

WELSPUN



Dare to Commit

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

www.welspunenterprises.com

Annual Report 2013-14

All pieces of the jigsaw have come together....



WELSPUN ENTERPRISES LIMITED

Annual Report 2013-14

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Forward looking statement

In this Annual Report we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. We have tried, wherever possible, to identify such statements by using words as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of the future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

Board of Directors	
Mr. B. K. Goenka - Chairman	Mr. A. K. Dasgupta
Mr. Sandeep Garg - Managing Director	Mr. Atul Desai
Mr. R. G. Sharma	Mrs. Mala Todarwal
Mr. Mintoo Bhandari	Mr. Utsav Baijal - Alternate to Mr. Mintoo Bhandari

CSR Committee	Audit Committee
Mr. B. K. Goenka	Mr. R. G. Sharma - Chairman
Mr. R. G. Sharma	Mr. Atul Desai
Mr. Atul Desai	Mr. A. K. Dasgupta
	Mr. Sandeep Garg
Statutory Auditor	Mr. Shrinivas Kargutkar - Chief Financial Officer
M/s. MGB & Co., LLP, Chartered Accountants	Mr. Rajendra Sawant - Company Secretary

Shareholder/Investor Grievance Committee	Remuneration Committee
Mr. A. K. Dasgupta - Chairman	Mr. A. K. Dasgupta - Chairman
Mr. B. K. Goenka	Mr. B. K. Goenka
Mr. Sandeep Garg	Mr. R. G. Sharma

Registered Office	Corporate Office
Welspun City, Village Versamedi	Welspun House,
Taluka Anjar, Dist Kutch	Kamala City,
Gujarat-370110	Senapati Bapat Marg,
Tel : 0283 627 9071/74/41/44	Lower Parel (W), Mumbai 400013
Fax : 0283 627 9060	Tel.: 022-66136000 Fax: 022-24908020

Stock Exchanges where the Company's securities are listed	
Bombay Stock Exchange Ltd.	National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street,	Exchange Plaza, Bandra Kurla Complex,
Mumbai - 400 051	Bandra (E), Mumbai - 400 051

Registrar and Transfer Agent	Bankers
Link Intime India Private Ltd.	ICICI Bank
C- 13, Pannalal Silk Mills Compound,	IDBI Bank
LBS Marg, Bhandup (West),	
Mumbai - 400078	

KEY MANAGEMENT TEAM



B. K. Goenka
* Chairman



Sandeep Garg
Managing Director,
Welspun Enterprises Ltd.



Mr. Akhil Jindal
Director
Group Finance & Strategy



Shrinivas Kargutkar
Chief Financial Officer

** Non-Executive Member of the Board of Directors*



B. K. Goenka
Chairman, Welspun Group

My dear fellow stakeholders,

I welcome you to our first interaction on Welspun Enterprises Ltd, in its current form. As you are aware, Welspun Enterprises was formed as a result of the demerger of Welspun Corp Ltd. The Steel, Infrastructure, Oil & Gas exploration and Energy businesses which were earlier under the umbrella of Welspun Corp Ltd are now part of Welspun Enterprises. We received the approval from the Honourable High Court of Gujarat via court order dated 10th January 2014 and the demerger came into effect on 24th January 2014.

Let me take a step back and explain to you the rationale for the demerger. Most of the businesses under Welspun Enterprises are long gestation businesses in which the group is a relatively recent entrant, and co-mingling them with a well-established, dynamic and diverse pipes business in Welspun Corp was creating challenges. These businesses have different financial characteristics, their own sector cycle and stage of development compared to the pipes business. As a result, each business has a different market perception and return expectations among investors and stakeholders. Historic data shows that specialized companies with balance sheets tailored to respective business cycles have easier access to capital markets, are better understood by a wider investor and creditor base and have produced higher shareholder returns over the longer run. I strongly believe that the creation of Welspun Enterprises will maximize long term shareholder value by enhancing management focus, improving financial and operational flexibility and instilling higher management accountability. It will give an opportunity for shareholders, to participate directly in the future performance of the relatively nascent infrastructure, energy and steel businesses of the Group.

