



WELSPUN SYNTEX LIMITED

**28th
Annual Report
2010-11**

WELSPUN SYNTEX LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	MR. B.K.GOENKA	CHAIRMAN
	MR. R.R.MANDAWEWALA	
	MR. B.A. KALE	EXECUTIVE DIRECTOR (with effect from 30.10.2010)
	MR. MURARILAL MITTAL	(upto 14.02.2011)
	MR. ATUL DESAI	
	MR. RAJ KUMAR JAIN	
	MR. M.K.TANDON	

COMPANY SECRETARY	MR. NILESH JAVKER	ASST.COMPANY SECRETARY
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AUDITORS	MGB & CO., CHARTERED ACCOUNTANTS
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BANKERS	BANK OF BARODA, STATE BANK OF BIKANER & JAIPUR
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REGISTERED OFFICE	SURVEY NO. 394 (P), VILLAGE SAILY, SILVASSA, UNION TERRITORY OF DADRA & NAGAR HAVELI
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CORPORATE OFFICE	9TH FLOOR, TRADE WORLD, "B" WING, KAMALA MILLS COMPOUND, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI – 400 013. EMAIL: welspun@bom5.vsnl.net.in WEBSITE: www.welspunsyntex.com
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FACTORY	SURVEY NO. 394 (P), VILLAGE SAILY, SILVASSA, UNION TERRITORY OF DADRA & NAGAR HAVELI. PLOT NO. 14/15, DEWAN INDUSTRIAL ESTATE, PALGHAR, DISTRICT THANE, MAHARASHTRA.
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LISTING OF SHARES	THE BOMBAY STOCK EXCHANGE LIMITED, MUMBAI Phiroze Jee-jeebhoy Tower, Dalal Street, Mumbai 400 001
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NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Members of Welspun Syntex Limited will be held at the Registered Office of the Company at Survey No. 394(P), Village Saily, Silvassa, Dadra & Nagar Haveli on Thursday, 22nd September, 2011 at 11 a.m to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Audited Profit and Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B.K.Goenka, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Atul Desai, who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. 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 section 224 A of the Companies Act, 1956, M/s. MGB & Co., Chartered Accountants be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting of the Company on a remuneration as may be agreed upon between the Board of Directors and M/s. MGB & Co."

5. To consider and if thought fit to pass with or without modification(s), The following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. B.A. Kale who has been appointed as an additional director by the Board of Directors of the Company and hold office until the conclusion of the 28th Annual General Meeting, be and is hereby appointed as a director of the Company liable to retire by rotation."

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

"RESOLVED THAT Pursuant to Section 198, 269, 309 and other applicable provisions of and Schedule XIII to the Companies Act, 1956, and subject to the approval of Central Government, if required, Mr. B.A.Kale, be and is hereby appointed as an Executive director of the Company for a period of three years with effect from 30-10-2010 on a remuneration of Rs. 40,00,000/- per annum inclusive of all perquisites, allowances and gratuity plus Commission @ 2.5 % per annum of the net profits computed in the manner laid down under Section 349 and Section 350 of the Companies Act, 1956".

"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, 2010, the Company has no profits or its profits are inadequate, the Company do pay to Mr. B.A.Kale remuneration of Rs. 40, 00,000/- per annum inclusive of all perquisites, allowances and gratuity."

"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. B.A.Kale."

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (The Act), the Articles of the Association of the Company be and is hereby altered as under:

The existing Article No. 95 of the Articles of Association of the Company be substituted by the following articles:

"95 – Every deed or other instrument to which the seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney of the Company, be signed by any one of the directors, or company Secretary or any authorized person."

