

**NOTICE**

To,  
The Members

**NOTICE** is hereby given that the 33<sup>rd</sup> Annual General Meeting of AYM Syntex Limited (Formerly known as "Welspun Syntex Limited") will be held at its Registered Office at Survey no. 394(P), Village Saily, Silvassa (U.T.) Dadra & Nagar Haveli on Friday, 23<sup>rd</sup> September 2016 at 11.00 A.M. to transact the following business:

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2016 and the Audited Profit and Loss Account for the year ended on that date.
- To appoint a Director in place of Mr. Bhalchandra Anant Kale (DIN – 01770073), who retires by rotation, and being eligible, offers himself for re-appointment.
- To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution**

**"RESOLVED THAT** subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. MGB & Co. LLP, Chartered Accountants (Firm Registration No. 101169W/W-100035), as the Statutory Auditors of the Company to hold office from the conclusion of this 33<sup>rd</sup> Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the Auditors."

**SPECIAL BUSINESS**

- To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special 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 (DIN-06933515), the independent woman director who has been reappointed by the Board of directors at their meeting held on 6<sup>th</sup> May 2016 for the second term and in respect of whom the company has received notice from a member proposing her re-appointment, be and is hereby reappointed as an independent woman director for a period of three years with effect from 1<sup>st</sup> August 2016 to 31<sup>st</sup> July 2019."

- To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Kiran J Mehta & Co., the Cost Accountant appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the

financial year ending March 31, 2016, at a remuneration of Rs. 1,00,000/- be and is ratified."

- To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Kiran J Mehta & Co., the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, at a remuneration of Rs. 1,00,000/- be and is ratified."

- To consider and if thought fit to pass with or without modification(s), following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013, and subject to the approval of Central Government, if required, Mr. Bhalchandra Anant Kale, be and is hereby re-appointed as an Executive director of the Company for a period of three years with effect from 30<sup>th</sup> October 2016 on a remuneration of Rs.75,00,000 per annum inclusive of all perquisites, allowances plus Commission @ 2.5 % per annum of the net profits computed in the manner laid down under section 198 of the Companies Act, 2013 as reduced by tax expenses there on with a power to the Board of Directors to increase remuneration upto 25% of the last drawn remuneration every year with effect from 1st April of the financial year commencing from the financial year 2017.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to issue letter of appointment, a draft whereof is placed before this meeting and do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution.

**RESOLVED FURTHER THAT** where in any financial year closing after 31st March, 2016, the Company has no profits or its profits are inadequate, the Company do pay minimum remuneration as specified in Schedule V (Part II – Section II) of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter and vary the terms and conditions to the said appointment to the extent the Board may consider appropriate and as may be agreed to between the Board and Mr. Bhalchandra Anant Kale."

- To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT,** pursuant to Accounting Standard (AS 18) of the Institute of Chartered Accountants of India and/or Indian Accounting Standard (Ind AS 24) and other applicable provisions of the Companies Act, 2013, if any and the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors for entering into

contracts / arrangements / transactions with Welspun India Ltd, a related party as defined under AS 18 for sale, purchase transfer or receipt of products, goods, yarns, materials, services or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and Welspun India Limited for amount not exceeding Rs.150 crores in each financial year which may exceeds 10 % of turnover of the Company as per the last Audited financial statement of the Company at marketable price or cost plus margin in compliance with applicable transfer pricing regulations.

**RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution.”

**9. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the compliance of provision of Regulation 31A (5) of SEBI (Listing Obligations and Disclosure

Requirements), 2015 (“SEBI LODR”) and subject to approval of BSE Limited and National Stock Exchange of India Limited, the aggregate shareholding of 19,42,074 ( constituting 4.95% of the paid up equity share capital of the Company) held by Mr. Balkrishan Goenka, his relatives Ms. Dipali Goenka, Ms. Radhika Goenka (“BKG and his relatives”) and the entities controlled by BKG and his relatives viz. Welspun Mercantile Ltd, Welspun India Ltd, Welspun Tradewel Ltd, Welspun Steel Ltd, Welspun Zucchi Textiles Ltd (BKG and Persons acting in concert”) be reclassified from the category of Promoter and promoter group to the category of Public with BSE Limited and National Stock Exchange of India Limited and that the Board of Directors of the Company be and is hereby authorized to seek re-classification of the said holding with BSE Limited and National Stock Exchange of India Limited and also do all such acts, matters and things as may be necessary to give effect to this resolution”

Place: Mumbai  
Date: 30<sup>th</sup> July 2016

By order of the Board  
Kaushik Kapasi  
Company Secretary

## NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**
2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.  
  
A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
4. A statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special business to be transacted at the meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual report to the meeting.
6. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. The Register of Members of the Company will remain closed from Tuesday, 20<sup>th</sup> September 2016 to Thursday, 22<sup>nd</sup> September, 2016 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. 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.
10. 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.
11. 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.aymsyntex.com](http://www.aymsyntex.com).
12. 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 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, the Company is pleased to provide members facility to exercise their right to vote at the 33<sup>rd</sup> 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

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
Tuesday, 20 <sup>th</sup> September 2016	Thursday, 22 <sup>nd</sup> September 2016

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 Friday, 23<sup>rd</sup> September 2016.

#### 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.  
<http://www.evoting.nsdl.com>
- c. Click on "Shareholder-Login":
- d. Put user ID and Password noted in step (a) above as the initial password. Click login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
- e. If you are logging in for the first time, Password Change menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- f. Home page of "e-voting" opens. Click on "e-voting": Active Voting Cycles.
- g. Select "EVEN (E-Voting Event Number)" of AYM Syntex Limited (Formerly known as Welspun Syntex Limited). 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](mailto:almakhija_cs@yahoo.co.in), with a copy marked to [evoting@nsdl.co.in](mailto: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 Friday 16<sup>th</sup> September 2016.
- 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](mailto:evoting@nsdl.co.in) or send e-mail to the Company at [allcompanysecretaryofaymsl@aymgroup.com](mailto:allcompanysecretaryofaymsl@aymgroup.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 along with the Scrutinizer's Report shall be placed on the Company's website [www.aymsyntex.com](http://www.aymsyntex.com) and will be communicated to the Stock Exchanges at which shares of the Company are Listed.

Place: Mumbai  
Date: 30<sup>th</sup> July 2016

By order of the Board  
Kaushik 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: [allcompanysecretaryofaymsl@aymgroup.com](mailto:allcompanysecretaryofaymsl@aymgroup.com),  
Website: [www.aymsyntex.com](http://www.aymsyntex.com)

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013, THE INFORMATION AS REQUIRED PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS.**

**ITEM NO. 4**

Ms. Mala Todarwal is a partner of Mumbai based firm of Chartered Accountants and having experience over 10 years in the field of audit assurance, corporate restructuring, valuations, due diligence and taxation.

**Directorship in other companies:**

Welspun Investment and Commercials Limited, Welspun Enterprises Limited, Sesa Mining Corporation Ltd, Sesa Resources Ltd, Talwandi Sabo Power Limited, Graviss Hotels & Resorts Ltd, Graviss Hospitality Ltd.

**Membership/Chairmanship of committees in other Companies:**

Sr. No	Name of the Company	Name of Committee	Member / Chairman
1	Welspun Investments and Commercials Ltd.	Audit Committee	Member
		Nomination and remuneration committee	Member
		Stakeholders and investors grievance committee	Member
2	Welspun Enterprise Ltd (Earlier Welspun Project Ltd.)	Audit Committee	Member
		Nomination and remuneration committee	Member
		Stakeholders and investors grievance committee	Chairman
3	Talwandi Sabo Power Ltd.	Audit Committee	Member
		Nomination and remuneration committee	Member
		Corporate Social Responsibility Committee	Member
4	Sesa Mining Corporation Ltd	Audit Committee	Chairman
		Nomination and remuneration committee	Member
		Corporate Social Responsibility Committee	Member
5	Sesa Resources Ltd.	Audit Committee	Chairman
		Nomination and remuneration committee	Member
		Corporate Social Responsibility Committee	Member
6	Graviss Hospitality Ltd	Audit Committee	Member

Five board meetings were conducted during the year and Ms. Mala Todarwal has attended all the meetings.

Board of directors of the Company at their meeting held on 6<sup>th</sup> May 2016 has opined that Ms. Mala Todarwal fulfils all conditions for re-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; Ms. Mala Todarwal held office as an Independent Woman Director up to 31<sup>st</sup> July 2016. Board has re-appointed her for the second term as an Independent Woman Director

for a period of three years w.e.f 1<sup>st</sup> August 2016 to 31<sup>st</sup> July 2019 subject to approval of shareholders. Copy of the draft letter of appointment of Ms. Mala Todarwal as an Independent Woman Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered office of the Company during normal business hours on any working day, excluding Saturday.

Evaluation of performance of Ms. Mala Todarwal along with other directors was conducted on 17<sup>th</sup> March 2016 and her performance was found satisfactory.

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 Todarwal herself may be deemed to be concerned or interested in this resolution.

**ITEM NO. 5 & 6**

The Board of Directors at its meeting held on 6<sup>th</sup> May 2016 has appointed M/s. Kiran J. Mehta & Co., Cost auditors in place of M/s. Kirit Mehta & Co. to conduct the audit of cost records of the Company for the financial year ending 31<sup>st</sup> March 2016.

The Board also has appointed at the aforesaid meeting M/s. Kiran J. Mehta & Co. as cost auditors to conduct the audit of cost records for the financial year ended 31<sup>st</sup> March 2017 at a remuneration of Rs.1,00,000/-p.a.

Pursuant to the provisions of Section 148 of the Act, read with the ("the Act) read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing Ordinary resolutions as set out at Item No.5 & 6 of the Notice for ratification of the remuneration payable to M/s. Kiran J. Mehta & Co, Cost auditors for the financial year ending 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2017.

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

Shareholders' approval is sought by way of ordinary resolution proposed under Item no. 5 & 6 of the accompanying Notice.

**ITEM NO. 7**

Board of Directors at their meeting held on 6<sup>th</sup> May 2016 decided to re-appoint Mr. Bhalchandra Anant Kale as an executive director for further period of three years with effect from 30<sup>th</sup> October 2016 on remuneration as mentioned in resolution no.7.

He monitors all units of the Company on day to day basis and regularly visits plants and overseas production.

Copy of the draft letter of appointment of Mr. Bhalchandra Anant Kale as an Executive director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered office of the Company during normal business hours on any working day, excluding Saturday.

Five board meetings were conducted during the year and Mr. Bhalchandra Anant Kale has attended all the meetings.

None of the key managerial personnel or Directors of the Company or



their relative except Mr. Bhalchandra Anant Kale himself is in any way concerned or interested in the said resolution.

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

**Directorship in other companies:**

Bhargavi Marketing Private Limited and Association of Synthetic Fibre Industry.

**GENERAL INFORMATION:**

Nature of industry – Textile

Financial performance based on given indicators –

(Rs. in Lacs)

	2015-16	2014-15
Revenue from operation ( net)	80089.02	83486.23
Other Income	292.59	310.23
Total revenue	80381.61	83796.46
EBIDTA	10850.90	8687.32
EBIDTA Margin (%)	13.50	10.37
Finance Expenses	2152.10	2391.64
Depreciation and amortisation	2407.30	2020.22
Profit before taxation	6291.50	4275.46
Current Tax	1340.00	906.49
Deferred tax	1516.35	-
MAT credit entitlement	(1340.00)	(906.49)
Profit after taxation	4775.15	4275.46
Earning per share (Basic & Diluted)	12.17	10.90

**INFORMATION ABOUT THE APPOINTEE:**

**1. Background details:**

Mr. Bhalchandra Anant Kale, aged 61, is a Science graduate from Mumbai University and has done diploma in Textile Management & Marketing from SASMIRA College, Mumbai University. He is associated with the Company as a CEO w.e.f. 02<sup>nd</sup> May 2007 and executive director since 30<sup>th</sup> October 2010.

He had worked with Garware Nylon Ltd for 14 years as All India Marketing Manager for Nylon Filament Yarn & Polyester Filament Yarn and thereafter he was agent of renowned companies for text yarn. He has experienced of more than 35 years in Textile Industry.

He has In-depth market knowledge & excellent contacts in Textile Industry including PFY, Fabrics (Knitted & Woven), Garment Exporters, Home Textiles & Dyes, etc.

He is not a director of any other listed company. He does not hold any shares in the company.

**2. Past remuneration:**

Rs. 65,62,500 /- per annum inclusive of all perquisites, allowances and gratuity plus commission @2.5% p.a. of the net profits computed in the manner laid down under Section 198 and other applicable provisions of the Companies Act, 2013

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

**Job Profile:** He has experience of more than 35 years in Textile Industry and joined the Company as CEO of the Company with effect from 02<sup>nd</sup> May 2007 and elevated to the post of Executive director with effect from 30<sup>th</sup> October 2010.

**Suitability:** Performance of the Company has improved for about last seven years. In view of his experience in the field of textile marketing, your directors are of view that he should be re-appointed as an executive director of the Company.

**4. Remuneration proposed:**

Rs.75,00,000/- per annum inclusive of all perquisites, allowances plus commission @2.5% p.a. of the net profits after tax computed in the manner laid down under Section 198 and other applicable provisions of the Companies Act, 2013 with a power to the Board of Directors to increase remuneration upto 25% of the last drawn remuneration every year with effect from 1<sup>st</sup> April of the financial year commencing from the financial year 2017.

**Minimum remuneration:**

Where in any financial year closing after 31st March, 2016, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Bhalchandra Anant Kale remuneration as specified in Schedule V (Part II – Section II) of the Companies Act, 2013.

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

Looking to his long experience and association with the Company, size of the company and the Company's constant efforts to expand the production capacity, develop new products to increase margin of profit, the proposed remuneration is justified to retain the managerial person.

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

He is not related directly or indirectly with the managerial personnel. Further, he has no pecuniary relationship with the Company except as an Executive director of the Company. He does not hold any equity shares of the Company.

**OTHER INFORMATION:**

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

Not applicable since net profits computed in the manner laid down under Section 197 of the Companies Act, 2013 as on 31<sup>st</sup> March 2016 prior to the date of his re-appointment is adequate.

**ii. Steps taken for improvement**

Not applicable since Net profit as on 31<sup>st</sup> March 2016 is adequate

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

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

**ITEM NO.8**

The Company sales yarn to Welspun India Limited in ordinary course of business and on arm's length basis, the transaction of which is likely to exceed 10% of the turnover of the Company as per last audited financial statement of the Company which is considered as materially significant transaction. Mr. Rajesh R. Mandawewala, the Chairman of the Company is a key managerial person being managing director of Welspun India Limited and therefore any transaction with Welspun India Limited may be considered as related party transaction as per AS 18. As per the Regulation 23 (4) of SEBI (LODR), Regulation 2015, all material related party transactions requires approval of the shareholders and hence the resolution.

The particulars of the transaction are as under:

**Name of the related party:** Welspun India Limited.

**Name of the Director or Key Managerial personnel who is related:** Mr. Rajesh R Mandawewala, Director and Mr. Abhishek Mandawewala, Whole time director.

**Nature of relationship:** Mr. Rajesh R. Mandawewala, the Chairman of the Company is a key managerial personnel being a managing director of Welspun India Limited and therefore any transaction with Welspun India Limited may be considered as related party transaction as per AS 18. Mr. Abhishek Mandawewala, Whole time director is a relative of Mr. Rajesh R Mandawewala.

**Monetary value:** Sale, purchase transfer or receipt of products, goods, yarns, materials, services not exceeding Rs.150 crores in each financial year which may exceeds 10 % of turnover of the Company as per the last Audited financial statement of the Company at marketable price or cost plus margin in compliance with applicable transfer pricing regulations.

**Nature, material terms and particulars of the arrangement:** Sale, purchase transfer or receipt of products, goods, yarns, materials, services not exceeding Rs.150 crores in each financial year at marketable price or cost plus margin in compliance with applicable transfer pricing regulations.

**Any other information relevant or important for the members to make a decision on the proposed transaction:** Nil

None of the Directors except Mr. Rajesh R Mandawewala and Mr. Abhishek Mandawewala, Key managerial personnel (KMP) or relatives of Directors and KMP are concerned or interested in the Resolution set out at Item No. 8 of the Notice.

**ITEM NO.9**

AYM Syntex Limited (the “Company”) is a listed Company, and Mr. B K Goenka and Mr. Rajesh R. Mandawewala were promoters of the Company. In the month of September, 2015, Krishiraj Trading Limited and Welspun Mercantile Limited, the promoter group constituents of the Company controlled by B. K. Goenka and persons Acting in concert (BKG and PAC) under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, by way of inter-se transfers between the promoters, transferred 65.15% equity shares to Mandawewala Enterprises Limited (formerly known as Welspun Marine Logistics (Raigad) Limited), a company controlled by the other promoter viz. Mr. Rajesh R. Mandawewala. The transferor and the transferee complied with the SAST Regulations.

Consequent upon the aforesaid inter-se transfer, BKG and PAC’s shareholding reduced to 4.95% which is below the threshold of 10% as prescribed under Regulation 31A(5)(a) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Secondly, BKG and PAC do not have any special rights through formal or informal arrangement. Neither BKG and PAC nor any of their relatives act as Key Managerial Personnel.

Thus, BKG and PAC comply with the preliminary requirements of re-classification and therefore, the company be permitted to reclassify BKG and PAC as public shareholders by complying with Regulation 31A (5) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 or any other Regulation(s) as may be appropriate.

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: 30<sup>th</sup> July 2016

By order of the Board  
Kaushik Kapasi  
Company Secretary

**ROUTE MAP**



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Notice attached in loose	

## 2015-16 HIGHLIGHTS

Historic EBIDTA levels  
@ **Rs. 108.5 Cr. 25%**  
increase over previous year

EBIDTA margins @  
**13.5% of turnover** against  
10.3% in previous year

Historic PAT levels @  
**Rs. 47.75 Cr.** against  
Rs. 42.75Cr. in previous year

**A- Rating** reaffirmed  
by CARE

Market cap touching  
**Rs. 400 Cr. EPS at 12.17**

Improved Current Ratio  
@ **1.26**

EBIDTA margin @ **13.5%**

EBIDTA increase over **25%**

PAT up by **12%**

## AYM VISION

“We wish to create a Legacy by Touching Lives Globally through Innovative Products, Processes & Business Models”



## GLOBAL OUTREACH

# WHOLE TIME DIRECTOR'S MESSAGE



## Dear Shareholders,

The year 2015-2016 was an eventful year in the history of the company. Welspun Syntex Limited was renamed as AYM Syntex Limited.

