



**WELSPUN SYNTEX LIMITED**

**27<sup>th</sup>**  
**ANNUAL REPORT**  
**2009-2010**

# WELSPUN SYNTEX LIMITED

## COMPANY INFORMATION

<b>Board of Directors</b>	Mr. B.K. Goenka	Chairman
	Mr. R.R. Mandawewala	Managing Director
	Mr. Murarilal Mittal	
	Mr. Atul Desai	
	Mr. Raj Kumar Jain	
	Mr. M.K.Tandon	
<b>Company Secretary</b>	Mr. Nilesh Javker	Asst. Company Secretary
<b>Auditors</b>	MGB & Co., Chartered Accountants	
<b>Bankers</b>	Bank of Baroda, State Bank of Bikaner & Jaipur	
<b>Registered Office</b>	Survey No. 394 (P), Village Saily, Silvassa, Union Territory of Dadra & Nagar Haveli	
<b>Corporate Office</b>	9th Floor, Trade World, "B" Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. Website : <a href="http://www.Welspunsyntex.Com">www.Welspunsyntex.Com</a>	
<b>Factory</b>	— Survey No. 394 (P), Village Saily, Silvassa, Union Territory of Dadra & Nagar Haveli. — Plot No. 14/15, Dewan Industrial Estate, Palghar, District Thane, Maharashtra.	
<b>Listing of Shares</b>	The Bombay Stock Exchange Limited, Mumbai Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001.	

### CONTENTS

	Page No.
Notice .....	1
Directors' Report .....	3
Management Discussion and Analysis .....	5
Corporate Governance.....	7
Auditors' Report.....	12
Balance Sheet.....	14
Profit & Loss Account.....	15
Schedules.....	16
Cash Flow Statement.....	28



## NOTICE

**NOTICE** is hereby given that the 27th 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, 30<sup>th</sup> September, 2010 at 11 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March, 2010 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. Raj Kumar Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M. K. Tandon, 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), following resolution as an Ordinary 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. Rajesh R. Mandawewala, be and is hereby appointed as a Managing director of the Company for a period of five years with effect from 1st June, 2010 on an aggregate remuneration of Rs. 15,00,000/- per annum inclusive of all perquisites and benefits plus Commission @ 1% per annum of the net profit computed in the manner laid down under Section 349 and Section 350 of the Companies Act, 1956".

**"RESOLVED FURTHER THAT** contribution to provident fund, superannuation fund or annuity fund and gratuity as may be payable under the provisions of the relevant Acts and to the extent exempt under

Income Tax Act and encashment of leave at the end of tenure shall not be computed in the aforesaid ceiling for perquisites and allowances."

**"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 31 March, 2010, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Rajesh R. Mandawewala remuneration by way of salary, perquisites and benefits not exceeding Rs. 15,00,000/- per annum as minimum remuneration."

**"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. Rajesh R. Mandawewala."

### 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 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 Tuesday, 28<sup>th</sup> September, 2010 to Thursday, 30<sup>th</sup> September, 2010 (both days inclusive).
4. All correspondence pertaining to Equity Shares, and Optionally Convertible Cumulative Preference 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**

Shri R. R. Mandawewala was reappointed as Managing Director of the Company with effect from 01/06/2005 on aggregate remuneration of Rs.15,00,000/- p.a. including all perquisites plus one per cent commission on the net profits of the Company computed in the manner laid down under Section 349 and 350 of the Companies Act, 1956 and hold office upto 31st May, 2010.

Board of Directors at their meeting held on 11 May, 2010 reappointed him for a further period of five years

with effect from 1st June, 2010 on the remuneration as mentioned above subject to the approval of shareholders. Remuneration Committee at their meeting held on 11 May, 2010 recommended payment of the said remuneration.

Shri R.R. Mandawewala monitors all units of the Company on day to day basis and regularly visits plants and oversees production.

A copy of draft of 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 R. R. Mandawewala pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Shri R. R. Mandawewala himself is in any way concerned or interested in the said resolution.

By Order of the Board of Directors

Place : Mumbai  
Date : 11 May, 2010

**R.R. Mandawewala**  
*Managing Director*



## DIRECTORS' REPORT

To,

The Members,

### WELSPUN SYNTEX LIMITED

Your Directors are pleased to present the Twenty-seventh Annual Report together with Audited Statement of Accounts of the Company for the year ended 31 March, 2010.

### FINANCIAL RESULTS AND APPROPRIATIONS

(Rs. in Lacs)

	2009-2010	2008-2009
Gross Profit before Depreciation and Finance Expenses	2711.86	1522.81
Less: Finance Expenses	933.23	1047.13
Depreciation	1065.89	1185.49
Profit/(Loss) before tax	712.74	(709.81)
Provision for tax – Current Tax	121.13	Nil
MAT credit entitlement	(121.13)	Nil
Earlier Tax	Nil	4.42
Fringe Benefit Tax	Nil	11.32
Profit/ (Loss) after tax	712.74	(725.55)
Profit/ (Loss) brought forward	(1028.95)	(290.36)
Less: Transfer to Fixed Assets	Nil	13.04
Balance carried to Balance Sheet	(316.21)	(1028.95)

In view of accumulated losses, no dividend is recommended.

### OPERATIONS

During the year under review, Net sales / services and Gross Profit before Interest and Depreciation were of Rs. 36112.18 Lacs and Rs.2711.86 Lacs respectively as compared to Rs. 31400.50 Lacs and Rs. 1522.81 Lacs respectively for the previous year. Turnover of the Company and Gross Profits is thus increased by 15% and 78% respectively over the previous year.

Exports during the financial year 2009-10 were of Rs.7038.27 Lacs as compared to Rs. 5471.99 Lacs during the previous year, registering increase by 28%.

Performance is improved due to

- 1) Cost effective steps taken by the management.
- 2) Stability in price of raw materials,
- 3) Change in product mix, suiting marketing conditions
- 4) De-bottlenecking for profitable varieties by installing Double density texturised machine, precision cone winders, High Bulk TFO machine, new attachments, etc.
- 5) Increase in production at both plants
- 6) Increase in demand of Polyester due to increase in prices of cotton
- 7) Thrust on Exports ( 30% of total volume )
- 8) Engaging Over-seas technicians to develop new products & improve plant efficiencies

### 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 31 March, 2010 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, 1956 and the Articles of Association of the Company, Shri Raj Kumar Jain and Shri M. K. Tandon, the directors of the Company retire by rotation at the 27th Annual General Meeting and being eligible have offered themselves for reappointment.

Board has recommended their re-appointments.

### 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 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 state as under:

- i) Para 4(f) referring to Note no. 10 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.
- iii) Para (ix) (a) of the Annexure and state that delay in payment of statutory dues in few cases is due to administrative difficulty.
- iv) Para (xi) of the Annexure and state that default in repayment of installments/ interests to Banks and debenture holders was due to cash crunch.

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.

#### **PARTICULARS OF EMPLOYEES**

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules 1975 forms part of this report.

#### **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

**R.R. Mandawewala   M. L. Mittal**  
*Managing Director   Director*

Mumbai, 11 May, 2010



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE, SCENARIO AND DEVELOPMENT

2009 was a year where India saw some stability after a rather downcast 2008, the Industrial and manufacturing sector has rebounded sharply from the rock bottom hit in end of 2008.

After a slump following the global economic slowdown, the Indian textile industry is back on the growth path. Production of Polyester Filament Yarn/POY/Text Yarn has increased to 9,60,835 Tonnes during April 09 to Nov 09 from 8,53,351 Tonnes during the previous period of nine months ended Nov 08, registering growth of 12.60% per annum.

The textiles industry, which is a major contributor to export earnings, has shown a 5% growth in December and 7% in January against a negative growth of 15% during the April-November period of 2009.

The global cotton production is expected to be reduced by 5%, says an International Cotton Advisory Committee, cotton production is expected to come down in China. The total production of cotton would slip to 25 million bales the year 2009-10 as against 29 million bales produced during the last season due to drought and floods in all the major cotton producing states.

The overall textile demand is expected to grow at 5.8 per cent over 2008-09 to 2013-14. Share of polyester in fabrics will grow from 45 per cent in 2008-09 to 49 per cent in 2013-14, as polyester demand is expected to grow at a relatively higher rate of 7.0-7.5 per cent CAGR during the period. We expect price competitiveness of polyester to improve vis-à-vis cotton, which will drive the growth in polyester demand.

Within the polyester category, demand for polyester filament yarn (PFY) is expected to be the highest,

### OPPORTUNITY AND THREATS

Increasing trends in Crude, PTA, and mainly CPL. CPL continues to be a cause of worry as the trend expected to continue till May'10.

The volatility in the Crude oil prices affect price of Polyester chips, the raw materials. Competition from China, Vietnam and Thailand in Local market affect Textile Industry.

The Company's sound business strategy is to concentrate on speciality high quality yarns specially 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 Rs. 7012.71 Lacs as compared to Rs. 6113.91 Lacs of previous year and of Texturised Yarn/Dyed yarn were of Rs. 30605.50 Lacs as compared to Rs. 26640.03 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.

Increase in supply position of polyester chips in India has pushed chips prices under pressure. Capacity of chips production is expected to go up and then chips price may remain under pressure for next two years.

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

### RISKS AND CONCERNS

Additional capacities being generated for production of PTY, FDY, Dyed yarn in India and dumping of textiles products from China cause pressure on sales and margin.

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

Welspun 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, sales and services were of Rs. 36112.18 Lacs as against Rs. 31400.50 Lacs in the previous year. The Company has earned net profits of Rs.712.74 Lacs as against net losses of Rs. 725.55 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.

For and on behalf of the Board of Directors

**R.R. Mandawewala** **M. L. Mittal**  
Managing Director Director

Mumbai, 11 May, 2010



**ANNEXURE 'B'**

**ANNEXURE TO THE DIRECTORS' REPORT**

I) INFORMATION UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2010.