BY ORDER OF THE BOARD OF DIRECTORS

B.A. Kale
Executive Director
Mumbai, 25 May 2011

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited on any working day at the Registered Office of the Company not less than 48 hours before the meeting.
2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the special business to be transacted at the meeting is appended hereto.
3. The Register of Members of the Company shall be closed from Friday, 9th September 2011 to Tuesday, 13th September, 2011 (both days inclusive).
4. All correspondence pertaining to Equity Shares should be forwarded to the Company's Registrar and Share Transfer Agent M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.
5. Members are requested to immediately inform about their change of address or consolidation of folios, if any, to the Company's Share Transfer Agent.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

SPECIAL BUSINESS:-

ITEM NO. 4

Since more than 25% of the Company's share capital is held by Institutions/Banks/Insurance companies as specified under section 224A of the Companies Act, 1956, the appointment/re-appointment of Auditors require members' approval by a Special Resolution. Hence, the resolution under this item is proposed for the approval of members by a Special Resolution.

None of the directors of the Company is any way concerned or interested in the said resolution.

ITEM NO. 5 & 6

Board of Directors at their meeting held on 30th October, 2010 appointed Mr. B. A. Kale as an Additional Director and he hold office upto the date of 28th Annual General Meeting. The Company has received a notice from the member under section 257 of the Companies act, 1956 proposing his appointment as a Director of the Company.

He has been also appointed as an executive director for three years with effect from 30th October, 2010

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

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

The above may also be treated as an abstract of the draft agreement proposed to be entered into between the Company and Shri Mr. B. A. Kale pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. B. A. Kale himself is in any way concerned or interested in the said resolution.

Information pursuant to Schedule XIII of the Companies Act, 1956.

GENERAL INFORMATION:

- 1) Nature of industry – Textile
- 2) Financial performance –

(₹ In Lacs)
2010-11 2009-2010

Gross Profit before Depreciation and Finance Expenses	3222.34	2711.86
Less: Finance Expenses	870.83	933.23
Depreciation	1139.47	1065.89
Profit/(Loss) before tax	1212.04	712.74
Provision for tax – Current Tax	241.57	121.13
MAT credit entitlement	(241.57)	(121.13)
Earlier Tax	69.64	Nil
Fringe Benefit Tax	0.34	Nil
Profit/ (Loss) after tax	1281.34	712.74
Profit/ (Loss) brought forward	(316.21)	(1028.95)
Balance carried to Balance Sheet	965.12	(316.21)

- 3) Export performance and net foreign exchange collaboration -
FOB value of export: 2010-11 – ₹ 9773.10 Lacs 2009-10 – ₹ 6671.84 Lacs

INFORMATION ABOUT THE APPOINTEE:

1) Background details:

Mr. B. A. Kale 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. 02.05.2007.

He 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 reknown companies for text yarn. He has experienced of more than 30 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 a B.SC. (HONS.), D.A.M and done diploma in Textiles Management & Marketing.

2) Past remuneration:

His remuneration as a CEO was Rs.40, 00,000 per annum with effect from 1-04-2010

3) Job profile and his suitability:

He has experienced of more than 30 years in Textile Industry and CEO of the Company with effect from 02-05-2007. Performance of the Company has improved for about last two years. In view of his experience in the field of textile marketing, your directors are of view that he should be appointed as an executive director of the Company.

4) Remuneration proposed:

Rs. 40,00,000 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 349 and Section 350 of the Companies Act,1956.

5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Looking to his long experience and association with the Company, size of the company and the Company's constant efforts to revive and improve profitability, 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

OTHER INFORMATION:

i. Reason for loss or inadequate profits

Profits before tax in accordance with sections198/349 of the companies act for the year ended 31-03-2010 was inadequate in view of excess expense over income of previous year. The Company incurred losses prior to the year 2009-10 and as such, brought forward expenses were higher over income of previous years. However, Profit in accordance with sections198/349 of the companies act as mentioned in Balance sheet as at 31-03-2011 is adequate.

ii. Steps taken for improvement

The Company took various steps to minimize cost of production, added texturised machinery, increased dyed yarn capacity during the year which has led to increase in production and profitability of the Company. Profit in accordance with sections198/349 of the companies act as mentioned in Balance sheet as at 31-03-2011 is now adequate.

iii. Expected increase in productivity and profits in measurable terms

In view of steps taken by the Company to improve performance of the company as mentioned earlier, the production and margin of profits has increased during the last two years.