The transformation journey of this company had begun more than 5 years back. Strategy is nothing but choosing the better option amongst various good ones. Sacrificing short-term top line growth, the management at the company took a conscious call to focus on niche product lines in Nylon and Polyester as opposed to competing on cost against giants in commodity segments. Their relentless efforts, unwavering faith and dedication led to the company turning around from a loss making enterprise to a profitable one. The result was profound. More than 43% compounded growth rate in profitability over 5 years, 20%+ ROCE and more than 50% of current production coming from products that did not exist in the portfolio of the company 5 years back.



I look at this name change as the rebirth of the company. Personally, I am a huge believer of the teachings of Warren Buffet and Charlie Munger. What separates them from most other investors (and businessmen!) is their focus on the extreme long term. In a nutshell, they believe that businesses that have and maintain a “moat” or a competitive advantage, something that differentiates them from their competitors, are the ones most likely to survive, grow and create value in the long term.

While we are proud to be where we are when we consider our predicament in 2010, our business needs to evolve. A lot of our profitability is coming from external factors such as government incentives and market supply demand mismatches as opposed to our inherent strengths. To expand capacities in such a situation would give us the short term satisfaction of growing top line and even bottom line but we may go on to regret many of these investments down the road as some of these positive externalities might not be controllable. Furthermore, executing and filling up these capacities would defocus the management from the real task at hand – i.e. build competitive advantage! As many of you reading this letter would agree, capital allocation is as much allocation of money as it is allocation of leadership mind space.

Transformation of organizational mental models and cultural change is a painfully time consuming process. Results take years to show. However, just as Jim Collins, the author of the bestselling book “Good to Great” puts it, if the leadership of the organization maintains single minded focus, free of distraction and keeps pushing the “flywheel” in the same direction, one day, the momentum towards the transformation will be large enough to effect a noticeable change. Our organization today is in the middle of a similar transformational journey. We see New Product Development and Innovation as keys to unlocking sustainable competitive advantage in a highly competitive space. However, to go from having less than 5% of our sales coming from innovations (which is where we are today) to 40-50% plus (which is where the global leaders are) will be a gradual process. What I am extremely clear about however, is that, while we don’t need to wait for that number to reach 50%, large scale capacity expansions can only take place once there are visible signs that we have started to move in a positive direction on this front. Until then, we need to get ourselves ready – invest in acquisition and development of talent, align the team, build processes and capability, upgrade lab and machineries and build infrastructure to support future growth. This might not give us the pleasure of immediate growth but they are vital if we want to grow seamlessly without bottlenecks in the future. Imagine how relatively fast, effortless, capital efficient and profitable growth can be once we have our bearings in place in this regard.

I would like to end this letter on a note of thanks to all our key team members, who through their hard work and persistence have brought our company to a stage where we can think about competitive advantage as opposed to mere survival and also to all our shareholders who continue to have faith in us.

Regards,

Abhishek Mandawewala  
Whole Time Director  
AYM Syntex Ltd.



# COMPANY OVERVIEW



**Established in 1985**



**Indian market leader in  
Speciality Yarn Manufacturing**



**One of the largest manufacturers  
and exporters of**  
• Packaged dyed yarn



**Only merchant seller of BCF (Bulk Continuous  
Filament) yarn in India**



**One of the largest yarn dyeing houses in  
Asia with an annual capacity of 24000  
metric tons**



**Offering the widest range of colors & deniers in yarn**

- 7000+ shades of conventional dyed yarn
- 500+ shades of dope dyed yarn
- Denier range of 20 – 3000



**Highest capacity of Poly Spandex Yarns**



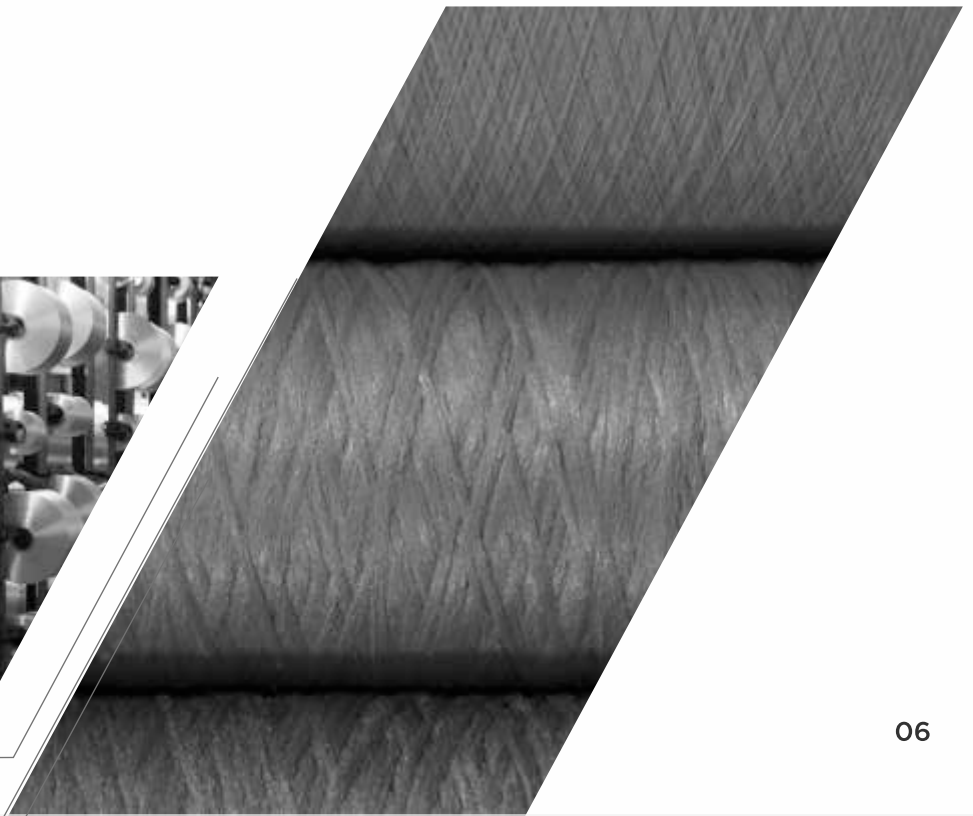
**100 % Environmentally compliant**



**Trendsetter in Innovative yarns  
for the Indian Textile Industry**



**Long standing relationship  
with Leading Global Players**



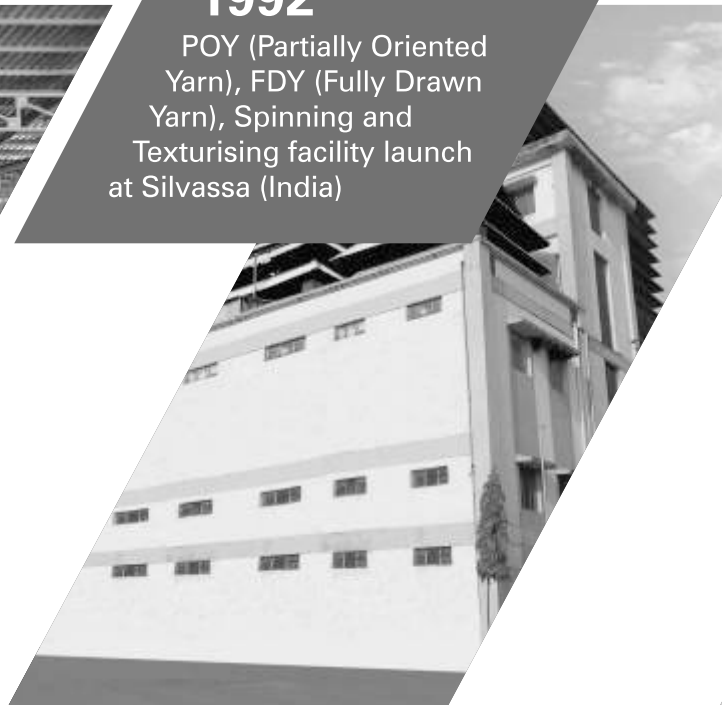
**1985**

Launch of yarn dyeing and texturing facility at Palghar (India)



**1992**

POY (Partially Oriented Yarn), FDY (Fully Drawn Yarn), Spinning and Texturing facility launch at Silvassa (India)



## KEY MILESTONES

**2012**

Pioneered manufacturing of BCF (Bulk Continuous Filament) yarn for floor covering industry



**2013**

Established an R&D center for excellence and innovation



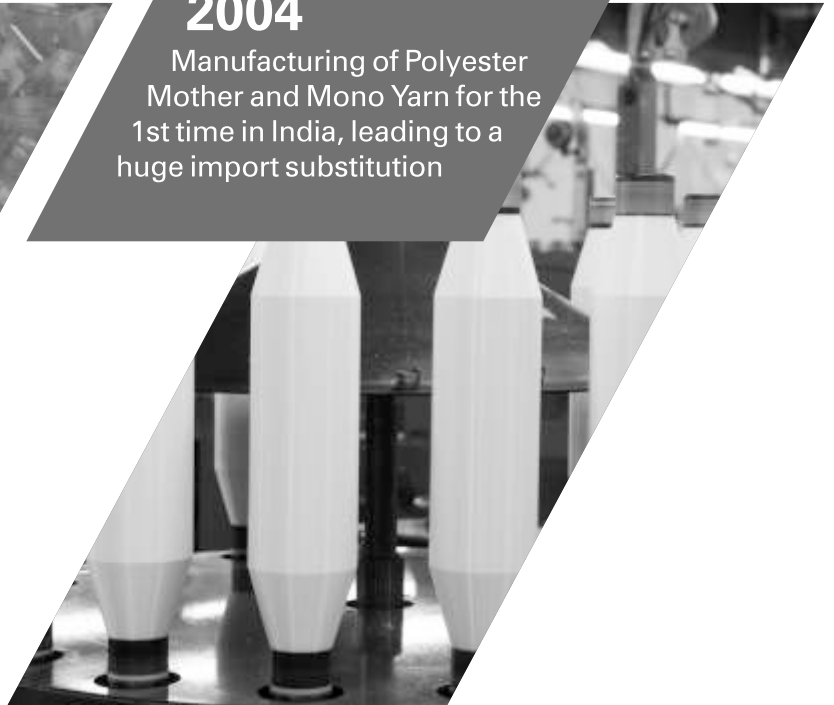
**2000**

Commercialized Dope  
Dyeing in India



**2004**

Manufacturing of Polyester  
Mother and Mono Yarn for the  
1st time in India, leading to a  
huge import substitution



**2015**

Capacity expansion for  
BCF manufacturing



**2016**

India's 1st automated  
dispensing & dyeing facility on  
Plastic Perforated Tubes (PPT)





# AYM ADVANTAGE



**Advanced Lab Scale  
& Pilot Lines**



**In-House Masterbatch development  
& Auto Colour Matching**



**Expertise in Niche &  
Tailor-Made Products**



**Latest World Class Manufacturing  
Technology for Multi Polymer Products**



**Quality Assurance**  
In-house Testing Infrastructure  
with modern equipments



**Committed Team & Low Attrition**



**Quality & Environment Certifications**



**PEOPLE STRENGTH  
1500+ FAMILY**



# MANUFACTURING

## Silvassa Plant

- Only Indian **Multi Polymer Yarn Production Facility** under a **single roof**
- **BCF (Bulk Continuous Filament) Yarn**- Most Advanced Machines for BCF yarn production
- **In house colour development capability** and **masterbatch manufacturing of various polymers**
- Technically **Advanced Quality Control Lab**

## Palghar Plant

- India's largest **automated dyeing facility**- having modern machines
- **100% environment friendly with Zero liquid discharge**
- Customer-friendly **dyeing capacity**
- **Automated colour matching** facility
- The **largest producer** of **nylon dyed yarn** in India
- **Texturising & Twisting** high Bulk, Nylon and Polyester

## Quality Control Center

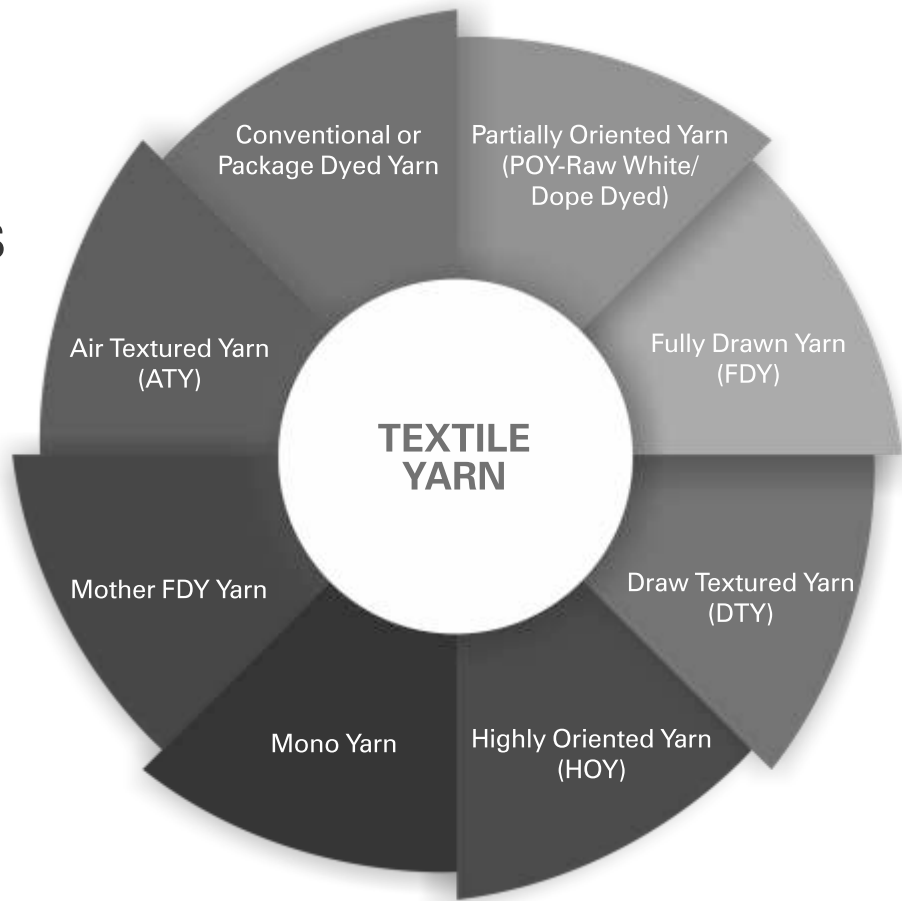
- **Stringent quality checks** from raw material to finished products.
- Latest lab **testing equipments** to meet **global quality standards and norms**

## Research & Development

- World class **Research & Development center for new product development.**
- **Government of India recognized R & D center.**
- **Masterbatch facility** to develop new colours.
- Colour bank with more than **7000+ shades.**



# PRODUCT OFFERING: Textile Yarns



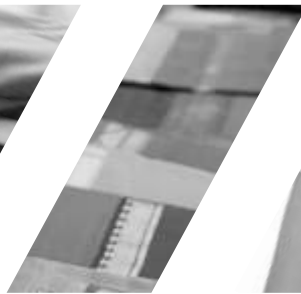
**Apparel**



**Sports Wear**



**Sarees & Dress Material**



**Medical Textile**



**Automotive**



## APPLICATIONS

**Narrow Fabrics**



**Home Textile**



**Upholstery**

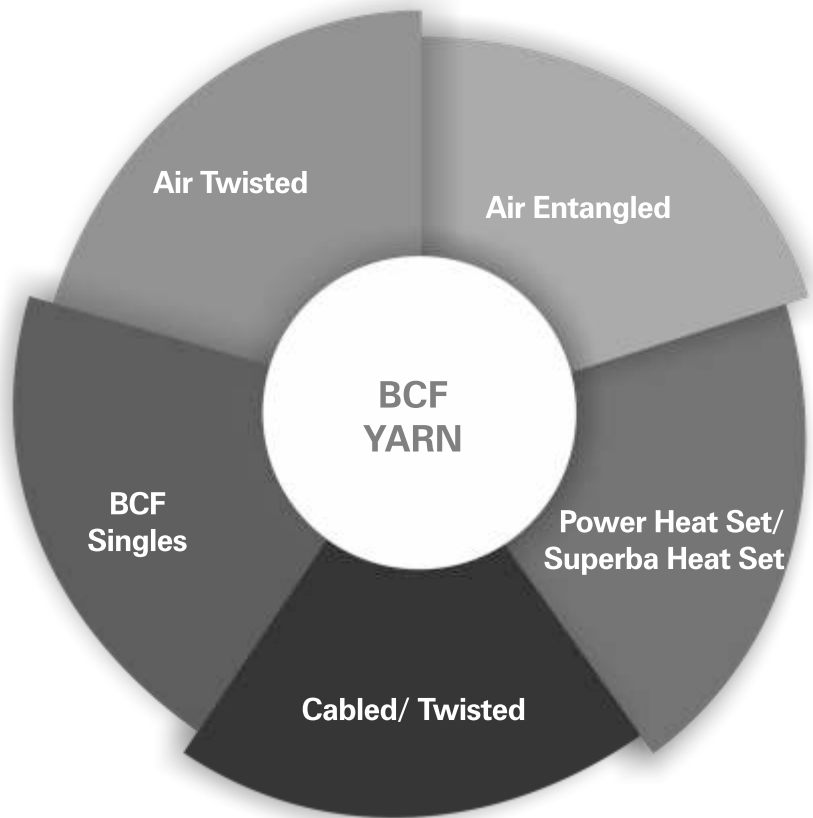


**Rugs & Carpets**





# PRODUCT OFFERING: BCF Yarns (BULK CONTINUOUS FILAMENT YARN)



## APPLICATIONS

Wall to Wall  
Carpets

Rugs

Area Rugs

Bath Mats

Carpet Tiles





**AYM Syntex**  
THE STRENGTH WITHIN

# BRANDS



**Rezilia**<sup>TM</sup>  
Resilience meets elegance

**POLYCYCLE**<sup>TM</sup>  
*Back to Green*

**SORENYL**<sup>TM</sup>  
*TOUCH OF CLASS*  
SILK

**POLYMAGIC**<sup>TM</sup>  
WHITE TO BRIGHT

**Comfeel**<sup>TM</sup>  
FEEL THE COMFORT

**Wonderfeel**<sup>TM</sup>  
TREAT FOR FEET

# QUALITY CERTIFICATIONS



**ISO 14001:2004**  
(For environment  
management system)



**ISO 9001:2008**  
(For quality  
management system)



**Life Cycle Assessment  
Certificate**  
(From PE International)



**Oeko Tex**  
(For protection from  
harmful substances)



**GRS**  
(Global Recycle Standards)



**Effluent Treatment Plant**  
Re-using 85% of water



**Zero Liquid Discharge**  
Dyeing exhaust effluent water  
is recycled & re-used again for  
the dyeing process.

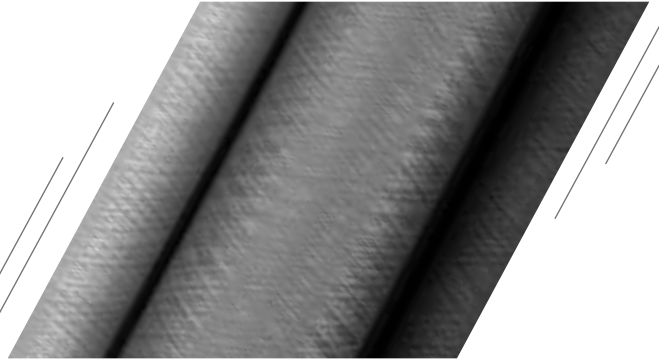


**100 % Environmentally Compliant  
Yarn Dyeing Facility**

**SUSTAINABILITY  
FOCUS**



# OUR LEADERSHIP TEAM



**Rajesh R. Mandawewala**  
Chairman

- A Veteran and an Industry Voice in Textiles
- An Exemplary Leader & Innovator
- Enabled Welspun's Growth, Expansion and Global outreach in more than 50 countries
- Led Welspun India on through its journey to becoming One of the largest textile companies globally and a pioneer in its segment
- Now as Chairman, spearheads and inspires the corporate direction for AYM Syntex Ltd.