**REMUNERATION OF RS. 24,00,000 PER ANNUM OR MORE RECEIVED BY EMPLOYEE THROUGH OUT THE YEAR: NIL**

**REMUNERATION OF RS. 2,00,000 PER MONTH OR MORE RECEIVED BY EMPLOYEE FOR A PART OF THE YEAR:**

Name	Designation/ Nature of duties	Remuneration received	Educational Qualification	Experience in years	Date of Com- mencement of employment	Age	Last employment before joining the Company
1	2	3	4	5	6	7	8
M D'Souza	Sr. Vice President / Factory Head	Rs.23,56,959/-	A.M.I.E (Textile)	38 year	01.12.1990	56	Classic Textile, Daman

**Notes:**

- Gross remuneration comprises salary & allowances.
- The nature of employment is contractual.
- Above mentioned employee is not a relative of any Directors of the Company.

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

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT  
TO CONSERVATION OF ENERGY**

	Current Year 2009-2010	Previous Period 2008-2009
<b>A POWER AND FUEL CONSUMPTION</b>		
<b>1 Electricity</b>		
(a) Purchased		
Units (In '000S)	72339.99	68878.13
Total Amount (Rs.in Lacs)	2956.27	2666.95
Rate / Unit (Rs.)	4.09	3.87
(b) Own Generation		
(i) Through Diesel / Gas Generator		
Units (In '000S)	1720.66	1843.38
Total amount (Rs. in Lacs)	135.87	161.84
Rate / Unit (Rs.)	7.90	8.78
(ii) Through Steam Turbine / Generator	Nil	Nil
2 Coal (used in Boiler)		
Units (In '000S)	2803.53	2715.69
Total Amount (Rs.in Lacs)	99.64	113.15
Rate / Unit (Rs.)	3.55	4.17
3 Furnace Oil		
Quantity (K.Ltrs.)	Nil	Nil
Total amount (Rs.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	—	5.68	5.52
Furnace Oil	—	Nil	Nil
Coal (Specify Quality)		0.19	0.23
Others (Specify)		Nil	Nil

**FORM B**

**(SEE RULE 2)**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT  
TO ABSORPTION**

<b>Research and Development (R&amp;D)</b>	
01 Specific area in which R&D is carried out by the Company.	— NIL
02 Benefit derived as a result of the above R&D	— NA
03 Future Plan of Action	— —
04 Expenditure on R&D	— NIL
05 Capital	— NIL
a) Recurring	— NIL
b) Total	— NIL
c) Total R&D expenditure as a percentage of total turnover	— NIL
Technology absorption, adaptation and Innovation	— —
01 Efforts in brief made towards technology absorption, adaptation and innovation	Making POY dope dyed 240/144sd Texturising on muratec m/c to make 300/288 Plying on intermingler m/c to make more than 900 denier
02 Benefits derived as a result to the above efforts, etc Product improvement, cost reduction, product development, imports substitution	— New product development in polyester for making value added product
03 In case of imported technology (imported during the last 5 year reckoned from the beginning of the financial year), following information may be furnished:	— NIL
a) Technology imported	—
b) Year of import	—
c) Has technology been fully absorbed?	—
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	—

**Foreign exchange earnings and outgo:**

1) Activities relating to exports, initiatives taken to increase exports development of services and export plans	— We could add 5 new Countries and more than 30 new Customers in the last one year
2) Total foreign exchange used and earned	
Used :	— Rs.3684.84 Lacs
Earned :	— Rs.6671.84 Lacs





## CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED MARCH 31, 2010

### Annexure to the Directors' Report

#### A. COMPANY'S PHILOSOPHY

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

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

#### B. BOARD OF DIRECTORS

##### (i) Composition

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

Sr. No	Name of the Director	Cate-gory	No. of Other Director-ship in Public Limited Companies	Member-ship in Committee of Other Companies	No. of Board Meetings Attended (01/04/09 to 31/03/10)	Atten-dance at last AGM
1.	Mr. B. K. Goenka	P,S,NE,C	14	5M	Nil	No
2.	Mr. R. R. Mandawewala	P, MD	12	1C/3M	4	No
3.	Mr. Murarilal Mittal	NE	11	5M	4	No
4.	Mr. Raj Kumar Jain	I	2	1C/1M	5	Yes
5.	Mr. Atul Desai	I, S	5	2C/5M	5	No
6.	Mr. M. K. Tandon	I	2	6C/1M	4	No

**NOTE:** For the purpose of counting Membership in Board Committee of other Companies, Chairmanship/ Membership of the Audit Committee, Remuneration 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

Five meetings of the Board of Directors were held during the financial year 2009-10 i.e. 30.05.2009, 30.06.2009, 30.07.2009, 24.10.2009 and 29.01.2010.

#### 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 31.03.2010

- Raj Kumar Jain – Chairman
- Atul Desai – Member
- M.K. Tandon – Member

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

#### Terms of Reference:

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

Five meetings of Audit Committee of Board of Directors were held on 30.05.2009, 30.06.2009, 30.07.2009, 24.10.2009 and 29.01.2010. The details of Attendance of Members of audit committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2009 to 31/03/2010)
1.	Raj Kumar Jain	Chairman	5
2.	Atul Desai	Member	5
3.	M.K.Tandon	Member	4

#### 2. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

- Atul Desai – Chairman
- B. K. Goenka – Member
- R. R. Mandawewala – Member
- Murarilal Mittal – Member

#### Terms of Reference:

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

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

99.86% of the shares of the Company are in Dematerialised form. The Company has not received any transfer deed for transfer of shares during the financial year.

Three meetings of share transfer and Investors' Grievance Committees were held on 30.07.2009, 30.10.2009 and 30.01.2010.

During the Year under review total 12 Investor complaints were received. Break-up of number of complaints received under different category is given hereunder.

- Non Receipt of Share Certificates – 8
- Non-receipt of Rejected DRF – 3
- Others (SEBI) – 1

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, 2010 for a period over 30 days.

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

During the year 2009-10, no Remuneration Committee meeting was held.

#### Terms of Reference

To recommend payment of Remuneration to Managing Director from time to time.

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

	<b>Mr. R. R. Mandawewala (Managing Director)</b>
	<b>Amount (Rs.)</b>
BASIC	12,00,000
HRA	3,00,000
CAR ALLOWANCE	NIL
BONUS/EXGRATIA	NIL
LTA	NIL
TELEPHONE	NIL
MEDICAL	NIL
COMMISSION	NIL
LEAVE SALARY	NIL
TOTAL	15,00,000
NOTICE PERIOD	3 MONTHS
SERVICE CONTRACT*	UPTO 31.05.2010
STOCK OPTION	NIL
SEVERANCE FEES	NIL

\* Board of Directors has reappointed Shri R.R. Mandawewala at their meeting held on 11.05.2010, for a further period of five years w.e.f. 1.06.2010, subject to the approval of shareholder and the Central Government.

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

<b>Name of Director</b>	<b>Sitting Fees Paid for attending meeting of Board of Directors /Audit Committee/Remuneration Committee/ Finance Committee/ Share Transfer and Investor Grievance Committee</b>
Mr Raj Kumar Jain	Rs. 58,000/-
Mr Atul Desai	Rs. 49,000/-
Mr M.K. Tandon	Rs. 32,000/-

#### 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:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>Location</b>
2006-07	28/09/2007	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
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)

Special Resolution passed in the previous three Annual General Meetings:

<b>Financial Year</b>	<b>Date</b>	<b>Special Resolution passed</b>
2006-07	28/09/2007	Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956
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

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.

- Related party transactions: Please refer Note 14 of schedule 18 of the Annual Report.
- 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

- Basis of Related Party transactions** - Complied in Audit Committee meetings and Board Meetings held during the financial year.
- Disclosure of Accounting Treatment** - Accounting standards have been followed
- Board Disclosures – Risk Management** - The Board of directors at their meeting held on 29th January 2010 reviewed risk assessment and minimization procedure followed by the Company.
- 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.
- Proceeds from public issues, right issues, preferential issues etc. – No money is raised through public issue, rights issue or preferential issues.
- Remuneration to Directors -
  - There are no pecuniary relationship or transactions with the non-executive directors vis-a-vis the company.
  - Disclosure relating to the Remuneration paid to Managing Director is made under the head Remuneration committee above.
  - The Company pays sitting fees to non-executive directors for attending meetings of the Board of Directors, Audit Committee, Remuneration Committee, Finance committee and Share Transfer and Grievance Committee. Details of the same are mentioned in the report under Remuneration committee above.

## d) No. of Shares held by Non – Executive Directors:

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.

Un-audited financial results for the quarter ended 30.06.2009, 30.09.2009 were published in Western Times (E), Ahmedabad, Western Times (G), Ahmedabad, The Free Press Journal, Mumbai and Navshakti, Mumbai and Un-audited Financial Results for the quarter ended 31.12.2009 and Audited Financial Results for the year ended 31.03.2010 were published in Economic Times (E), Ahmedabad, Economic Times (G), Ahmedabad and The Free Press Journal, Mumbai .

Management Discussion and Analysis is a part of Annual Report.

## G. APPOINTMENT / REAPPOINTMENT OF DIRECTORS

- Shri R. K. Jain, is a Practising Chartered Accountant and he is 54 years of age. He is on the Board of the Company since last 11 years providing expert advice to the Board in finance and accounts related matters. He is Auditor of many companies and his experience is of immense value to the Company. He is also a Director of Welspun Corp. Ltd.
- Mr. M. K. Tandon is Ex-Chairman Cum Managing Director of National Insurance Company Limited and Ex-Managing Director of General Insurance Company of India Limited. He is of 69 years of age. His experience will benefit to the Company.