ITEM NO.7

Present article require director to be present for affixation of Common Seal of the Company on any documents. It is therefore proposed to alter the articles in order to have flexibility in operation of the Company particularly in execution of documents.

None of the Directors of the Company are in any way concerned or interested in the said resolution.

BY ORDER OF THE BOARD OF DIRECTORS

B.A. Kale
Executive Director
Mumbai, 25 May 2011



DIRECTORS' REPORT

To,
The Members,
WELSPUN SYNTEX LIMITED

Your Directors are pleased to present the Twenty-eighth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March 2011.

FINANCIAL RESULTS AND APPROPRIATIONS

(₹ in Lacs)

	2010-11	2009-2010
Gross Profit before Depreciation and Finance Expenses	3222.34	2711.86
Less: Finance Expenses	870.83	933.23
Depreciation	1139.47	1065.89
Profit/(Loss) before tax	1212.04	712.74
Provision for tax – Current Tax	241.57	121.13
MAT credit entitlement	(241.57)	(121.13)
Earlier Tax	(69.64)	Nil
Fringe Benefit Tax	0.34	Nil
Profit/ (Loss) after tax	1281.34	712.74
Profit/ (Loss) brought forward	(316.21)	(1028.95)
Balance carried to Balance Sheet	965.12	(316.21)

In order to conserve resources, no dividend is recommended.

OPERATIONS

During the year under review, Net sales / services and Gross Profit before Interest and Depreciation were of ₹ 49633.26 Lacs and ₹ 3222.34 Lacs respectively as compared to ₹ 36112.19 Lacs and ₹ 2711.86 Lacs respectively for the previous year. Turnover of the Company and Gross Profits has thus increased by 37.44 % and 18.82% over the previous year.

FOB value of Exports during the financial year 2010-11 were of ₹ 9773.10 Lacs as compared to ₹ 6671.84 Lacs during the previous year, registering increase by 46.48%.

Performance has improved due to cost effective steps taken by the management, change in product mix, increase in production and increase in demand of polyester texturised yarn due to increase in prices of cotton.

Expansion

The Company is under minor expansion at total capital outlay of ₹ 33.10 Crores. The company added texturised machine, dyeing machine, twisting machine and is in the process of installing POY line/FDY line.

The project is partly financed by way of term loan of ₹ 21.91 Crores and balance by way of internal accruals. The said expansion is likely to be completed by June, 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

- i. In the preparation of the annual accounts, applicable accounting standards have been followed, with proper disclosure of any departures.
- ii. The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2011 and of the profit or loss of the Company for that period.
- iii. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the directors have prepared the accounts on a going concern basis.

DIRECTORS

Shri R.R.Mandawewala, has resigned from office of Managing Director, however he continues to be a Director of the Company. Shri M. L. Mittal has resigned from the office of directorship with effect from 14-02-2011. The Board appreciated services rendered by them during tenure of their office.

Shri B.A. Kale has been appointed as an additional director as well as an Executive Director of the Company w.e.f. 30.10.2010. He holds office as a director upto the date of ensuing Annual General Meeting and is eligible for reappointment.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri B.K.Goenka and Shri Atul Desai, the directors of the Company retire by rotation at the 28th Annual General Meeting and being eligible have offered themselves for reappointment.

Board has recommended appointments/re-appointments of the aforesaid directors.

AUDIT COMMITTEE

Constitution of Audit Committee is mentioned in Corporate Governance Report as enclosed.

PUBLIC DEPOSITS

The Company has not accepted deposits during the year within the meaning of Section 58A of the Companies Act, 1956 read with The Companies (Acceptance of Deposit) Rules, 1975.

