

**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:**

1. 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.
2. 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.
3. **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**

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 Sections 149, 150, 152, 160, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Ms. Mala Todarwal (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."

5. **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."

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 ("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."

7. **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."

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 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 Tadarwal 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 Tadarwal 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 Tadarwal 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 Tadarwal 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 Tadarwal 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 Tadarwal 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 Tadarwal 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	

EBIDTA margin @ **13.5%**

EBIDTA increase over **25%**

PAT up by **12%**

## 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

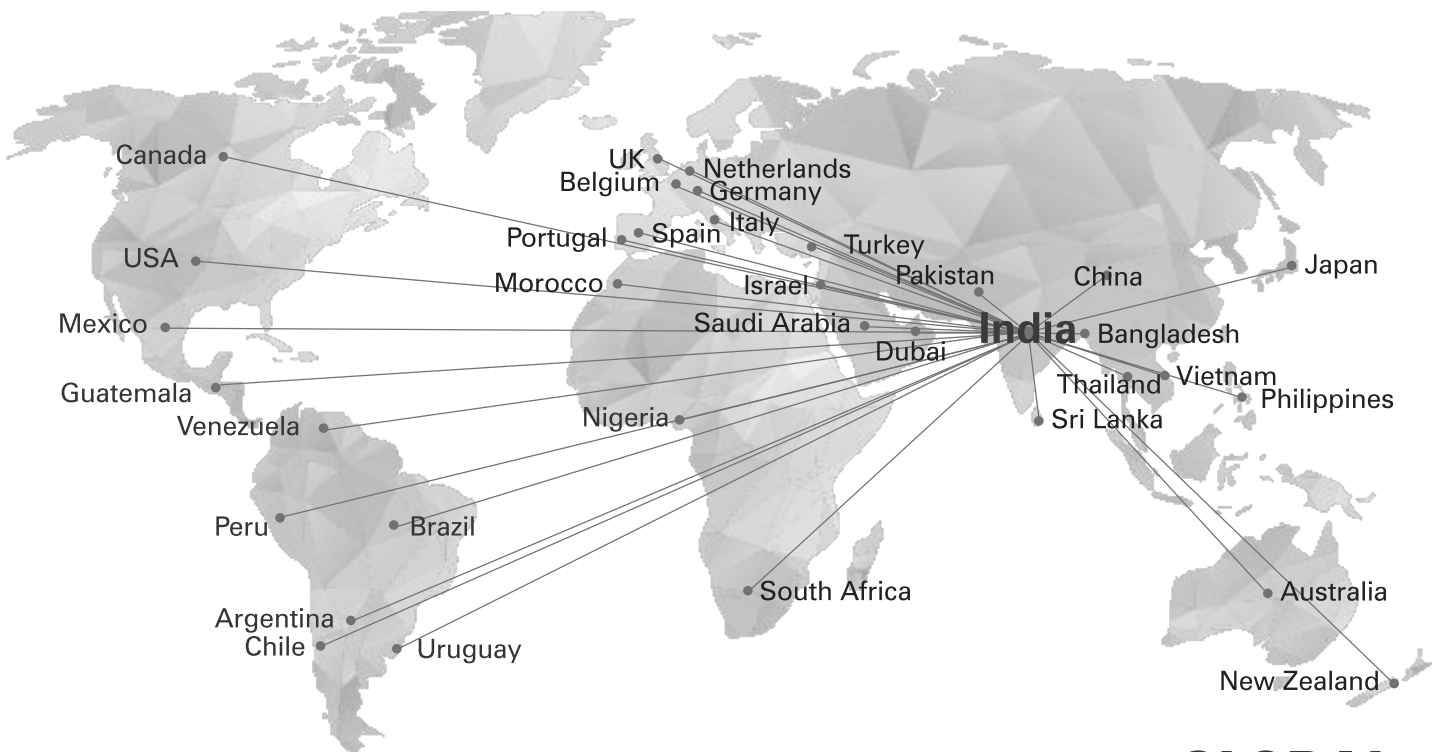
**A- Rating** reaffirmed  
by CARE

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

Improved Current Ratio  
@ **1.26**

## 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.

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