As far as the business and economic environment in the just concluded year is concerned, the situation continued to be challenging. As you are aware, the last few years we have faced a slowdown in GDP growth in the country. The slowdown was broad-based affecting all major sectors of economic activity. Our businesses were no exception and we were also adversely impacted, especially the infrastructure and steel businesses. Given the difficult market conditions, our focus was on consolidation and maximum value creation from the existing businesses.

As part of our value unlocking strategy, the Company divested its stake in Leighton Welspun Contractors Private Limited during the year. This resulted in an improvement in the balance sheet of the Company by reducing the net debt. Going forward, the Company will continue to explore opportunities for value creation.

The business environment is expected to improve with the formation of a new stable government at the centre. There is increased expectation that various reform measures will be undertaken by the new cabinet which will take our country's growth levels back to the pre-slowdown levels. Therefore, I look forward to the future with cautious optimism.

I also take this opportunity to express my humble gratitude to all the stakeholders including our lenders, employees, customers and suppliers who have provided their support and co-operation during the demerger process and in the first few months of our existence.

Many Thanks,



B. K. Goenka

Directors' Report

Dear Members,

Your directors have pleasure in presenting the 2nd Annual Report together with the Audited Financial Statement along with the Report of the Auditors for the year ended on March 31, 2014.

1. Financial Performance

(Rs. in Lacs)

Particulars	FY 2013-14
Revenue from operations	44,25,22,158
Other Income	30,62,95,467
Total Income	74,88,17,625
Purchase of Traded Goods	43,87,06,564
Other Expenses	22,44,80,004
Total Expenditure	61,31,86,567
Profit Before finance cost and Tax	8,56,31,058
Less : Finance costs	6,207
Profit before Tax	8,56,24,851
Less : Provision for Tax	672.36
Tax expenses – Current Tax	6,50,69,350
Profit after tax	2,05,55,500
Earning Per Share (Rs.)	1.56

The Hon'ble High Court of Gujarat at Ahmedabad by its order dated 10th January, 2014 has approved the Scheme of Arrangement between Welspun Corp Limited and the Company and their respective members and creditors, pursuant to which, inter alia, the Other Business Division of Welspun Corp Ltd was transferred to the Company from the Effective Date of 24th January 2014 (Appointed Date 1st April, 2012) and in consideration thereof, 1{One} equity share of the Company was issued for every 20 (twenty) equity shares of Rs.5 each of Welspun Corp Ltd held on the Record Date fixed for the purpose and accordingly, 1,31,47,415 equity shares of Rs.10/- each were allotted to the shareholders of Welspun Corp Ltd.

2. Dividend

To augment cash resources for future developmental activities and growth of the Company, your directors do not recommend any dividend on equity shares of the Company for the year ended March 31, 2014.

3. Directors

During the year under review Mr. B K Goenka, Mr. Sandeep Garg, Mr. R G Sharma, Mr. A K Dasgupta and Mr. Atul Desai were appointed as directors of the Company. Mr. B R Jaju and Mr. Sitaram Somani resigned from the board of directors of the Company w.e.f. February 21, 2014. Mr. Devendra Patil resigned from the board of directors of the Company, with effect from June 09, 2014. Mrs. Mala Tadarwal is appointed as an independent director of the Company with effect from August 11, 2014. Mr. Mintoo Bhandari is appointed as director of the Company and Mr. Utsav Baijal is appointed as alternate director to Mr. Mintoo Bhandari with effect from August 18, 2014.

Mr. Sandeep Garg has been appointed as Managing Director of the Company w.e.f. February 21, 2014, subject to requisite approval.



In terms of Section 149 of the Companies Act, 2013 it is proposed to appoint Mr. R G Sharma, Mr. A K Dasgupta and Mr. Atul Desai for a term of consecutive period of 5 years upto March 31, 2019 and Mrs. Mala Tadarwal for a term of consecutive period of 2 years upto August 10, 2016, as the independent directors of the Company, at the ensuing annual general meeting. Mr. B K Goenka, Mr. R G Sharma, Mr. A K Dasgupta, Mr. Atul Desai, Mrs. Mala Tadarwal and Mr. Mintoo Bhandari who were appointed as additional directors under Section 260 of the Companies Act, are proposed to be appointed as directors of the Company pursuant to the provision of Section 160 of the Companies Act, 2013 at the ensuing annual general meeting.