AUDITORS

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

CORPORATE GOVERNANCE

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

AUDITORS' REPORT

Please refer to Auditors' Observations/ qualifications and in relation thereto the Board of directors' state as under:

- i) Para 4(f) referring to Note no. 9 of notes of accounts and state that the Company is in the process of executing document to transfer Land to the name of the Company. The Company is in possession of Land without any interference for more than 12 years in respect of Rakholi land.
- ii) Para (i) (a) of the Annexure and state that we have given sufficient description of all individual assets in fixed Assets Register and based thereon the assets are easily identifiable.

References drawn by the auditors in their report other than mentioned above are self-explanatory.

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

In terms of the above Rules, your Directors are pleased to give the particulars as prescribed therein in the Annexure, which forms a part of the Directors' Report. Form B relating to research and technology, absorption being nil is not attached.

Foreign exchange used and earning is mentioned below:

Used: ₹ 6052.67 Lacs (₹ 3684.84 Lacs)
Earning: ₹ 9773.10 Lacs (₹ 6671.84 Lacs)

PARTICULARS OF EMPLOYEES

There were no employees covered under the purview of the Section 217 (2A) of the Companies Act, 1956 and the Rule framed thereunder.

APPRECIATION

Your Directors take this opportunity to express gratitude for valuable assistance and co-operation extended to the Company by Financial Institutions, Employees, Commercial Banks and other authorities.

For and on behalf of the Board of Directors

B. A. Kale **R.R.Mandawewala**
Executive Director Director

Mumbai, 25 May 2011

FORM - A

(SEE RULE 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year 2010-2011	Previous Year 2009-2010
A Power and fuel consumption		
1 Electricity		
(a) Purchased		
Units (In '000S)	80443.32	72339.99
Total Amount (₹ in Lacs)	2974.63	2956.27
Rate / Unit (₹)	3.70	4.09
(b) Own Generation		
(i) Through Diesel / Gas Generator		
Units (In '000S)	880.91	1720.66
Units per Ltr. Of Diesel Oil	3.43	3.54
Cost / Unit (₹)	9.41	7.90
(ii) Through Steam Turbine / Generator	Nil	Nil
2 Coal (used in Boiler)		
Units (In '000S)	3678.75	2803.53
Total Amount (₹ in Lacs)	178.74	99.64
Rate / Unit (₹)	4.86	3.55
3 Furnace Oil		
Quantity (K.Ltrs.)	Nil	Nil
Total Amount (₹ in Lacs)	Nil	Nil
Average Rate (K.Ltrs.)	Nil	Nil
4 Others / Internal Generation	Nil	Nil

B CONSUMPTION PER UNIT OF PRODUCTION

	STANDARDS	CURRENT YEAR	PREVIOUS YEAR
Products (With Details)			
Unit	-	Kg.	Kg.
Electricity	-	5.27	5.68
Furnace Oil	-	Nil	Nil
Coal (Specify Quality)		0.32	0.19
Others (Specify)		Nil	Nil



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE, SCENARIO & DEVELOPMENT

India is the second largest producer of man-made fibers (MMF) in the world (World Fiber Report 2008) with presence of large plants having state-of-the art technology. MMF textiles constitute almost two-third of the domestic textile market.

The domestic fiber consumption ratio in India at present is 41:59 (FY09) between man-made fibers and cotton, while it is almost 60:40 globally. The global fiber consumption trend in future is likely to further tilt in favour of man-made fibers as there is a limitation to growth of cotton on account of limited availability of land for cotton cultivation. Moreover, the land available for cotton is gradually declining on account of rise in cultivation of food crops. Future demand is, therefore, expected to be largely in favour of man-made fiber based textiles.

Even in India, the demand for man-made fibers has grown substantially over the last decade, as it has emerged as a major substitute for cotton. The demand for synthetic textiles has been growing due to its lower cost coupled with convenience and maintenance benefits associated with the usage of synthetic garments. The share of man-made fibers in total fiber consumption (cotton and MMF) has risen from 25% in early nineties to 41% at present. Polyester filament yarn (PFY) constitutes over 53% of total MMF production.