**Abhishek Mandawewala**  
Whole Time Director

- One of the youngest CEOs in the country
- Leadership experience across industries such as **Steel, Advanced Textiles & Synthetic Yarns**
- A perfectionist by nature, holds an Undergrad and 2 Master's Degree from the **prestigious University of Cambridge**



**B. A. Kale**  
Executive Director

- An exemplary leader, with **35 years of experience** in Nylon & Polyester filament Yarn industry
- Believes in empowering associates and has been **growing the Syntex Business profitably since 2007**

# FINANCIAL HIGHLIGHTS 2015-16

Operating EBIDTA  
**Rs. 108.51 Cr.**

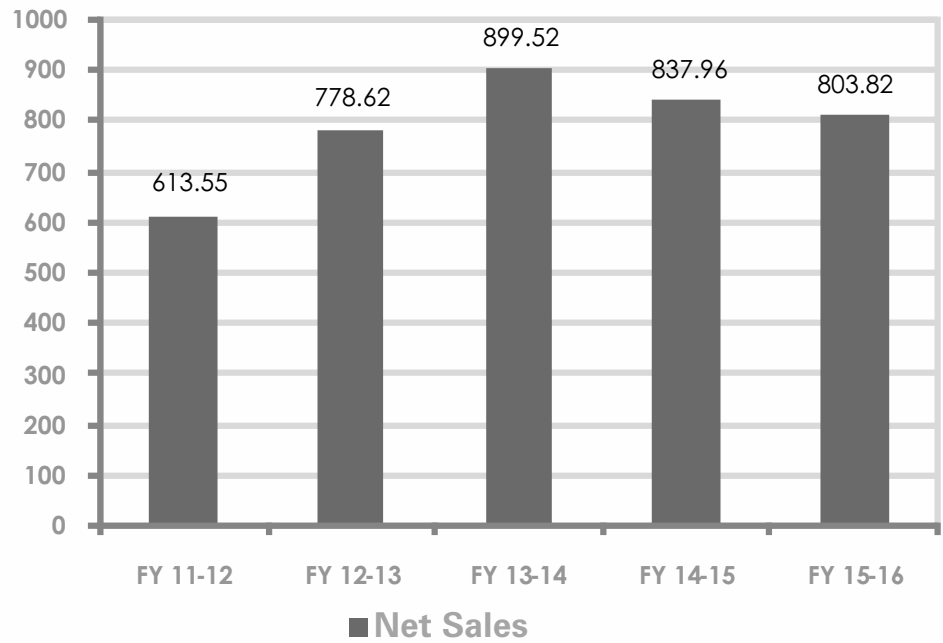
PAT  
**Rs. 47.75 Cr.**

Debt Equity Ratio  
**1.11**

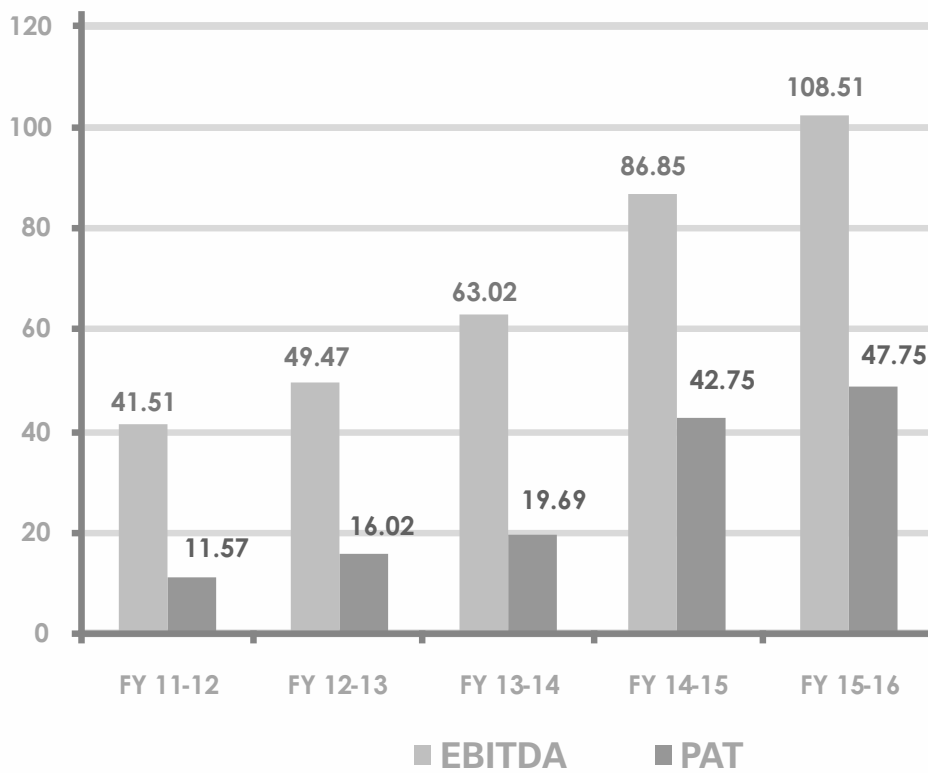
Net Debt to Operating  
**EBIDTA - 1.46**

ROCE  
**21.6%**

## TURNOVER IN INR - Cr



## EBIDTA & PAT in INR - Cr



## DIRECTORS' REPORT

Dear shareholders,

Your Directors are pleased to present 33rd Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March 2016.

### I. FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	2015-16	2014-15
Revenue from operation ( net)	80089.02	83486.23
Other Income	292.59	310.23
Total revenue	80381.61	83796.46
EBIDTA	10850.90	8687.32
EBIDTA Margin (%)	13.50	10.37
Finance Expenses	2152.10	2391.64
Depreciation and amortisation	2407.30	2020.22
Profit before taxation	6291.50	4275.46
Current Tax	1340.00	906.49
Deferred tax	1516.35	-
MAT credit entitlement	(1340.00)	(906.49)
Profit after taxation	4775.15	4275.46
Earning per share (Basic & Diluted)	12.17	10.90

### II. DIVIDEND

In order to conserve resources of the Company, the Board has not recommended dividend on equity shares.

### III. PERFORMANCE AND OUTLOOK

During the year under review, revenue from operation (net) at Rs. 80089 Lacs was little less as compared to previous year mainly due to reduction in prices of raw materials and finished goods following reduction in oil price and less concentration in production of polyester texturised yarn.

EBIDTA margin has increased from 10.37% to 13.50% during the FY 2015-16.

Exports during the financial year 2015-16 were of Rs. 200.74 Crores as compared to Rs. 192.87 Crores during the previous year.

Concentration on high margin products, development of new products and production of BCF yarn coupled with reduction in prices of raw materials following slash in price of crude oil has increased margin of profit.

During the year, your Company's long term credit rating has been upgraded by two notches to A and short term credit rating to A1 by CARE.

Name of the Company has been changed from Welspun Syntex Limited to AYM Syntex Limited with effect from 18th December 2015 and the above ratings were reaffirmed by CARE.

The Company has completed part of the expansion project at an estimated project cost of Rs.70 crores by increasing capacity of BCF yarn, texturised and dyed yarn during the financial year 2015-16 and expects to increase capacity of nylon mother yarn by the end of May 2016. The Company has now undertaken expansion to increase the capacity of BCF heat setting and cabling at an estimated project cost of Rs. 34.71 Crores.

### IV. DIRECTORS' RESPONSIBILITY STATEMENT

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March 2016 and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

- Mr. Atul Desai, Mr. M. K. Tandon, Ms. Mala Tadarwal and Mr. K. H. Viswanathan, the independent directors have given declaration that they met the criteria of independent directors as provided in sub section 6 of Section 149 of the Companies Act 2013;
- Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 is placed on website of the company;
- In compliance with the Act ad SEBI (LODR), regulation, 2015, the Board of directors, as per the process recommended by the Nomination and Remuneration committee, has evaluated the effectiveness of the Board, its committees and Directors and all the results were satisfactory;
- The CSR policy of our company as approved by the Board of directors' is hosted on the companies website and weblink thereto is : <http://www.aymsyntex.com/userfiles/file/CSR%20Policy.pdf> - Disclosure as required under Rule 9 of the Companies (Corporate social Responsibility) Rules, 2014 is annexed as Annexure A;
- Meeting of Board of directors were conducted five times during the financial year 2015-16.
- The Company is now a subsidiary of Mandawewala Enterprises Limited w. e. f. 4th September 2015 and earlier the Company was subsidiary of Krishiraj Trading Limited (upto 4<sup>th</sup> September 2015).
- Ratio of remuneration of Mr. B A Kale and Mr. Abhishek Mandawewala, the Directors to the median employee's remuneration and other details are as under:
  - the ratio of the remuneration of Mr. B A Kale, executive director to the median remuneration of the employees of the company for the financial year: - 164.82 times

- (ii) the ratio of the remuneration of Mr. Abhishek Mandawewala, the whole time director to the median remuneration of the employees of the company for the financial year: 85.19 times
- (iii) the percentage increase in remuneration of Chief Financial Officer (CFO): 15%, Company Secretary: 8%.
- (iv) the percentage increase in the median remuneration of employees in the financial year: 13.81%
- (v) the number of permanent employees on the rolls of company: 1582
- (vi) the explanation on the relationship between average increase in remuneration and company performance: Increase in remuneration is largely based on performance of individuals.
- (vii) comparison of the remuneration of the Key Managerial Personnel against the performance of the company: Commission to Executive Director, Whole time director, CFO and incentives to some of the executives besides fixed salary are directly related to performance of the Company
- (viii) Details of variation in market capitalization, P/E ratio, market price and EPS is given below:

	31/03/2015	31/03/2016	Variation
Market capitalization (In crores)	134.79	378.47	243.68
P/E ratio	3.15	7.93	4.78
Market price per share (in Rs.)	34.35	96.45	62.10
EPS (in Rs.)	10.90	12.17	1.27

- (ix) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration - Average increase in remuneration of employees other than managerial personnel 13.81% and key managerial persons -16.61%
  - (x) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company- Commission @ 2.50% on Net Profit to Executive Director and 1% to whole time director and incentives to CFO is directly based on performance of the Company.
  - (xi) the key parameters for any variable component of remuneration availed by the directors- 2.5% commission on Profits calculated under section 197 of the Companies act 2013 to Executive director and 1% to whole time director besides fixed remuneration
  - (xii) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- nil; and
  - (xiii) Affirmation that the remuneration is as per the remuneration policy of the company.
- h. Mr. Abhishek Mandawewala, whole time director and Mr. B. A. Kale, executive director of the Company have not received any remuneration from Mandawewala Enterprises Limited, the holding company.
- i. Details in respect of adequacy of internal financial controls with reference to the Financial Statements .

Your company has designed and implemented a framework for internal finance controls and the same are adequate and were operating effectively. The Company periodically reviews the internal controls to align it with the changing business needs and to improve governance and enhance compliance with evolving regulation.

- j. Particulars of contracts or arrangements with related parties  
All related party transactions that were entered into during the year under report were on an arm's length basis and were in the ordinary course of business, to serve mutual need and mutual interest. Hence, details required to be given in form AOC 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 is nil. There were no materially significant related party transactions made by your company. The Audit committee has given its omnibus approval which is valid for one financial year. Your Company's policy on related party transactions as approved by the Board is hosted on your Company's website and a weblink thereto is :  
[http://www.aymsyntax.com/userfiles/file/Related%20parties%20transaction%20policy\\_AS\\_L.pdf](http://www.aymsyntax.com/userfiles/file/Related%20parties%20transaction%20policy_AS_L.pdf)

The details of the related party transactions as required under Accounting Standard -18 are set out in Note 35 to the financial statements forming part of this report.

- k. Particulars of loans, guarantees or investments under section 186. The Company has not made investment nor given loan nor provide any guarantee for repayment of loan under section 186 of the act.
- l. Details of establishment of vigil mechanism for directors and employees Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) 2015

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

#### VI. Extract of Annual Return

An extract of Annual return in Form MGT 9 of the Companies Management and Administration Rule, 2014 is annexed as Annexure B.

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

##### A) Conservation of energy:

- (i) the steps taken or impact on conservation of energy: The company has saved 19,68,163 units during the financial year 2015-16 at Rakholi plant.
- (ii) the steps taken by the company for utilizing alternate sources of energy: The Company opted for alternate source of power OPEN ACCESS thereby reducing per unit cost of power during 2015-16 for its plant at Palghar.
- (iii) the capital investment on energy conservation equipment's: Rs.28.75 lacs

**(B) Technology absorption:**

- i. The efforts made towards technology absorption:
- The Company has installed AREL Israel technology for auto dyes dissolving and chemical dispensing in our New Automotive Dyeing plant at Palghar plant.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution:
- Quality of dyed yarn has improved and cost is reduced.
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
- The company has successfully installed AREL Israel technology for auto dyes.

**iv. Research and development expenditures:**

The Company has received recognition for in-house Research and Development (R&D) units at Rakholi and Palghar from the Department of Scientific and Industrial Research (DSIR) on March 24, 2015. During the year, the Company has incurred a total research and development expenditure of Rs. 1998.41 lacs (Rs. 290.36 lacs) including capital expenditure of Rs. 1461.64 lacs (Rs.290.36 lacs). The revenue expenditure includes employee cost, material cost, power cost, travelling & conveyance and other expenses. The Company has considered weighted tax deduction on eligible research and development expenditure of Rs. 1998.41 lacs (Rs. 290.36 lacs) under Section 35 (2AB) of the Income Tax Act 1961.

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

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

FOB value of export –Rs.19212.24 Lacs  
CIF value of imports –Rs.22701.53 Lacs

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

Board of directors consists of seven Directors out of whom four directors are independent directors; hence total no. of directors to retire by rotation as per explanation of sub section 6 of Section 152 of the Companies Act 2013 are three directors and One third of such Directors are liable to retire by rotation. Mr. B. A. Kale being the longest in duration is liable to retire by rotation at the 33rd AGM.

Ms. Mala Todarwal's terms as an independent director is upto 31st July 2016; Board of directors at their meeting held on 6th May 2016 has reappointed her as woman independent director.

Board has recommended re-appointment of Mr. B. A. Kale, the retiring director and reappointment of Ms. Mala Todarwal as a women independent director.

There is no change in Key managerial personnel during the year under review.

**IX. COMMITTEES OF THE BOARD OF DIRECTORS**

Information on the Audit committee, the Nomination and Remuneration committee, the Stakeholders Relationship, the Corporate Social Responsibility committee and meetings of those committees held during the year is given in the Corporate Governance Report forming part of this Report.

**X. DEPOSITS**

The Company has not accepted any deposit within the meaning of the Chapter V to Companies Act 2013. Further, no amount on

account of principal or interest on deposit was outstanding as at the end of the year under report.

**XI. AUDITORS**

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

**XII. COST AUDITOR**

As per section 148 and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014, and the Companies (Cost Records and Audit) Rules 2014, the Board of Directors of your company has appointed M/s. Kiran J Mehta, Cost Accountants as per Cost Auditors of your company for the FY 2015-16 and FY 2016-17 on the recommendations made by the Audit committee.

Members are requested to ratify their remuneration by passing an ordinary resolution in the Annual General Meeting.

**XIII. 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 M/s. A L Makhija & Co., Practising company Secretary regarding compliance of conditions of Corporate Governance as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report.

**XIV. 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. Further in respect of documents of title deeds of certain residential flats aggregating to Rs.10.65 lacs, we clarify that the said flats are in the name of the company and the company is in the process of tracing the physical agreements of the said flats.

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.

**XV. SECRETARIAL AUDIT REPORT**

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

**XVI. RISK MANAGEMENT POLICY**

The Company has a risk management policy and identified the major risk in price volatility in key raw materials and foreign exchange fluctuation.

**XVII. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR (Regulation 46 of SEBI LODR 2015)**

The details of familiarization program (for independent directors) is disclosed on the Company's website and a web link thereto is [http://www.aysyntex.com/userfiles/file/Familiarisation%20policy\\_AS.L.pdf](http://www.aysyntex.com/userfiles/file/Familiarisation%20policy_AS.L.pdf)



**XVIII. CODE OF CONDUCT**

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

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

**XIX. PARTICULARS OF EMPLOYEES**

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

**XX. 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**

Sd/-

**Rajesh R Mandawewala**

Chairman

DIN: 00007179

Mumbai,

Date: 6<sup>th</sup> May 2016

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

In FY 2015-16, India has been an exception, with economic growth accelerating to 7.6% amidst a global economic slowdown and increased turbulence in the global financial markets. Operationalizing Bank Bureau Board, capital infusion into PSU banks, amendment of policy related to SARFESAI and ARCs, 100% FDI in ARCs, listing of general insurance companies are steps in the financial sector which should further boost growth. Allocation of infrastructural related sectors such as roads, highways and railways and measures to support agriculture and rural development will be positive for private investment and consumption.

