to rise in rate of interest and increase in borrowing for working capital. Foreign exchange difference losses were of 614.30 Lacs as against Rs. 115.59 Lacs during the previous year in view of fluctuation in foreign exchange. Packing, Dyes and chemical cost have also increased due to strong USD in first two quarters. Market was comparatively weak during the third quarter. The Company has developed market for carpet yarn, yarn for Bath rugs and spandex covered yarn for denim industry. In spite of increase in cost, the earnings have

increased due to several steps taken by the Company during the year for improving margins.

EXPANSION

The Company has completed the expansion project at approximate cost of Rs.150 crores by 15th December 2013. It has increased Texturised , spinning capacity of Nylon mother yarn and produced new product Bulk continuous filament yarn. Now the Company proposes to install additional machinery for manufacturing BCF yarn at an installed capacity of 540 MT per annum , the cost of which alongwith accessories are aggregating to Rs.10 Crores.

DIRECTORS' RESPONSIBILITY STATEMENT

- In the preparation of the annual accounts, applicable accounting standards have been followed, with proper disclosure of any departures.
- The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2014 and of the profit or loss of the Company for that period.
- That the directors have 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.
- That the directors have prepared the accounts on a going concern basis.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. B. K. Goenka and Mr. R. R. Mandawewala, the directors of the Company retire by rotation at the 31st Annual General Meeting and being eligible have offered themselves for reappointment.

Board of Directors has appointed Mr. Atul Desai and Mr. M. K. Tandon as independent directors at their meeting held on 29th May 2014 for a period of five years and Ms. Mala Todarwal as an independent woman director at their meeting held on 1st August 2014 for a period of two years.

Board has recommended re-appointment of the aforesaid retiring directors and appointment of independent directors.

AUDIT COMMITTEE

The Audit Committee consists of the following 3 Non-Executive Directors

- | | | |
|-------------------|---|---------------------|
| a. Raj Kumar Jain | - | Chairman |
| b. Atul Desai | - | Member, independent |
| c. M.K.Tandon | - | Member, independent |

PUBLIC DEPOSITS

The Company has not accepted deposits during the year within



the meaning of Section 58A of the Companies Act, 1956 read with The Companies (Acceptance of Deposit) Rules, 1975.

AUDITORS

Your Company's Auditors, M/s. MGB & Co, Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, have given their consent to act as auditors of the Company. Members are requested to consider their reappointment as the Auditors of the Company for the three years and to fix their remuneration.

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.

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. 30 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. 30 is necessary.

COST AUDIT REPORT

Due date of filing of the Cost audit report for the Financial year 2013-14 as submitted by M/S. Kishore Bhatia & Associates, Cost Accountant is 27th September 2014.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

In terms of the above Rules, your Directors are pleased to give the particulars as prescribed therein in the Annexure, which forms a part of the Directors' Report.

PARTICULARS OF EMPLOYEES

As per the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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

R.R.Mandawewala
Director

Mumbai,
Date: 1st August 2014

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**FORM - A
(SEE RULE 2)**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year 2013-2014	Previous Year 2012-2013	
A			
Power and fuel consumption			
1 Electricity			
(a) Purchased			
Units (In '000S)	98092.27	92935.56	
Total Amount (₹ in Lacs)	4573.97	4391.68	
Rate / Unit (₹)	4.66	4.73	
(b) Own Generation			
(i) Through Diesel / Gas Generator			
Units (In '000S)	322.03	452.23	
Units per Ltr.Of Diesel Oil	63.61	73.81	
Cost / Unit (₹)	19.75	16.32	
(ii) Through Steam Turbine / Generator			
2 Coal (used in Boiler)			
Units (In '000S)	5020.23	3548.16	
Total Amount (₹ in Lacs)	261.68	215.44	
Rate / Unit (₹)	5.21	6.07	
3 Diesel -(used in Boiler)			
Quantity (K.Ltrs.)	189.90	Nil	
Total Amount (₹ in Lacs)	104.66	Nil	
Average Rate (K.Ltrs.)	1.81	Nil	
4 Others / Internal Generation	Nil	Nil	
B CONSUMPTION PER UNIT OF PRODUCTION			
	STANDARDS	CURRENT YEAR	PREVIOUS YEAR
Products (With Details)			
Unit	-	Kg.	Kg.
Electricity	-	6.65	5.31
Furnace Oil	-	Nil	Nil
Coal (Specify Quality)		0.37	0.32
Diesel		0.15	Nil



ANNEXURE

FORM B

(SEE RULE 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

Research and Development (R&D)

- | | | | |
|----|--|---|--|
| 01 | Specific area in which R&D is Carried Out by the Company | - | development of new products, development of master batch |
| 02 | Benefit derived as a result of the above R&D | - | reduced development time of new colour, development of new shades for home textile, automotive & floor covering. |
| 03 | Future Plan of Action | - | |
- Future R&D efforts will continue along similar lines, as at present, but with more focus, thrust and endeavours.
The company is planning to get recognition of its in house R&D centre at Palghar & Silvasa from Government of India during ensuing year.
- | | | | |
|----|--------------------|---|--|
| 04 | Expenditure on R&D | - | |
|----|--------------------|---|--|

Since Inception of the company and in pursuit of R & D endeavors the company is regularly incurring expenditure on R & D, the same is reflected in the Annual accounts clubbed with regular heads of account in balance sheet and profit & loss accounts

Technology absorption, adaptation and Innovation

- | | | | |
|----|--|---|--|
| 01 | Efforts in brief made towards technology | - | |
|----|--|---|--|

(A) Research and Development:

Since Inception of the company and in pursuit of R & D endeavors the company is regularly incurring expenditure on R & D on the following activities

- Development of New Products;
- Continuous improvement of existing textile yarn products and master batches for enhanced durability and performance
- Product optimization using advanced technology
- Testing and adaptation of New Materials ;
- New processes, upgradation & production process improvement of existing processes;
- Redesigning of the manual processes in to Atomization
- Product Engineering for enhanced product quality and reliability;
- Improving New Product Development (NPD) lead time ;
- Environment compliance by products and processes;
- Validation of new products developed in housed;

- | | | | |
|----|--|---|--|
| 02 | Benefits derived as a result to the above efforts, etc | - | |
|----|--|---|--|
- Product improvement, cost reduction, product development, imports substitution.

it has resulted in the improvement of quality of the products and reduced operation cost. Up gradation of products to the new requirements has been possible because of R & D done in the company since inception on a continuous basis & Customers' satisfaction and new business opportunities because of cost, quality and latest technology.

- | | | | |
|----|---|---|-----|
| 03 | In case of imported technology (imported during the last 5 year reckoned from the beginning of the financial year), Following information may be furnished: | - | Nil |
|----|---|---|-----|
- | | | | |
|----|--|---|--|
| a) | Technology imported | - | |
| b) | Year of import | - | |
| c) | Has technology been fully absorbed? | | |
| d) | If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | - | |

Foreign exchange earnings and outgo:

- | | | | |
|----|---|---|--|
| 1) | Activities relating to exports, initiatives taken to increase exports development of services and export plans. | - | The Company has initiated export of its new products namely BCF in addition to existing products and successfully exported BCF to Australia, Japan, USA, & UAE. The Company is making efforts to export the said products to Europe, Thailand and South Africa and expect to make break through shortly. |
|----|---|---|--|
- | | | | |
|-----|--|---|-------------------|
| (2) | Total foreign exchange used and earned | | |
| | Used : | - | Rs. 19435.77 Lacs |
| | Earned : | - | Rs. 20509.60 Lacs |

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE, SCENARIO & DEVELOPMENT**

Though the Indian textile industry uses all kind of fibres / yarn, it continues to be predominantly cotton based. The consumption of cotton fibre vis-à-vis other fibres / yarn in India is 62 : 38, while the global consumption of fibres / yarn is 40 : 60 in favour of non-cotton fibres / yarn. However, in India also the consumption of manmade fibre / yarn is increasing very fast and expected to reach the world level in near future. The man-made fibres/ yarns industry, particularly the polyester segment, has achieved significant growth during the last two decades. The sharp increase in production of polyester fibre and yarn has made India emerge as the 5th largest producer of man-made fibre/filament yarn in the world.

