



Dare to Commit

Welspun Syntex Ltd.

31st Annual Report
2013-2014

WELSPUN SYNTEX LIMITED (CIN: L99999DN1983PLC000045)
CORPORATE INFORMATION

| | | |
|--------------------|---|------------------------------------|
| BOARD OF DIRECTORS | MR. B.K.GOENKA MR. R.R.MANDAWEWALA MR. B.A. KALE MR. ATUL DESAI MR. RAJ KUMAR JAIN MR. M.K.TANDON | CHAIRMAN EXECUTIVE DIRECTOR |
| COMPANY SECRETARY | MR. K.N.KAPASI | COMPANY SECRETARY |
| AUDITORS | MGB & CO., CHARTERED ACCOUNTANTS | |
| BANKERS | BANK OF BARODA, STATE BANK OF BIKANER & JAIPUR, IDBI BANK LIMITED, CENTRAL BANK OF INDIA | |
| REGISTERED OFFICE | SURVEY NO. 394 (P), VILLAGE SAILY, SILVASSA, UNION TERRITORY OF DADRA & NAGAR HAVELI | |
| CORPORATE OFFICE | 9TH FLOOR, TRADE WORLD, "B" WING, KAMALA MILLS COMPOUND, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI – 400 013. EMAIL: allcompanysecretaryofwsl@welspun.com WEBSITE: www.welspunsyntex.com | |
| FACTORY | 1) SURVEY NO. 394 (P), VILLAGE SAILY, SILVASSA, UNION TERRITORY OF DADRA & NAGAR HAVELI. 2) PLOT NO. 14/15, DEWAN INDUSTRIAL ESTATE, PALGHAR, DISTRICT THANE, MAHARASHTRA. | |
| LISTING OF SHARES | THE BOMBAY STOCK EXCHANGE LIMITED, MUMBAI PHIROZE JEE-JEEBHOY TOWER, DALAL STREET, MUMBAI 400 001 | |
| R & T AGENT | LINK INTIME INDIA PRIVATE LIMITED C-13, PANNALAL SILK MILLS COMPOUND, L. B. S. MARG, BHANDUP (W), MUMBAI- 400 078 TEL. NO. : 022 - 25946970, FAX NO : 022 – 25926969, E-MAIL : rnt.helpdesk@linkintime.co.in | |

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NOTICE

To,

The Members

NOTICE is hereby given that the 31st Annual General Meeting of Welspun Syntex Limited will be held at its Registered Office at Survey no. 394(P), Village Saily, Silvassa (U.T.) Dadra & Nagar Haveli on Wednesday, 24th September 2014 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

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

SPECIAL BUSINESS

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. M. K. Tandon, the retiring Director who has been appointed by the Board of Directors as an independent director, be and is

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Ms. Mala Tadarwal who has been appointed as an additional independent by the Board of Directors and in respect of whom the Company has received notice from a member proposing her appointment, be and is hereby appointed as an independent director of the Company for Two years with effect from 1st August 2014 to 31st July 2016 "

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 88 of the Companies Act 2013 read with Rule 5 of the Companies (Management and Administration) Rules 2013, the Register and index of Members for equity shares as prescribed under Section 88 of the Companies Act, 2013 be kept at the office of Link Intime India Private Limited, Registrar and Transfer agent (hereinafter referred to as R & T Agent) situated at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai- 400 078 or to any other place as may be decided by the R & T Agent at its office situated in Mumbai."

10. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

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

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

Place: Mumbai
Date : 19th August 2014

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

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**
2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
4. A statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special business to be transacted at the meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual report to the meeting.
6. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. The Register of Members of the Company will remain closed from Tuesday, 16th September 2014 to Thursday, 18th September 2014, both days inclusive.
8. All correspondence pertaining to Equity Shares should be forwarded to the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai-400 078 and are also requested to immediately inform their change of address, e-mail address or consolidation of folios, if any, to the Company's said Share Transfer Agent.
9. Members holding shares in dematerialized form are requested to intimate immediately any change pertaining to their bank details, Electronic Clearing Service (ECS), mandates, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, M/s. Link Intime India Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such

changes to M/s. Link Intime India Private Limited, Registrars and Transfer Agents.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form, are therefore requested to submit the PAN to their Depository participants and members holding shares in physical form can submit their PAN details to the Company.
11. The Company will send full Annual Reports in electronic mode to its Members who have registered their e-mail addresses for the purpose. Those shareholders who have not got their email address registered or wish to update a fresh email address may do so by submitting the attached E-mail Registration-Cum Consent Form to the Company or the Registrar and Transfer Agent of the Company consenting to send the Annual Report and other documents in electronic form at the said e-mail address.
12. The shareholders who wish to nominate, any person to whom his securities shall vest in the event of his death may do so by submitting the attached Nomination Form to the Company or the Registrar and Transfer Agent of the Company. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Link Intime India Private Limited, Registrars and Transfer Agent, for consolidation into a single folio.

The Notice for the Annual general meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days between 10:00 a.m. to 12:00 noon upto the date of Annual General Meeting. The Notice shall also be available on the Company's website at: www.welspunsyntex.com.
14. The businesses mentioned in this Notice may be transacted through electronic voting system, the process and manner and such other details are as under:

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 31st Annual general meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The e-voting facility is available at the link <https://www.evoting.nsdl.com>

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

| | | |
|---------------------------------|---------|----------------|
| EVEN (E-voting event number) | User ID | Password / PIN |
|---------------------------------|---------|----------------|



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

| Commencement of e-voting | End of e-voting |
|---|---|
| Thursday, 18 th September 2014 | Saturday, 20 th September 2014 |

Please read the instructions printed overleaf before exercising the vote.