## H. GENERAL SHAREHOLDERS INFORMATION

- 27th 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, 30 <sup>th</sup> September, 2010
Financial year	– 31/03/2010
- Date of Book Closure – Tuesday, 28<sup>th</sup> September, 2010 to Thursday, 30<sup>th</sup> September, 2010
- Dividend payment date – No dividend has been declared for the financial year 2009-10

**d. Listing on Stock Exchanges and Stock Codes**

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

**e. Market Price Data- High-Low Quotations on Bombay Stock Exchange Limited, Mumbai during each month for the year April 1, 2009 to March 31, 2010**

Month	Bombay Stock Exchange (Rupees)		Sensex	
	High	Low	High	Low
April, 2009	6.03	3.77	11403.25	9901.99
May, 2009	8.06	5.23	14625.25	11682.99
June, 2009	9.89	6.92	15466.81	14265.53
July, 2009	7.95	6.10	15670.31	13400.32
August, 2009	9.77	7.12	15924.23	14784.92
September, 2009	14.43	9.23	17134.55	15398.33
October, 2009	13.72	10.67	17326.01	15896.28
November, 2009	13.47	10.94	17198.95	15404.94
December, 2009	16.64	13.00	17464.81	16601.20
January, 2010	15.95	12.55	17701.13	16289.82
February, 2010	13.50	12.24	16496.05	15790.93
March, 2010	13.65	11.52	17590.17	16772.56

**f. REGISTRAR AND SHARE TRANSFER AGENT:**

Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited)

Address: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (w), Mumbai - 400 078.

Tel. No.: 022 – 25946970

E-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**SHARE TRANSFER SYSTEM**

Shares sent for transfer in physical form are registered by the Company's Registrars and Share Transfer Agents within 30 days from the date of receipt of documents, if the same are found in order. Shares under objection are returned within two weeks

**g. DISTRIBUTION OF SHAREHOLDING**

The distribution of shareholding as on 31.03.2010 was as follows:

Share holding of nominal value	Share holders		Amount	
Rs.	Number	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)
Upto - 5,000	6495	84.15	9638700	4.08
5,001 - 10,000	464	6.01	3710670	1.57
10,001 – 20,000	369	4.78	5270510	2.23
20,001 – 30,000	132	1.71	3364620	1.42
30,001 – 40,000	55	0.71	1996810	0.84
40,001 – 50,000	58	0.75	2742880	1.16
50,001 - 1,00,000	61	0.79	4564140	1.93
1,00,001 and above	85	1.10	205161940	86.77
<b>TOTAL</b>	<b>7719</b>	<b>100</b>	<b>23,64,50,270</b>	<b>100</b>

**h. DEMATERIALISATION OF SHARES AND LIQUIDITY**

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

The Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on 31.03.2010, 99.86% of the shares of the Company are dematerialized.

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

**i. LOCATION OF PLANT**

- (i) 14 & 15, Dewan Industrial Estate, Palghar, Maharashtra;
- (ii) Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli) [This is registered office also];

j. Address : 9th Floor, Trade World, "B" Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

k. Telephone No. : 022 – 66136000

l. Fax No : 022 – 24908020

m. E-mail id : [Nilesh\\_javker@welspun.com](mailto:Nilesh_javker@welspun.com)

n. Website : [www.welspunsyntex.com](http://www.welspunsyntex.com)



## **Auditors' Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement**

### **TO THE MEMBERS OF WELSPUN SYNTEX LIMITED**

We have examined the compliance of conditions of Corporate Governance by Welspun Syntex Limited, for the year ended on 31 March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations as given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor's grievance received during the year ended 31 March, 2010, the Registrar of the Company have certified that as at 31 March, 2010, there were no investors grievance remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MGB & CO.**

*Chartered Accountants*

Firm Registration No. 101169W

**Sanjay Kothari**

Partner

Membership No. 48215

Place : Mumbai

Date : 11 May, 2010



## AUDITORS' REPORT

To the Members of **Welspun Syntex Limited**

1. We have audited the attached Balance Sheet of **Welspun Syntex Limited** as at 31 March 2010 and also the Profit and Loss account and the Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in terms of sub-section 4(A) of section 227 of the Companies Act, 1956 ("the Act"), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to Paragraph (3) above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
  - c) The Balance Sheet, the Profit and Loss account and the Cash Flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Profit and Loss account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
  - e) On the basis of written representations received from the directors, and taken on record by the board of directors, we report that none of the directors is disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to, Note 10 of Notes to Accounts regarding Freehold Land of Rs. 150.72 lacs for which the Company holds no title and read with the significant accounting policies and other notes thereon as per Schedule 18, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;
    - ii) In the case of the Profit and Loss account, of the Profit for the year ended on that date; and

- iii) In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For **MGB & Co**  
*Chartered Accountants*  
Firm Registration no. 101169W  
Sanjay Kothari  
*Partner*  
Membership No: 48215  
Mumbai, 11 May 2010

**Annexure referred to in paragraph 3 of Auditors' Report to the members of Welspun Syntex Limited on the accounts for the year ended 31 March, 2010.**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets *except asset identification numbers*.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals in a phased program, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification, were not material and have been properly dealt with in the books of account.
- (c) During the year, the Company has not disposed off substantial part of the fixed assets.
- (ii) (a) The inventories have been physically verified by the management during the year except stock lying with third parties in respect of whom confirmations have been obtained. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of records and in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt in the books of account.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, sub clauses (b), (c) and (d) are not applicable.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, sub clauses (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of



inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weaknesses were noticed in the internal control system in respect of these areas.

- (v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) On the basis of records produced, we are of the opinion that prima facie cost accounting records prescribed by the Central Government under section 209 (1) (d) of the Act, in respect of products of the Company covered under that section, have been maintained. However, we are neither required to carry out nor have carried out any detailed examination of such accounting records.
- (ix) (a) According to the records of the Company, the undisputed statutory dues including Provident fund, Investor Education and Protection fund, Employees' state insurance, Income Tax, Sales Tax / VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues to the extent applicable have been deposited regularly with the appropriate authorities *except delay in few cases*. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March 2010 for a period of more than six months from the date they became payable.
- (b) There are no disputed dues on account of Income Tax, Sales Tax / VAT, Wealth Tax and Cess. Dues on account of Custom Duty, Excise Duty and Service Tax which have not been deposited are as under:

Sr. No.	Name of the statute (Nature of Dues)	Period to which the amount relates	Amount (Rs. in lacs)	Forum where dispute is pending
1.	Custom Duty	1996-97 and 1997-98	72.55	Commissioner of Customs, Mumbai
		2006-07	168.36	Commissioner of Customs (Import), Navi Mumbai
		2006-07 and 2007-08	3.78	Deputy Commissioner of Central Excise and Customs, Vapi
2.	Excise Duty	1997-98	546.24	Supreme Court of India
		2005-06	277.30	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
		2005-06 and 2006-07	138.34	Commissioner of Central Excise and Customs, Vapi
		2003-04	0.50	Commissioner of Central Excise and Customs, (Appeals), Mumbai
		2007-08	41.42	Joint Commissioner of Central Excise and Customs, Vapi
3.	Service Tax	1997-98, 1998-99 and 2005-06 to 2007-08	1.95	Deputy Commissioner of Central Excise and Customs, Vapi

- (x) The Company does not have accumulated losses more than fifty percent of its networth as at 31 March 2010 and has not incurred cash losses during the financial year ended on that date covered by our audit and in the immediately preceding financial year.

- (xi) *The Company has defaulted in repayment of dues to Banks and Debenture Holders as under:*

Particulars	Nature of Payment	Delay of period less than 1 month since paid (Rs. in Lacs)	Delay of period between 1 month and 3 months since paid (Rs. in Lacs)
Banks	Principal	111.42	176.06
	Interest	115.38	21.98
Debenture Holders	Principal	12.30	42.50
	Interest	4.12	11.61

- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society.
- (xiv) The Company is not dealing or trading in securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks and financial institutions.
- (xvi) According to the information and explanations given to us and records of the Company examined by us, the Company has not taken any term loan during the year.
- (xvii) On the basis of review of utilization of funds which is based on an overall examination of the Balance Sheet of the Company and related information as made available to us, we report that no short term funds have been used for long term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- (xix) The Company has created adequate security in respect of the debentures outstanding at the year-end.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based on our audit procedures performed and according to the information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **MGB & Co**  
**Chartered Accountants**  
Firm Registration No. 101169W

Sanjay Kothari  
**Partner**  
Membership No: 48215

Mumbai, 11 May 2010



**WELSPUN SYNTEX LIMITED**  
Annual Report 2009-10

**Balance Sheet as at 31 March 2010**

(Rs. in Lacs)

Particulars	Schedules	As at 31-Mar-10	As at 31-Mar-09
<b>Sources of Funds</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	3,391.47	3,391.47
Reserves and Surplus	2	3,065.35	3,065.35
		<u>6,456.82</u>	<u>6,456.82</u>
<b>Loan Funds</b>			
Secured Loans	3	6,688.50	7,595.20
Unsecured Loans	4	1,500.00	—
		<u>8,188.50</u>	<u>7,595.20</u>
	<b>Total</b>	<b><u>14,645.32</u></b>	<b><u>14,052.02</u></b>
<b>Application of Funds</b>			
<b>Fixed Assets</b>			
Gross Block	5	29,134.50	29,793.85
Less: Depreciation / Amortisation / Impairment		<u>20,035.67</u>	<u>19,832.31</u>
Net Block		9,098.83	9,961.54
Capital Work-In-Progress	6	448.49	77.10
		<u>9,547.32</u>	<u>10,038.64</u>
<b>Investments</b>	7	2,233.60	2,233.60
<b>Current Assets, Loans and Advances</b>			
Inventories	8	3,975.86	3,166.78
Sundry Debtors	9	2,860.80	2,124.14
Cash and Bank Balances	10	473.16	455.64
Loans and Advances	11	<u>1,694.63</u>	<u>1,138.67</u>
		9,004.45	6,885.23
<b>Less: Current Liabilities and Provisions</b>	12		
Current Liabilities		6,103.03	5,810.15
Provisions		<u>353.23</u>	<u>324.26</u>
		6,456.26	6,134.41
<b>Net Current Assets</b>		2,548.19	750.82
<b>Profit and Loss Account</b>		<u>316.21</u>	<u>1,028.96</u>
	<b>Total</b>	<b><u>14,645.32</u></b>	<b><u>14,052.02</u></b>
<b>Significant Accounting Policies and Notes to Accounts</b>			
	18		