Owing to a weak domestic and global economic scenario, and correction in cotton prices, demand for man-made fibre/yarn rose only at a moderate pace in 2012-13. During the year, production of blended fabric increased by about 9.6 per cent y-o-y while that of non-cotton fabric declined by 8.6 per cent y-o-y. However, over the long term, demand for man-made fibre/yarn will improve as a result of increasing competitiveness of polyester vis-à-vis the relatively higher-priced cotton, and growing demand from the non-apparel segments.

Overcapacity is the main characteristic of the domestic POY industry with operating rates declining to about 61 per cent in 2012-13 from 67 per cent in 2011-12. Demand for POY is mainly impacted by the comparative prices of cotton yarn, blended yarn, and VSF, and also their relative availability. In 2012-13, margins for POY players remained under pressure to average at Rs 13 per kg because of high input prices and overcapacity.

Margins of POY producers are calculated as domestic prices of POY (126 D) less the raw material prices of PTA and MEG (0.86 units of PTA + 0.33 units of MEG per 1 unit of POY). Over the past five years, margins are on downward trend owing to volatility in input cost of because of fluctuation in crude oil prices coupled with supply concerns. Margins have almost halved to Rs 13 per kg in 2012-13 from Rs 24 per kg in 2007-08. Additionally, PFY can be substituted with blended yarn, cotton yarn as well as viscose yarns depending on the end use and hence the demand is impacted by the comparative pricing, and their relative availability.

Margins have started to improve gradually since 2012-13 on account of increased prices of substitute cotton yarn prices and hence, improvement in demand for POY.

Once, a major driver of India's growth, the textile sector has been witnessing a tumultuous time in the past decade with countries such as China, Bangladesh and even Vietnam throwing a stiff competition in the global arena. While China trebled its market share to 33% between 2000 and 2012, India's share crept up to 5.3% from 3.6%.

Indian textile industry has shown a strong growth, sustained by strong domestic consumption.

India has the potential to increase its textile and apparel share in world trade. The Indian textiles industry produces a wide variety of fibres, from cotton to manmade, wool, silk, jute, and multiple blends catering to different demands and needs of companies. India has become a popular destination for many big global retailers due to its strength of vertical and horizontal integration. The quality of the country's products is seen in the repeat orders from these global companies and the significant growth in their outsourcing from India.

India earned nearly US\$ 15 billion through exports of textiles and apparel in the first six months of the current financial year 2013-14, according to the latest data released by the Reserve Bank of India (RBI).

Further, in FY15, the exports are expected to grow by 15.75%. Given the growth in textile exports due to the investment inflows to this sector to expand the capacity in the entire value chain, the working group constituted by the Planning Commission has estimated the overall growth for exports at 15% with an export target of US \$ 65 bn by end of Twelfth Five Year Plan (FY17).

China has become close to a developed economy now. The costs are soaring, especially on the labour front and they have no advantage on power. There is a huge gap in fibre pricing; so they are looking to import textile goods – be it home textiles or apparels.

A pick up in merchandise exports and moderation in imports, particularly gold imports, saw India's current account deficit (CAD) narrow sharply to \$4.2 billion (0.9 per cent of GDP) in the October-December period of 2013-14.

Industry body FICCI has suggested measures like labour reforms and keeping textile industry under the lowest slab of GST to boost the country's textile & clothing industry and raise India's share in world exports. A strong economic revival package and right implementation of policies by a fresh Government can help create as many as 150 million jobs in the next 10 years.

OPPORTUNITY AND THREATS

Depreciation of rupee vis a vis USD, decrease in GDP growth, increase in capacity of polyester filament yarn is likely to affect margin of profits.

The volatility in the Crude oil prices affects prices of PTA and hence, Polyester chips, the raw materials for Polyester filament yarns.

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 Rs. 12139.83 Lacs as compared to Rs. 11554.67 Lacs of previous year, from Texturised Yarn/Dyed yarn were of Rs. 81906.75 Lacs as compared to Rs. 68404.16Lacs of previous year.

OUTLOOK

It has increased capacity of texturised yarn, mother yarn splitting (mother yarn-polyester) capacities and introduced BCF (Bulk Continuous Filament) Yarn which is useful for making Carpets. This has resulted in increase in turnover of the Company.

RISKS & CONCERNS

Additional capacities are being generated for production of PTY, FDY and Dyed yarn in India. However, 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 an 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

R .R. Mandawewala
Director

Mumbai,
Date: 29th May, 2014



CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2014

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 Other Directorship in Public Limited Companies	Membership in Committee of Other Companies	No. of Board Meetings Attended (01/04/13 to 31/03/14)	Attendance at last AGM
1.	Mr. B. K. Goenka	P,S,NE,C,	13	7M/1C	2	No
2.	Mr. R. R. Mandawewala	P, NE	12	4M	4	No
3.	Mr. Raj Kumar Jain	NE,I	3	3C	5	Yes
4.	Mr. Atul Desai	I, S	9	3C/4M	5	No
5.	Mr. M. K. Tandon	I	4	3C/1M	4	No
6	Mr. B.A.Kale	E	Nil	Nil	5	No

NOTE: For the purpose of counting Membership in Board Committee of other Companies, Chairmanship/ Membership of the Audit Committee and the Share Transfer and Investor Grievance Committee alone are considered.

Abbreviations:

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

(ii) Details of Date of Board Meeting:

Five meetings of the Board of Directors were held during the financial year 2013-14 i.e. 22 May 2013, 25 June 2013, 08 August 2013, 29 October 2013 and 12 February 2014.

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 on-Executive Directors as on 31 March 2014.

- a. Raj Kumar Jain - Chairman
- b. Atul Desai - Member
- c. M.K.Tandon - Member

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.

Five meetings of Audit Committee of Board of Directors were held on 22 May 2013, 08 August 2013, 29 October 2013, 08 November 2013 and 12 February 2014. The details of Attendance of Members of audit committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2013 to 31/03/2014)
1.	Raj Kumar Jain	Chairman	5
2.	Atul Desai	Member	5
3.	M.K.Tandon	Member	5

2. REMUNERATION COMMITTEE

Remuneration Committee of the Board of Directors of the Company consists of the following members.

1. Mr. Raj Kumar Jain - Chairman
2. Mr. Atul Desai - Member
3. Mr. B. K. Goenka - Member
4. Mr. R. R. Mandawewala - Member
5. Mr. M. K. Tandon - Member

Two meetings of Remuneration Committees were held on 22 May 2013 and 08 August 2013.

Terms of Reference

To recommend payment of Remuneration of Managing Director/Directors/Executive Director.

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

(Amount in Rs.)

	Mr. B.A. Kale Executive Director (Rs. per annum)
Basic	18,95,898
Bonus	1,57,926
Car Allowance	4,20,000
Commission	52,23,000
HRA-Director	9,47,949
Medical-Director	15,000
Petrol-Director	39,600
LTA	4,25,229
Special allowance-Director	8,33,859
Telephone	19,500
P.F	2,50,908
TOTAL	1,02,28,869
Notice period	1 month

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The details of sitting fees paid to Non Executive Directors of the Company are given below:

Name of Directors	Sitting Fees Paid for attending meeting of Board of Directors /Audit Committee/Remuneration Committee/ Finance Committee/ Share Transfer and Investor Grievance Committee
Mr. Raj Kumar Jain	Rs. 193820/-
Mr. Atul Desai	Rs. 168539/-
Mr. M.K. Tandon	Rs. 146630/-

Remuneration Policy

All fees/compensation if any, paid to non executive directors, including independent directors shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting, if required pursuant to provisions of Companies Act, 1956/the Companies act 2013 and provision of Listing Agreement of Bombay Stock Exchange Limited.

3. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

Share transfer and investor grievance committee of the Board of Directors of the Company consists of the following members.

- | | | |
|----------------------|---|----------|
| a. Atul Desai | - | Chairman |
| b. B. K. Goenka | - | Member |
| c. 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 share holders and investors complaints.

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

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

Four meetings of Share transfer and Investors' Grievance Committees were held on 29 June 2013, 05 July 2013, 24 October 2013 and 30 January 2014.

During the year under review total, 2 Investor complaints were received. Break-up of number of complaints received under different category is given hereunder.

Sr. No.	Nature of Complaint	Received	Processed	Pending
1	Non Receipt of Share Certificate(s) Transfer	1	1	0
2	Non Receipt of Dividend/interest/ Redemption warrant	1	1	0
Total		2	2	0

All the complaints received during the year under review were solved within the time limit to the satisfaction of the investors/shareholders and no complaint is pending as at 31 March 2014.