Although agriculture is likely to register low growth for the second year in a row on account of weak monsoons, it has performed better than last year. Industry has shown significant improvement primarily on account of the surprising acceleration in manufacturing (9.5 per cent vis-à-vis 5.5 per cent in 2014-15). Meanwhile, services continue to expand rapidly.

The Union Budget 2016-17 is good from an infrastructure, agriculture and rural development point of view, but it holds very little for the textile and apparel sector, according to industry experts. The 2016-17 Budget has been a pro-agriculture, pro-rural and pro-infrastructure Budget. Increased allocations in these sectors will definitely help strengthen the overall economy and enable long-term growth.

Negative outlook on synthetic textiles for FY17 is expected to remain on continuing overcapacity, falling capacity utilizations, dumping from China, and continuously falling raw material prices (led by crude prices) which could translate into inventory losses.

Revenue growth in FY17 is likely to be driven by the enhanced domestic consumption of fabrics, apparels and home textiles in view of lowering interest rates, rising discretionary income, favorable demographics and moderating inflation. The stressed rural economy is however a dampener for demand in FY17. The value-added textile segment continues to witness stable demand despite the macroeconomic data not seeming to be encouraging.

The amended textile scheme ATUFS (Amended Technology Up gradation Fund Scheme) is likely to encourage fresh investments into the sector which is sluggish at present, and this is positive for the existing projects which were awaiting the release of subsidy under the earlier versions. However, the total benefit to textile companies is likely to reduce due to the change in the nature and quantum of subsidy, and target segment for benefits under the scheme.

The Union government has sanctioned 20 textile parks in the last one year while apparel garment units are being set up to promote the textile sector. A special emphasis is being laid on the technical textile sector.

The Union Budget 2016-17 is aimed to bring the huge chunks of industry including area-based exemptions together with SSI, edible oil, textile sectors and others into the tax net in a most easy manner.

Production of Polyester Filament yarn/POY/Tex. Yarn during the calendar year 2015 in India was lower at 10,84,369 MT as against 11,65,395 MT in the previous calendar year 2014. However, production of Nylon Filament yarn Mono/Multi/crimp was higher at 36821 MT as against 30439 MT during previous year.

**OPPORTUNITY AND THREATS**

The volatility in the Crude oil prices affects prices of PTA and MEG which are raw materials for polyester chips. Overcapacity in the capacity of polyester, dumping from China, sluggishness in demand and sudden change in prices of crude, affect margin on products.

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

**PRODUCT WISE PERFORMANCE**

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

Revenue from POY/FDY/BCF yarn were of Rs. 169.24 Crores as compared to Rs. 126.77 Crores of previous year, from Texturised Yarn/Dyed yarn were of Rs. 677.00 Crores as compared to Rs. 752.43 Crores of previous year.

#### **OUTLOOK**

The Company has doubled capacity of BCF yarn, increased capacity of cabling and heating BCF yarn. Further, R & D work in master batch, concentration on products yielding high margins is expected to increase margins of profits.

#### **RISKS & CONCERNS**

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

#### **ADEQUACY OF INTERNAL CONTROL SYSTEM**

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

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

## **DISCUSSION ON FINANCIAL PERFORMANCE**

#### **REVENUE**

Details are mentioned in Directors' report

#### **HUMAN RESOURCES**

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

Industrial relations during the year were cordial.

#### **CAUTION STATEMENT**

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

#### **For and on behalf of the Board of Directors**

Sd/-  
**Rajesh R Mandawewala**  
Chairman  
DIN: 00007179

Mumbai,  
Date: 6<sup>th</sup> May 2016

**ANNEXURE - A**

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

placed on website of the Company at [www.aymsyntax.com](http://www.aymsyntax.com)

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

**The Policy in brief:**

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

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

List of activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013 as mentioned in the policy is

1. The composition of the CSR Committee:
  - Mr. Atul Desai - Chairman
  - Mr. Rajesh R. Mandawewala - Member
  - Mr. Abhishek Mandawewala - Member
2. Average net profit of the Company for last three financial years: Rs.2604.04 Lacs
3. Prescribed CSR Expenditure (two percent of the amount as in item 2 above); Rs. 52.08 Lacs
4. Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year; Rs. 52.08 Lacs
  - (b) Amount unspent, if any; : Nil
  - (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Sr. No</i>	<i>CSR Project / Activity undertaken</i>	<i>Sector in which the project is covered</i>	<i>Project or programme ( Location)</i>	<i>Amount outlay budget and spent (Rs. in lacs)</i>	<i>Amount spent on the project or programme (sub head) i. Direct Expenditure on project or programme ii. Overheads (Rs. in lacs)</i>	<i>Cumulative expenditure up to 31.3.16 (Rs. in lakhs)</i>	<i>Amount spent Direct or through implementing agency</i>
1.	Tirupati Balaji Education Trust, Udaipur	Promoting Education Schedule 7 (ii)	Udaipur	46.10	Direct expenditure		through implementing agency
2	Women Empowerment Heal	Promoting Preventive Health care Schedule 7 (iii)	Village Mahim, District Palghar	0.20	Direct expenditure		Direct
3	Books & Stationery Items At Balwadi	Promoting Education Schedule 7 (ii)	Village Mahim, District Palghar	0.33	Direct expenditure		Direct
4	Ladies Tailoring training	Women empowerment Schedule 7 (iii)	Village Mahim, District Palghar	1.00	Direct expenditure	52.12	Direct

5	ITI, Industrial Training Institute,	Promoting education Schedule 7 (ii)	Vangaon Maharashtra	0.10	Direct expenditure		Direct
6	Cancer Detection Camp paid to Abhinav Janseva Association	Promoting Preventive Health care Schedule 7 (i)	Village Mahim, District Palghar	0.50	Direct expenditure		Direct
7	Providing uniform, teacher payment and MSEB bill payment for balwadi	Promoting Education Schedule 7 (ii)	Village Mahim, District Palghar	1.03	Direct expenditure		Direct
8	Construction of Toilet and Bathroom in Police Station	Sanitation Schedule 7 (i)	Satpati, Palghar	0.85	Direct expenditure		Direct
9	Foundation - Sonopant Dandekar Shikshan Mandali's	Promoting Education Schedule 7 (ii)	Village Mahim, District Palghar	0.50	Direct expenditure		Direct
10	Police Kalyan Nidhi for - *promoting education	Promoting Education Schedule 7 (ii)	Village Mahim, District Palghar	1.51	Direct expenditure		Direct
	<b>Grand Total</b>			<b>52.12</b>		<b>52.12</b>	

5. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
- Not applicable since the company has spent the amount as mentioned above.

It is hereby confirmed by and on behalf of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with the CSR objectives and policy of the Company.

Sd/- (B A Kale, Executive Director)	Sd/- (Atul Desai, Chairman of CSR Committee)
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## ANNEXURE B

**Form No. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on March 31, 2016**

**I. REGISTRATION AND OTHER DETAILS**

- |   |   |
|---|---|
| <p>i. CIN :- L99999DN1983PLC000045</p> <p>ii. Registration Date : March 31, 1983</p> <p>iii. Name of the Company : AYM Syntex Limited (Formerly known as Welspun Syntex Limited)</p> <p>iv. Category / Sub Category of the Company: Public Limited Company</p> <p>v. Address of the Registered office and contact details: 394 (P), Village Saily, Silvassa, U.T. of Dadra &amp; Nagar Haveli.<br/>Contact Tele: 0260-2640596; 022 66136000<br/>Email: allcompanysecretaryofaymsl@aymgroup.com.</p> | <p>vi. Whether listed company: Yes. The Bombay Stock Exchange Limited and National Stock Exchange Limited</p> <p>vii. Name, address and contact details of Registrar and Transfer Agent, if any.</p> <p><b>M/s. Link Intime India Private Limited</b><br/>Unit : AYM Syntex Limited<br/>C-13, Pannalal Silk Mills Compound,<br/>LBS Marg, Bhandup (West), Mumbai – 400 078<br/>Email -rnt.helpdesk@linkintime.co.in<br/>Telephone. No.: +91-022-25946970, Fax No. : +91-22-25946969</p> |
|---|---|

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

All business activities is from the business of textiles

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES as on 31.03.2016 –**

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% Of Shares Held	Applicable Section
Mandawewala Enterprises Limited	U17200MH2007PLC171473	Holding	65.15	2(46)

**IV. SHARE HOLDING PATTERN**

**(Equity share capital break-up as percentage of Total Equity)**

**i. Category-wise share holding**

Category of shareholders	No. of shares as on 01.04.2015				No. of shares held as on 31.03.2016				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian	0	0	0	0.00	0	0	0	0.00	0.00
a) Individual / HUF	35,429	0	35,429	0.09	35,429	0	35,429	0.09	0.00
b) Bodies Corp.	2,74,70,277	0	2,74,70,277	70.01	2,74,70,277	0	2,74,70,277	70.01	0.00
<b>Sub Total (A) (1):-</b>	<b>2,75,05,706</b>	<b>0</b>	<b>2,75,05,706</b>	<b>70.10</b>	<b>2,75,05,706</b>	<b>0</b>	<b>2,75,05,706</b>	<b>70.10</b>	<b>0.00</b>

Category of shareholders	No. of shares as on 01.04.2015				No. of shares held as on 31.03.2016				% change during the year
(2) Foreign									
Sub Total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of promoter (A)= (A)(1)+(A)(2)	2,75,05,706	0	2,75,05,706	70.10	2,75,05,706	0	2,75,05,706	70.10	0.00
-	-	-	-						
B. Public shareholding	-	-	-						
1. Institutions	-	-	-						
-	-	-	-						
a) Mutual Funds	105	0	105	0.00	105	0	105	0.00	0.00
b) Banks / FI	22,40,284	0	22,40,284	5.71	36,419	0	36,419	0.09	-5.62
c) Insurance companies	2,28,837	0	2,28,837	0.58	1,94,550	0	1,94,550	0.50	-0.08
d) FIs	21,662	0	21,662	0.06	70,482	0	70,482	0.18	0.12
Subtotal (B)(1):-	24,90,888	0	24,90,888	6.35	3,01,556	0	3,01,556	0.77	-5.58
2. Non Institutions									
a) Bodies corp. Indian	22,68,141	2076	22,70,217	5.79	13,94,668	0	13,94,668	3.55	-2.24
b) Individual									
i. Individual shareholding nominal share capital upto Rs. 1 lakh	31,52,192	24,050	31,76,242	8.09	38,36,006	0	38,36,006	9.78	1.69
ii. Individual shareholding nominal share capital in excess of Rs. 1 lakh	33,91,728	0	33,91,728	8.65	53,28,781	0	53,28,781	13.58	4.94
c) Others (specify)									
HUF	99,938	1200	1,01,138	0.26	5,58,383	0	5,58,383	1.42	1.16
Trust	0	4302	4,302	0.00	0	4,302	4,302	0.01	0.01
Clearing member	141,620	0	1,41,620	0.36	1,81,263	0	1,81,263	0.46	0.10
NRI	157,727	0	1,57,727	0.40	1,28,903	0	1,28,903	0.33	-0.07
Sub Total (B)(2)	9,211,346	31,628	92,42,974	23.55	1,14,28,004	4,302	1,14,32,306	29.13	5.59
Total public shareholding (B) = (B)(1)+(B)(2)	11,702,234	31,628	1,17,33,862	29.90	1,17,29,560	4,302	1,17,33,862	29.90	0.01
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand total (A+B+C)	3,92,07,940	31,628	3,92,39,568	100.00	3,92,35,266	4,302	3,92,39,568	100.00	0.01

**ii. Shareholding of Promoters**

Sr. No	Shareholder's name	Shareholding as on 01.04.2015			Shareholding as on 31.03.2016			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Welspun India Ltd.	283,500	0.72	0.00	283,500	0.72	0.00	0.00
2	Welspun Finance Ltd.	137,191	0.35	0.00	137,191	0.35	0.00	0.00
3	Krishiraj Trading Ltd.	25,356,132	64.62	0.00	0.00	0.00	0.00	(64.62)
4	Mandawewala Enterprises Limited	0.00	0.00	0.00	25,563,632	65.15	0.00	65.15
5	Welspun Steel Ltd.	25	0.00	0.00	25	0.00	0.00	0.00
6	Welspun Zucchi Textiles Ltd.	25	0.00	0.00	25	0.00	0.00	0.00
7	Welspun Mercantile Ltd.	1,693,404	4.32	0.00	14,85,904	3.79	0.00	(0.53)
8	B.K. Goenka (HUF)	15,428	0.04	0.00	15,428	0.04	0.00	0.00
9	B.K. Goenka	3,405	0.01	0.00	3,405	0.01	0.00	0.00
10	Deepali B. Goenka	11,571	0.03	0.00	11,571	0.03	0.00	0.00
11	Radhika Goenka	5,025	0.01	0.00	5,025	0.01	0.00	0.00
<b>Total</b>		<b>2,75,05,706</b>	<b>70.10</b>	<b>0.00</b>	<b>2,75,05,706</b>	<b>70.10</b>	<b>0.00</b>	<b>-</b>

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

There was change in Promoters shareholding due to inter se transfer among the promoters as detailed below:

SR NO	Name of the Promoter	Shareholding as on 01.04.2015		Shareholding as on 31.03.2016	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
01	Krishiraj Trading Ltd.	25,356,132	64.62	0.00	0.00
02	Mandawewala Enterprises Limited	0.00	0.00	25,563,632	65.15
03	Welspun Mercantile Ltd.	1,693,404	4.32	14,85,904	3.79

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

Sr. No.	Name of the Shareholder	Shareholding as on 01.04.2015		Shareholding on 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	ASHISH KACHOLIA	0	0.00	1903294	4.85
2.	SADHANA MEHROTRA	0	0.00	1350000	3.44
3.	SANJEEV RAJENDRAPRASAD BHARADIA	0	0.00	406500	1.04
4.	VLS CAPITAL LIMITED	737961	1.88	187854	0.48

Sr. No.	Name of the Shareholder	Shareholding as on 01.04.2015		Shareholding on 31.03.2016	
		No. of shares	% of total	No. of shares	% of total
5.	SAFIR ANAND	0	0.00	155000	0.39
6.	VIVOG COMMERCIAL LIMITED	75000	0.19	131217	0.33
7.	AYUSH MITTAL	0	0.00	110000	0.28
8.	SATYA PRAKASH MITTAL (HUF)	85267	0.22	89384	0.23
9.	WALLFORT SHARE & STOCK BROKERS PRIVATE LIMITED	0	0.00	85000	0.22
10.	ELEGANT MARBLES & GRANI INDUSTRIES LTD	110000	0.28	85000	0.22

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

Sr. no.	Name of the Directors and KMP	Shareholding as on 01.04.2015		Shareholding as on 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
01	Mr. Rajesh R. Mandawewala	-	-	-	-
02	Mr. Abhishek R. Mandawewala	-	-	-	-
03	Mr. B. K. Goenka (upto 23.09.2015)	3405	0.01	Not applicable since he is not director as on 31.03.2016	
04	Mr. B. A. Kale, ED	-	-	-	-
05	Mr. Atul Desai	30	0.00	30	0.00
06	Mr. M. K. Tandon	-	-	-	-
07	Mr. K. H. Viswanathan	-	-	-	-
08	Ms. Mala Tadarwal	-	-	-	-
	<b>Key Managerial Personnel (other than Executive director / Whole time director)</b>				
01	Mr. Bhaskar Sen, CFO	30	0.00	30	0.00
02	Mr. Kaushik Kapasi, CS	10	0.00	10	0.00



**V. INDEBTEDNESS**

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

(Rs. In Lacs)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	12759.52	2503.40	-	15262.92
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	86.40	-	-	86.40
<b>Total (I + ii + iii)</b>	<b>12845.92</b>	<b>2503.40</b>	<b>-</b>	<b>15349.32</b>
<b>Change in indebtedness during the financial year.</b>				
i. Addition	10719.21	-	-	10719.21
ii. Reduction	3892.10	2503.40	-	6395.50
iii. Reduction in Interest accrued but not due	7.36	-	-	7.36
<b>Net change</b>	<b>6834.47</b>	<b>2503.40</b>	<b>-</b>	<b>9337.87</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	19586.63	-	-	19586.63
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	93.76	-	-	93.76
<b>Total (i+ii+iii)</b>	<b>19680.39</b>	<b>-</b>	<b>-</b>	<b>19680.39</b>

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

A. Remuneration to Executive Director, Whole-time director and/or Manager

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Abhishek R. Mandawewala	B.A Kale (ED)
1	Gross Salary		
a)	Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.( excluding commission paid which was provided previous year)	46.63	56.58
b)	Value of perquisites u/s. 17(2) Income Tax Act, 1961	0	0
c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0	0

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Abhishek R. Mandawewala	B.A Kale (ED)
2	Stock Option	Nil	Nil
3	Sweat equity	Nil	Nil
4	Commission	33.52	125.71
5	Others, please specify ( contribution to Provident fund)	2.10	2.79
	<b>Total (A)</b>	<b>82.25</b>	<b>185.08</b>
	Ceiling as per the Act.	662.25	

## B. Remuneration to other directors

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total amount
		Atul Desai	M. K. Tandon	K. H. Viswanathan	Mala Todarwal	
<b>1.</b>	Independent Directors	4.58	3.01	2.33	3.01	12.93
	1) Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	2) Commission	Nil	Nil	Nil	Nil	Nil
	3) Others, please specify					
	<b>Total (1)</b>	<b>4.58</b>	<b>3.01</b>	<b>2.33</b>	<b>3.01</b>	<b>12.93</b>
<b>2.</b>	Other Non - Executive Directors					Nil
	Total (2)					Nil
	Total (B) = (1 + 2)	4.58	3.01	2.33	3.01	12.93
	Total Managerial Remuneration (excluding sitting fees)					267.33
	Overall Ceiling as per the Act.					662.25

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

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Bhaskar Sen (CFO)	K N Kapasi (CS)	Total Amount Rs.
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	41.33	37.01	
	b) Value of perquisites u/s. 17(2) Income Tax Act, 1961	0.72	0	
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	0	0	
2	Stock Option	0	0	
3	Sweat equity	0	0	
4	Commission			
	- As % of profit	0	0	
	- Others, specify.....	0	0	
5	Others, please specify (Incentives provided but not given)	24.89	0	
	Total (A)	66.94	37.01	
	Ceiling as per the Act.			NA

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

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

**ANNEXURE C  
FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31-03-2016**

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

To,

The Members,

AYM Syntex Ltd (Formerly "Welspun Syntex Limited"),  
Mumbai.