As per our attached report of even date

For and on behalf of the Board

For **MGB & CO**  
Chartered Accountants

**B.K. Goenka**  
Chairman

**M.L. Mittal**  
Director

**Sanjay Kothari**  
Partner

**R.R. Mandawewala**  
Managing Director

**Nilesh Javker**  
Asst. Company Secretary

Mumbai, 11 May, 2010



# Profit and Loss Account for the year ended 31 March 2010

(Rs. in Lacs)

Particulars	Schedules	As at 31-Mar-10	As at 31-Mar-09
<b>Income</b>			
Sales and Services (Gross)	13	37,800.26	32,920.49
Less: Excise Duty		1,688.08	1,519.99
Sales and Services (Net)		36,112.18	31,400.50
Other Income	14	482.80	276.25
<b>Total</b>		<b>36,594.98</b>	<b>31,676.75</b>
<b>Expenditure</b>			
Cost of Goods	15	22,627.26	19,594.80
Manufacturing and other Expenses	16	11,255.86	10,559.14
Finance Expenses	17	933.23	1,047.13
Depreciation / Amortisation		1,065.89	1,185.49
<b>Total</b>		<b>35,882.24</b>	<b>32,386.56</b>
<b>Profit / (Loss) Before Tax</b>		<b>712.74</b>	<b>(709.81)</b>
Provision for Taxation – Current year		121.13	–
– MAT Credit Entitlement		(121.13)	–
– Earlier years		–	4.42
– Fringe Benefit Tax		–	11.32
<b>Profit / (Loss) After Tax</b>		<b>712.74</b>	<b>(725.55)</b>
Balance brought forward		(1,028.95)	(290.36)
Less: Transferred to Fixed Assets		–	13.04
<b>Balance carried to Balance Sheet</b>		<b>(316.21)</b>	<b>(1,028.95)</b>
<b>Earnings per share (Equity shares, face value of Rs.10/- each)</b>			
Basic and diluted EPS (Refer Note 17)		2.59	(3.49)
<b>No. of shares used in computing earnings per share</b>		<b>23,645,027</b>	<b>23,645,027</b>

Significant Accounting Policies and Notes to Accounts

18

As per our attached report of even date

For and on behalf of the Board

For **MGB & CO**  
Chartered Accountants

**B.K. Goenka**  
Chairman

**M.L. Mittal**  
Director

**Sanjay Kothari**  
Partner

**R.R. Mandawewala**  
Managing Director

**Nilesh Javker**  
Asst. Company Secretary

Mumbai, 11 May, 2010

## Schedules forming part of Accounts

(Rs. in Lacs)

Particulars	Schedules	As at 31-Mar-10	As at 31-Mar-09
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### Schedule 1: Share Capital

Authorised

10,67,00,000 Equity Shares of Rs.10/- each .		10,670.00	10,670.00
33,00,000 Optionally Convertible Cumulative Preference Shares of Rs. 10/- each		330.00	330.00
1,00,00,000 Redeemable Cumulative Preference Shares of Rs, 10/- each		1,000.00	1,000.00
<b>Total</b>		<b>12,000.00</b>	<b>12,000.00</b>

Issued, Subscribed and Paid Up [Refer Note 1 ]

2,36,45,027 (2,36,45,027) Equity Shares of Rs.10/- each fully paid up		2,364.50	2,364.50
32,03,300 (32,03,300) 10% Optionally Convertible Cumulative Preference Shares Of Rs.10/- each fully paid up		193.64	193.64
1,00,00,000 (1,00,00,000) 8% Redeemable Cumulative Preference Shares of Rs 10/- each fully paid up		833.33	833.33
<b>Total</b>		<b>3,391.47</b>	<b>3,391.47</b>

### Schedule 2: Reserves and Surplus

Capital Reserve - as per last Balance Sheet		2,664.93	2,664.93
Capital Redemption Reserve - as per last Balance Sheet		293.36	293.36
Debenture Redemption Reserve -as per last Balance Sheet		107.06	107.06
<b>Total</b>		<b>3,065.35</b>	<b>3,065.35</b>

### Schedule 3: Secured Loans [Refer Note 3]

Debentures

- Secured Redeemable Non Convertible Debenture		134.65	196.15
Term Loans from Banks			
- Foreign Currency Loans		2,131.98	635.22
- Rupee Loans		2,255.72	4,364.85
Vehicle Loans		1.35	3.08
Working Capital Finance			
- Foreign Currency Loan		1,392.89	650.97
- Rupee Loan		759.33	1,691.78
Interest accrued and due		12.58	53.15
<b>Total</b>		<b>6,688.50</b>	<b>7,595.20</b>

### Schedule 4: Unsecured Loans

Inter Corporate Deposits		1,500.00	—
<b>Total</b>		<b>1,500.00</b>	<b>—</b>

### Schedule 5: Fixed Assets (at cost)

(Rs. In Lacs)

Particulars	Gross Block			Depreciation / Amortisation					Impairment	Net - Block	
	As at 01-Apr'09	Additions	Deductions	As at 31-Mar-10	Up to 31-Mar'09	For the year	Deductions	Up to 31-Mar-10	loss as on 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
<b>TANGIBLE</b>											
Freehold Land [Refer Note 10]	456.74	—	—	456.74	—	—	—	—	191.04	265.70	265.70
Buildings	3,144.38	1.13	—	3,145.52	1,094.23	98.13	—	1,192.36	—	1,953.15	2,050.15
Plant and Machinery	25,623.32	331.52	983.97	24,970.87	12,646.72	950.53	769.44	12,827.81	5,387.69	6,755.37	7,544.78
Vehicles	82.64	—	22.67	59.98	37.39	5.59	14.84	28.14	5.99	25.85	34.93
Furniture and Fixtures	101.76	5.54	22.51	84.78	73.36	2.97	16.86	59.47	10.14	15.17	15.55
Equipments	79.11	6.92	1.83	84.20	30.86	3.34	0.72	33.48	17.43	33.28	30.34
Computers	215.75	35.57	9.05	242.28	160.98	4.67	8.52	157.14	37.64	47.50	16.63
<b>INTANGIBLE</b>											
System Software	90.14	—	—	90.14	83.60	0.66	—	84.26	3.08	2.80	3.46
<b>Total</b>	<b>29,793.85</b>	<b>380.68</b>	<b>1,040.03</b>	<b>29,134.50</b>	<b>14,127.15</b>	<b>1,065.89</b>	<b>810.38</b>	<b>14,382.66</b>	<b>5,653.01</b>	<b>9,098.83</b>	<b>9,961.54</b>
Previous Year	29,779.92	466.33	452.40	29,793.85	13,364.34	1,185.49	422.67	14,127.15	5,705.16	9,961.54	

Note : For Reversal of Impairment loss – Refer Note 3.



## Schedules forming part of Accounts

(Rs. in Lacs)

Particulars	Schedules	As at 31-Mar-10	As at 31-Mar-09
<b>Schedule 6: Capital Work In Progress</b>			
Capital Expenditure on Projects		362.38	67.63
Advances for Capital Expenditure		86.11	9.47
<b>Total</b>		<b>448.49</b>	<b>77.10</b>
<b>Schedule 7: Investments</b>			
Long Term (at cost) - Non Trade			
Quoted			
1,350 (1,350) Equity Shares of Rs.10/- each of Welspun India Limited #		0.16	0.16
100 (100) Equity Shares of Rs.5/- each of Welspun Corp Limited (formerly Welspun Gujarat Stahl Rohren Limited)		0.09	0.09
Market Value of Quoted Investments Rs. 1.51 Lacs (Rs.0.99 Lacs)			
Others			
1,21,685 6% Redeemable Preference Shares of Rs.10/- each fully paid up of Cresent Trading Private Limited		1,216.84	1,216.84
1,01,650 600% Redeemable Preference Shares of Rs.10/- each fully paid up of Cresent Trading Private Limited		1,016.50	1,016.50
100 Equity Shares of Rs.10/- each fully paid up of Welspun Power and Steel Limited		0.01	0.01
<b>Total</b>		<b>2,233.60</b>	<b>2,233.60</b>
<b>Schedule 8: Inventories</b>			
<b>(As taken, valued and certified by Management)</b>			
Raw Materials		849.11	867.65
Goods In Transit - Raw Materials		130.67	80.05
Goods In Process		288.51	167.80
Finished Goods		1,941.59	1,444.80
Stores / Spares and Packing Materials		765.98	606.48
<b>Total</b>		<b>3,975.86</b>	<b>3,166.78</b>
<b>Schedule 9: Sundry Debtors</b>			
<b>(Unsecured, Considered Good, unless otherwise stated)</b>			
More than Six Months		49.50	97.15
Others		2,811.30	2,026.99
		<b>2,860.80</b>	<b>2,124.14</b>
<b>(Unsecured, Considered Doubtful)</b>			
More than Six Months		169.66	169.66
Less : Provision for Doubtful Debts		(169.66)	(169.66)
<b>Total</b>		<b>2,860.80</b>	<b>2,124.14</b>
# Pursuant to scheme of arrangement, the company has been additionally allotted 35 Equity Share of Rs.10/- each of Welspun Global Brands Limited and 67 Equity Shares of Rs.10/- each of Welspun Investments Limited			
<b>Schedule 10: Cash and Bank Balances</b>			
Cash In Hand		22.12	19.25
With Scheduled Banks			
In Current Account		58.14	29.32
In Foreign Currency Account		0.05	0.06
In Fixed Deposit*		385.26	399.67
In Margin Account		7.59	7.34
* Against Margin Money for Letter of Credit and Bank Guarantee			
<b>Total</b>		<b>473.16</b>	<b>455.64</b>

**Schedules forming part of Accounts**

(Rs. in Lacs)