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

D. GENERAL BODY MEETING

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2010-11	22/09/2011	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
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)

Special Resolution passed in the previous three Annual General Meetings:

Financial Year	Date	Special Resolution passed
2010-11	22/09/2011	1. Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956
		2. Re-Appointment of Mr. B.A.Kale as an Executive Director on remuneration of Rs. 40, 00,000/- per annum for a period of three years with effect from 30.10.2010.
		3. Alteration of Article no. 95 of the Articles of Association of the Company for affixation of Common Seal in order to have flexibility in operation of the Company particularly in execution of documents.
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.
2012-13	30/09/2013	3. Issue and allot 160,00,000 6% Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs.10/- each at par to promoters on preferential basis with an option to convert into equity shares of Rs. 10 each at any time in one or more tranches within eighteen months from the date of allotment of OCCPS at a premium of Rs.0.25/- per share .
		1. Increase in remuneration of Mr.B.A.Kale from Rs.40,00,000/- per annum to Rs. 52,50,000/- per annum with effect from 1 st July 2013 to 29 th October 2013 2. Re-Appointment of Mr. B.A.Kale as an Executive Director on remuneration of Rs. 52,50,000/- per annum for a period of three years with effect from 30 October 2013



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 Rs.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 35 of notes forming part of the financial statements.
- 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

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** - The Board of directors at their meeting held on 12th February 2014 reviewed risk assessment and minimization procedure followed by the Company.
- iv) **Code of Conduct** – Code of Conduct as approved by the Board of Directors is posted on website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis.
- 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) **Remuneration to Directors-**
 - a) There are no pecuniary relationships or transactions with the non-executive directors vis-a-vis the company.
 - b) Disclosure relating to the Remuneration paid to Executive Director is made under the head Remuneration committee above.
 - c) The Company pays sitting fees to non-executive directors for attending meetings of the Board of Directors, Audit Committee, Remuneration Committee, Finance committee and Share Transfer and Grievance Committee. Details of the same are mentioned in the report under Remuneration committee above.

d) 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. Raj Kumar Jain	Nil
05	Mr. R.R. Mandawewala	Nil

F. MEANS OF COMMUNICATION

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

Audited financial results for the year ended 31 March 2013 and Un-audited financial results for the quarter ended 30 June 2013, 30 September 2013 and 31 December 2013 were published in The Economic Times (E)+ (G), Ahmedabad.

Management Discussion and Analysis is a part of Annual Report.

G. APPOINTMENT / REAPPOINTMENT OF DIRECTORS

1. **Mr. B.K. Goenka** aged 47 is Chief promoter of the company. He has contributed in sourcing plant and machinery, technology as well as upgrading the plant on continuous basis. He has considerable experience in the field of Textile, Saw Pipes, steel, energy and related business activities. He has been associated with the company as a director on the board since 1991.
2. **Mr. Rajesh R Mandawewala** aged 52 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
3. **Mr. M. K. Tandon** is Ex-Chairman Cum Managing Director of National Insurance Company Limited and Ex-Managing Director of General Insurance Company of India Limited. He is of 71 years of age and has experience in the field of insurance, management and administration.
4. **Mr. Atul Desai** aged 63 years is a partner of M/s. Kanga & Co., leading Law firm. Mr. Atul Desai has attended large number of matters relating to mergers, amalgamations, litigations, arbitration involving commercial disputes etc.

H. GENERAL SHAREHOLDERS INFORMATION

- a. 31st 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 24 September 2014
- Financial year - From 01 April 2013 to 31 March 2014
- b. Date of Book Closure - Tuesday, 16 September 2014
To Thursday, 18 September 2014
(Both days inclusive)
- c. Dividend payment date - within five days from the date of declaration of accumulated dividend on Preference Share subject to the approval of Banks

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d. 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.

e. Market Price Data- High-Low Quotations on Bombay Stock Exchange Limited, Mumbai during each month for the year 01 April 2013 to 31 March 2014

Month	Bombay Stock Exchange (Rupees)		Sensex	
	High	Low	High	Low
April-13	10.49	9.00	19622.68	18144.22
May-13	10.33	8.39	20443.62	19451.26
June-13	9.25	7.40	19860.19	18467.16
July-13	8.60	6.25	20351.06	19126.82
August-13	9.97	6.03	19569.20	17448.71
September-13	10.75	6.75	20739.69	18166.17
October-13	9.90	7.55	21205.44	19264.72
November-13	9.00	7.31	21321.53	20137.67
December-13	8.54	6.74	21483.74	20568.70
January-14	8.35	7.42	21409.66	20343.78
February-14	9.03	7.50	21140.51	19963.12
March-14	8.65	7.13	22467.21	20920.98

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 : mt.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 2014 was as follows:

Share holding of nominal value	Share holders		Amount	
	Rs.	Number	% to Total	In Rs.
(1)	(2)	(3)	(4)	(5)
Upto - 5,000	5423	81.23	80,69,320.00	2.05
5,001 - 10,000	482	7.22	39,50,760.00	1.01
10,001 – 20,000	346	5.18	51,76,650.00	1.32
20,001 – 30,000	146	2.19	37,50,180.00	0.96
30,001 – 40,000	54	0.81	19,51,710.00	0.50
40,001 – 50,000	46	0.69	22,05,190.00	0.56
50,001 - 1,00,000	89	1.33	65,94,170.00	1.68
1,00,001 and above	90	1.35	36,06,97,700.00	91.92
TOTAL	6676	100	39,23,95,680.00	100.00

K. 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 2014, 99.92 % of the shares of the Company are dematerialized.

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

L. LOCATION OF PLANT

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

Palghar Plant : 14 & 15, Dewan Industrial Estate, Palghar, Maharashtra;

Address for correspondence : 9th 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 on 31 March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of 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 as given to us, we certify that the Company

has complied with the conditions of Corporate Governance as stipulated in 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**

Chartered Accountants

Firm Registration Number 101169W

Rajesh Chamaria

Partner

Membership Number 046788

Place: Mumbai, 29 May, 2014



Independent Auditors' Report

To the Members of **Welspun Syntex Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Welspun Syntex Limited** ("the company") which comprise the balance sheet as at 31 March 2014, the statement of profit and loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

Attention is drawn to Note 30 regarding freehold land includes Rs. 7.73 lacs and development expenses of Rs.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 2013 was also qualified in respect of the above matter.

Opinion

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 the Qualified Opinion paragraph above*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the balance sheet, of the state of affairs of the company as at 31 March 2014;
- b) In the case of the statement of profit and loss, of the profit for the year ended on that date; and
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The balance sheet, statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - (v) On the basis of 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 2014, from being appointed as a director in terms of section 274(1)(g) of the Act.

For **MGB & Co**

Chartered Accountants

Firm Registration Number 101169W

Rajesh Chamaria

Partner

Membership Number 046788

Mumbai, 29 May 2014

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- (ii) In respect of inventories:
- (a) As explained to us, the inventories have been physically verified during the year by the management except stock lying with the third parties in respect of whom confirmations have been obtained. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- (iii) (a) 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 301 of the Act.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (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 for the purchases of inventory, fixed assets and for the 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 controls systems in respect of the aforesaid areas.
- (v) a) In our opinion and according to the information and explanations given to us, the particulars of all contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act have been so entered.
- b) According to the information and explanations given to us, in our opinion transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act, in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing prices at the relevant time where such market prices are available.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the records of the Company examined by us and information and explanations given to us:
- (a) Undisputed Statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and others as applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of the aforesaid dues which have remained outstanding as at 31 March, 2014 for a period of more than six months from the date they became payable.
 - (b) The disputed dues of custom duty, excise duty, service tax, income tax and sales tax which have not been deposited are as under:



Name of the statute (Nature of dues)	Period to which the amount relates	Amount (Rs. in lacs)	Forum where dispute is pending
The Customs Act, 1962			
Custom duty	1996-1997 and 1997-1998	72.55	Commissioner of Customs, Mumbai
	2006-2007	168.36	Commissioner of Customs (Imports), Navi Mumbai
	2006-2007 and 2007-2008	3.78	Deputy Commissioner of Central Excise and Customs, Vapi
The Central Excise Act, 1944			
Excise duty	1997-1998 and 2005-2006	685.53	The Supreme Court of India
	2005-2006 and 2006-2007	138.34	Commissioner of Central Excise and Customs, Vapi
	2003-2004	0.50	Commissioner of Central Excise (Appeals), Mumbai
	2007-2008	41.42	Joint Commissioner of Central Excise and Customs, Vapi
Service tax	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
	2007-2013	123.52	Commissioner of central excise, Vapi
Bombay Sales Tax Act, 1959 - Sales tax	2002-2004	166.09	Joint Commissioner of Sales Tax (Appeal), Thane
Income Tax Act, 1961 - Income tax	2009-2010	0.01	The commissioner of Income Tax (Appeal), Mumbai

(x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit and also in the immediately preceding financial year.

- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (xii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund /nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) The Company is not dealing or trading in securities, debentures and other investments.
- (xv) 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.
- (xvi) The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us and examination of the Balance Sheet of the Company and related information as made available to us, we report that funds raised on short term basis have not been used for long term investments.
- (xviii) During the year, the Company has not made any preferential allotment of shares to companies or parties covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any secured debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based on our audit procedures performed and according to the information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the course of our audit

For **MGB & Co**
Chartered Accountants
Firm Registration Number 101169W

Rajesh Chamaria
Partner
Membership Number 046788
Mumbai, 29 May 2014

WELSPUN SYNTEX LIMITED

ANNUAL REPORT 2013-2014

Balance sheet as at 31 March

	Notes	2014	2013
(₹ in Lacs)			
Equity and liabilities			
Shareholders' funds			
Share capital	3	3,923.96	3,923.96
Reserves and surplus	4	7,372.43	6,829.62
		11,296.39	10,753.58
Non-current liabilities			
Long-term borrowings	5	11,590.15	9,549.67
Long-term provisions	6	587.79	661.82
		12,177.94	10,211.49
Current liabilities			
Short-term borrowings	7	6,991.46	8,154.49
Trade payables	8	7,101.12	5,655.23
Other current liabilities	9	4,731.43	5,363.59
Short-term provisions	6	1,792.08	363.99
		20,616.09	19,537.30
	Total	44,090.42	40,502.37
Assets			
Non-current assets			
Fixed assets	10		
Tangible assets		20,909.79	13,470.03
Intangible assets		19.78	16.41
Capital work-in-progress		708.77	6,241.28
Non-current investments	11	1,217.02	1,508.00
Long-term loans and advances	12	1,963.12	1,495.93
Other non-current assets	17	447.57	491.41
		25,266.05	23,223.06
Current assets			
Current investments	13	200.00	-
Inventories	14	7,827.78	7,375.45
Trade receivables	15	4,546.47	4,121.15
Cash and bank balances	16	1,080.73	787.28
Short-term loans and advances	12	4,180.97	3,819.91
Other current assets	17	988.42	1,175.52
		18,824.37	17,279.31
	Total	44,090.42	40,502.37

Notes forming part of the financial statements 1- 46

As per our attached report of even date

For and on behalf of the Board

For MGB & CO

Chartered Accountants

Firm Registration Number 101169 W

Rajesh Chamaria

Partner

Membership Number 046788

Mumbai, 29 May 2014

B.K.Goenka

Chairman

Kaushik Kapasi

Company Secretary

B.A.Kale

Executive Director



Statement of profit and loss for the year ended 31 March

	Notes	2014	2013
(₹ in Lacs)			
Income			
Revenue from operations			
Sales and services (gross)	18	95,728.75	82,688.27
Less: Excise duty		6,090.60	5,076.45
Sales and services (net)		89,638.15	77,611.82
Other income	19	314.23	250.47
Total	Total	89,952.38	77,862.29
Expenditure			
Cost of materials consumed	20	61,324.89	51,751.12
Purchase of stock-in-trade		-	726.11
Changes in inventories of finished goods and goods-in-process	21	(46.25)	245.99
Employee benefits expense	22	3,883.68	3,375.89
Other expenses	23	18,486.73	16,814.98
Total	Total	83,649.05	72,914.10
Earnings before depreciation \ amortisation expense, finance costs and tax		6,303.33	4,948.19
Depreciation and amortisation expense		1,911.04	1,481.03
Finance costs	24	2,389.65	1,864.70
Profit before tax		2,002.64	1,602.46
Tax expense			
Current tax - current year		430.27	318.19
- earlier years		33.59	-
MAT credit entitlement		(430.27)	(318.19)
Profit for the year		1,969.05	1,602.46
Earnings per share (face value ₹ 10/- each)			
Basic and diluted earnings per share (₹)	38	5.02	6.23
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- 46

As per our attached report of even date

For and on behalf of the Board

For MGB & CO

Chartered Accountants

Firm Registration Number 101169 W

Rajesh Chamaria

Partner

Membership Number 046788

Mumbai, 29 May 2014

B.K.Goenka

Chairman

Kaushik Kapasi

Company Secretary

B.A.Kale

Executive Director

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 of the Company have been prepared on going concern basis in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respect with accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with general circular 8/2014 dated 4 April 2014 issued by Ministry of Corporate Affairs. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of the 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. The examples of such estimates include the useful life of the tangible and intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plan etc. 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 at the rates prescribed in Schedule XIV to the Companies Act, 1956. 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 its expected useful life as 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 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 are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

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 is net of value added tax. Consignment sales are recognized on confirmation from consignee.
- b) Export benefits: Duty Drawback, Focus Market and Focus Product are accounted on accrual basis.
- c) Revenue from Services is recognized when the services are completed.
- d) Dividend income is recognized when the 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 value.

x) Inventories

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

- a) Raw materials, Stores and spares, Colour and chemicals and Packing materials: Moving weighted average basis.
- b) Goods-in-process – Cost of materials plus labour and other production overheads.
- c) Finished goods – Cost of materials plus labour, production overheads and excise duty on such goods.

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.

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 charged as expense 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 assets and liabilities as at balance sheet date, the proportionate 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.
- c) Gains or losses arising on remittance / translations at the year- end are credited / debited to the statement of profit and loss except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer note 37).

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 year end date.
- b) Contingent Assets are not recognized or disclosed in the financial statements.

WELSPUN SYNTEX LIMITED

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Notes forming part of the financial statements

Note - 3 Share capital

(₹ in Lacs)

	2014	2013
Authorised		
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
Total	12,000.00	12,000.00
Issued, subscribed and fully paid up		
3,92,39,568 (3,92,39,568) equity shares of ₹ 10/- each fully paid up	3,923.96	3,923.96
Total	3,923.96	3,923.96

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

	2014		2013	
	Number of equity shares	Amount in ₹	Number of equity shares	Amount in ₹
At the beginning of the year	39,239,568	3,923.96	23,645,027	2,364.50
Issued during the year	-	-	15,594,541	1,559.45
Outstanding at the end of the year	39,239,568	3,923.96	39,239,568	3,923.96

(b) Reconciliation of the preference shares outstanding at the beginning and at the end of the year.

	2014		2013	
	Number of preference shares	Amount in ₹	Number of preference shares	Amount in ₹
At the beginning of the year	-	-	13,203,300	1,026.97
Redeemed during the year	-	-	(13,203,300)	(1,026.97)
Outstanding at the end of the year	-	-	-	-

(c) Terms / right 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.