The textile industry in India is facing four major problems in cotton front – shortfall in and uncertainty about cotton production, very low cotton yields per hectare, quality of cotton, and cultivation of large number of Bt cotton including varieties.

Skewed demand for synthetic yarn by textile producers, following a dramatic escalation in cotton prices, has opened opportunities for man-made fiber producers.

Prices of POY rose on account of a rise in the cotton yarn prices during the year. The demand for polyester has been healthy due to rising cotton prices.

In an attempt to boost country's textiles sector, India announced the restructuring of the popular Technology Upgradation Fund Schemes (TUFS). As per the scheme, Indian government will provide a maximum subsidy of Rupees 1,972 Crores (\$438 million) to attract an investment of about \$10.42 billion across the textiles value-chain. All segments within the textiles industry are expected to benefit from the scheme.

In the overall textile sector, India's share in the world market is 16.8 per cent and the country ranks only after China among the developing nations.

OPPORTUNITY AND THREATS

With the increase in capacity of polyester filament yarn, competition shall increase.

Increasing trends in Crude and PTA continues to be a cause of worry.

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

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

PRODUCT WISE PERFORMANCE

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

Gross annual turnover of POY were of ₹ 8310.80 Lacs as compared to ₹ 7012.71 Lacs of previous year and of Texturised Yarn/Dyed yarn were of ₹ 44190.48 Lacs as compared to ₹ 30605.50 Lacs to previous year.

OUTLOOK

Global production of Cotton is continuously decreasing and as a result prices of cotton yarn are continuously rising. Increase in cotton yarn prices has pushed demand for polyester yarn.

In view of the above scenario, performance of the Company is expected to improve.

RISKS & CONCERNS

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

However, the Company expects to mitigate the impact of risks and concerns since the Company concentrates on Specialty yarns, High quality and development of new products constantly.

ADEQUACY OF INTERNAL CONTROL SYSTEM

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

The Company has 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

SALES AND PROFIT

During the year, net sales and services were of ₹ 49633.26 Lacs as against ₹ 36112.19 Lacs in the previous year. The Company has earned net profits of ₹ 1281.34 Lacs as against net profits of ₹ 712.74 Lacs during the previous year. Discussion on Financial Performance is inserted 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.

FUTURISTIC STATEMENT

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

For and on behalf of the Board of Directors

B. A. Kale
Executive Director

R.R.Mandawewala
Director

Mumbai, 25 May 2011

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2011

Annexure to the Directors' Report

A. COMPANY'S PHILOSOPHY

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

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

B. BOARD OF DIRECTORS

(i) Composition

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

Sr. No	Name of the Director	Category	No. of Other Directorship in Public Limited Companies	Membership in Committee of Other Companies	No. of Board Meetings Attended (01/04/10 to 31/03/11)	Attendance at last AGM
1.	Mr. B. K. Goenka	P,S,NE,C	12	4M/1C	1	No
2.	Mr. R. R. Mandawewala (Resigned from the office of Managing Director w.e.f. 10 October 2011 but continue as a director)	P, NE	12	3M/1C	3	No
3.	Mr. Raj Kumar Jain	I	2	2C	4	Yes
4.	Mr. Atul Desai	I, S	5	3M/4C	4	No
5.	Mr. M. K. Tandon	I	2	4C	4	No
6.	Mr. B.A.Kale	E	Nil	Nil	2	No
7.	Mr. Murarilal Mittal (resigned w.e.f. 14 February 2011)	NE	11	4M	4	No

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

Abbreviations:

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

(ii) Details of Date of Board Meeting:

Four meetings of the Board of Directors were held during the financial year 2010-11 i.e. 11 May 2010, 4 August 2010, 30 October 2010 and 14 February 2011.