Particulars	Schedules	As at 31-Mar-10	As at 31-Mar-09
<b>Schedule 11: Loans and Advances</b>			
(Unsecured and Considered Good, unless otherwise stated)			
<b>Advances</b>			
(Recoverable in Cash or in Kind or for Value to be received)			
Balance with Government Authorities		847.18	575.76
Other Advances		781.75	487.11
Deposits		65.71	75.80
<b>Total</b>		<b>1,694.63</b>	<b>1,138.67</b>
<b>Schedule 12: Current Liabilities and Provisions (Refer Note 6 and 9)</b>			
1. Current Liabilities			
Acceptances		2,504.46	2,376.14
Sundry Creditors			
– Micro, Small and Medium Enterprises		106.87	108.29
– Others		3,487.30	3,304.92
		3,594.17	3,413.21
Interest accrued but not due		4.40	20.80
		6,103.03	5,810.15
2. Provisions			
– For Taxation		69.27	95.27
– For Retirement Benefits		283.96	228.99
		353.23	324.26
<b>Total</b>		<b>6,456.26</b>	<b>6,134.41</b>
<b>Schedule 13: Sales and Services</b>			
Gross Sales		37,618.21	32,753.94
Job Work Charges [Tax deducted at source Rs. 4.23 Lacs (Rs 4.35 Lacs)]		182.05	166.55
<b>Total</b>		<b>37,800.26</b>	<b>32,920.49</b>
<b>Schedule 14: Other Income</b>			
Miscellaneous Income		132.16	128.17
Export Benefit		347.18	124.10
Profit on Sale/discard of Fixed Assets (Net)		3.46	23.84
Dividend on units from Mutual Fund		0.00	0.14
<b>Total</b>		<b>482.80</b>	<b>276.25</b>
<b>Schedule 15: Cost of Goods</b>			
(A) Raw Materials Consumed			
Opening Stock		867.65	598.78
Add : Purchases (Net)		23,126.49	19,234.64
Less : Closing Stock		849.11	867.65
<b>Total (A)</b>		<b>23,145.03</b>	<b>18,965.77</b>
(B) Purchase of Finished Goods		–	54.90
<b>Total (B)</b>		<b>–</b>	<b>54.90</b>
(C) Increase / (Decrease) In Stock			
Closing Stock			
Goods In Process		288.51	167.81
Finished Goods		1,941.59	1,444.80
		2,230.10	1,612.61
<b>Less : Opening Stock</b>			
Goods In Process		167.80	291.61
Finished Goods		1,444.80	1,973.37
		1,612.61	2,264.98
Less : Increase / (Decrease) In Excise Duty on Finished Goods		99.72	(78.24)
<b>Total (C)</b>		<b>517.77</b>	<b>(574.13)</b>
<b>Total (A+B-C)</b>		<b>22,627.26</b>	<b>19,594.80</b>



## Schedules forming part of Accounts

(Rs. in Lacs)

Particulars	Schedules	As at 31-Mar-10	As at 31-Mar-09
<b>Schedule 16: Manufacturing and other expenses</b>			
<b>Manufacturing Expenses</b>			
Stores and Spares Consumed		1,382.11	1,446.45
Power, Fuel and Water Charges		3,218.65	2,957.28
Packing Materials Consumed		1,377.76	1,329.99
Dyes and Chemicals Consumed		1,367.23	1,220.83
Repairs and Maintenance			
– Plant and Machinery		78.92	86.92
		<b>7,424.67</b>	<b>7,041.47</b>
<b>Personnel Expenses</b>			
Salaries, Wages and Allowances		1,631.92	1,417.43
Contribution to Provident and other Funds		91.94	84.79
Managerial Remuneration		15.00	24.31
Staff Welfare Expenses		87.19	82.86
		<b>1,826.05</b>	<b>1,609.39</b>
<b>Administration and other Expenses</b>			
Discounts and Rebates		137.64	178.38
Brokerage and Commission		458.77	416.04
Freight and Forwarding		734.56	642.21
Repairs and Maintenance			
– Factory Building		63.94	44.99
– Others		50.62	40.31
Rent		47.59	38.09
Rates and Taxes		15.44	13.60
Printing and Stationary		12.24	13.54
Travelling and Conveyance		110.55	82.43
Vehicle Expenses		61.38	58.95
Legal and Professional Charges		97.99	81.14
Insurance		35.09	41.94
Communication Expenses		38.88	40.21
Miscellaneous Expenses		126.97	111.43
Directors Sitting Fees		1.36	1.38
Foreign Exchange Difference (Net)		(0.36)	91.30
Donations		4.13	2.65
Issue Expenses Written off		–	1.46
Auditors Remuneration			
– Audit Fees		7.00	7.00
– Tax Audit Fees		1.00	1.00
– Others		0.35	0.23
		<b>2,005.14</b>	<b>1,908.28</b>
	<b>Total</b>	<b>11,255.86</b>	<b>10,559.14</b>
<b>Schedule 17: Finance Expenses (Net)</b>			
Interest on			
– Debentures		17.61	21.81
– Fixed Loans		381.36	440.56
– Working Capital Loans		267.36	303.26
– Other		5.46	17.04
		<b>671.79</b>	<b>782.67</b>
Discounting and Bank Charges		353.82	388.78
		<b>1,025.61</b>	<b>1,171.45</b>
Less: Interest Income [Tax deducted at source Rs 4.72 Lacs (Rs.6.39 Lacs)]		92.38	124.32
	<b>Total</b>	<b>933.23</b>	<b>1,047.13</b>

## **Schedule 18: Significant Accounting Policies and Notes to Accounts**

### **A. SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Basis of Accounting**

The financial statements have been prepared under the Historical Cost Convention on the basis of going concern and in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act 1956.

#### **b) Use of Estimates**

The preparation of the financial statements in accordance with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from those estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

#### **c) Fixed Assets**

- (i) Fixed assets are stated at original cost of acquisition / installation (net of cenvat credit availed) net of accumulated depreciation, amortization and impairment losses except land which is carried at cost. The cost of fixed assets includes cost of acquisition, taxes, duties, freight, other incidental expenses related to the acquisition, construction and installation including trial run expenses (net of revenue) and borrowing cost incurred during preoperational period.
- (ii) The cost of Software includes license fees, cost of implementation and system integration and capitalized as intangible assets in the year in which the relevant software is put to use.

#### **d) Depreciation**

- (i) Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on POY Plant and Machinery is charged as continuous process plant based on expert's opinion.
- (ii) Depreciation on the addition on account of increase/decrease in rupee liability on realignment of foreign currency Loan is provided prospectively.
- (iii) Capitalized cost of software is amortized over a period of five years.

#### **e) Impairment of Assets**

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and value in use determined by the present value of estimated future cash flows. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired.

#### **f) Borrowing Costs**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

#### **g) Revenue Recognition**

- (i) Sale of goods is recognised when the risks and rewards of ownership are passed on to the customers, which is generally on dispatch. Export sales are accounted for on the basis of date of bill of lading. Gross Sales include excise duty and is net of Value Added Tax. Consignment sales are recognized on confirmation from consignee.
- (ii) Export benefits are accounted on accrual basis.

#### **h) Operating Lease**

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor have been classified as operating leases. Lease payments under operating leases are recognized as an expense on accrual basis in accordance with the respective lease agreement.

#### **i) Investments**

Investments intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognize a decline other than temporary.

#### **j) Inventories**

- (i) Inventories are valued at lower of cost or Net Realizable value.
- (ii) The basis for determining cost for various categories of inventories is as follows:
 

Work / Goods in Process	:	Cost of Direct Material, Labour and other
and Finished Goods		Manufacturing Overheads
Raw materials, Stores and Spares and	:	Moving weighted average basis
Colour and Chemicals, Packing materials		
- (iii) Excise duty is added in the Closing Inventory of Finished Goods

#### **k) Accounting for Taxes on Income**

- (i) Current tax is determined as the amount of tax payable in respect of taxable income of the year computed as per Income Tax Act, 1961.
- (ii) Deferred tax is recognized subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods and measured using prevailing enacted or substantively enacted tax rates.





#### **l) Employee Benefits**

- (i) Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- (ii) Post employment and other long term benefits are recognized as an expense in the profit and loss account of the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Profit and Loss account.
- (iii) Payments to defined contribution retirement benefit schemes are charged as expenses as and when they fall due.

#### **m) Foreign Currency Transaction**

- (i) Foreign currency transactions are recorded at the exchange rate prevailing on the date of such transactions. Current monetary assets and liabilities in foreign currency as at the Balance Sheet date are translated at the exchange rates prevailing at the date of Balance Sheet. Gains and losses arising on account of difference in foreign exchange rates on settlement / translation of current monetary assets and liabilities are recognized in the Profit and Loss Account.
- (ii) In respect of forward contracts assigned to the foreign currency assets and liabilities as at balance sheet date, the proportionate premium / discount for the period up to the date of balance sheet is recognized in the profit and loss account. The exchange difference measured by the change rate between the inception of forward contract and date of balance sheet is applied on foreign currency amount of the forward contract and is recognized in the profit and loss account.
- (iii) Gains and losses on account of difference in foreign exchange rate on settlement / translation attributable to fixed assets (acquired prior to 1 April 2004) are adjusted to the carrying amount of the respective assets. In case of fixed assets acquired in foreign currency after 1 April 2004, the gains and losses on account of difference in foreign exchange rate on settlement / translation are recognized in the profit and loss account, except as per amendment to AS-11 (Refer note 16(b)).

### **B. NOTES TO ACCOUNTS**

#### **1. Preference Share Capital (Schedule 1)**

The terms of redemption of Preference Shares outstanding are as under:

- a) 32,03,300 10% Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs.10/- each fully paid up (option to convert was lapsed on 18.05.2003) are redeemable at par in three equal annual installments commencing from 18 June 2004. Out of the above, 30,00,000 OCCPS were rescheduled in 2005-06 and are redeemable in five equal annual installments.

The amount of Rs. 19,363,667 due for redemption as at 31 March 2010 is yet to be paid.

- b) 1,00,00,000 8% Redeemable Cumulative Preference Shares of Rs.10/- each fully paid up are redeemable at par in six equal installments commencing from 31 March 2006.

The amount of Rs. 6,66,66,667 due for redemption as at 31 March 2010 is yet to be paid.