(d) Details of each shareholder holding more than 5% shares in the company

	2014		2013	
	Number of equity shares	Percentage (%) holding	Number of equity shares	Percentage (%) holding
Krishiraj Trading Limited	23,544,022	60.00%	19,525,663	49.76%
IFCI Limited	7,741,599	19.73%	7,741,599	19.73%
Welspun Fintrade Limited	-	-	4,018,359	10.24%

Note - 4 Reserves and surplus

	2014	2013
(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



Notes forming part of the financial statements

	(₹ in Lacs)	
	2014	2013
(e) Foreign currency monetary item translation difference account [Refer note 37(a)]	-	(1.10)
(f) Surplus in the statement of profit and loss		
As per last balance sheet	3,724.82	1,435.80
Add: Dividend proposed cancelled	-	590.72
Dividend tax on above	-	95.84
Profit for the year	1,969.05	1,602.46
	5,693.87	3,724.82
Less: Appropriations		
Dividend proposed on optionally convertible cumulative preference shares	605.81	-
Dividend proposed on 8% redeemable cumulative preference shares	614.19	-
Tax on preference dividends	207.34	-
	4,266.53	3,724.82
Total	7,372.43	6,829.62

Note - 5 Long-term borrowings

	Non-current		Current	
	2014	2013	2014	2013
Secured				
Term loans from banks				
- Rupee loans	6,833.90	3,007.03	1,914.48	256.14
- Foreign currency loans	4,756.25	5,443.64	470.52	1,736.81
Buyer's credit from banks [Refer (m) below]	-	1,099.00	-	-
	<u>11,590.15</u>	<u>9,549.67</u>	<u>2,385.00</u>	<u>1,992.94</u>
Amount disclosed under the head " Other current liabilities" (Refer Note 9)	-	-	2,385.00	1,992.94
Total	11,590.15	9,549.67	-	-

- (a) Term loans from banks except (g) & (h) 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 ₹ 1,239.57 lacs (₹ Nil) from Central Bank of India carries interest @ 13.00% p.a. and is repayable in 28 quarterly instalments commencing from 28 February 2016.
- (c) Term loan of ₹ 4,147.61 lacs (₹ 3,007.03 lacs) from Industrial Development Bank of India carries interest @ 12.50 % p.a. and is repayable in 28 stepped-up quarterly instalments ranging from 2.50% to 4.75% per quarter of disbursed loan amount commencing from 01 April 2014.
- (d) Converted rupee term loan of ₹ 105.88 lacs (Rs.526.30 lacs) from State Bank of Bikaner and Jaipur carries interest @ 13.50% p.a. and is repayable in single instalment on 15 April 2014.
- (e) Rupee term loan of ₹ 1,130.32 lacs (₹ Nil) from State Bank of Bikaner and Jaipur carries interest @ 13.50% p.a. and is repayable in 13 stepped-up quarterly instalments ranging from 3.06% to 5.10% of disbursed loan amount.
- (f) Term loan of ₹ 885.54 lacs (₹ 1,987.76 lacs) from State Bank of Bikaner and Jaipur carries interest @ LIBOR+4.00% p.a. and is repayable in 7 stepped-up quarterly instalments ranging from 5.10% to 5.73% of disbursed loan amount.
- (g) Term loan of ₹ 1,500.00 lacs (₹ Nil) 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 @ 13.50 % p.a. and is repayable in 6 quarterly instalments of Rs.250 lacs each starting from 31 December 2014.
- (h) Converted rupee term loan of ₹ 625 lacs (₹ 1,786.42 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, book debts and other current assets and second charge, ranking pari passu, on fixed assets (immovable) of the company. It carries interest @ 12.50% p.a. and is repayable in 2 quarterly equal instalments of ₹ 312.50 lacs.
- (i) Term loan of ₹ 4,341.22 lacs (₹ 2,879.96 lacs) from Bank of Baroda, Dubai carries interest @ LIBOR+4.25% p.a. and is repayable in 28 quarterly instalments ranging from 2.5% to 4.75% of disbursed loan amount commencing from 30 June 2014.

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(₹ in Lacs)

- (j) Term loan of ₹ Nil (₹ 92.47 lacs) from Bank of Baroda carrying interest @ 13.25% p.a. has been fully repaid during the year.
- (k) Term loan of ₹ Nil (₹ 87.00 lacs) from State Bank of India carrying interest @ 14.15% p.a. has been fully repaid during the year.
- (l) Term loan of ₹ Nil (₹ 76.67 lacs) from State Bank of Bikaner and Jaipur carrying interest @ 13.90% p.a. has been fully repaid during the year.
- (m) Buyer's credit from bank of Rs. Nil (Rs. 1,099.00 lacs) carrying interest @ LIBOR+2.50% p.a. has been fully repaid during the year.

Note - 6 Provisions

	Long - term		Short - term	
	2014	2013	2014	2013
Employee benefits	370.49	444.52	99.27	23.72
Other provisions for				
Income Tax (Net of advance tax)	-	-	227.57	25.48
Mark to market losses on derivative instruments	-	-	37.90	314.79
Proposed dividend on optionally convertible cumulative preference shares	-	-	605.81	-
Proposed dividend on 8% redeemable cumulative preference shares	-	-	614.19	-
Tax on proposed dividends	-	-	207.34	-
Litigations	217.30	217.30	-	-
Total	587.79	661.82	1,792.08	363.99

Note - 7 Short-term borrowings

	2014	2013
Secured		
Working capital loans from banks		
- Rupee loans	4,194.18	3,680.20
- Foreign currency loans	402.63	465.76
Unsecured		
Foreign currency loans - Buyers credit	2,394.65	3,883.53
From related party		
Inter-corporate deposit	-	125.00
Total	6,991.46	8,154.49

(a) 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.

(b) Inter-corporate deposits of ₹ Nil (12,500,000) carrying interest @ 9% p.a. has been fully repaid during the year.

Note - 8 Trade payables

	2014	2013
Acceptances	4,326.16	3,569.60
Due to micro small and medium enterprises (Refer note 29)	69.72	4.90
Due to others	2,705.24	2,080.73
Total	7,101.12	5,655.23

Note - 9 Other current liabilities

Current maturities of long-term borrowings (Refer note 5)	2,385.00	1,992.94
Trade advances and deposits received	333.60	415.74
Creditors for capital goods	82.00	433.67
Creditors for expenses	1,656.21	2,103.34
Interest accrued but not due	98.48	42.84
Unclaimed preference capital	0.21	0.21
Statutory liabilities	175.93	374.85
Total	4,731.43	5,363.59

Notes forming part of the financial statements

Notes 10 : Fixed Assets (at cost)

(₹ in Lacs)

Sr. No.	Gross Block			Depreciation/ Amortisation			Impairment loss as at 31 March'14	Net Block			
	As at 01 April'13	Additions	Deductions	As at 31 March'14	Upto 01 April'13	For the year		Deductions	Upto 31 March'14	As at 31 March'14	As at 31 March'13
A	TANGIBLE ASSETS										
	Freehold Land (Refer Note 30)	1,021.78	513.34	-	1,535.11	-	-	-	191.04	1,344.08	830.74
	Buildings	3,834.84	882.73	-	4,717.57	1,523.18	137.16	1,660.34	-	3,057.23	2,311.66
	Plant and Machinery	30,947.14	7,847.33	85.35	38,709.11	15,461.81	1,716.29	48.44	5,301.74	16,277.72	10,179.41
	Vehicles	71.75	57.02	-	128.77	36.60	8.81	45.41	2.93	80.44	32.22
	Furniture and Fixtures	116.28	37.55	-	153.83	67.98	27.85	95.83	10.14	42.92	33.22
	Equipments	104.64	34.06	0.62	138.08	42.02	6.14	48.01	15.20	74.88	47.43
	Computers	257.96	7.65	-	265.61	185.39	10.47	195.87	37.22	32.52	35.35
	Sub - Total - A	36,354.39	9,379.68	85.97	45,648.09	17,316.98	1,906.71	48.59	5,558.26	20,909.79	13,470.02
	Previous Year	32,007.72	4,531.29	184.62	36,354.39	15,957.02	1,479.57	114.68	5,562.45	13,470.02	10,483.91
B	INTANGIBLE ASSETS										
	Softwares	106.63	7.70	-	114.32	87.14	4.33	91.47	3.08	19.78	16.41
	Sub - Total - B	106.63	7.70	-	114.32	87.14	4.33	91.47	3.08	19.78	16.41
	Previous Year	92.69	13.93	-	106.63	85.68	1.46	87.14	3.08	16.41	3.93
	Total (A + B)	36,461.02	9,387.38	85.97	45,762.42	17,404.12	1,911.04	48.59	5,561.34	20,929.57	13,486.44
C	Capital work-in-progress										
										708.77	6,241.28

Notes :

- Refer note 25 for reversal of impairment loss during the year.
- Refer note 37 for exchange difference capitalised during the year.
- Pre-operative expenses including trial run expenses of Rs.681.58 lacs (Rs.Nil) in respect of projects have been capitalised during the year
- Borrowing cost allocated to fixed assets/ capital work-in-Progress is ₹ 43.68 lacs (₹ 91.99 lacs)
- Capital work-in-progress includes preoperative unexpensed of ₹ Nil (₹ 127.73 lacs) and trial run expenses of Rs. Nil (Rs.76.58 lacs)



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Notes forming part of the financial statements