These details and instructions form integral part of the Notice for the Annual General Meeting to be held on Wednesday, 24th September 2014.

INSTRUCTIONS FOR E-VOTING

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

- a. User ID and Password for e-voting is provided in the Attendance slip as annexed in Annual report. Please note that the Password is an Initial Password.
- b. Launch the internet browser by typing the following .
- c. Click on "Shareholder-Login:
- d. Put user ID and Password noted in step (a) above as the initial password. Click login. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for Login.
- e. If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- f. Home page of "e-voting" opens. Click on "e-voting": Active Voting Cycles.
- g. Select "EVEN (E-Voting Event Number)" of Welspun Syntex Limited. For and EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period.
- h. Now you are ready for "e-voting" as "Cast Vote" Page opens.
- i. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Kindly note that vote once cast cannot be modified.

- j. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to almakhija_cs@yahoo.co.in, with a copy marked to evoting@nsdl.co.in.
- k. Once the vote on a resolution is cast by the shareholder s/ he shall not be allowed to change it subsequently.
- l. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 15, 2014.
- m. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
 - a. Initial password is provided in the enclosed Attendance slip: EVEN (E-Voting Event Number), user ID and password.
 - b. Please follow all steps from Sl. No. (a) to Sl. No. (i) above, to cast vote.
- n. In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in or send e-mail to the Company at allcompanysecretaryofwsl@welspun.com or Registrar & Share Transfer Agent.
- o. Mr. A L Makhija, Company secretary in whole time practice has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- p. The result of voting shall be declared by the Chairman of the meeting on or after AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.welspunsyntex.com and will be communicated to the BSE Ltd.

Place: Mumbai
Date: 19th August 2014

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

Registered Office of the Company:

Survey no.394 (P), Village Saily, Silvassa,
U.T of Dadra & Nagar Haveli
Corporate Identity Number: L99999DN1983PLC000045
Phone: 91 260 2640596, Fax: 91 260 2640597,
E-mail: allcompanysecretaryofwsl@welspun.com ,
Website: www.welspunsyntex.com

WELSPUN SYNTEX LIMITED

ANNUAL REPORT 2013-2014

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

ITEM NO. 6

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

He holds 30 Equity shares in the Company.

Directorship in other companies:

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

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

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

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

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

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

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

ITEM NO.7

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

Directorship in other companies:

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

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

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

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

He does not hold any share in the Company.

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

ITEM NO. 8

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



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

Directorship in other companies:

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

Membership/Chairmanship of committees in other Companies:

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

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

She does not hold any share in the Company.

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

ITEM NO.9

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

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

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

ITEM NO.10

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

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

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

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

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

Place: Mumbai
Date: 19th August 2014

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

DIRECTORS' REPORT

To,

The Members,

WELSPUN SYNTEX LIMITED,

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

FINANCIAL RESULTS**(Rs. in Lacs)**

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

DIVIDEND

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

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

OPERATIONS

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

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

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

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

EXPANSION

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

DIRECTORS' RESPONSIBILITY STATEMENT

- 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, 2014 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

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

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

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

AUDIT COMMITTEE

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

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

PUBLIC DEPOSITS

The Company has not accepted deposits during the year within



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

AUDITORS

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

CORPORATE GOVERNANCE

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

AUDITORS' REPORT

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

Auditors have qualified report under para "Basis for qualified opinion" drawing attention to Note no. 30 of notes to the accounts and state that the Company is in the process of executing document to transfer Land to the name of the Company. The Company is in possession of Land without any interference for more than 12 years. In view of the above, the Board is of the view that no adjustment to the amounts as mentioned in note no. 30 is necessary.

COST AUDIT REPORT

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

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

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

B. A. Kale
Executive Director

R.R.Mandawewala
Director

Mumbai,
Date: 1st August 2014

WELSPUN SYNTEX LIMITED

ANNUAL REPORT 2013-2014

FORM - A (SEE RULE 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

| | Current Year 2013-2014 | Previous Year 2012-2013 |
|--|---------------------------|----------------------------|
| A Power and fuel consumption | | |
| 1 Electricity | | |
| (a) Purchased | | |
| Units (In '000S) | 98092.27 | 92935.56 |
| Total Amount (₹ in Lacs) | 4573.97 | 4391.68 |
| Rate / Unit (₹) | 4.66 | 4.73 |
| (b) Own Generation | | |
| (i) Through Diesel / Gas Generator | | |
| Units (In '000S) | 322.03 | 452.23 |
| Units per Ltr.Of Diesel Oil | 63.61 | 73.81 |
| Cost / Unit (₹) | 19.75 | 16.32 |
| (ii) Through Steam Turbine / Generator | | |
| 2 Coal (used in Boiler) | | |
| Units (In '000S) | 5020.23 | 3548.16 |
| Total Amount (₹ in Lacs) | 261.68 | 215.44 |
| Rate / Unit (₹) | 5.21 | 6.07 |
| 3 Diesel -(used in Boiler) | | |
| Quantity (K.Ltrs.) | 189.90 | Nil |
| Total Amount (₹ in Lacs) | 104.66 | Nil |
| Average Rate (K.Ltrs.) | 1.81 | Nil |
| 4 Others / Internal Generation | Nil | Nil |

B CONSUMPTION PER UNIT OF PRODUCTION

| | STANDARDS | CURRENT YEAR | PREVIOUS YEAR |
|-------------------------|-----------|--------------|---------------|
| Products (With Details) | | | |
| Unit | - | Kg. | Kg. |
| Electricity | - | 6.65 | 5.31 |
| Furnace Oil | - | Nil | Nil |
| Coal (Specify Quality) | | 0.37 | 0.32 |
| Diesel | | 0.15 | Nil |