C. COMMITTEES OF THE BOARD

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

1. AUDIT COMMITTEE

The Audit Committee consists of the following 3 Independent Non-Executive Directors as on 31 March 2011

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

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

Terms of Reference:

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

Four meetings of Audit Committee of Board of Directors were held on 11 May 2010, 4 August 2010, 30 October 2010 and 14 February 2011. The details of Attendance of Members of audit committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2010 to 31/03/2011)
1.	Raj Kumar Jain	Chairman	4
2.	Atul Desai	Member	4
3.	M.K.Tandon	Member	4

2. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

- a. Atul Desai - Chairman
- b. B. K. Goenka - Member
- c. R. R. Mandawewala- Member
- d. Murarilal Mittal - Member (upto 14 February 2011)

Terms of Reference:

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

Name and designation of Compliance Officer: Nilesh Javker – Assistant Company Secretary

99.86% of the shares of the Company are in Dematerialized form.

Six meetings of share transfer and Investors' Grievance Committees were held on 10 April 2010, 20 May 2010, 25 May 2010, 30 July 2010, 30 October 2010 and 25 January 2011.



During the year under review total, 5 Investor complaints were received. Break-up of number of complaints received under different category is given hereunder.

Sr. No.	Nature of Complaint	Received	Processed	Pending
1	Non Receipt of Share Certificates	3	3	0
2	Non-receipt of Rejected Demat Request Form	1	1	0
3	Others (BSE)	1	1	0
	Total	5	5	0

All the complaints received during the year under review were solved within the time limit to the satisfaction of the investors/shareholders and no complaint is pending as at 31 March 2011.

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

3. REMUNERATION COMMITTEE

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

1. Mr. Raj Kumar Jain - Chairman
2. Mr. Atul Desai - Member
3. Mr. B. K. Goenka - Member
4. Mr. R. R. Mandawewala - Member
5. Mr. M. K. Tandon - Member (with effect from 14 February 2011)

Two meetings of Remuneration Committee were held on 11 May 2010 and 30 October 2010. The details of attendance of members is mentioned below

Sr No.	Name of Member	Designation	No. of Meetings attended 01-04-2010 to 31-03-2011
1.	Rajkumar Jain	Chairman	2
2.	Atul Desai	Member	2

Terms of Reference

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

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

(Amount in ₹)

	Mr. R. R. Mandawewala (Managing Director upto 10 October 2010)	Mr. B.A. Kale Executive Director – w.e.f 30 October 2010
BASIC	640323	5,49,523
HRA	1,50,000	2,74,761
CAR ALLOWANCE	Nil	1,21,377
BONUS/EXGRATIA	Nil	45,774
LTA	Nil	--
TELEPHONE	Nil	10,060
MEDICAL	Nil	6,288
SPECIAL ALLOWANCE	Nil	82,428
PETROL ALLOWANCE	Nil	16,599
COMMISSION	3,50,000	Nil
LEAVE SALARY	Nil	--
PERFORMANCE INCENTIVE	Nil	4,19,176
CONTRIBUTION TO PF	Nil	66,396
TOTAL	11,40,323	15,92,382
NOTICE PERIOD	3 Months	3 Months
SERVICE CONTRACT	Upto 10 October 2010	Upto 30 October 2013
STOCK OPTION	Nil	Nil
SEVERANCE FEES	Nil	Nil

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

Name of Director	Sitting Fees Paid for attending meeting of Board of Directors / Audit Committee/Remuneration Committee/ Finance Committee/ Share Transfer and Investor Grievance Committee
Mr. Raj Kumar Jain	₹ 100,000
Mr. Atul Desai	₹ 90,000
Mr. M.K. Tandon	₹ 52,000

Remuneration Policy

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

D. GENERAL BODY MEETING

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
2007-08	30/09/2008	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2008-09	30/09/2009	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2009-10	30/09/2010	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)

Special Resolution passed in the previous three Annual General Meetings:

Financial Year	Date	Special Resolution passed
2007-08	30/09/2008	Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956
2008-09	30/09/2009	Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956
2009-10	30/09/2010	Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956

There was no occasion to pass Special Resolution through postal ballot on any of the matters specified under Clause 49 of the Listing Agreement.