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

Based on my verification of AYM Syntex Ltd's (Formerly Welspun Syntex Ltd) Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit period covering the Financial year ended on 31st March, 2016 complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by AYM Syntex Ltd (Formerly Welspun Syntex Ltd), ("the Company") for the Financial year ended on 31st March, 2016 according to the Provisions of:

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

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) Other laws applicable specifically to the Company are as per Annexure A.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange;
- (iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**I further report that:**

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

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

Majority decision is carried through, while the views of Members / Directors are captured and recorded as part of the minutes.

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

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

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

- v. The name of the Company has been changed to AYM Syntex Ltd with effect from 18th December, 2015 for which requisite procedure for Change of Name has been adhered to and
- vi. There has been no foreign technical collaborations during the year under review.

Place : Mumbai

Date : 6<sup>th</sup> May 2016

Signature:

Sd/-

**A. L. MAKHIJA**

ACS No.: 5087

CP No. : 3410

## ANNEXURE A:

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

- a) The Water (Prevention & Control of Pollution) Act, 1974;
- b) The Water (Prevention & Control of Pollution) Rules, 1975;
- c) The Water (Prevention & Control of Pollution) Cess Act, 1977;
- d) The Air (Prevention & Control of Pollution) Act, 1981;
- e) The Air (Prevention & Control of Pollution) Rules 1982/1983;
- f) The Hazardous Wastes (Management & Handling) Rules 1989;
- g) Indian Explosive Act, 1884;
- h) Indian Explosive Rules, 1983;
- i) Environment Statement Under Gujarat Pollution Control Rules;
- j) Environmental Protection Act, 1986;
- k) The Forest (Conservation) Act, 1980;
- l) The Environment Impact Assessment Notification;
- m) The Hazardous Waste (Management & Handling) Rules, 1989, Amended 2003;
- n) Ozone Depleting Substances (Regulation & Control) Rules, 2000, Amended 2003;
- o) The Energy Conservation Act, 2001;
- p) E Waste Management And Handling Rules 2011;
- q) Dangerous Machines (Regulations) Act, 1983;
- r) Dangerous Machines (Regulations) Rules, 1984;
- s) Boilers Act (Indian Boilers Act), 1923;
- t) Motor Vehicle Act, 1988;
- u) Indian Electricity Rules, 1956;
- v) Apprentices Act, 1961;
- w) Child Labour (Prohibition & Regulation) Rules, 1986;

- x) Contract Labour (Regulation & Abolition) Act, 1970;
- y) Employees Provident Funds & Miscellaneous Provisions Act, 1952;
- z) Employees State Insurance Act, 1948;
- aa) Employment Exchange (Compulsory Notification of Vacancies) Act, 1976;
- ab) Equal Remuneration Act, 1976;
- ac) Factory's Act, 1948;
- ad) Bombay Industrial Relation Act, 1946;
- ae) Industrial Employment (Standing Orders) Act, 1946;
- af) Inter State Migrant Workers (Regulation of Employment and Condition of Service) Act, 1979;
- ag) Maternity Benefit Act, 1961;
- ah) Minimum Wages Act, 1948;
- ai) Payment of Bonus Act, 1965;
- aj) Payment of Gratuity Act, 1972;
- ak) Payment of Wages Act, 1936;
- al) Trade Unions Act, 1926;
- am) Workmen's Compensation Act, 1923;
- an) Weekly Holidays Act, 1942;

Place : Mumbai

Date : 6<sup>th</sup> May 2016

Signature:

Sd/-

**A. L. MAKHIJA**

ACS No.: 5087

No. : 3410

## ANNEXURE D

**I) DETAILS OF THE EVERY EMPLOYEE OF THE COMPANY AS REQUIRED PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT.**

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

Name & designation of the employee	Remuneration received (Rs. in Lacs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age (Years)	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause(iii) of sub-rule (2) above	Whether any employee is a relative of any director or manager of the company and if so, name of such director or manager
Mr. Bhalchandra Anant Kale, Executive director	185.08	Contractual	B.Sc, DAM, Experience - 35 years	2 <sup>nd</sup> April 2007	61	M/s. Bhargavi Marketing Pvt. Ltd., Prabhadevi, Mumbai - 25	Nil	Nil
Mr. Sudhanshu M Khire, Director (Operation)	102.46	Permanent	B.Sc, MBA, Experience 33 years	2 <sup>nd</sup> April 2007	55	M/s. Bhargavi Marketing Pvt. Ltd., Prabhadevi Mumbai - 25	Nil	Nil
Mr. Sunil Karanjkar, SVP (Marketing)	76.19	Permanent	Textile Engineer and Diploma in Management & Marketing Experience - 29 years	20 <sup>th</sup> December 1989	51	M/s. Garware Nylon, Pune	Nil	Nil
Mr. Bhaskar Sen, SVP – Finance & Accounts	66.94	Permanent	B. Com., Inter C A, Diploma in Taxation Experience-27 years	14 <sup>th</sup> February 1993	52	Metox Fine Chemicals Pvt. Ltd.	Nil	Nil

REMUNERATION OF RS. 5, 00,000 PER MONTH OR MORE RECEIVED BY EMPLOYEE FOR A PART OF THE YEAR:

Name & designation of the employee	Remuneration received (Rs. in Lacs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause(iii) of sub-rule (2) above	Whether any employee is a relative of any director or manager of the company and if so, name of such director or manager
Mr. Abhishek Mandawewala, Whole time director	82.25	Contractual	B.A/M. Eng (Honours) in Manufacturing Engineering from University of Cambridge (Experience -6 years)	1 <sup>st</sup> August 2015	29	Welspun India Limited	Nil	Mr. Rajesh Mandawewala

## CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31ST MARCH 2016

### Annexure to the Directors' Report

#### A. COMPANY'S PHILOSOPHY

AYM Syntex Limited (Formerly known as 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

##### (1) Composition

Present strength of the Board of Directors is 7. Details of composition of the existing Board of Directors are given below:

Sr. No	Name of the Director	Category	No. of Directorship in other Companies*		No. of shares and convertible instruments held by non-executive director	Member / Chairman in No. of Committees in other Companies	No. of Board Meetings Attended (01/04/15 to 31/03/16)	Attendance at last AGM
			Public	Private				
1.	Mr. Rajesh R. Mandawewala	P, NE, C,	08	05	Nil	(3)M	5	No
3.	Mr. Abhishek Mandawewala (w.e.f. 31.07.2015)	P, E	04	08	Nil	Nil	4	No
4.	Mr. Atul Desai	I, S, NE	08	01	30	(2)C/ (4)M	5	Yes
5.	Mr. M. K. Tandon	I, NE	01	Nil	Nil	(2)M	5	No
6.	Mr. B. A. Kale	E	Nil	02	Nil	Nil	5	No
7.	Mr. K. H. Viswanathan (w.e.f. 31.07.2015)	I, NE	03	01	Nil	(2)C/ (3)M	4	Yes
8.	Ms. Mala Todarwal	IW	07	Nil	Nil	(3)C/ (5)M	5	No

\*excludes directorship in foreign companies.

##### Disclosure of relationship between Directors interse:

Mr. Abhishek Mandawewala is son of Mr. Rajesh R. Mandawewala.

The details of familiarization program (for independent directors) are disclosed on the Company's website and a web link thereto is:

[http://www.aymsyntex.com/userfiles/file/WSL\\_Familiarisation\\_policy.pdf](http://www.aymsyntex.com/userfiles/file/WSL_Familiarisation_policy.pdf)

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

##### Abbreviations:

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

##### (2) Details of Date of Board Meetings:

Five meetings of the Board of Directors were held during the financial year 2015-16 i.e. 14<sup>th</sup> May 2015, 31<sup>st</sup> July 2015, 09<sup>th</sup> September 2015, 31<sup>st</sup> October 2015 and 12<sup>th</sup> February 2016.

#### 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 4 Independent Non-Executive Directors as on 31 March 2016.

- |                          |            |
|--------------------------|------------|
| a. Mr. Atul Desai        | - Chairman |
| b. Mr. K. H. Viswanathan | - Member   |
| c. Mr. M. K. Tandon      | - Member   |
| d. Ms. Mala Todarwal     | - 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 Regulation 18 of SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act, 2013.

Five meetings of Audit Committee of Board of Directors were held on 14<sup>th</sup> May 2015, 31<sup>st</sup> July 2015, 31<sup>st</sup> October 2015, 12<sup>th</sup> February 2016 and 25<sup>th</sup> March 2016. The details of Attendance of Members of audit committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2015 to 31/03/2016)
1.	Mr. Atul Desai	Chairman	5
2.	Mr. K. H. Viswanathan (w.e.f 31.07.2015)	Member	4
3.	Mr. M. K. Tandon	Member	5
4.	Ms. Mala Todarwal	Member	5

##### 2. NOMINATION AND REMUNERATION COMMITTEE

a. The terms of reference stipulated by the Board of Directors to the Nomination and Remuneration Committee are as contained under regulation 19 of SEBI (LODR) Regulations, 2015.

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

- |      |                       |            |
|------|-----------------------|------------|
| i.   | Mr. Atul Desai        | - Chairman |
| ii.  | Mr. R. R. Mandawewala | - Member   |
| iii. | Mr. M. K. Tandon      | - Member   |
| iv.  | Mr. K. H. Viswanathan | - Member   |
| v.   | Ms. Mala Todarwal     | - Member   |

c. Three meetings of Nomination and Remuneration Committees were held on 14<sup>th</sup> May 2015, 31<sup>st</sup> July 2015 and 31<sup>st</sup> October 2015. The details of Attendance of Members of the committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2015 to 31/03/2016)
1.	Mr. Atul Desai	Chairman	3
2.	Mr. R. R. Mandawewala	Member	0
3.	Mr. K. H. Viswanathan (w.e.f. 31.07.2015)	Member	1
4.	Mr. M K Tandon	Member	3
5.	Ms. Mala Tadarwal	Member	3

#### d. Performance Evaluation Criteria

- The evaluation of individual directors would have two parts, viz., (a) quantitative data in the form of number of meetings of the board and committees attended as against the total number of such meetings held, and (b) qualitative data coming out of the process of filling in a questionnaire by the directors, which would be subjective, by its very nature.
- In order to induce the respondents to give their frank views, the instruments would be so designed that only ticks would be required, with no provision for description and the directors would not be required to identify themselves below the filled in questionnaire.
- The result of the evaluation would be discussed threadbare by the Board and remedial action taken.
- In case of individual directors' performance falling below a threshold, there would be a provision for individual counseling by the Chairman of the Company.

#### Remuneration of directors

- There are no pecuniary relationships or transactions with the non-executive directors vis-a-vis the company.
- Criteria of making payments to non-executive directors:**  
The Company pays sitting fees to non-executive directors for attending meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Finance committee, Stakeholder Relationship Committee, Independent Directors committee, Corporate social responsibility committee, fee for attending annual general meeting, etc.,. Details of the payments made to Non-Executive Directors during the year under Review is as under:

Name of Directors	Sitting Fees
Mr. Atul Desai	Rs. 4,58,000/-
Mr. K. H. Viswanathan	Rs. 2,33,000/-
Mr. M. K. Tandon	Rs. 3,01,000/-
Ms. Mala Tadarwal	Rs. 3,01,000/-

#### c. To recommend payment of Remuneration of Executive Director/Whole time director.

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

	Mr. B.A. Kale Executive Director (Rs. in Lacs per annum)	Mr. Abhishek Mandawewala (Rs. in Lacs Per annum)
Salary & allowance	56.58	46.63
Commission	125.71	33.52
Perquisites	2.79	2.10
<b>TOTAL</b>	<b>185.08</b>	<b>82.25</b>
Service contracts	From 30 <sup>th</sup> October 2013 to 29 <sup>th</sup> October 2016	From 1 <sup>st</sup> August 2015 to 31 <sup>st</sup> July 2018
Notice period	3 month	3 month
Severance fees	Nil	Nil
Stock option	Nil	Nil

#### d. Meeting of Independent directors

The independent directors of the Company shall hold at least one meeting in a year without the attendance of non-independent directors and members of management. The meeting of Independent directors was held on 17th March 2016 and the following points were discussed:

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

### 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

- Name of non-executive director hearing the committee  
- **Mr. Atul Desai**
- Name and designation of Compliance Officer  
- **Mr. Kaushik N. Kapasi – Company Secretary**
- Number of shareholders complaints received so far  
- **Nil**
- Number not solved to the satisfaction of shareholders  
- **Nil**
- Number of pending complaints  
- **Nil as on 31st March 2016**

#### Details of Stakeholders Meeting:

Four meetings were held during the year i.e 3<sup>rd</sup> April, 2015, 10<sup>th</sup> July, 2015, 12<sup>th</sup> October, 2015 and 4<sup>th</sup> January, 2016.

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2015 to 31/03/2016)
1.	Mr. Atul Desai	Chairman	4
2.	Mr. R. R. Mandawewala	Member	4
3.	Mr. Abhishek Mandawewala (w.e.f. 31.07.2015)	Member	2



**4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)**

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

- a) Composition:  
The Committee comprises of;
- Mr. Atul Desai - Chairman
  - Mr. R R Mandawewala - Member
  - Mr. Abhishek Mandawewala - Member

The Company Secretary acts as the Secretary to the Committee.

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

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

- c) Meetings and Attendance:  
During the year under review, the Corporate Social Responsibility Committee met twice i.e on 16<sup>th</sup> July, 2015 and 28<sup>th</sup> March, 2016. All the members attended the meeting.

**D. GENERAL BODY MEETING**

- a. Details of the last three Annual General Meetings held areas under report:

Financial Year	Date	Time	Location
2012-13	30/09/2013	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2013-14	24/09/2014	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2014-15	23/09/2015	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa

- b. Special Resolutions passed in the last three Annual General Meetings under report:

Financial Year	Date	Special Resolution passed
2012-13	30/09/2013	<ol style="list-style-type: none"> <li>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 1st July 2013 to 29th October 2013</li> <li>Re-Appointment of Shri 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</li> </ol>
2013-14	24/09/2014	<ol style="list-style-type: none"> <li>Approval of place for keeping of register &amp; index of members at Mumbai</li> <li>Adoption of Articles of Association in substitution of existing Articles of Association pursuant to the provisions under the companies act, 2013 read with Companies (Incorporation) Rules, 2014</li> </ol>
2014-15	23/09/2015	<ol style="list-style-type: none"> <li>Appointment of Mr. Abhishek Mandawewala as a Whole time Director of the Company for a period of three years w.e.f. 01.08.2015 on a remuneration of Rs. 75.00 Lacs p.a. inclusive of all perquisites and allowances plus commission @1% p.a. of net profits.</li> </ol>

- c. The following Special Resolution, as set out in the Postal Ballot Notice dated 05 November 2015 and voted through Postal Ballot were assented to by the requisite majority (99.94%

voted in favour and 0.06% voted as against) as per the result declared by the Chairman on 15 December 2015 and therefore taken as approved by the shareholders:

o Resolution confirming consent of the Company accorded to change Name of the Company, Alter Memorandum of Association and Articles of Association to give effect for change of Name of the Company.

- d. Mr. A. L. Makhija, Practicing Company Secretary conducted the Postal Ballot exercise.
- e. Further, No special resolution is proposed to be conducted through Postal Ballot in the forthcoming Annual General Meeting.

**E. MEANS OF COMMUNICATION**

a. The quarterly Un-audited Financial Results and Yearly Audited Financial Results of the Company are sent to the Bombay Stock Exchange and National Stock Exchange immediately after they are approved by the Board of Directors in their Board meetings.

b. The quarterly Un-audited Financial Results and Yearly Audited Financial Results of the Company has been advertised in Newspapers, details of which are as mentioned herein below:

Quarter/Year end	Date of published	Name of the newspaper
31.03.2015	15.05.2015	The Economic Times (E)+ (G), Ahmedabad edition
30.06.2015	01.08.2015	The Financial Express (E)+ (G), Ahmedabad edition
30.09.2015	02.11.2015	The Free press Journal (E) and Navshakti (M), Mumbai edition The Financial Express (E)+ (G), Ahmedabad edition
31.12.2015	13.02.2016	The Western times (E)+ (G), Ahmedabad edition

- c. Website :

<http://www.aymsyntex.com/content.asp?Submenu=Y&MenuID=5&ubmenuID=26>

- d. Whether it also displays official news releases: No
- e. Presentation made to institutional investors or to the analysis: Nil

**F. GENERAL SHAREHOLDERS INFORMATION**

- a. 33<sup>rd</sup> Annual General Meeting Venue - Survey No. 394(P), Village Saily, Silvassa, U. T. of Dadra & Nagar, Haveli)  
Time - 11.00a.m.  
Day and Date - Friday, 23<sup>rd</sup> September, 2016
- b. Financial year - From 01 April 2015 to 31 March 2016
- c. Dividend payment date - No Dividend Declared during the year.
- d. Listing on Stock Exchanges and Stock Codes:  
i. National Stock Exchange Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra Kurla Complex Rd, Bandra East, Mumbai, Maharashtra 400051,  
ii. Bombay Stock Exchange Limited, Mumbai, P. J. Tower, Dalal Street, Fort, Mumbai.  
iii. Listing fees has been paid to BSE and NSE on 30.04.2016.
- e. Stock Code No. is 508933 (BSE) and Symbol is AYMSYNTAX (NSE).

f. & g. Market Price Data- High-Low Quotations on BSE Limited and National Stock Exchange Limited, Mumbai during each month for the year 01 April 2015 to 31 March 2016:

#### BSE Limited

Month	Bombay Stock Exchange (Rupees)		Sensex	
	High	Low	High	Low
Apr -15	41.40	33.10	29094.61	26897.54
May -15	48.70	38.00	28071.16	26423.99
Jun -15	76.05	44.10	27968.75	26307.07
Jul -15	124.35	75.00	28578.33	27416.39
Aug -15	151.40	105.00	28417.59	25298.42
Sep -15	122.80	92.00	26471.82	24833.54
Oct -15	129.40	93.00	27618.14	26168.71
Nov -15	148.50	102.40	26824.30	25451.42
Dec -15	160.00	122.30	26256.42	24867.73
Jan -16	155.00	104.90	26197.27	23839.76
Feb -16	129.70	84.40	25002.32	22494.61
Mar -16	104.90	90.00	25479.62	23133.18

#### National Stock Exchange Limited

Month	National Stock Exchange (Rupees)		Nifty	
	High	Low	High	Low
Aug -15	151.40	105.00	8530.60	7667.25
Sep -15	122.80	92.00	8055.00	7539.50
Oct -15	129.40	93.00	8336.30	7930.65
Nov -15	148.50	102.40	8116.10	7714.15
Dec -15	160.00	122.30	7979.30	7551.05
Jan -16	155.00	104.90	7979.55	7241.50
Feb -16	129.70	84.40	7600.45	6825.80
Mar -16	104.90	90.00	7777.60	7035.10

**Note:** The Company got listed on the National Stock Exchange Limited w.e.f 14<sup>th</sup> August, 2015.

**h. Securities are not suspended from trading.**

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

Link Intime India Private Limited

**Address :** C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup, (W), Mumbai-400 078.  
**Tel. No. :** 022 - 25946970,  
**Fax No. :** 022 - 25926969,  
**E-mail :** rnt.helpdesk@linkintime.co.in

#### SHARE TRANSFER SYSTEM

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

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 three days.

#### DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding as on 31 March 2016 was as follows:

Shareholding of nominal value Rs.	Share holders		Amount	
	Number	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)
Upto - 5,000	6526	80.35	95,54,420	2.43
5,001 - 10,000	638	7.86	52,57,860	1.34
10,001 - 20,000	370	4.56	57,17,400	1.46
20,001 - 30,000	185	2.28	48,32,780	1.23
30,001 - 40,000	86	1.06	31,03,400	0.79
40,001 - 50,000	68	0.84	32,44,780	0.83
50,001 - 1,00,000	119	1.47	87,43,800	2.23
1,00,001 and above	130	1.60	35,19,41,240	89.69
<b>TOTAL</b>	<b>8122</b>	<b>100</b>	<b>39,23,95,680</b>	<b>100.00</b>

#### j. 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 dematerialized shares are directly transferred to the beneficiaries by the depositories.

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 2016, 99.92 % of the shares of the Company are dematerialized.

Bifurcations of shares are mentioned below:

Category	As on 31 <sup>st</sup> March, 2016	% of shareholding
No. of Shares held by NSDL	34164601	87.07
No. of Shares held by CDSL	5043857	12.85
Physical	31110	0.08
<b>Total</b>	<b>39239568</b>	<b>100.00</b>

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

**l.** Commodity price risk or foreign exchange risk and hedging activities: Refer to Management Discussion and Analysis' section of this report.

#### m. LOCATION OF PLANT

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

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

Address for Correspondence: 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 : [allcompanysecretaryofaymsl@aymgroup.com](mailto:allcompanysecretaryofaymsl@aymgroup.com)

Website : [www.aymsyntex.com](http://www.aymsyntex.com)

Compliance Officer and Secretary : Mr. Kaushik Kapasi

**G. OTHER DISCLOSURES**

- a) 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: Nil
- b) Details of non - compliance by the Company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital market during the last 3 years: Nil
- c. The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees and no personnel have been denied access to the Audit Committee. A copy of policy is displayed on the website of the Company at URL:  
<http://www.aymsyntex.com/userfiles/file/Whistle%20blower%20policy%20WSL-Upd.pdf>

**H. Details of Compliance of the mandatory and non-mandatory clauses of this clause**

The Company has complied with mandatory requirements as mentioned under Regulations 17 to 26 of SEBI (LODR) Regulations 2015 to the extent possible and has adopted the following Non-Mandatory requirements on Corporate Governance as recommended under regulation 27 of SEBI (LODR) Regulations 2015:

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

**I. Web link where policy for determining material Subsidiaries is disclosed**

- The Company does not have subsidiary company.

**J. Web link where policy on dealing with related party transactions:**  
<http://www.aymsyntex.com/userfiles/file/POLICY%20ON%20THE%20TRANSACTIONS%20WITH%20THE%20RELATED%20PARTIES.pdf>**K. Disclosure of commodity price risks and commodity hedging activities:**  
Refer to Management Discussion and Analysis' section of this report.**L. Declaration signed by the Executive director of the Company is given below:**

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

For AYM Syntex Limited

Sd/-  
**B. A. Kale**  
Executive Director

- M. Details of unclaimed shares: There are presently 138 shareholders whose equity shares (physical) are unclaimed aggregating to 8797 and the same are being kept in Demat Suspense Account.

**Certificate on Compliance of Conditions of Corporate Governance under Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015****To,  
The Members of AYM Syntex Limited (Formerly known as Welspun Syntex Limited)**

We have examined the compliance of conditions of Corporate Governance by AYM Syntex Limited (Formerly known as Welspun Syntex Limited) ("the Company"), for the year ended 31st March 2016, as stipulated in Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 27 of the above mentioned Listing Regulation.

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 A. L. Makhija & Co.  
Company Secretaries

Sd/-  
**A. L. Makhija**  
Proprietor  
ACS No: 5087  
CP No: 3410

Place: Mumbai.  
Date: 6<sup>th</sup> May 2016

## INDEPENDENT AUDITORS' REPORT

To,  
**The members of AYM Syntex Limited (Formerly Welspun Syntex Limited)**

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

### Report on the Financial Statements

1. We have audited the accompanying financial statements of **AYM Syntex Limited (Formerly Welspun Syntex Limited)** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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

### Basis for Qualified Opinion

4. Attention is drawn to Note 30 regarding freehold land of Rs. 23.23 lacs (including 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 and is in the process of executing the documents to transfer the said land in its name. Further, in respect of certain residential flats aggregating to Rs. 10.65 lacs (written down value as at 31 March 2016), documents of title deeds are not available with Company. Accordingly, 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 2015 was also qualified in respect of the above matter.

### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory requirements

6. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a Statement on the matters specified in paragraphs 3 and 4 of the Order.
7. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2016.

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

**Sanjay Kothari**  
Partner  
Membership Number 048215  
Mumbai, 6 May 2016

## ANNEXURE - A TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 6 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **AYM Syntex Limited** on the financial statements for the year ended 31 March 2016

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management during the year as per the phased program designed to cover all the fixed assets over a period, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in case of the following immovable properties
- | Nature of immovable property | No. of cases | Value as at 31 March 2016 (in lacs) |           | Remarks   |
|------------------------------|--------------|-------------------------------------|-----------|---|
|                              |              | Gross block                         | Net block |   |
| Freehold Land                | 3            | 49.91                               | 23.23     | Title not transferred in the name of the Company        |
| Residential Flats            | 6            | 14.85                               | 10.65     | Documents of title deeds not available with the Company |
- (ii) The physical verification of inventory excluding stocks lying with third parties and stocks in transit have been conducted by the Management at reasonable intervals during the year. In respect of inventory lying with third parties, these have been substantially confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has neither given any loan/guarantee nor provided any security. In respect of investments made, the Company has complied with the provisions of Section 186 of the Act.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.
- (vi) We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) According to the records of the Company, examined by us and information and explanations given to us:
- (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) There are no dues of value added tax which have not been deposited on account of any dispute. The disputed dues of income tax, sales tax, service tax, duty of customs and duty of excise which have not been deposited are as under:

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

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and financial institutions. The Company does not have any loans from government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Moneys raised by way of term loans during the year have been applied for the purposes for which they were raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither

come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.

(xi) According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Sanjay Kothari**  
Partner  
Membership Number 048215

Mumbai, 6 May 2016



**ANNEXURE - B TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **AYM Syntex Limited (Formerly Known as Welspun Syntex Limited)** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For MGB & Co. LLP**

Chartered Accountants  
Firm Registration Number 101169W/W-100035

**Sanjay Kothari**

Partner  
Membership Number 048215

Mumbai, 6 May 2016

**AYM Syntex Limited (Formerly Welspun Syntex Limited)**

**Balance Sheet as at 31 March**

(₹ in lacs)

	Notes	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	3,923.96	3,923.96
Reserves and surplus	4	15,488.15	10,713.00
		<b>19,412.11</b>	<b>14,636.96</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	5	16,701.68	12,763.10
Deferred tax liabilities (Net)	6	1,516.34	-
Long-term provisions	7	813.35	670.22
		<b>19,031.37</b>	<b>13,433.32</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	789.54	4,514.74
Trade payables	9	8,802.58	5,808.09
Other current liabilities	10	5,610.86	4,704.99
Short-term provisions	7	458.81	719.40
		<b>15,661.79</b>	<b>15,747.22</b>
	<b>Total</b>	<b>54,105.27</b>	<b>43,817.50</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	11		
Tangible assets		28,187.87	20,472.44
Intangible assets		41.71	17.35
Capital work-in-progress		1,417.88	1,831.99
Non-current investments	12	0.17	0.17
Long-term loans and advances	13	4,993.20	3,367.37
Other non-current assets	18	7.25	-
		<b>34,648.08</b>	<b>25,689.32</b>
<b>CURRENT ASSETS</b>			
Current investments	14	-	2,155.60
Inventories	15	5,669.52	6,507.96
Trade receivables	16	5,225.99	3,214.82
Cash and bank balances	17	5,493.35	2,212.22
Short-term loans and advances	13	2,715.27	3,376.14
Other current assets	18	353.06	661.44
		<b>19,457.19</b>	<b>18,128.18</b>
	<b>Total</b>	<b>54,105.27</b>	<b>43,817.50</b>
Notes forming part of the financial statements	1- 45		
As per our attached report of even date	For and on behalf of the Board		
<b>For MGB &amp; CO LLP</b> Chartered Accountants Firm Registration Number 101169 W/W-100035	<b>R.R.Mandawewala</b> Chairman		
<b>Sanjay Kothari</b> Partner	<b>B.A.Kale</b> Executive Director		
Membership Number 048215	<b>Kaushik Kapasi</b> Company Secretary		
Mumbai, 6 May 2016	<b>Bhaskar Sen</b> Chief Financial officer		



**AYM Syntex Limited (Formerly Welspun Syntex Limited)**

**Statement of profit & loss for the year ended 31<sup>st</sup> March**

(₹ in lacs)

	Notes	2016	2015
<b>REVENUE</b>			
Revenue from operations (gross)	19	85,394.34	89,269.78
Less: Excise duty		5,305.32	5,783.55
<b>Revenue from operations (net)</b>		80,089.02	83,486.23
Other income	20	292.59	310.23
<b>Total</b>		<b>80,381.61</b>	<b>83,796.46</b>
<b>EXPENSES</b>			
Cost of materials consumed	21	43,205.74	50,880.85
Changes in inventories of finished goods, goods-in-process	22	(23.15)	895.57
Employee benefits expense	23	5,096.16	4,330.54
Other expenses	24	21,251.96	19,002.18
<b>Total</b>		<b>69,530.71</b>	<b>75,109.14</b>
<b>Profit before depreciation, amortisation, finance costs and tax</b>		<b>10,850.90</b>	<b>8,687.32</b>
Depreciation and amortisation expense		2,407.30	2,020.22
Finance costs	25	2,152.10	2,391.64
<b>Profit before tax</b>		<b>6,291.50</b>	<b>4,275.46</b>
<b>Tax expense</b>	31		
Current tax - Current year		1,340.00	906.49
- Deferred tax		1,516.35	-
MAT credit entitlement		(1,340.00)	(906.49)
<b>Profit after tax</b>		<b>4,775.15</b>	<b>4,275.46</b>
<b>Earnings per equity share ( of ₹10/- each fully paid up)</b>			
Basic and diluted earnings per share (₹)	38	12.17	10.90
Weighted average no. of shares used in computing Earnings per equity share - basic and diluted		3,92,39,568	3,92,39,568
Notes forming part of the financial statements	1- 45		
As per our attached report of even date	For and on behalf of the Board		
<b>For MGB &amp; CO LLP</b> Chartered Accountants Firm Registration Number 101169 W/W-100035	<b>R.R.Mandawewala</b> Chairman		
<b>Sanjay Kothari</b> Partner	<b>B.A.Kale</b> Executive Director		
Membership Number 048215	<b>Kaushik Kapasi</b> Company Secretary		
Mumbai, 6 May 2016	<b>Bhaskar Sen</b> Chief Financial officer		

## Notes forming part of the financial statements

### 1. Corporate Information

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

### 2. Significant Accounting Policies

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

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

#### ii) Use of estimates

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

#### iii) Tangible and intangible fixed assets

- Tangible fixed assets (excluding freehold land which is carried at cost) are stated at original cost of acquisition / installation (net of cenvat credit availed) net of accumulated depreciation, amortization and impairment losses, if any. 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.
- Capital work-in-progress comprises cost of tangible fixed asset and related expenses that are not yet ready for their intended use at the reporting date.
- Intangible assets acquired are measured on initial recognition at cost and stated at cost, net of accumulated amortization and impairment loss, if any.

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

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

- Leasehold improvements are amortized over the normal period of lease.

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

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

#### vi) Borrowing costs

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

#### vii) Revenue recognition

- Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Gross sales include excise duty and adjustments for price variations and are net of sales tax / value added tax. Consignment sales are recognized on confirmation from consignee/consignment agent. Export sales are accounted for on the basis of date of bill of lading.
- Export incentives/ benefits are accounted on accrual basis.
- Revenue from services is recognized when the services are completed.
- Dividend income is recognized when right to receive the dividend is established.
- Interest income is recognized on a time proportion basis taking into consideration the amount outstanding 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 leases. Lease payments under operating leases are recognized as an expense on accrual basis in accordance with the respective lease agreements.

#### ix) Investments

- Investments, which are readily realizable 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.
- Long-term investments are stated at cost less provision for diminution other than temporary, in the value of such investments. Current investments are stated at lower of cost and fair market value determined on individual investment basis.

#### x) Inventories

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

- Cost of raw materials, stores and spares, dyes and chemicals and packing materials are determined on moving average cost method.

**Notes forming part of the financial statements**

- b) Cost of finished goods and goods-in-process includes cost of direct materials, labour and other production overheads.
- c) Excise duty is included in the valuation of inventory of finished 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 as per the provisions of the Income Tax Act, 1961.
- b) Deferred tax is recognized subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.
- c) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

**xii) Retirement and other employee benefits**

- a) Short-term employee benefits are recognized as an expense at the un discounted 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 at the present value of amounts payable determined using actuarial valuation techniques in the year the employee renders the services. Actuarial gains and losses are charged to the Statement of Profit and Loss.
- c) Payments to defined contribution retirement benefit schemes are expensed as 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) Gains or losses arising on settlement / translation of foreign currency monetary assets and liabilities at the year-end rates are recognized in the statement of profit and loss except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer note 37).
- c) In respect of forward contracts assigned to the foreign currency monetary assets and liabilities as at balance sheet date, the premium / discount for the period up to the date of balance sheet is recognized in the statement of profit and loss. The exchange difference measured by the change rate between the inception of forward contract and date of balance sheet is applied on foreign currency amount of the forward contract and is recognized in the statement of profit and loss. Profit or loss on settlement / cancellation of forward contract is recognized as an income or expense for the year in which they arise except treatment as per amendment to AS-11 effective till 31 March 2020 (Refer note 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**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

## Notes forming part of the financial statements

(₹ in lacs )

### Note - 3 Share capital

#### Authorised

9,20,00,000 (9,20,00,000) Equity Shares of ₹ 10/- each  
2,80,00,000 (2,80,00,000) Optionally Convertible Cumulative Preference Shares of ₹10/- each

	2016	2015
	9,200.00	9,200.00
	2,800.00	2,800.00
<b>Total</b>	<b>12,000.00</b>	<b>12,000.00</b>
	3,923.96	3,923.96
<b>Total</b>	<b>3,923.96</b>	<b>3,923.96</b>

#### Issued, subscribed and fully paid up

3,92,39,568 (3,92,39,568) Equity Shares of ₹10/- each fully paid up

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

At the beginning of the year  
Issued during the year  
Outstanding at the end of the year

2016		2015	
Number of equity shares	Amount	Number of equity shares	Amount
3,92,39,568	3,923.96	3,92,39,568	3,923.96
-	-	-	-
<b>3,92,39,568</b>	<b>3,923.96</b>	<b>3,92,39,568</b>	<b>3,923.96</b>

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

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

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

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

Mandawewala Enterprises Limited [Formerly Welspun Marine logistic (Raigad) Limited ]\*  
Krishiraj Trading Limited

2016		2015	
Number of equity shares	Percentage (%) Holding	Number of equity shares	Percentage (%) Holding
2,55,63,632	65.15%	-	-
-	-	2,53,56,132	64.62%

#### (d) Details of shareholders holding more than 5% shares in company

Mandawewala Enterprises Limited [Formerly Welspun Marine logistics (Raigad) Limited ]\*  
Krishiraj Trading Limited

2016		2015	
Number of equity shares	Percentage (%) Holding	Number of equity shares	Percentage (%) Holding
2,55,63,632	65.15%	-	-
-	-	2,53,56,132	64.62%

\* During the year, it has acquired the said equity shares from the erstwhile promoters of the Company by way of inter-se off market transfer in terms of Regulation 7(2) of SEBI ( prohibition of Insider Trading) Regulation 2015.

(e) The Company has not issued any bonus shares, or shares for consideration other than cash or bought back any shares during previous year preceding 31 March 2016.