#### **2. Secured Loans (Schedule 3)**

##### **(a) Debentures**

- i. 9% Secured Non-Convertible Redeemable Debentures (NCD) of Rs. 73.60 lacs (Rs. 107.10 lacs) are redeemable at par in 28 equal quarterly installments commencing from April 1 2006 and ending on January 1 2013.
- ii. 9% Secured Non-Convertible Redeemable Debentures (NCD) of Rs. 61.05 lacs (Rs. 89.05 lacs) are redeemable at par in 28 equal quarterly installments commencing from April 1 2006 and ending on January 1 2013.
- iii. The above debentures including interest thereon are secured by way of first charge on movable and immovable assets of the Company, both present and future, ranking pari passu subject to prior charge on specific assets for certain term loans and on current assets as per (b) (iv) below for borrowing from banks for working capital finance.
- iv. The Company has adequate Debenture Redemption Reserve (DRR) as at 31 March 2010. In view of this, the Company is not required to create additional Debenture Redemption Reserve during the year.

##### **(b) Term Loans / Working Capital Loans**

- i. Term Loan from Banks except b (ii) below, are secured by way of first charge on immovable and movable assets of the Company, both present and future, ranking pari-passu subject to the prior charge on specific assets for certain term loans and on current assets as per b (iv) below for working capital finance from banks.
- ii. Term Loan of Rs. 36.04 lacs (Rs. 52.44 lacs) from a bank is secured by way of a charge on all machinery purchased out of the equipment finance scheme.
- iii. Vehicle Loan is secured by way of hypothecation of Vehicle.
- iv. Working Capital finance from Banks are secured by way of hypothecation of raw materials, finished and semi finished goods, stores and book debts and second charge by way of mortgage on entire fixed assets of the Company.
- v. All the above facilities are personally guaranteed by the promoter directors.

- 3. During the year, impairment loss aggregating Rs. 52.15 lacs (Rs. 3.44 lacs) has been reversed consequent to the relevant fixed assets being sold.

#### **4. Contingent liabilities not provided for**

- a) Guarantees given by banks Rs. 252.00 lacs (Rs. 250.00 lacs)
- b) Disputed demands of Excise Duty, Custom Duty, Service Tax and Income Tax- Rs. 1295.39 lacs (Rs.1317.17 lacs)
- c) Unexpired Letters of Credit Rs. 3094.23 lacs (Rs. 3193.82 lacs).

- d) Custom Duty on pending Export obligation for import under Advance License Rs. 6.57 lacs (Rs. 60.11 lacs).
- e) The accumulated dividend of Rs. 1299.51 lacs (Rs. 1213.50 lacs) payable on Redeemable Cumulative / Optionally Convertible Cumulative preference shares.
- f) Claims against the Company not acknowledged as debt Rs. 146.76 lacs (Rs. 146.76 lacs)
- g) Bills receivable discounted Rs. 982.75 lacs (Rs. 466.68 lacs)
- h) The lenders right to recompense for the concessions granted to the Company pursuant to the scheme of arrangement approved by the High Court of Bombay and financial restructuring approved by lenders, amount unascertained.
5. Prior period expense (Net) of Rs. Nil (Rs. 107.97 lacs) has been accounted in the current year under the following account heads.

(Rs. in lacs)

Particulars	2010	2009
Expense		
Depreciation	–	126.22
Income		
Export Benefits	–	18.25

6. Current Liabilities include cheques overdrawn to the tune of Rs. 202.66 lacs (Rs. 1240.48 lacs).
7. a) In the opinion of the Board of Directors, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet, if realised in the ordinary course of business, except otherwise stated and adequate provisions have been made in the books of account for all the known liabilities.  
b) Debit and credit balances are subject to confirmation and reconciliation.
8. Capital commitment not provided for Rs. 96.25 Lacs (Rs. Nil) net of advances.

**9. Micro, Small and Medium Enterprises**

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31.03.10. The disclosure pursuant to the said Act is as under:

(Rs. in lacs)

	Particulars	2010	2009
i.	Principal amount due to suppliers under MSMED Act, 2006	106.87	108.29
ii.	Interest accrued and due to suppliers under MSMED Act, on the above amount	1.04	1.15
iii.	Payment made to suppliers (Other than interest) beyond the appointed day, during the year	–	–
iv.	Interest paid to suppliers under MSMED Act, (Other than Section 16)	–	–
v.	Interest paid to suppliers under MSMED Act, (Section 16)	–	–
vi.	Interest due and payable to suppliers under MSMED Act, for payments already made	–	–
vii.	Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act.	5.99	4.95

The above information and that given in Schedule -11 "Current Liabilities" regarding Micro, Small and Medium Enterprises has been determined to the extent such parties are identified on the basis of the information available with the Company.

10. Freehold Land includes Rs. 27.85 lacs (Rs. 27.85 lacs) and development expenses of Rs. 122.87 lacs (Rs. 122.87 lacs) incurred on such land capitalized in the year 2002-2003 for which the Company holds no title.
11. **Taxation**
  - a) Provision for taxation is made as per section 115JB of the Income Tax Act, 1961.
  - b) In accordance with the Accounting Standard - 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred tax assets and liabilities should be recognized for all timing differences in accordance with the said standard. However, considering the present financial position of the Company and requirement of the Accounting Standard regarding certainty / virtual certainty, the same has not been provided. The same will be reassessed at a subsequent balance sheet date and will be accounted for in the year of certainty / virtual certainty in accordance with the aforesaid accounting standard.

**12. Operating Leases**

The Company has taken on lease offices and residential facilities under operating lease agreements that are renewable on periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for eleven months.

Minimum rental payments are required to be made under the operating leases that have initially or remaining non-cancelable lease term in excess of one year as at 31.03.2010 as per the contracts are as under:

- Not later than one-year Rs. 45.63 lacs (Rs. 42.36 lacs)
- Later than one year but not later than five years. Rs. 151.93 lacs (Rs. 2.90 lacs)
- Later than five years Rs. 63.00 Lacs (Rs. Nil)

The aggregate rental expenses of all the leases for the year are Rs.55.05 lacs (Rs. 53.69 lacs).

**13. Disclosures pursuant to adoption of Accounting Standard 15 (Revised 2005) Employee Benefits**

The Employees Gratuity and Leave Encashment schemes are defined benefit plans. The present value of obligation is based on actuarial valuation using the projected unit credit method.



## Defined Benefit Plan

Details of defined benefit plan for contribution to Gratuity (Non-Funded) and contribution to Leave Encashment (Non-Funded) are as follows:

### I. Actuarial Assumptions

#### Economic Assumptions

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

#### Demographic Assumptions

##### Major Assumptions

Mortality	Latest Compiled Table of LIC (1994-96)
Retirement Age	60 Years for staff and 62 years for Presidents and above. Worker category 58 years.
Attrition Rate	2% up to age 44 and 1% thereafter

### II. Expenses Recognized in the Profit and Loss Account

(Rs. in lacs)

Particulars	Gratuity 2009-10	Gratuity 2008-09	Leave Encashment 2009-10	Leave Encashment 2008-09
Current Service Cost	26.41	22.60	13.73	11.22
Interest Cost	14.21	13.62	4.57	6.12
Expected Return on Plan Assets	—	—	—	—
Net Actuarial (Gain) / Loss recognized in the period	8.12	(1.98)	13.82	(20.07)
Expenses recognized in the Profit and Loss Account *	48.74	34.24	32.12	(2.73)

\* Included in the Personnel Expenses (Refer Schedule-15).

### III. Present Value of Defined Benefit Obligation and the Fair Value of Assets

(Rs. in lacs)

Particulars	Gratuity 2009-10	Gratuity 2008-09	Leave Encashment 2009-10	Leave Encashment 2008-09
Present Value of Obligation as at March 31, 2010	204.98	173.26	78.98	55.73
Fair Value of Plan Assets as at March 31, 2009	—	—	—	—
Liability Recognized in the Balance Sheet and disclosed under Current Liabilities and Provisions (Refer Schedule-11)	204.98	173.26	78.98	55.73

### IV. Change in the Present Value of Obligation

(Rs. in lacs)

Particulars	Gratuity 2009-10	Gratuity 2008-09	Leave Encashment 2009-10	Leave Encashment 2008-09
Present Value of Obligation as at April 1, 2009	173.26	160.30	55.73	71.98
Current Service Cost	26.41	22.60	13.73	11.22
Interest Cost	14.21	13.62	4.57	6.12
Benefits Paid	(17.02)	(21.28)	8.88	(13.52)
Actuarial (Gain) / Loss on Obligation	8.12	(1.98)	13.82	(20.07)
Present Value of Obligation as at March 31, 2010	204.98	173.26	78.98	55.73

#### Note :

Amount recognized as an expense and included in Schedule 15- Personnel Cost is ; Gratuity Rs. 48.74 Lacs ( Rs. 34.24 Lacs) and Leave Encashment Expense of Rs 32.27 Lacs(Income of Rs. 2.73 Lacs)

### 14. Related party disclosures

As per Accounting Standard - 18, issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard are given below

Other Related parties where the directors have significant influence or control with whom transactions have taken place during the year and balances outstanding as on the last day of the year.