	(₹ in Lacs)	
	2014	2013
Note - 11 Non-current investments		
Long term (at cost) - Non-trade		
(a) Quoted		
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
Welspun Corp Limited Nil (100) Equity Shares of ₹ 5 each fully paid up	-	0.09
(b) Unquoted		
Crescent Trading Private Limited 1,21,685 (1,21,685) 6% Redeemable Preference Shares of ₹ 10 each fully paid up	1,216.85	1,216.85
Welspun Captive Power Generation Limited Nil (3,67,260) Equity Shares of ₹ 10 each fully paid up	-	36.73
Nil (25,41,740) 6% Redeemable Preference Shares of ₹ 10 each fully paid up	-	254.17
Welspun Steel Limited 100 (100) Equity Shares of ₹ 10 each fully paid up	0.01	0.01
All the above shares and securities are fully paid up		
Aggregate book value of quoted investments ₹ 0.16 lacs (₹ 0.24 lacs)		
Aggregate book value of unquoted investments ₹ 1216.86 lacs (₹ 1507.76 lacs)		
Aggregate market value of quoted investments ₹ 1.51 lacs (₹ 1.08 lacs)		
Total	1,217.02	1,508.00

Note - 12 Loans and advances

(Unsecured and considered good, unless otherwise stated)

	Long -term		Short -term	
	2014	2013	2014	2013
Capital advances	376.02	227.85	-	-
Other loans and advances	-	-	467.63	389.16
Share application money - Related party (Refer note 35)	-	48.20	-	-
Loans and advances to employees	13.34	33.63	32.48	33.35
MAT credit entitlement	1,342.51	912.24	-	-
Balances with government authorities				
- Direct taxes (net of provisions)	-	16.66	-	-
- Indirect taxes	217.30	241.30	3,554.42	3,243.79
Security deposits	11.43	11.38	25.28	27.77
Prepaid expenses	2.53	4.68	101.16	125.84
Total	1,963.12	1,495.93	4,180.97	3,819.91



Notes forming part of the financial statements

	(₹ in Lacs)	
	2014	2013
Note - 13 Current investments		
(Valued at lower of cost and fair value, unless stated otherwise)		
In Bonds (Quoted)		
8.06% Rural Electrification Corporation Limited - 2023		
20 (Nil) Bonds of Rs.10,00,000 each	200.00	-
	<u>200.00</u>	<u>-</u>
Aggregate book value of quoted investments ₹ 200 lacs (₹ Nil)		
Aggregate market value of quoted investments ₹ 202.46 lacs (₹ Nil)		
Note - 14 Inventories		
Raw materials	2,700.75	2,586.38
Goods-in-process	749.20	429.14
Finished goods	2,540.56	2,814.37
Stores, spares and packing materials	1,837.27	1,545.57
Total	<u>7,827.78</u>	<u>7,375.45</u>
Details of inventories under broad heads		
(a) Raw materials		
Chips	1,536.78	1,288.26
Partially oriented yarn/texturised yarn	1,163.97	1,298.12
Total	<u>2,700.75</u>	<u>2,586.38</u>
(b) Goods-in-process		
Partially oriented yarn /texturised yarn	749.20	429.14
Total	<u>749.20</u>	<u>429.14</u>
(c) Finished goods		
Partially oriented yarn	447.33	572.20
Dyed/text and twisted yarn	2,093.23	2,242.17
Total	<u>2,540.56</u>	<u>2,814.37</u>
Note - 15 Trade receivables		
(Unsecured and considered good, unless otherwise stated)		
Over six months		
Considered good	36.20	69.85
Others		
Considered good	4,510.27	4,051.30
Considered doubtful	-	-
Total	<u>4,546.47</u>	<u>4,121.15</u>

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Notes forming part of the financial statements

(₹ in Lacs)

Note - 16 Cash and bank balances

	Non-Current		Current	
	2014	2013	2014	2013
Cash and cash equivalents				
Balances with banks in current account	-	-	443.63	126.28
Cash on hand	-	-	59.11	62.61
	-	-	502.74	188.89
Other bank balances:				
- In escrow accounts	-	-	145.61	134.83
- In margin money deposits with banks having original maturity period upto twelve months	-	-	265.60	367.34
- In margin money deposits with banks having original maturity period of more than twelve months	402.80	454.68	166.78	96.21
Disclosed under "Other Non-current assets" (Refer Note 17)	(402.80)	(454.68)	-	-
Total	-	-	1,080.73	787.28

Note - 17 Other assets

(Unsecured and considered good, unless otherwise stated)

Deposit with banks having original maturity period of more than twelve months	402.80	454.68	-	-
Interest accrued				
- Fixed deposit	44.77	36.73	41.81	24.98
- Current investments	-	-	14.74	-
Export benefits receivable	-	-	798.16	1,069.05
Other receivables	-	-	133.71	81.49
Total	447.57	491.41	988.42	1,175.52

Note - 18 Revenue from operations

Revenue from operations

Sale of products

Finished goods	94,046.58	79,958.83
Traded goods	-	1,028.43

Sales of services

Job work charges	101.97	109.72
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Other operating revenues

Scrap sales	523.59	329.50
Export benefits	1,056.61	1,261.79

Total **95,728.75** **82,688.27**

Details of sale of products under broad heads

Partially oriented yarn	12,139.83	11,554.67
Dyed/tex and twisted polyester yarn	81,906.75	68,404.16
Texturised yarn - traded goods	-	1,028.43
Total	94,046.58	80,987.26



Notes forming part of the financial statements

(₹ in Lacs)

	2014	2013
Note - 19 Other income		
Interest income		
- Current investments	36.06	-
- Fixed deposits	92.35	77.92
- Others	127.26	159.74
Dividend income on current investments	3.73	12.12
Miscellaneous receipts	54.83	0.69
Total	314.23	250.47
Note - 20 Cost of materials consumed		
Opening stock	2,586.38	1,677.74
Purchases	61,439.26	52,659.76
	64,025.64	54,337.50
Less: Closing stock	2,700.75	2,586.38
Total	61,324.89	51,751.12
Details of materials consumed		
Chips	31,197.87	25,932.36
Partially oriented yarn /Texturised yarn	30,127.02	25,818.76
Total	61,324.89	51,751.12
Note - 21 Changes in inventories of finished goods and goods-in-process		
Closing stock		
Finished goods	2,540.56	2,814.37
Goods-in-process	749.20	429.14
(A)	3,289.76	3,243.51
Less : Opening stock		
Finished goods	2,814.37	3,068.62
Goods-in-process	429.14	420.88
(B)	3,243.51	3,489.50
Total (A-B)	46.25	(245.99)
Note - 22 Employee benefits expense		
Managerial remuneration	102.29	129.05
Salaries, wages and allowances	3,345.45	2,901.09
Contribution to provident and other funds	183.39	163.34
Staff welfare expenses	252.55	182.41
Total	3,883.68	3,375.89
Note - 23 Other expenses		
Stores and spares consumed	2,214.11	2,082.87
Power, fuel and water charges	5,003.91	4,680.94
Packing materials consumed	2,501.56	2,219.95
Dyes and chemicals consumed	2,687.57	3,124.59
Increase/(decrease) in excise duty on finished goods	9.72	(35.04)
Repairs and maintenance		
- Plant and machinery	264.54	133.28
- Buildings	114.49	152.56
- Others	312.34	214.87
Insurance	88.42	72.40
Rent	158.59	113.24
Rates and taxes	19.25	14.69
Directors sitting fees	5.09	4.52
Printing and stationery	39.84	105.76
Travelling and conveyance	359.33	157.94
Communication expenses	48.73	38.02
Vehicle expenses	80.15	77.29

Notes forming part of the financial statements

(₹ in Lacs)

	2014	2013
Legal and professional fees	155.11	131.25
Foreign exchange difference (net)	614.30	115.59
Freight and forwarding	1,451.71	1,623.32
Discounts and rebates	555.99	399.95
Brokerage and commission	1,238.22	1,114.79
Donations	14.31	4.91
Loss on sale/discard of fixed assets (net)	15.84	30.87
Miscellaneous expenses	533.61	236.43
Total	18,486.73	16,814.98
Note - 24 Finance costs		
Interest on		
Term loans	906.79	475.22
Working capital loans	498.24	424.72
Others	69.95	11.85
Other borrowing costs	818.18	735.60
Exchange difference	96.49	217.31
Total	2,389.65	1,864.70

25. During the year, impairment loss aggregating ₹ 4.19 lacs (₹ 4.35 lacs) has been reversed consequent to sale of the relevant fixed assets.