The details of these directors are provided in the Notice of the ensuing Annual General Meeting being sent to shareholders along with Annual Report.

4. Deposits

During the financial year 2013-14, the Company did not accept any public deposits as per Section 58A of the Companies Act, 1956 and rules made there under. No amount on account of principal or interest on public deposit was outstanding on the date of the Balance Sheet.

5. Auditors

The Company's Statutory Auditors, M/s. MGB & Co., LL.P., Chartered Accountants, (Registration No.101169W/W-100035) retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received written consent from the Auditor for their reappointment and certificate to effect that the appointment, if made shall be in accordance with provisions of Section 139(1) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

6. Auditors' Report

The Auditors observation read with Notes to Account are self explanatory and therefore do not call for any comments.

7. Internal Control Systems

The Company has an adequate system of Internal Control to ensure compliance with policies and procedures. Internal Audits are regularly carried out to review the internal control systems. The Internal Audit Reports along with recommendations contained therein are reviewed by the Audit Committee of the Board.

8. Subsidiaries

As on March 31, 2014 the following companies, were direct subsidiaries of the Company viz. (1) Welspun Natural Resources Private Limited (2) Welspun Maxsteel Limited (3) Welspun Infratech Limited. A statement pursuant to Section 212 of the Companies Act, 1956 with regard to the Subsidiary Companies forms part of this Report.

9. Particulars of Employees

No employee of the Company comes under the purview of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 1988.

10. Directors' Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a. that in the preparation of the accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

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- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the accounts for the financial year ended March 31, 2014 on a 'going concern' basis.

11. Corporate Governance

Your Company believes that Corporate Governance is a voluntary code of self-discipline. Your Company continuously endeavors to follow healthy Corporate Governance practices to nurture interest of all stakeholders in the Company.

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

12. Listing with Stock Exchange

Securities and Exchange Board of India vide its letter dated CFD/AKD/SGS/OW/14784/2014 dated May 23, 2014 has granted its permission for relaxation from the applicability of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 for listing of equity shares of the Company. The equity shares of the Company are listed on NSE and BSE with effect from July 11, 2014. The Company has paid annual listing fees to the stock exchanges for the financial year 2014-15.

13. Conservation of Energy, Technology Absorptions and Foreign Exchange Earnings and Outgo

The operations of the Company are not energy intensive and therefore there is nothing to report in respect of information on Conservation of Energy and Technology Absorptions as required under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in report of the Board of Directors) Rules, 1988. Within the limited scope available for saving energy in construction contracts, every effort is being made for conserving and reducing its consumptions.

Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings – NIL

Foreign Exchange Outgo – NIL

14. Acknowledgement

Your directors take this opportunity to put forward their feelings of gratitude towards the suppliers, clients, bankers, government authorities and all other stakeholders for their continuous support and co-operation. Your directors also thank the employees of the Company for their tremendous efforts towards achieving the Company's goals and unshakable support in making the Company – what it is today.

Your directors acknowledge the support received from you as Shareholders of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 18/08/2014

B K Goenka
Chairman

Report On Corporate Governance

1. PHILOSOPHY ON CODE OF GOVERNANCE

The Board of Directors of the Company acts as a trustee and assumes fiduciary responsibility of protecting the interests of the shareholders and other stakeholders of the Company. Board supports the broad principles of Corporate Governance. In order to attain the highest level of good Corporate Governance practice, Board lays strong emphasis on transparency, accountability and integrity. Corporate Governance is a mechanism by which the Company can achieve sustainable growth. It combines positive attributes of system centric approach as well as individual excellence for the benefit of common good.

2. Board of Directors

As on March 31, 2014 the Board comprises of five Directors (four of them were non executive directors), of which three directors were Independent Directors. Mr. B. K. Goenka, a Non-Executive Director was the Chairman of the Company.