**Notes forming part of the financial statements**

(₹ in lacs)

**Note - 4 Reserves and surplus**

	2016	2015
(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) Securities Premium - As per last balance sheet	40.55	40.55
(d) Debenture redemption reserve-As per last balance sheet	107.06	107.06
<b>(e) Surplus in the Statement of Profit and Loss</b>		
As per last Balance Sheet	7,607.10	4,266.53
Add: Profit for the year	4,775.15	4,275.46
	<b>12,382.25</b>	<b>8,541.99</b>
<b>Less: Appropriations</b>		
Adjustment as per transitional provisions of schedule II to the Companies Act, 2013	-	522.12
Dividend proposed on 6% optionally convertible cumulative preference shares	-	37.87
Dividend proposed on 8% redeemable cumulative preference shares	-	306.12
Tax on preference dividend	-	68.78
	<b>12,382.25</b>	<b>7,607.10</b>
<b>Total</b>	<b>15,488.15</b>	<b>10,713.00</b>

**Note - 5 Long-term borrowings**

	Non current		Current	
	2016	2015	2016	2015
<b>Secured</b>				
<b>Term loans from banks</b>				
- Rupee loans	12,490.98	4,894.49	1,729.52	2,007.33
- Foreign currency loans	4,210.70	5,365.21	1,155.43	492.50
<b>Unsecured</b>				
Inter-corporate deposits from related parties	-	2,503.40	-	-
	<b>16,701.68</b>	<b>12,763.10</b>	2,884.95	2,499.83
Amount disclosed under the head " Other current liabilities" (Refer Note 10)	-	-	(2,884.95)	(2,499.83)
<b>Total</b>	<b>16,701.68</b>	<b>12,763.10</b>	<b>-</b>	<b>-</b>

- (a) Term loans from banks except (f) and (j) 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 ₹ 1,140.03 lacs (₹ 1,282.56 lacs) from Central Bank of India carries interest @ 11.45% p.a. and is repayable in 20 stepped-up quarterly instalments by 2020-21.
- (c) Term loan of ₹ 3,886.95 lacs (₹ 4,030.14 lacs) from Industrial Development Bank of India carries interest @ 12.00 % p.a. and is repayable in 20 stepped-up quarterly instalments by 2020-21.
- (d) Term loan of ₹ Nil (₹ 262.92 lacs) from State Bank of Bikaner and Jaipur has been fully repaid during the year.
- (e) Term loan of ₹ 1,500 lacs (₹ 76.20 lacs ) from Karur Vyasya Bank carries interest @ 11.90% p.a. and is repayable in 28 quarterly stepped up instalments by 2024-25.
- (f) Term loan of ₹ 250.00 lacs (₹ 1,250.00 lacs) from State Bank of Bikaner and Jaipur is secured by first charge, ranking pari passu, by way of hypothecation of Company's raw materials, goods-in-process, finished goods, stores, spares and book debts and second charge, ranking pari passu, on fixed assets (immovable) of the Company. It carries interest @ 12.70 % p.a. and is repayable in 1 quarterly instalment of ₹ 250 lacs ending in 2016-17.
- (g) Term loan of ₹ 1999.56 lacs ( ₹ Nil) from Industrial Development Bank of India carries interest @ 11.75 % p.a. and is repayable in 28 stepped-up quarterly instalments by 2023-24.

## Notes forming part of the financial statements

- (h) Term loan of ₹ 1129.02 lacs (₹ Nil) from Central Bank of India carries interest @ 11.45% p.a. and is repayable in 28 stepped-up quarterly instalments by 2023-24.
- (i) Term loan of ₹ 1,436.75 lacs (₹ Nil) from Karur Vyasya Bank carries interest @ 11.90% p.a. and is repayable in 28 quarterly stepped up instalments by 2023-24.
- (j) Term loan of ₹ 2,500.00 lacs (₹ Nil) from State Bank of Bikaner and Jaipur carries interest @ 12.00% p.a. and primary security of first charge on the entire current asset of the Company, on pari-passu basis and collateral security by first charge on fixed assets of the Company, on pari-passu basis is repayable in 3 years in stepped up instalments by 2018-19.
- (k) Term loan of ₹ 378.19 lacs (₹ Nil) from Central Bank of India carries interest @ 11.45% p.a. and is repayable in 28 stepped-up quarterly instalments by 2024-25.
- (l) Foreign currency term loan of ₹ 1,190.74 lacs (₹ 1,426.46 lacs) from State Bank of Bikaner and Jaipur carries interest @ libor+3.00% p.a. and is repayable in 12 quarterly instalments by 2018-19.
- (m) Foreign currency term loan of ₹ 4,175.39 lacs (₹ 4,431.25 lacs) from Bank of Baroda, Dubai carries interest @ libor+4.25% p.a. and is repayable in 20 quarterly instalments ranging from 2.5% to 4.75% of disbursed loan amount by 2020-21.

### Note - 6 Deferred tax liabilities (net)

(₹ in lacs)

	2016	2015
<b>Deferred tax liabilities</b>		
- Depreciation on fixed assets	3,533.64	-
<b>(A)</b>	<b>3,533.64</b>	
<b>Deferred tax assets</b>		
- Unabsorbed tax losses	1,791.58	-
- Employee benefits	225.72	-
<b>(B)</b>	<b>2,017.30</b>	
<b>Total( A-B)</b>	<b>1,516.34</b>	<b>-</b>

### Note - 7 Provisions

	Long-term		Short-term	
	2016	2015	2016	2015
Employee benefits	596.05	452.92	56.16	99.27
<b>Others</b>				
Provision for direct tax (Net of advance tax)	-	-	365.03	207.36
Provision for mark to market losses on derivative contract	-	-	37.62	-
Proposed dividend on 6% optionally convertible cumulative preference shares	-	-	-	37.87
Proposed dividend on 8% redeemable cumulative preference shares	-	-	-	306.12
Tax on proposed preference dividend	-	-	-	68.78
Provision for litigation	217.30	217.30	-	-
<b>Total</b>	<b>813.35</b>	<b>670.22</b>	<b>458.81</b>	<b>719.40</b>

### Note - 8 Short-term borrowings

	2016	2015
<b>Secured</b>		
<b>Working capital loans from banks</b>		
- Rupee Loans	416.00	2,954.98
Buyers credit from banks	373.54	1,559.76
<b>Total</b>	<b>789.54</b>	<b>4,514.74</b>

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

## Notes forming part of the financial statements

(₹ in lacs)

<b>Note - 9 Trade payables</b>		
	<b>2016</b>	<b>2015</b>
Acceptances	7,170.09	4,366.25
Due to micro small and medium enterprises (Refer Note 29)	91.83	60.82
Due to others	1,540.66	1,381.02
<b>Total</b>	<b>8,802.58</b>	<b>5,808.09</b>

<b>Note - 10 Other current liabilities</b>		
	<b>2016</b>	<b>2015</b>
Current maturities of long term borrowings (Refer note 5)	2,884.95	2,499.83
Interest accrued but not due on borrowings	93.76	86.40
Unclaimed dividend	4.25	0.21
Creditors for expenses	1,706.09	1,300.82
Payable for capital goods	249.09	156.69
Trade advances and deposits received	419.72	414.90
Statutory dues	253.00	246.14
<b>Total</b>	<b>5,610.86</b>	<b>4,704.99</b>

### Notes forming part of the financial statements

#### Note 11 : Fixed assets

	Gross Block			Depreciation/ Amortisation			Impairment loss		Net Block		
	As at 01 April 15	Additions	Deductions	Upto 31 March 16	Upto 1 April 15	For the year	Transfer to Reserve	Deductions	Upto 31 March 16	As at 31 March 16	As at 31 March 15
<b>Tangible Assets</b>											
Freehold land (Refer Note 30)	1,536.76	-	-	1,536.76	-	-	-	-	-	1,345.73	1,345.73
Leasehold Improvements	-	20.98	-	20.98	-	3.67	-	-	3.67	17.31	-
Buildings (Refer Note 30)	4,775.23	726.02	-	5,501.25	1,834.01	142.80	-	-	1,976.81	3,524.44	2,941.22
Plant and machinery	39,972.01	9,272.26	189.70	49,054.56	18,799.78	2,194.42	-	174.47	20,819.73	23,047.23	15,984.52
Vehicles	158.77	15.83	-	174.61	61.15	17.28	-	-	78.44	93.25	94.69
Furniture and fixtures	169.55	46.87	0.10	216.32	110.35	9.85	-	0.10	120.10	86.08	49.06
Equipments	149.88	24.38	7.93	166.33	92.16	20.29	-	4.08	108.37	42.78	42.52
Computers	272.06	27.59	184.03	115.62	220.13	9.23	-	146.13	83.23	31.05	14.71
<b>Sub - total - A</b>	<b>47,034.26</b>	<b>10,133.94</b>	<b>381.76</b>	<b>56,786.43</b>	<b>21,117.58</b>	<b>2,397.54</b>	<b>-</b>	<b>324.78</b>	<b>23,130.35</b>	<b>28,187.87</b>	<b>20,472.44</b>
Previous Year	45,648.09	2,210.08	823.91	47,034.26	19,180.05	2,017.80	522.12	602.39	21,117.58	20,472.44	
<b>Intangible Assets</b>											
Softwares	114.32	33.96	-	148.29	93.89	9.60	-	-	103.50	41.71	17.35
<b>Sub - total - B</b>	<b>114.32</b>	<b>33.96</b>	<b>-</b>	<b>148.29</b>	<b>93.89</b>	<b>9.60</b>	<b>-</b>	<b>-</b>	<b>103.50</b>	<b>41.71</b>	<b>17.35</b>
Previous Year	114.32	-	-	114.32	91.47	2.42	-	-	93.89	17.35	19.78
<b>Capital work-in-progress</b>											
										<b>1,417.88</b>	<b>1,831.99</b>

#### Notes :

- Refer note 26 for reversal of impairment loss during the year.
- Refer note 37 for exchange difference capitalised during the year.
- Borrowing costs allocated to fixed assets/capital work-in-progress is ₹191.78 lacs (₹0.26 lacs).
- Refer note 41 for capital expenditure incurred on in-house research and development activities.



**Notes forming part of the financial statements**

(₹ in lacs)

**Note - 12 Non-current investments**

	2016	2015
<b>Long term (at cost)- Non Trade</b>		
<b>a) Quoted</b>		
Welspun India Limited 14,850 (1,485) Equity Shares of ₹ 1 (₹ 10) each fully paid up	0.15	0.15
Welspun Investments and Commercials Limited 67 (67) Equity Shares of ₹ 10 each fully paid up	0.01	0.01
<b>b) Unquoted</b>		
Welspun Steel Limited 100 (100) Equity Shares of ₹ 10 each fully paid up.	0.01	0.01
<b>All the above shares and securities are fully paid up</b>		
Aggregate book value of quoted investments ₹ 0.16 lacs (₹ 0.16 lacs)		
Aggregate book value of unquoted investments ₹ 0.01 lacs (₹ 0.01 lacs)		
Aggregate market value of quoted investments ₹14.78 lacs (₹ 5.27 lacs)		
<b>Total</b>	<b>0.17</b>	<b>0.17</b>

**Note - 13 Loans and advances**

(Unsecured and considered good, unless otherwise stated)

	Long -term		Short -term	
	2016	2015	2016	2015
Capital advances	1,156.87	885.12	-	-
Security deposits	8.04	12.70	25.28	25.28
<b>Other loans and advances</b>				
Advances (recoverable in cash or kind)	-	-	506.24	894.09
Prepaid expenses	21.98	0.35	96.64	84.91
Loans and advances to employees	-	2.89	39.11	39.84
MAT credit entitlement	3,589.01	2,249.01	-	-
Balances with government authorities - Indirect taxes	217.30	217.30	2,048.00	2,332.02
<b>Total</b>	<b>4,993.20</b>	<b>3,367.37</b>	<b>2,715.27</b>	<b>3,376.14</b>

**Note - 14 Current Investments**

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

	2016	2015
<b>In Bonds ( Quoted )</b>		
8.10% Indian Railway Finance Corporation Limited - 2027 Nil ( 200000 ) Bonds of Rs.1,000 each.	-	2,155.60
	-	<b>2,155.60</b>
Aggregate book value of quoted investments ₹ Nil ( ₹2155.60 lacs)		
Aggregate market value of quoted investments ₹ Nil ( ₹2155.60 lacs)		

**Notes forming part of the financial statements**

(₹ in lacs)

**Note - 15 Inventories**

	2016	2015
Raw materials	1,928.41	2,192.38
Goods-in-process	692.88	600.49
Finished goods	1,724.46	1,793.70
Stores / spares and packing materials	1,323.77	1,921.39
<b>Total</b>	<b>5,669.52</b>	<b>6,507.96</b>
<b>Details of Raw materials</b>		
Chips	1,032.18	1,137.78
Partially oriented yarn/texturised yarn	896.23	1,054.60
<b>Total</b>	<b>1,928.41</b>	<b>2,192.38</b>
<b>Details of Goods-in-process</b>		
Partially oriented yarn/texturised yarn	692.88	600.49
<b>Total</b>	<b>692.88</b>	<b>600.49</b>
<b>Details of Finished goods</b>		
Partially Oriented Yarn	302.94	384.73
Dyed/text and twisted yarn	1,421.52	1,408.97
<b>Total</b>	<b>1,724.46</b>	<b>1,793.70</b>

**Note - 16 Trade receivables (Unsecured)**

	2016	2015
<b>Over six months</b>		
Considered good	320.27	110.77
Considered doubtful	-	26.83
<b>Others</b>		
Considered good	4,905.72	3,104.05
	<b>5,225.99</b>	<b>3,241.65</b>
Less : Provision for doubtful debts	-	26.83
<b>Total</b>	<b>5,225.99</b>	<b>3,214.82</b>

**Note - 17 Cash and bank balances**

	Non-current		Current	
	2016	2015	2016	2015
<b>Cash and cash equivalents</b>				
Balances with banks in current account	-	-	3,832.38	858.51
Cash on hand	-	-	3.59	15.46
	-	-	<b>3,835.97</b>	<b>873.97</b>
<b>Other bank balances</b>				
- In escrow accounts	-	-	415.47	147.66
- In margin money deposits with banks having original maturity period upto twelve months	-	-	1,241.91	1,190.59
- In margin money deposits with banks having original maturity period of more than twelve months	7.17	-	-	-
Disclosed under "Other non -current assets" (Refer note 18)	(7.17)	-	-	-
	-	-	<b>5,493.35</b>	<b>2,212.22</b>

**Note - 18 Other assets**

	Non-current		Current	
	2016	2015	2016	2015
Deposit with banks having original maturity period of more than twelve months (Refer note 17)	7.17	-	-	-
Interest accrued				
- Fixed deposits	0.08	-	28.41	80.71
- Current investments	-	-	-	73.84
Export benefit receivables	-	-	108.64	380.13
Mark to market gain on forward contracts	-	-	-	6.03
Other receivables	-	-	216.01	120.73
	<b>7.25</b>	<b>-</b>	<b>353.06</b>	<b>661.44</b>

Notes forming part of the financial statements

(₹ in lacs)

**Note - 19 Revenue from operations**

	2016	2015
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished goods	84,623.90	87,919.86
<b>Sale of services</b>		
Job work charges	6.44	78.71
<b>Other operating revenues</b>		
Scrap sales	370.39	504.09
Export benefits	393.61	767.12
<b>Total</b>	<b>85,394.34</b>	<b>89,269.78</b>
<b>Details of sale of products under broad heads</b>		
Partially oriented yarn	16,924.21	12,676.79
Dyed/tex and twisted polyester yarn	67,699.69	75,243.07
<b>Total</b>	<b>84,623.90</b>	<b>87,919.86</b>

**Note - 20 Other income**

	2016	2015
Interest income		
- Current investments	12.98	2.22
- Fixed deposits	101.77	84.80
- Others	109.31	156.83
Dividend income on current investments	20.19	17.98
Profit on sale of current investments	6.52	-
Profit on sale of fixed assets (net)	-	5.82
Miscellaneous income	41.82	42.58
<b>Total</b>	<b>292.59</b>	<b>310.23</b>

**Note - 21 Cost of raw materials consumed**

	2016	2015
<b>Inventory at the beginning of the year</b>	2,192.38	2,700.75
Add: Purchases (net)	42,941.77	50,372.48
	45,134.15	53,073.23
<b>Less: Inventory at the end of the year</b>	1,928.41	2,192.38
<b>Total</b>	<b>43,205.74</b>	<b>50,880.85</b>
<b>Details of raw materials consumed</b>		
Chips	26,291.84	29,442.53
Partially Oriented Yarn /Texturised Yarn	16,913.90	21,438.32
<b>Total</b>	<b>43,205.74</b>	<b>50,880.85</b>

**Note - 22 Changes in inventories of finished goods and goods-in-process**

	2016	2015
<b>Inventory at the end of the year</b>		
Finished goods	1,724.46	1,793.70
Goods-in-process	692.88	600.49
	(A) 2,417.34	2,394.19
<b>Inventory at the beginning of the year</b>		
Finished goods	1,793.70	2,540.56
Goods-in-process	600.49	749.20
	(B) 2,394.19	3,289.76
<b>Total (A-B)</b>	<b>23.15</b>	<b>(895.57)</b>

**Notes forming part of the financial statements**

(₹ in lacs )

<b>Note - 23 Employee benefits expense</b>		
	<b>2016</b>	<b>2015</b>
Managerial remuneration	267.33	163.06
Salaries, wages and allowances	4,228.63	3,468.77
Contribution to provident and other funds	245.28	190.93
Staff welfare expenses	354.92	507.78
<b>Total</b>	<b>5,096.16</b>	<b>4,330.54</b>

<b>Note - 24 Other expenses</b>		
	<b>2016</b>	<b>2015</b>
Stores and spares	2,427.01	2,077.98
Packing materials	2,654.43	2,781.96
Power, fuel and water	4,778.51	4,861.63
Dyes and chemicals	3,522.76	3,466.11
Increase/(decrease) in excise duty on finished goods	(6.06)	101.23
Repairs and maintenance		
-Buildings	119.81	101.58
-Plant and machinery	421.42	146.15
-Others	421.75	224.81
Rent	337.67	278.64
Rates and taxes	18.29	10.85
Insurance	118.83	74.21
Directors sitting fees	12.93	8.08
Printing and stationery	43.39	37.97
Travelling and conveyance expenses	502.90	433.68
Legal and professional charges	1,125.34	275.65
Communication charges	45.97	39.69
Vehicle expenses	95.98	88.38
Loss on sale/discard of fixed assets (net)	3.96	
Donations	1.69	10.60
Exchange difference (net)	201.75	133.72
Freight and forwarding expenses	1,219.53	1,317.66
Discounts and rebates	701.36	583.41
Brokerage and commission	1,232.90	1,177.37
Provision for Doubtful Debts	-	26.83
Corporate Social responsibility expenditure (Refer note 42)	52.12	33.91
Miscellaneous expenses (Refer note 34)	1,197.72	710.08
<b>Total</b>	<b>21,251.96</b>	<b>19,002.18</b>

<b>Note - 25 Finance costs</b>		
	<b>2016</b>	<b>2015</b>
Interest expense		
-Borrowings	1,429.34	1,513.46
-Others	87.22	52.62
Other financial charges	635.54	817.39
Exchange difference (net)	-	8.17
<b>Total</b>	<b>2,152.10</b>	<b>2,391.64</b>

**Notes forming part of the financial statements**

26. During the year, impairment loss aggregating ₹ 36.02 lacs (₹114.03lacs) has been reversed consequent to the relevant fixed assets being sold.