26. Contingent liabilities not provided for

- (a) Guarantees given by banks ₹ 450.93 lacs (₹ 432.52 lacs)
- (b) Disputed Indirect taxes ₹ 1318.72 lacs (₹ 1396.25 lacs)
- (c) Disputed direct taxes ₹ 4.96 lacs (₹ 1086.78 lacs)
- (d) Unexpired letters of credit ₹ 7837.87 lacs (₹ 10827.85 lacs).
- (e) Custom duty on pending export obligation for import under advance license ₹ 144.88 lacs (₹ 136.29 lacs).
- (f) The accumulated dividend of ₹ 340.45 lacs (₹ 1560.45 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 ₹ 1788.67 lacs (₹ 1847.21 lacs)

27. Capital commitment not provided for ₹ 153.33 lacs (₹ 527.76 lacs) net of advances.

28. Current Liabilities include cheques overdrawn to the tune of ₹ Nil (₹ 666.43 lacs).

29. 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 2014. The disclosure pursuant to the said Act is as under:

	2014	2013
i. Principal amount due to suppliers under MSMED Act, 2006	69.72	4.90
ii. Interest accrued and due to suppliers under MSMED Act, on the above amount	0.85	0.82
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.	9.44	8.59

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.

30. Freehold Land includes ₹ 7.73 lacs (₹ 22.34 lacs) and development expenses of ₹ 14.98 lacs (₹ 92.12 lacs) incurred on such land capitalized in the year 2002-2003 for which the Company holds no title.

31. 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 ₹ 430.27 lacs (₹ 318.19 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".



Notes forming part of the financial statements

(₹ in Lacs)

- 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.

32. 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 eleven 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 2014 as per the contracts are as under:

- Not later than one-year ₹ 70.39 lacs (₹ 88.20 lacs)
- Later than one year but not later than five years ₹ 40.84 lacs (₹ 352.80 lacs)
- Later than five years Rs.Nil (₹ 264.60 lacs)

The aggregate rental expenses of all the leases for the year are ₹158.59 lacs (₹113.24 lacs).

33. 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) and contribution to Leave Encashment (Non-Funded) are as follows:

I. Actuarial assumptions

Economic assumptions

Major Assumptions	2014 (% p.a)	2013 (% p.a)
Discount Rate (p.a.)	9.0	8.2
Salary Escalation Rate	6.0	6.0

Demographic assumptions

Major assumptions	
Mortality	Latest compiled table of LIC (1994-96)
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

	Gratuity 2014	Gratuity 2013	Leave encashment 2014	Leave encashment 2013
Current service cost	97.79	85.39	47.03	38.78
Interest cost	48.97	26.19	14.24	9.31
Net actuarial (gain)/loss recognized in the period	(106.03)	(6.86)	(42.76)	(45.77)
Expenses recognized in the statement of profit and loss *	40.73	104.71	18.51	2.32

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

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

	Gratuity 2014	Gratuity 2013	Leave encashment 2014	Leave encashment 2013
Present value of obligation as at 31 March 2014	365.21	365.32	104.55	102.92
Fair value of plan assets as at 31 March 2014	-	-	-	-
Liability recognized in the balance sheet and disclosed under provisions (Refer Note 6)	365.21	365.32	104.55	102.92

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(₹ in Lacs)

IV. Change in the present value of obligation

	Gratuity	Gratuity	Leave encashment	Leave encashment
	2014	2013	2014	2013
Present value of obligation as at 1 April 2013	365.32	286.56	102.92	116.49
Current service cost	97.79	85.39	47.03	38.78
Interest cost	48.97	26.19	14.24	9.31
Benefits paid	(40.84)	(25.96)	(16.88)	(15.89)
Actuarial (gain)/loss on obligation	(106.03)	(6.86)	(42.76)	(45.77)
Present value of obligation as at 31 March 2014	365.21	365.32	104.55	102.92

Note:

- a) Amount recognized as an expense and included in Note 22 - employee benefits expense is gratuity ₹ 40.73 lacs (₹ 104.71 lacs) and leave encashment expense of ₹ 18.51 lacs (₹ 2.32 lacs).
- b) Contribution to provident and other funds" is recognised as an expense in Note 22 of the statement of profit and loss.

34. Miscellaneous expenses include Auditors' remuneration as under :

	2014	2013
Statutory audit fees	8.00	8.00
Tax audit fees	2.00	2.00
Fees for certification and others	3.92	4.27

35. 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) Directors/Key management personnel

Name of the related party	Nature of relationship
B. K. Goenka	Chairman
B.A. Kale	Executive Director
R.R. Mandawewala	Director

b) 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 Retail Limited, Welspun Steel Limited, Welspun Wintex Limited, Welspun Realty Private Limited, Goodvalue Polyplast Limited, Welspun Fintrade Limited, Welspun USA Inc, Welspun Zucchi Textiles Private Limited, Krishiraj Trading Limited and Welspun Captive Power Generation Limited

c) Transactions with related parties

Nature of transaction	2014	2013
Sales (net) to and recoveries from	5,012.28	3,336.94
Welspun India Limited	4,984.50	3,336.94
Welspun USA Inc	27.78	-
Purchase of goods and services	1,473.98	3,093.28
Welspun India Limited	50.03	48.16
Welspun Retail Limited	-	27.95
Welspun Steel Limited	137.18	141.03
Welspun Wintex Limited	1,136.98	2,785.51
Welspun Zucchi Textiles Private Limited	-	1.50
Welspun Realty Private Limited	79.09	6.54
Goodvalue Polyplast Limited	70.71	82.58
Loans/advances/deposits received	-	255.00
Welspun Fintrade Limited	-	125.00
Welspun Steel Limited	-	130.00



Notes forming part of the financial statements

(₹ in Lacs)

Nature of transaction	2014	2013
Repayment of loans/advances/deposits received	125.00	1,030.00
Krishiraj Trading Limited	-	900.00
Welspun Steel Limited	-	130.00
Welspun Fintrade Limited	125.00	-
Reimbursement of expenses	14.47	260.55
Welspun India Limited	6.48	112.16
Welspun Retail Limited	-	2.72
Welspun Corp Limited	7.99	139.26
Welspun Steel Limited	-	6.42
Interest paid	6.04	2.74
Welspun Fintrade Limited	6.04	2.55
Welspun Steel Limited	-	0.19
Purchase of investments	77.10	290.90
Welspun Captive Power Generation Limited	-	-
Equity shares (converted out of share application money)	48.20	254.17
Preference shares	28.90	36.73
Sale of investments	368.09	-
Welspun Corp Limited	0.09	-
Welspun Captive Power generation Limited	-	-
Equity shares	84.93	-
Preference shares	283.07	-
Closing balances as at 31 March		
Trade receivables	69.41	63.41
Welspun India Limited	41.62	63.41
Welspun Steel Limited	0.01	-
Welspun USA Inc	27.78	-
Trade payables	2.06	0.72
Welspun India Limited	1.09	-
Welspun Steel Limited	0.97	-
Welspun Corp Limited	-	0.72
Loans/advances/deposits received	-	125.00
Welspun Fintrade Limited	-	125.00
Share application money given	-	48.20
Welspun Captive Power generation Limited	-	48.20
Trade advances given	131.87	57.15
Welspun Retail Limited	-	1.27
Welspun Wintex Limited	131.87	55.88
Investments outstanding		
Welspun India Limited	0.15	0.15
Welspun Steel Limited	0.01	0.01
Welspun Investments and Commercials Limited	0.01	0.01
Welspun Corp Limited	-	0.09
Welspun Captive Power Generation Limited	-	290.90

36. Executive Director is in receipt of remuneration as agreed between them and the Company, as approved by the Central Government u/s 269 of the Companies Act 1956, break up of which is as under

	Executive Director	
	2014	2013
Salaries and Allowances	46.81	36.87
Contribution to Provident Fund	2.51	1.57
Commission	52.23	89.82
Perquisites	0.74	0.79
Total	102.29	129.05

Notes forming part of the financial statements

(₹ in Lacs)