# WELSPUN SYNTEX LIMITED

Annual Report 2009-10

Welspun Corp Limited (formerly Welspun Gujarat Stahl Rohren Limited), Welspun India Limited, Welspun Trading Limited, Welspun Retail Limited, Welspun Mercantile Limited, Welspun Power and Steel Limited, Welspun Wintex Limited, Welspun USA Inc., Krishiraj Trading Limited, Mertz Securities Limited, Welspun Global Brands Limited, Welspun Investments Limited

## Directors /Key Management Personnel

Name of the Related Party	Nature of Relationship
B. K. Goenka	Chairman and Managing Director
R. R. Mandawewala	Managing Director
M. L. Mittal	Director
B.A. Kale	Chief Executive Officer

## Transactions with Related Parties

(Rs. in lacs)

Nature of Transaction	2009-10	2008-09
<b>Sales (net) to and recoveries from</b>	<b>279.40</b>	<b>145.79</b>
Welspun India Limited	214.18	103.66
Welspun Corp Limited	24.16	16.89
Welspun USA Inc.	20.22	25.24
Welspun Retail Limited	7.69	—
Welspun Global Brands Limited	13.15	—
<b>Sale of Fixed Assets</b>	<b>282.49</b>	<b>6.87</b>
Welspun India Limited	—	6.87
Welspun Wintex Limited	282.49	—
<b>Purchase of Goods and Services</b>	<b>471.37</b>	<b>98.88</b>
Welspun India Limited	9.45	20.66
Welspun Retail Limited	6.14	4.99
Welspun Corp Limited	23.88	—
Welspun Power and Steel Limited	128.96	73.23
Welspun Wintex Limited	276.47	—
Mertz Securities Limited	26.47	—
<b>Purchase of Fixed Assets</b>	<b>153.33</b>	<b>13.63</b>
Welspun India Limited	21.27	13.63
Welspun Wintex Limited	132.06	—
<b>Loans/Advances/Deposits received</b>	<b>2575.60</b>	<b>961.00</b>
Welspun Trading Limited	1075.60	961.00
Krishiraj Trading Limited	1500.00	—
<b>Repayment of Loans/Advance/Deposits received</b>	<b>1075.60</b>	<b>961.00</b>
Welspun Trading Limited	1075.60	961.00
<b>Closing Balances as at 31 March 2010</b>		
<b>Sundry Debtors</b>	<b>39.78</b>	<b>10.94</b>
Welspun India Limited	39.78	10.70
Welspun Retail Limited	—	0.24
<b>Loans/Advances/Deposits received</b>		
Krishiraj Trading Limited	1500.00	—
<b>Sundry Creditors</b>	<b>212.02</b>	<b>2.37</b>
Welspun Corp Limited	0.02	—
Welspun Retail Limited	4.71	—
Welspun India Limited	14.55	2.37
Welspun USA Inc.	5.36	—
Welspun Wintex Limited	187.38	—
<b>Investments outstanding</b>		
Welspun India Limited	0.16	0.16
Welspun Global Brands Limited	—	—
Welspun Investment Limited	—	—
Welspun Power and Steel Limited	0.01	0.01
Welspun Corp Limited	0.09	0.09

**Note:** Details of remuneration to directors are disclosed in Note No.15 below

d. Disclosure required by clause 32 of the listing agreement is either Nil or not applicable.



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

(Rs. in lacs)

	Managing Director	Whole Time Director
Salaries and Allowances	15.00 (15.00)	Nil (9.31)
Commission	– (-)	– (-)
Perquisites	– (-)	Nil (0.18)
<b>Total</b>	<b>15.00 (15.00)</b>	<b>Nil (9.49)</b>

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

The Computation of net profit in accordance with sections 198 / 349 of the Companies Act, 1956 and the commission payable to Managing Director is as under:

(Rs. in lacs)

<b>Profit / (Loss) before tax as per Profit and Loss A/c</b>		712.74
Add/Less: Managerial Remuneration	15.00	
Directors' sitting fees	1.36	
Excess of expense over income for previous year as per section 349(4)(l)	(1323.94)	
Profit on sale of Fixed Assets (Net)	3.46	
		(1311.04)
<b>Net Profit / (loss) for Section 198</b>		(598.30)
Maximum permissible Managerial Remuneration to Managing Director under section 198 of the Companies Act, 1956.		–
Restricted as per service agreements / permission from the Central government.		15.00

16. **Foreign Exchange Differences**

- The foreign exchange gain (net) including on forward contracts of Rs. 56.59 lacs (Loss of Rs. 142.09 lacs) is adjusted under respective heads of income or expense in the profit and loss account to which it relates and exchange difference gain of Rs.41.11 lacs, other than (b) below (Loss of Rs. 276.55 lacs) has been adjusted to the carrying cost of fixed assets.
- The Companies (Accounting Standards) Amendment Rules 2009 has amended the provision of AS-11 related to "Effects of the changes in Foreign Exchange Rate" vide notification dated 31 March 2009 issued by the Ministry of Corporate Affairs. Accordingly, the Company has capitalised exchange difference loss amounting to Rs. 0.06 lacs to the cost of fixed assets.
- The Company is exposed to various financial risks, most of which relate to changes in exchange rates, interest rate etc. The Company hedges risks of the aforesaid nature using combination of forward contracts, options and swaps etc. The outstanding foreign currency derivative contracts as at 31 March 2010 are as follows:

**Forward Contracts**

- For Payments to be received against exports and other receivables.

(Amount in lacs)

Derivative Contracts	2010		2009	
	Foreign Currency	Equivalent Indian Rupee	Foreign Currency	Equivalent Indian Rupee
USD/ INR	Nil	Nil	3.25	164.84

- As at Balance Sheet date, the Company has foreign currency payable (Net) that is not hedged by a derivative instrument or otherwise is amounting to Rs. 2914.68 lacs (Rs. 1510.59 lacs)

17. **Earnings Per Share (EPS)**

Particulars	2010	2009
Profit / (Loss) After Tax (Rs. in lacs)	712.74	(725.55)
Less: Dividend on Cumulative Preference Shares (Rs. in lacs)	(100.65)	(100.65)
Profit/(Loss) available for appropriation to Equity Share Holders (Rs. in lacs)	<b>612.09</b>	<b>(826.20)</b>
Weighted average number of equity shares for computation of EPS (Nos.)	23,645,027	23,645,027
Basic and Diluted Earnings Per Share (Rs.)	2.59	(3.49)

**18. Segment Reporting**

The entire operations of the Company relate to only one segment viz. Synthetic yarn. Also, the Company does not consider any significant difference as regards the risks and returns of the product with reference to export and domestic sale. Therefore segment information as required by Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable as legally advised by the expert.

19. Previous year figures have been regrouped/rearranged/recast wherever considered necessary. Figures in brackets in this schedule are for previous year.

**20. Additional information pursuant to part II of Schedule VI of the Companies Act, 1956.**

- |  |  |            |                    |                 |                  |                         |              |            |            |                          |            |                         |              |
|--|--|------------|--------------------|-----------------|------------------|-------------------------|--------------|------------|------------|--------------------------|------------|-------------------------|--------------|
| (i) Licensed Capacity  | Not applicable   |            |                    |                 |                  |                         |              |            |            |                          |            |                         |              |
| (ii) Installed Capacity                                      | (as certified by the management)   |            |                    |                 |                  |                         |              |            |            |                          |            |                         |              |
| Polyester Yarns<br>(Texturised, Twisted<br>and Dyed) and POY | <table border="0"> <tr> <td>a) POY/FDY</td> <td>31400 (31400) M.T.</td> </tr> <tr> <td>b) Dyeing Plant</td> <td>9000 (8400) M.T.</td> </tr> <tr> <td>c) Texturising Machines</td> <td>26 (26) Nos.</td> </tr> <tr> <td>d) Air Tex</td> <td>4 (4) Nos.</td> </tr> <tr> <td>e) Draw Twisting Machine</td> <td>1 (1) Nos.</td> </tr> <tr> <td>f) TFO Twisting Machine</td> <td>26 (23) Nos.</td> </tr> </table> | a) POY/FDY | 31400 (31400) M.T. | b) Dyeing Plant | 9000 (8400) M.T. | c) Texturising Machines | 26 (26) Nos. | d) Air Tex | 4 (4) Nos. | e) Draw Twisting Machine | 1 (1) Nos. | f) TFO Twisting Machine | 26 (23) Nos. |
| a) POY/FDY   | 31400 (31400) M.T.   |            |                    |                 |                  |                         |              |            |            |                          |            |                         |              |
| b) Dyeing Plant  | 9000 (8400) M.T.   |            |                    |                 |                  |                         |              |            |            |                          |            |                         |              |
| c) Texturising Machines                                      | 26 (26) Nos.   |            |                    |                 |                  |                         |              |            |            |                          |            |                         |              |
| d) Air Tex   | 4 (4) Nos.   |            |                    |                 |                  |                         |              |            |            |                          |            |                         |              |
| e) Draw Twisting Machine                                     | 1 (1) Nos.   |            |                    |                 |                  |                         |              |            |            |                          |            |                         |              |
| f) TFO Twisting Machine                                      | 26 (23) Nos.   |            |                    |                 |                  |                         |              |            |            |                          |            |                         |              |

(iii) Raw Materials consumed

	Quantity (M.T.)	Amount (Rs. In lacs)
POY/TEX	11770.38* (6,954.28)*	9353.13 (5,852.04)
CHIPS	23,235.07 (22,417.66)	13,791.89 (13,113.73)

\* Does not include POY 14975.63 M.T. (16300.26 M.T.) and TEX 417.01 M.T.(1060.78 M.T.) consumed out of own production.

(iv) Value of imported and indigenous Raw Material and Stores, Spares, Dyes and Chemicals Consumed and percentage thereof to total consumption.

		Amount (Rs. In lacs)	Percentage (%)
1. Raw Materials	– Indigenous	20,018.87 (16,422.36)	86.49 (86.59)
	– Imported	3,126.16 (2,543.41)	13.51 (13.41)
2. Stores, Spares Dyes and Chemicals	– Indigenous	2,498.66 (2,378.74)	90.88 (89.18)
	– Imported	250.68 (288.55)	9.12 (10.82)

(v) Turnover and Stocks

Class of Goods	Sales			Stocks			
	Unit	Quantity	Amount Rs. in lacs	Opening		Closing	
				Quantity	Amount Rs. in lacs	Quantity	Amount Rs. in lacs
Dyed / Tex and Twisted Polyester Yarn	M.T.	27488.36 (24470.73)	30605.50 (26,640.03)	1034.67 (1050.84)	923.88 (1316.35)	1106.99 (1034.67)	1114.45 (923.88)
POY	M.T.	8115.29 (6627.66)	7012.71 (6,113.91)	510.41 (1031.85)	520.93 (657.02)	856.19 (510.41)	827.14 (520.92)



(vi) Production and Purchase

Class of Goods	Purchase		Production **	
	Units	Quantity	Amount Rs. in lacs	Quantity (M.T.)
Dyed / Text and Twisted Polyester Yarn	M.T.	0.00 (37.59)	0.00 (54.90)	27977.69* (25477.75)*
POY***	M.T.	— (-)	— (-)	23436.70 (22406.08)

\* Includes 417.01 M.T. (1060.78 M.T.) issued for internal consumption

\*\* Production does not include 575.33 M.T. (546.83 M.T.) job work done for others

\*\*\* Includes 14975.63 M.T. (16300.26 M.T.) issued for internal consumption.