27. **Contingent liabilities not provided for**

(₹ in lacs)

		2016	2015
i.	Guarantees given by banks	701.35	698.86
ii.	Disputed Indirect taxes	1,343.72	1,343.72
iii.	Disputed direct taxes	50.74	46.87
iv.	Unexpired letters of credit	1276.09	1,604.21
v.	Custom duty on pending export obligation for imports under advance license	108.87	116.37
vi.	Claims against the Company not acknowledged as debt	139.85	139.85
vii.	Bills receivable discounted	1,170.29	1,702.54

28. Capital commitment not provided for ₹ 1,766.36 lacs (₹1,764.62 lacs) net of advances.

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 2016. The disclosure pursuant to the said Act is as under:

(₹ in lacs)

		2016	2015
i.	Principal amount due to suppliers under MSMED Act, 2006	91.83	60.82
ii.	Interest accrued and due to suppliers under MSMED Act, on the above amount	0.13	0.49
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.	10.06	9.93

The above information and that given in Note - 9 "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.

## Notes forming part of the financial statements

30. Freehold land includes ₹ 8.25lacs (₹ 7.73lacs) and development expenses of ₹14.98lacs (₹14.98lacs) incurred on such land capitalized in the year 2002-2003 for which the Company holds no title. The Company is in possession of the said land without any interference for more than twelve years and is in the process of executing the documents to transfer the said land in its name. Further in respect of certain residential flats aggregating to ₹ 10.65 lacs (written down value as at 31 March 2016), documents of title deeds are not available with the company.

### 31. Taxation

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 ₹ 1,340.00 lacs (₹ 906.49 lacs) as an asset under the note "Loans and Advances" and has credited the same to the statement of profit and loss under "Tax expense".

### 32. Operating Leases

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

Minimum rental payments are required to be made under the operating leases that have initially or remaining cancelable / non-cancelable lease term in excess of one year as at 31 March 2016 as per the contracts are as under:

- Not later than one-year ₹ 11.95 lacs (₹ 70.39 lacs)

- Later than one year but not later than five years ₹ 34.85lacs (Nil)

The aggregate rental expenses of all the leases for the year are ₹ 337.67 lacs (₹ 278.64 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) are as follows:

#### I. Actuarial Assumptions

##### a) Economic Assumptions

Major Assumptions	2016 (% p.a)	2015 (% p.a)
Discount Rate (p.a.)	8.0	8.0
Salary Escalation Rate	5.5	5.5

##### b) Demographic Assumptions

Major Assumptions	
Mortality	Indian assured lives Mortality
Retirement Age	60 Years for staff and 62 years for presidents and above. Worker category 58 years.
Attrition Rate	3% up to age of 35, 2 % up to age 45 and 1% thereafter

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

	(₹ in lacs)	
	Gratuity 2016	Gratuity 2015
Current service cost	54.69	48.45
Interest cost	34.04	32.87
Net actuarial (gain)/loss recognized in the period	25.26	17.05
Expenses recognized in the statement of profit and loss	<b>113.99</b>	<b>98.37</b>

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

	(₹ in lacs)	
	Gratuity 2016	Gratuity 2015
Present value of obligation as at 31 March	489.09	425.65
Fair value of plan assets as at 31 March	-	-
Liability recognized in the balance sheet and disclosed under provisions (Refer note-7)	<b>489.09</b>	<b>425.65</b>

## IV. Change in the present value of obligation

	(₹ in lacs)	
	Gratuity 2016	Gratuity 2015
Present value of obligation as at 1 April	425.65	365.21
Current service cost	54.69	48.45
Interest cost	34.04	32.87
Benefits paid	(50.54)	(37.92)
Actuarial (gain) / loss on obligation	25.26	17.05
Present value of obligation as at 31 March	<b>489.10</b>	<b>425.65</b>

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

	(₹ in lacs)				
	As at 31 March				
Gratuity	2016	2015	2014	2013	2012
Defined benefit obligation	489.10	425.65	365.21	365.32	286.56
Actuarial (gain) / loss on plan obligation	25.26	17.05	(106.03)	(6.86)	28.29

#### Note:

- Amount recognized as an expense and included in Note 23- Employee benefits expense is gratuity ₹113.99lacs (₹98.37lacs) and leave encashment expense of ₹50.25lacs (₹36.08 lacs)
- Contribution to provident and other funds" is recognized as an expense in note 23 of the statement of profit and loss.

**Notes forming part of the financial statements**

- c) The estimate of future salary increases considered in the actuarial valuation, is after taking into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

34. Miscellaneous expenses include Auditors' Remuneration as under: (₹ in lacs)

	2016	2015
Statutory audit fees	12.00	10.00
Tax audit fees	2.25	2.00
Fees for certifications (including fees for limited reviews)	8.78	3.85
Out of pocket expenses	0.42	0.27
<b>Total</b>	<b>23.45</b>	<b>16.12</b>

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) **Holding company**

Mandawewala Enterprises Limited [Formerly Welspun Marine Logistic (Raigad) Limited] (w.e.f. 4<sup>th</sup> September 2015).  
Krishiraj Trading Limited (upto 3<sup>rd</sup> September 2015)

b) **Directors /Key Management Personnel and their Relatives**

Non-Executive Chairman	Mr. R. R. Mandawewala, w.e.f. 23 September 2015. Mr. B. K. Goenka upto 22 September 2015.
Executive Director	Mr. B. A. Kale
Whole time Director	Mr. A. R. Mandawewala w.e.f. 1 August 2015.
Chief Financial Officer	Mr. Bhaskar Sen
Company Secretary	Mr. Kaushik Kapasi
Relatives of whole time director	Mr. Yash Mandawewala w.e.f. 1 October 2015 Mrs. Kushboo Mandawewala w.e.f. 10 October 2015.

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

Welspun India Limited, Welspun Corp Limited, Welspun Steel Limited, Welspun Wintex Limited, Welspun Realty Private Limited, Goodvalue Polyplast Limited, Mertz Securities Limited, Welspun Infra Developers Private Limited, Welspun Logistics Limited, Welspun Maxsteel Limited, Welspun Investments and Commercial Limited, Welspun USA Inc, Vipuna Trading Limited and Welspun Global Brands Limited

d) **Transactions with Related Parties** (₹ in lacs)

Nature of transactions	2016	2015
<b>Sales (net) to and recoveries from</b>	<b>7,936.87</b>	<b>6,859.64</b>
Welspun India Limited	7,936.87	6,759.29
Welspun USA Inc	-	100.35
<b>Purchase of goods and services</b>	<b>895.03</b>	<b>786.32</b>
Welspun India Limited	370.27	40.34
Welspun Steel Limited	155.61	184.38
Welspun Wintex Limited	-	255.12
Welspun Maxsteel Limited	-	0.63
Welspun Realty Private Limited	141.67	79.09
Goodvalue Polyplast Limited	-	71.57
Welspun Global Brands Limited	2.67	-
Mertz Securities Limited	-	82.49
Vipuna Trading Limited	-	56.91
Welspun Corp Limited	3.28	15.79
Mertz Estate Ltd.	215.39	-
Welspun USA Inc.	6.15	-

<b>Loans taken</b>	-	<b>2,503.40</b>
Krishiraj Trading Limited	-	1,201.48
Welspun Infra Developers Private Limited	-	600.89
Welspun Logistics Limited	-	701.03
<b>Repayment of loans taken</b>	<b>2,503.40</b>	-
Krishiraj Trading Limited	1,201.48	-
Welspun Infra Developers Private Limited	600.89	-
Welspun Logistics Limited	701.03	-
<b>Reimbursement of expenses</b>	<b>21.67</b>	<b>10.81</b>
Welspun India Limited	1.38	1.89
Welspun Global Brands Limited	11.50	-
Welspun Maxsteel Limited	-	0.19
Welspun Corp Limited	8.79	8.73
<b>Purchase of fixed assets</b>	-	<b>30.00</b>
Welspun Maxsteel Limited	-	30.00
<b>Interest expense</b>	<b>30.14</b>	<b>3.78</b>
Krishiraj Trading Limited	14.47	1.64
Welspun Infra Developers Private Limited	7.23	0.99
Welspun Logistics Limited	8.44	1.15
<b>Remuneration</b>	<b>399.07</b>	<b>228.07</b>
Mr. B. A. Kale	185.08	163.06
Mr. Abhishek Mandawewala	82.25	-
Mr. Bhaskar Sen *	66.94	33.27
Mr. Kaushik Kapasi *	37.01	31.74
Mr. Yash Mandawewala *	13.79	-
Mrs. Kushboo Mandawewala *	14.00	-
<b>Closing balances as at 31 March</b>		
<b>Trade receivables</b>	<b>495.84</b>	<b>140.94</b>
Welspun India Limited	495.83	140.93
Welspun Steel Limited	0.01	0.01
<b>Trade payables</b>	<b>7.15</b>	<b>18.61</b>
Welspun India Limited	0.87	1.34
Welspun Steel Limited	6.28	17.27
<b>Loans taken</b>	-	<b>2,503.40</b>
Krishiraj Trading Limited	-	1,201.48
Welspun Infra Developers Private Limited	-	600.89
Welspun Logistics Limited	-	701.03
<b>Advances given</b>	<b>2.30</b>	<b>11.36</b>
Welspun Wintex Limited	2.30	11.36
<b>Investments outstanding</b>	<b>0.17</b>	<b>0.17</b>
Welspun India Limited	0.15	0.15
Welspun Steel Limited	0.01	0.01
Welspun Investments and Commercials Limited	0.01	0.01
<b>Remuneration payable</b>	<b>159.23</b>	<b>111.02</b>
Mr. B. A. Kale	125.71	111.02
Mr. Abhishek Mandawewala	33.52	-

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

## Notes forming part of the financial statements

36. Details of remuneration paid/payable to the Executive director and Whole time director included in "Employee benefits expense" are as under

(₹ in lacs)

	2016	2015
Salaries and allowances	101.91	48.61
Contribution to Provident Fund	4.89	2.7
Commission	159.23	111.02
Perquisites	1.30	0.73
<b>Total</b>	<b>267.33</b>	<b>163.06</b>

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

### 37. Foreign exchange

a) The Companies (Accounting Standards) Amendment Rules 2011 has amended the provision of AS-11 related to "The effects of changes in Foreign Exchange Rates" vide notification dated 11 May 2011 (as amended on 29 December 2011 and further clarification dated 9 August 2012) issued by the Ministry of Corporate Affairs. Accordingly, the Company has adjusted exchange difference loss amounting to ₹ 350.71 lacs (loss of ₹ 206.70 lacs) and gain of ₹ 5.93 lacs (loss of ₹ 86.23 lacs) to the cost of fixed assets and capital work-in-progress respectively.

b) The Company is exposed to various financial risks, most of which relate to changes in exchange rates, interest rate etc. The Company hedges risks of the aforesaid nature using forward contracts. The outstanding foreign currency forward contracts as at 31 March 2016 are as follows:

### Forward Contracts

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

(₹ in lacs)

Derivative Contracts	Covered for	2016		2015	
		Foreign Currency	Equivalent Indian Rupee	Foreign Currency	Equivalent Indian Rupee
USD/ INR	Foreign currency loan	16.99	1125.70	21.31	1331.88
USD/ INR	Exports	-	-	20.56	1284.98

- 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 ₹5,399.47 lacs (₹7,661.04 lacs)

### 38. Earnings per share (EPS)

	2016	2015
Profit after tax (₹ in lacs)	4,775.15	4,275.46
Profit available for appropriation to equity share holders (₹ in lacs)	4,775.15	4,275.46
Weighted average number of equity shares for computation of EPS (Number of shares)	39,239,568	39,239,568
Basic and diluted earnings per share (₹)	12.17	10.90

### 39. Segment information

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

b) Information about Secondary-Geographical segment.

(₹ in lacs)

	2016			2015		
	India	Outside India	Total	India	Outside India	Total
Sales	60,410.40	19,678.62	80,089.02	64,442.33	19,043.90	83,486.23
Carrying amount of segment assets	51,053.38	3,051.90	54,105.28	42,663.38	1,154.12	43,817.50
Capital expenditure	9,933.14	-	9,933.14	4,276.81	-	4,276.81

**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 advance are subject to confirmation/reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments except otherwise stated.

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.

### 41. Research and Development Expenditure

The Company has received recognition for in-house Research and Development (R&D) units at Rakholi and Palghar from the Department of Scientific and Industrial Research (DSIR) on 24 March 2015. During the year, the Company has incurred expenditure, on research and development activities, of ₹1998.41 lacs (₹290.36 lacs) including capital expenditure of ₹1461.64 lacs (₹290.36 lacs). The revenue expenditure includes employee cost, material cost, power cost, travelling & conveyance and other expenses. The Company has considered weighted tax deduction on eligible research and development expenditure of ₹1998.41 lacs (₹290.36 lacs) under Section 35 (2AB) of the Income Tax Act 1961.



**Notes forming part of the financial statements****42. Corporate Social Responsibility (CSR)**

As per section 135 of the Companies Act, 2013, a CSR Committee had been formed by the Company. The Company is required to spend ₹52.08 lacs for the current financial year and has spent ₹52.12 lacs on activities specified in Schedule VII of the Companies Act, 2013. The entire amount has been paid during the year.

**43. Information required under section 186(4) of the Companies Act, 2013**

- a) Loans/guarantees given and securities provided – The Company has not given any loans/ guarantees or provided securities during the year.
- b) Investments made – There are no investments other than as disclosed in Note 12 “Non-current investments” of notes forming part of financial statements.

44. Previous year's figures have been regrouped/reclassified/recast wherever necessary to correspond with the current year's classifications/disclosures. Figures in brackets pertain to the previous year.

**45. Additional information**

As per our attached report of even date

**For MGB & CO LLP**

Chartered Accountant

Firm Registration Number 101169W/W-100035

**Sanjay Kothari**

Partner

Membership Number 048215

For and on behalf of the Board

**R. R. Mandawewala**

Chairman

**B. A. Kale**

Executive Director

**Kaushik Kapasi**

Company Secretary

**Bhaskar Sen**

Chief Financial Officer

Mumbai, 6<sup>th</sup> May 2016

(₹ in lacs)

	2016		2015	
	(%)	₹ in lacs	(%)	₹ in lacs
i) Raw materials consumed				
Imported	36.67	15,842.95	37.27	18,962.20
Indigenous	63.33	27,362.79	62.73	31,918.65
Total	100.00	43,205.74	100.00	50,880.85
ii) Stores, spares, dyes and chemicals consumed				
Imported	16.19	963.15	10.71	593.89
Indigenous	83.81	4,986.62	89.29	4,950.20
Total	100.00	5,949.77	100.00	5,544.09
iii) CIF value of imports				
Raw materials		15,670.44		17,167.95
Capital goods		5,897.56		1,281.27
Stores and Spares		1,133.53		659.43
iv) Expenditure in foreign currency				
Traveling and conveyance		41.35		67.53
Membership and other fees		13.15		0.07
Commission on export sales		130.95		136.03
Finance expenses (including bank charges)		223.28		238.16
Legal and professional charges		258.87		49.37
Quality claims accepted		113.84		11.99
Export Shipping and Handling expenses		78.38		-
Others		13.15		1.66
v) Earnings in foreign currency:				
FOB value of exports		19,212.24		17,292.07

**AYM Syntex Limited ( Formerly Welspun Syntex Limited)**  
**Cash flow statement for the year ended 31 March**

(₹ in lacs)

	2016	2015
<b>Cash flow from operating activities</b>		
Profit before tax	6,291.50	4,275.46
<b>Adjustments for:</b>		
Depreciation and amortisation expense	2,407.30	2,020.22
Balances written back	(38.09)	(34.11)
(Profit)/loss on sale/discard of fixed assets (net)	3.96	(5.82)
Profit on sale of current investments	(6.52)	-
Interest income	(224.06)	(243.86)
Interest expense	1,516.56	1,566.08
Dividend income on current investments	(20.19)	(17.98)
Exchange difference (net)	(32.52)	3.99
<b>Operating profit before working capital changes</b>	<b>9,897.94</b>	<b>7,563.98</b>
Trade and other receivables	(1,209.28)	2,586.57
Inventories	838.44	1,319.82
Trade and other payables	3,614.96	(1,427.07)
<b>Cash generated from operations</b>	<b>13,142.06</b>	<b>10,043.30</b>
Taxes paid (net of refunds)	(1,182.33)	(926.71)
<b>Net cash generated from operating activities</b>	<b>11,959.72</b>	<b>9,116.59</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work-in-progress)	(9,600.63)	(3,561.01)
Sale of fixed assets	17.02	113.31
Purchase of current investments	(6,008.98)	(3,355.60)
Sale of current investments	8,171.10	1,400.00
Redemption of long-term investments	-	1,216.85
Increase in other bank balances	(326.30)	(357.46)
Interest received	350.12	190.62
Dividend received	20.19	17.98
<b>Net cash used in investing activities</b>	<b>(7,377.48)</b>	<b>(4,335.31)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	10,418.39	1,881.59
Repayment of long-term borrowings	(3,892.10)	(3,307.12)
Proceeds from short-term borrowings	2,824.79	9,370.42
Repayment of short-term borrowings	(4,011.02)	(10,197.64)
Increase/(decrease) in other borrowings	(2,538.98)	(1,655.20)
Proceeds from inter-corporate deposits	-	2,503.40
Repayment of inter-corporate deposits	(2,503.40)	-
Interest paid	(1,509.20)	(1,578.16)
Dividend paid (including tax)	(408.73)	(1,427.34)
<b>Net cash used in financing activities</b>	<b>(1,620.25)</b>	<b>(4,410.05)</b>
Net increase/ (decrease) in cash and cash equivalents	2962.00	371.23
Cash and cash equivalents at the beginning of the year	873.97	502.74
<b>Cash and cash equivalents at the end of the year</b>	<b>3835.97</b>	<b>873.97</b>
Add: Earmarked bank balances	1,657.38	1,338.25
<b>Cash and bank balances at the end of the year</b>	<b>5493.35</b>	<b>2,212.22</b>

**Notes**

- 1) Previous year figures are regrouped/reconsidered wherever necessary.
- 2) Cash and bank balances include gain of ₹5.95 lacs (₹6.44 lacs) on account of fluctuation in foreign exchange rates.

As per our attached report of even date

For **MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169 W/W-100035

**For and on behalf of the Board**

**R.R. Mandawewala**  
Chairman

**Sanjay Kothari**

Partner

Membership Number 048215

Mumbai, 6 May 2016

**B.A.Kale**

Executive Director

**Kaushik Kapasi**

Company Secretary

**Bhaskar Sen**

Chief Financial officer









**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,  
The Company Secretary,  
AYM Syntex Limited,  
(Formerly known as Welspun Syntex Limited)  
Survey No. 394 (P),  
Village Saily, Silvassa,  
(U. T.) Dadra & Nagar Haveli

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) (g) E-mail id:
- (h) (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 dematerialized, 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 dematerialized mode nomination is required to be filed with the Depository Participant in their prescribed form.