Further no such proposal is proposed to be placed for the shareholders approval in the forthcoming Annual General Meeting.

E DISCLOSURES

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large.

- a. Related party transactions: Please refer Note No. 14 of schedule 18(b) of the Annual Report.
- b. Details of non compliance by the Company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital market during the last 3 years: Nil

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

- i) **Basis of Related Party transactions** - Complied in Audit Committee meetings and Board Meetings held during the financial year.
- ii) **Disclosure of Accounting Treatment** - Accounting standards have been followed
- iii) **Board Disclosures – Risk Management** - The Board of directors at their meeting held on 14 February 2011 reviewed risk assessment and minimization procedure followed by the Company.
- iv) **Code of Conduct** – Code of Conduct as approved by the Board of Directors is posted on website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis.
- v) Proceeds from public issues, right issues, preferential issues etc. – No money is raised through public issue, rights issue or preferential issues.
- vi) Remuneration to Directors-
 - a) There are no pecuniary relationships or transactions with the non-executive directors vis-a-vis the company.
 - b) Disclosure relating to the Remuneration paid to Managing Director and Whole-time Director is made under the head Remuneration committee above.
 - c) The Company pays sitting fees to non-executive directors for attending meetings of the Board of Directors, Audit Committee, Remuneration Committee, Finance committee and Share Transfer and Investors Grievance Committee. Details of the same are mentioned in the report under Remuneration committee above.
- d) No. of Shares held by Non – Executive Directors:

	Non-Executive Directors	No. of Equity shares held
1.	Mr. B.K.Goenka	3405
2.	Mr. M.L.Mittal	Nil
3.	Mr. Atul Desai	30
4.	Mr. M.K. Tandon	Nil
5.	Mr. Raj Kumar Jain	Nil

F MEANS OF COMMUNICATION

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

Audited financial results for the year ended 31 March 2010 and Un-audited financial results for the quarter ended 30 June 2010, 30 September 2010 and 31 December 2010 were published in The Economic Times (E), Ahmedabad, The Economic Times (G), Ahmedabad, The Free Press Journal, Mumbai and Navshakti (M), Mumbai.

Management Discussion and Analysis is a part of Annual Report.

G APPOINTMENT / REAPPOINTMENT OF DIRECTORS

- A. Shri B.K. Goenka is Chief promoter of the company. He has contributed in sourcing plant and machinery, technology as well as upgrading the plant on continuous basis. He has considerable experience in the field of Textile, Saw Pipes and related business activities. He has been associated with the company as a director on the board since 1991.
- B. Shri B.A. Kale worked with M/s. Garware Nylon Limited as All India Marketing Manager for NFY and PFY for 13 years.
He founded a professionally managed Textile Marketing Company in 1988 and achieved sustained growth for over 17 years. He is 52 years of age. He has handled Agency Business of various renowned companies. He has in depth market knowledge and excellent contacts in Textile Industry including PFY, Fabric (Knitted and Woven), Garment Exporters, Home Textiles and Dyes.
- C. Shri. Atul Desai is a partner of M/s. Kanga & Co., leading Law firm. Mr. Atul Desai has attended large number of matters relating to mergers, amalgamations, litigations, arbitration involving commercial disputes etc.

H. GENERAL SHAREHOLDERS INFORMATION

- a. 28th Annual General Meeting Venue - Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)

Time	- 11.00 a.m.
Day and Date	- Thursday, 22nd September, 2011
Financial year	- 31 March 2011
- b. Date of Book Closure - Friday 9th September, 2011 to Tuesday 13th September, 2011 (both days inclusive)
- c. Dividend payment date - No dividend has been declared for the Financial year 2010-11
- d. Listing on Stock Exchanges and Stock Codes

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