Composition and category of directors; attendance of directors at board meetings and the last AGM, number of other companies on the Board or Committees of which, a director is a member or chairperson as on March 31, 2014 is as under:

Name of the Director and Category	Category	Number of Board Meetings attended during the financial year 12-13	No. of other Directorships@	Number of other Board Committees		Attendance in Last AGM
				Chairman@@	Member@@	
Mr. B. K. Goenka* - Chairman	Promoter	1	13	Nil	5	No
Mr. Sandeep Garg* – Managing Director	Executive	1	2	Nil	2	No
Mr. R G Sharma*	Independent	1	5	3	2	No
Mr. Apurba Kumar Dasgupta*	Independent	1	2	2	3	No
Mr. Atul Desai*	Independent	Nil	9	4	6	No
Mr. Devendra Patil	Non Executive Non Independent	12	1	Nil	Nil	Yes
Mr. B R Jaju**	Non Executive Non Independent	11	-	-	-	-
Mr. Sitaram Somani**	Non Executive Non Independent	09	-	-	-	-

@ Only Directorships held in Indian Public Limited Companies are considered.

@ @ Only Chairmanship/membership of Audit Committee and Shareholders' Grievance Committee are considered (includes Chairmanship/membership held in Welspun Enterprises Limited).

* Appointed w.e.f. February 21, 2014

** Resigned w.e.f February 21, 2014

The Board periodically reviews reports on compliance of all laws applicable to the Company.

Profile of directors:

i) Mr. Balkrishan Goenka (DIN 00270175):

Mr. Goenka is the founder of Welspun Group. He is a commerce graduate. He was instrumental in conceiving the projects and their expansions and negotiates with machinery suppliers, technology consultants and arranges for necessary resources including Project Finance for making afloat the business plans from time to time. The success of group is attributable to him to a great extent.

ii) Mr. Sandeep Garg (DIN 00036419)

Mr. Garg is B.E. (Electrical) and a scholar of Harvard Business School. Mr. Garg is Prominent figure in the industry with long and varied experience of over three decades. He has worked with the companies involved in engineering and construction of infrastructure in road, elevated roads, power, irrigation, railways, buildings and oil & gas pipelines.

iii) Mr. Ram Gopal Sharma (DIN 00026514)

Mr. Sharma is an eminent Economist. He is also a Fellow of the Insurance Institute of India (FII). After rendering services for 35 years, Mr. Sharma retired as Chief Executive from LIC Mutual Fund. He has over 40 years of experience in the life insurance, mutual funds and finance sector and has in the past been a member of the Mutual Fund Leadership Team delegation at the USAID, 1997.

iv) Mr. Apurba Kumar Dasgupta (DIN 00043075)

Mr. Dasgupta is Post Graduate in Civil Engineering and is having expert knowledge and experience in multi-disciplined project planning and execution in India and third world countries for the last 50 years.

v) Mr. Atul Desai (DIN 0001943)

Mr. Desai is B. Sc, LLB, Attorney at Law. He is a partner of M/s. Kanga & Co., leading Law firm. Mr. Desai has handled large number of matters relating to mergers, amalgamations, litigations and arbitrations involving commercial disputes.

vi) Mrs. Mala Tadarwal (DIN 06933515)

Mrs. Mala Tadarwal aged 29 years, is qualified Chartered Accountant with over 5 years post qualification experience of practice in CA profession as a Partner of M/s. Tadarwal & Tadarwal, Chartered Accountants. She has experience in (i) Audit Assurance (ii) Due Dilligence (iii) Corporate Restructuring and Transaction Advisory.

vii) Mr. Mintoo Bhandari (DIN 00054831)

Mr. Bhandari aged 47 years, is a nominee director of Insight Solutions Limited. Mr. Bhandari graduated with distinction in Mechanical Engineering from MIT (S.B. '87) and the Harvard Business School (MBA '92). He has been an early participant in the sourcing, execution and development of transactions and enterprises which leveraged operating resources in India and has been integrally involved with approximately twenty such transactions, several of which were pioneering in their structure, strategy and timing. Mr. Bhandari was also previously a member of the private equity team and later a manager of hedge fund capital at the Harvard Management Company which manages the endowment of Harvard University. He is the Managing Director of AGM India Advisors Private Ltd, an affiliate of Apollo Global Management LLC ("Apollo"), responsible for the development and oversight of transactions which relate to India. Insight Solutions Limited and Granele Limited are affiliates of Apollo.

3. AUDIT COMMITTEE**a) Terms of Reference:**

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under clause 49 of the Listing Agreement with the Stock Exchanges and Section 177 of the Companies Act, 1956.