(vii) Value of Import on CIF basis

Raw Material : Rs. 3062.02 lacs (Rs. 2474.06 lacs)  
Stores and Spares : Rs. 468.20 lacs (Rs. 427.58 lacs)

(viii) FOB value exports : Rs. 6671.84 lacs (Rs. 4368.32 lacs)  
(Excluding deemed export)

(ix) Expenditure in Foreign Currency : Rs. 154.62 lacs (Rs. 215.84 lacs)  
(Including Travelling, Commission on Sales, Testing Fees, Quality Claim, Membership & Subscription, and Interest etc.)

SIGNATURE TO SCHEDULE "1 TO 18"

As per our attached report of even date

For **MGB & CO**  
Chartered Accountants

**Sanjay Kothari**  
Partner

Mumbai, 11 May, 2010

For and on behalf of the Board

**B.K. Goenka**  
Chairman

**R.R. Mandawewala**  
Managing Director

**M.L. Mittal**  
Director

**Nilesh Javker**  
Asst. Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010**

(Rs. in Lacs)

Particulars	Year ended 31-Mar-10	Year ended 31-Mar-09
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	712.74	(709.81)
<b>Adjustments for</b>		
Depreciation / Amortisation	1065.89	1,185.49
Profit on sale / discard of Fixed Assets (Net)	(3.46)	(23.84)
Interest income	(92.38)	(124.32)
Interest expenses	671.79	782.67
Dividend income	—	(0.14)
Issue expenses written off	—	1.46
Exchange adjustments (Net)	(81.12)	(9.05)
<b>Operating Profit before working capital changes</b>	<b>2273.46</b>	<b>1,102.46</b>
Inventories	(678.42)	380.63
Trade and other receivables	(1,306.19)	661.45
Trade and other payables	235.17	599.21
<b>Cash generated from operations</b>	<b>524.02</b>	<b>2,743.74</b>
Taxes (paid) / refunded	(14.80)	(7.35)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>509.22</b>	<b>2,736.39</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets ( including Capital Work in Progress )	(811.41)	(353.84)
Sale of Fixed Assets	180.96	50.13
Purchase of short term investments	—	(120.00)
Sale of short term investments	—	120.00
Interest received	119.16	39.05
Dividend received	0.00	0.14
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(511.29)</b>	<b>(264.52)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redemption of Debentures	(61.50)	(36.90)
Proceeds from long term borrowings	—	253.32
Repayment of long term borrowings	(516.93)	(1,429.73)
Increase / (decrease) in other borrowings	(173.22)	(516.34)
Proceeds from Inter Corporate deposits	2,575.60	1,261.00
Repayment of Inter Corporate deposits	(1,075.60)	(1,261.00)
Interest paid	(728.76)	(726.29)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>19.59</b>	<b>(2,455.94)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>17.52</b>	<b>15.93</b>
<b>CASH AND CASH EQUIVALENTS -OPENING BALANCE</b>	<b>455.64</b>	<b>439.71</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>473.16</b>	<b>455.64</b>

**Notes**

- 1) Previous year figures are regrouped/reconsidered wherever necessary.
- 2) Cash and Cash equivalents at end of the year include unrealised loss of Rs. 0.01 lacs (gain of Rs. 0.01 lacs) on account of Current account in foreign currency.
- 3) Cash and Cash Equivalents include the following

	<b>As at 31-Mar-10 Rs. in lacs</b>	<b>As at 31-Mar-09 Rs. in lacs</b>
Cash in hand	<b>22.12</b>	19.25
Bank balance with Scheduled Banks		
a) In Current Account		
i. Indian Rupee Accounts	<b>58.14</b>	29.32
ii. Foreign Currency Account	<b>0.05</b>	0.06
b) In Fixed Deposits		
Indian Rupee Account	<b>385.26</b>	399.67
c) In Margin Account	<b>7.59</b>	7.34
	<b>473.16</b>	455.64

**As per our attached report of even date**

**For MGB & CO**  
*Chartered Accountants*

**Sanjay Kothari**  
*Partner*

Mumbai, 11 May, 2010

**For and on behalf of the Board**

**B.K. Goenka**  
*Chairman*

**R.R. Mandawewala**  
*Managing Director*

**M.L. Mittal**  
*Director*

**Nilesh Javker**  
*Asst. Company Secretary*

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. REGISTRATION DETAILS

Registration No. 

5	4	0	0	0	4	5
---	---	---	---	---	---	---

Balance Sheet Date 

3	1	-	0	3	-	2	0	1	0
---	---	---	---	---	---	---	---	---	---

Date                      Month                      Year

State Code 

5	4
---	---

### II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

Bonus Issue

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

Rights Issue

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

Advance Share Application Money

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities

-	-	1	4	6	4	5	3	2
---	---	---	---	---	---	---	---	---

**Sources of Funds Paid-up Capital**

(including share Suspense Account)

-	-	-	3	3	9	1	4	7
---	---	---	---	---	---	---	---	---

Reserves and Surplus

-	-	-	3	0	6	5	3	5
---	---	---	---	---	---	---	---	---

Secured Loans

-	-	-	6	6	8	8	5	0
---	---	---	---	---	---	---	---	---

Unsecured Loans

-	-	-	1	5	0	0	0	0
---	---	---	---	---	---	---	---	---

Total Assets

-	-	1	4	6	4	5	3	2
---	---	---	---	---	---	---	---	---

**Application of Funds Net Fixed Asset**

(including Capital Work in Progress)

-	-	-	9	5	4	7	3	1
---	---	---	---	---	---	---	---	---

Investments

-	-	-	2	2	3	3	6	0
---	---	---	---	---	---	---	---	---

Net Current Assets

-	-	-	2	5	4	8	1	9
---	---	---	---	---	---	---	---	---

Misc. Expenditure

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

Profit and Loss Account

-	-	-	-	3	1	6	2	1
---	---	---	---	---	---	---	---	---

### IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

Turnover and Other Income

-	-	3	6	5	9	4	9	8
---	---	---	---	---	---	---	---	---

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Profit (Loss) before Tax

-	-	-	-	7	1	2	7	4
---	---	---	---	---	---	---	---	---

Earning per Share (Rs.)

-	-	-	-	-	2	.	5	9
---	---	---	---	---	---	---	---	---

+ -

☒ ☐

Total Expenditure

-	-	3	5	8	8	2	2	4
---	---	---	---	---	---	---	---	---

Profit (Loss) after Tax

-	-	-	-	7	1	2	7	4
---	---	---	---	---	---	---	---	---

Dividend Rate (%)

-	-	-	-	-	-	-	-	-
---	---	---	---	---	---	---	---	---

### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (As per Monetary Terms)

Item Code No. (IRC Code) 

-	-	-	-	-	-	5	4	0	2
---	---	---	---	---	---	---	---	---	---

Product Description 

S	Y	N	T	H	E	T	I	C		Y	A	R	N
---	---	---	---	---	---	---	---	---	--	---	---	---	---

For and on behalf of the Board

**Nilesh Javker**  
Asst. Company Secretary

**B.K. Goenka**  
Chairman

**R.R. Mandawewala**  
Managing Director

**M.L. Mittal**  
Director

Mumbai, 11 May, 2010



# WELSPUN SYNTEX LIMITED

**Regd. Office:** Survey No. 394 (P), Village Saily, Silvassa, Union Territory of Dadra & Nagar Haveli.

DP. id*	
Client id*	

## PROXY FORM

Master Folio	
No. of Shares	

I / We \_\_\_\_\_ resident/s  
of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/s of the above  
named Company hereby appoint Shri/Smt. \_\_\_\_\_ resident of  
\_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ or failing him, Shri/Smt. resident of \_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the TWENTY SEVENTH ANNUAL

GENERAL MEETING of the Company to be held on Thursday, 30<sup>th</sup> September, 2010 at the Registered Office of the Company at Survey No.394 (P), Village Saily, Silvassa, U.T of Dadra & Nagar Haveli at 11.00 a.m.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Affix  
Re. 1  
Revenue  
Stamp

**Note:** The Proxy form duly signed across the stamp should reach the Company's Registered Office at least 48 hours before the Meeting. Proxy need not be a member of the Company.

\* Applicable for Investors holding shares in electronic form only.

----- ✂ ----- (TEAR HERE) ----- ✂ -----



# WELSPUN SYNTEX LIMITED

**Regd. Office:** Survey No. 394 (P), Village Saily, Silvassa, Union Territory of Dadra & Nagar Haveli.

DP. id*	
Client id*	

## ATTENDANCE SLIP

Master Folio	
No. of Shares	

I/We hereby record my/our presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company to be held on Thursday, 30<sup>th</sup> September, 2010 at the Registered Office of the Company at Survey No.394 (P), Village Saily, Silvassa, U.T of Dadra & Nagar Haveli at 11.00 a.m.

Signature of the Shareholder or Proxy \_\_\_\_\_

Shareholders / Proxy holders are requested to bring the attendance slip with them, when they come to the Meeting and hand it over at the entrance after signing the same.

Shareholders who come to attend the meeting are requested to bring their copies of Annual Report with them.

Shareholders intending to obtain additional information regarding accounts to be presented at the meeting are requested to inform the Company about the details thereof atleast 7 days in advance.

\* Applicable for Investors holding shares in electronic form only.

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**BOOK-POST**

*If undelivered, please return to :*  
**Link Intime India Private Limited**  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai 400 078