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

37. Foreign Exchange Differences

- 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 ₹ 511.64 lacs (loss of ₹ 118.55 lacs) to the cost of fixed assets and gain of ₹ 5.75 lacs (₹ 69.05 lacs) to capital work-in-progress. Exchange difference loss of ₹ Nil (₹ 1.86 lacs) is transferred to "Foreign currency monetary item translation difference account" to be amortized over the balance period of such long term liabilities. Out of the "Foreign currency monetary item translation difference account", outstanding exchange loss of ₹ 1.10 lacs (₹ 0.76 lacs) has been adjusted in the current year and loss of ₹ Nil (₹ 1.10 lacs) has been carried over and disclosed under Shareholders' funds.
- 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 combination of forward contracts, options and swaps etc. The outstanding foreign currency derivative contracts as at 31 March 2014 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

Derivative Contracts	Covered for	2014		2013	
		Foreign Currency	Equivalent Indian Rupee	Foreign Currency	Equivalent Indian Rupee
USD/ INR	Foreign Currency Loan	6.72	402.63	54.89	2,979.83
GBP/INR	Foreign Currency Loan	-	-	21.73	1,786.42
USD/ INR	Export	19.39	1,161.67	3.71	201.13
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 ₹ 7,492.46 lacs (₹ 8,471.57 lacs)

38. Earnings Per Share (EPS)

	2014	2013
Profit after tax (₹ in lacs)	1,969.05	1,602.46
Less: Dividend on cumulative preference shares including tax (₹ in lacs)	-	(103.27)
Profit available for appropriation to equity share holders (₹ in lacs)	1,969.05	1,499.19
Weighted average number of equity shares for computation of EPS (Nos.)	392,39,568	240,72,275
Basic and diluted earnings per share (₹)	5.02	6.23

39. Segment Reporting

- 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.

	2014			2013		
	India	Outside India	Total	India	Outside India	Total
Sales	68,188.92	21,449.23	89,638.15	56,273.59	21,338.23	77,611.82
Carrying amount of segment assets	43,603.15	487.06	44,090.21	40,067.25	435.12	40,502.37
Capital expenditure	4,003.03	-	4,003.03	8,183.92	-	8,183.92

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.

40. a) Balances of certain debtors, creditors and advances 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.
- b) 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.



Notes forming part of the financial statements

(₹ in Lacs)

41. Previous year's figures have been regrouped/reclassified/recasted wherever necessary to correspond with the current year's classifications/disclosures.

42. Raw materials consumed

	2014		2013	
	(%)	₹ in lacs	(%)	₹ in lacs
Imported	28.68	17,586.89	21.33	11,037.44
Indigenous	71.32	43,738.00	78.67	40,713.68
Total	100.00	61,324.89	100.00	51,751.12

43. Stores, spares, dyes and chemicals consumed

	2014		2013	
	(%)	₹ in lacs	(%)	₹ in lacs
Imported	9.82	481.13	7.13	371.33
Indigenous	90.18	4,420.56	92.87	4,836.12
Total	100.00	4,901.69	100.00	5,207.45

44. CIF value of imports

	2014	2013
Raw materials	16,195.41	11,836.12
Capital goods	1231.43	4,851.50
Stores and Spares	1259.92	1,208.70

45. Expenditure in foreign currency

	2014	2013
Traveling and conveyance	51.82	10.21
Membership and other fees	5.38	7.11
Commission on export sales	305.40	212.96
Finance expenses (including bank charges)	337.66	312.78
Legal and professional fees	39.94	0.86
Other expenses	8.81	28.35

46. Earnings in foreign currency:

	2014	2013
FOB value of exports	20,509.60	18,702.00

As per our attached report of even date

For and on behalf of the Board

For MGB & CO

Chartered Accountants

Firm Registration Number 101169 W

Rajesh Chamaria

Partner

Membership Number 046788

Mumbai, 29 May 2014

B.K.Goenka

Chairman

Kaushik Kapasi

Company Secretary

B.A.Kale

Executive Director

WELSPUN SYNTEX LIMITED

ANNUAL REPORT 2013-2014

Cash flow statement for the year ended 31 March

	(₹ in lacs)	
	2014	2013
Cash flow from operating activities		
Profit before tax	2,002.64	1,602.46
Adjustments for:		
Depreciation and amortisation expense	1,911.04	1,481.03
Loss on sale/discard of fixed assets (net)	15.84	30.87
Interest income	(255.67)	(237.65)
Interest expense	1,474.98	911.79
Dividend income on current investments	(3.73)	(12.12)
Exchange adjustments (net)	159.73	(86.73)
Operating profit before working capital changes	5,304.83	3,689.65
Trade and other receivables	(480.20)	(3,682.89)
Inventories	(452.33)	(978.36)
Trade and other payables	505.48	(158.89)
Cash generated from operations	4,877.78	(1,130.49)
Taxes paid (net of refunds)	(245.10)	(294.02)
Net cash generated/(used in) from operating activities	4,632.68	(1,424.50)
Cash flow from investing activities		
Purchase of fixed assets (including capital work-in-progress)	(4,008.96)	(8,089.73)
Sale of fixed assets	17.42	34.72
Purchase of current investments	(3,124.87)	(4,329.58)
Sale of current investments	2,924.87	4,329.58
Purchase of long-term investments	(28.90)	(290.90)
Sale of long-term investments	368.09	1,016.50
Share application money given	-	(48.20)
Investment in margin money deposits with banks	72.27	(325.75)
Interest received	216.06	217.58
Dividend received	3.73	12.12
Net cash used in investing activities	(3,560.29)	(7,473.65)
Cash flow from financing activities		
Proceeds from issue of share capital	-	1,600.00
Redemption of preference shares	-	(1,026.97)
Proceeds from long-term borrowings	5,006.16	5,917.25
Repayment of long-term borrowings	(3,172.52)	(2,020.29)
Increase/(decrease) in other borrowings	(1,047.84)	5,074.20
Proceeds from inter-corporate deposits	-	125.00
Repayment of inter-corporate deposits	(125.00)	(900.00)
Interest paid	(1,419.34)	(941.63)
Net cash generated/(used in) in financing activities	(758.54)	7,827.56
Net increase/ (decrease) in cash and cash equivalents	313.85	(1,070.59)
Cash and cash equivalents at the beginning of the year	188.89	1,259.48
Cash and cash equivalents at the end of the year	502.74	188.89
Notes		
1) Previous year figures are regrouped/reconsidered wherever necessary.		
2) Cash and cash equivalents include the following		
Balances with banks in current accounts	443.63	126.28
Cash on hand	59.11	62.61
	502.74	188.89

As per our attached report of even date

For and on behalf of the Board

For MGB & CO

Chartered Accountants

Firm Registration Number 101169 W

Rajesh Chamaria

Partner

Membership Number 046788

Mumbai, 29 May 2014

B.K.Goenka

Chairman

Kaushik Kapasi

Company Secretary

B.A.Kale

Executive Director

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, 9th floor, Kamala city, Senapati Bapat Marg, Lower Parel (W), Mumbai, Maharashtra – 400013

Email: allcompanysecretaryofwsl@welspun.com; website: 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 st)			:		
Name of the joint holder(s)			:		
			:		
Registered Address			:		
			Pin:		
Mobile Nos. (to be registered)			:		
E-mail Id (to be registered)			:		

Signature of the Shareholder(s)*

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

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:

- 1. 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.
- 2. 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.
- 3. 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.
- 4. 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.
- 5. Transfer of Shares in favour of a nominee shall be a valid discharge by a Company against the legal heir(s).
- 6. Only one person can be nominated for a given folio.
- 7. Details of all holders in a folio need to be filled; else the request will be rejected.
- 8. 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.
- 9. Whenever the Shares in the given folio are entirely transferred or dematerialised, then this nomination will stand rescinded.
- 10. 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.
- 11. The nomination can be varied or cancelled by executing fresh nomination form.
- 12. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.
- 13. 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.
- 14. 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, Silvasa,
Union Territory of Dadra & Nagar Haveli



Date to Commit		FORM B
1	Name of the Company	Welspun Syntax Limited
2	Annual financial statements for the year ended	31st March 2014
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 30 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>Management response: 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 Shri B.A. Kale, Executive Director	<i>BAK</i>
	o Shri Bhaskar Sen, Sr. V.P (Accounts & Commercial)	<i>BS</i>
	o Shri R.K. Jain, Chairman of Audit Committee	<i>RKJ</i>
	o For MGB & CO Chartered Accountants Firm Registration Number 101169W Rajesh Chamaria Partner Membership Number 046788	<p>mgb & CO Chartered Accountants</p> <p> Partner</p>

Date : 29 May 2014

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