Gist of the responsibilities of the Committee are as given below:

- (i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (iv) Reviewing the annual financial statements before submission to the board for approval, with particular reference to accounting policies and practices, accounting entries, related party transactions
- (v) Reviewing performance of internal auditors.
- (vi) Discussion with internal auditors any significant findings and follow up there on.

b) Composition:

The Audit Committee comprises of 4 directors of which 3 directors are independent directors. The Chairman of the Committee is an independent director. The present composition of the Audit Committee is as under;

Name of the Member	Designation
Mr. R G Sharma*	Chairman
Mr. Atul Desai*	Member
Mr. A K Dasgupta*	Member
Mr. Sandeep Garg*	Member

* appointed w.e.f. 21.02.2014

The Company's Internal Auditors and Chief Finance Officer remained present at the Audit Committee meetings. The Company Secretary acts as the secretary of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Terms of Reference

The Company has constituted 'Nomination and Remuneration Committee'. The terms of reference Nomination and Remuneration Committee is as per Listing Agreement and section 178 of the Companies Act, 2013.

b) Composition of Nomination and Remuneration Committee

The present composition of Nomination and Remuneration Committee is as under;

Name of the Member	Designation
Mr. A K Dasgupta*	Chairman
Mr. R. G. Sharma*	Member
Mr. B K Goenka**	Member

* Appointed w.e.f. 21.02.2014

**Appointed w.e.f. 09.06.2014

During financial year 2013-14 no meeting of Nomination and Remuneration Committee was held.

c) Remuneration Policy

The independent directors are not paid any other remuneration except sitting fees for attending meeting of Board of Directors, General Meeting and Committee Meetings. The revised sitting fee for attending the Board Meeting is Rs. 20,000/- , Audit Committee meeting is Rs.15,000/- Nomination and Remuneration Committee meeting is Rs.10,000/-, Corporate Social Responsibility Committee meeting is Rs.5,000/- and General Meeting is Rs.20,000/-.

As per the Remuneration Policy of the Company the Nomination and Remuneration Committee focus on recommending, persons who may be appointed as directors, KMP and senior management officials, to the Board of Directors. The Committee also scan performance of directors, KMP and senior management and recommend their removal if the performance is found unsatisfactory. The Nomination and Remuneration Committee is required to perform duties as may be mandated by the Board of Directors from time to time.:

d) The Remuneration paid to Non Executive Directors during the financial year 2013-14 is as under:

Non Executive Directors (except Promoter Directors) are paid sitting fees for the board meeting, board committee meeting and general meeting.

Details of sitting fees paid to each director based on meetings attended during 2014-15 are as given below:

Name of Non Executive Director	Sitting Fees for Board Meetings (in Rs.)	Sitting Fees for Committee Meetings (in Rs.)	Total (in Rs.)
Mr. R G Sharma	12,000/-	Nil	12,000/-
Mr. Atul Desai	Nil	Nil	Nil
Mr. A. K. Dasgupta	12,000/-	Nil	12,000/-

The above sitting fees paid to the non-executive directors is within the limits prescribed under the Companies Act, 1956 for payment of sitting fees without approval of the Central Government and hence prior approval of the members as stipulated under Clause 49 (I) (B) is not required.

5. SHARE TRANSFER AND INVESTORS' GRIEVANCE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Share Transfer and Investor Grievance and Stakeholders Relationship Committee is constituted on February 21, 2014. The composition of the Committee is as below:

- i) Mr. A K Dasgupta – Chairman
- ii) Mr. B K Goenka – Member
- iii) Mr. Sandeep Garg – Member

Terms of Reference:

The terms of reference of the Committee is as per Listing Agreement and Section 178 of the Companies Act, 2013. The Committee looks into the redressal of shareholders' complaints like non-receipt of Annual Report, non-receipt of dividends, revalidation of dividend warrants etc. The complaints are reported to the Board on quarterly basis and the status of the complaints pending at the beginning of the quarter, received during the quarter and resolved or pending at the end of the quarter, are published along with the Quarterly Unaudited Financial Results of the Company as a note thereto. None of the complaints were pending at the end of the financial year.

6. GENERAL BODY MEETINGS

1st Annual General Meeting of the Company was held on Thursday, September 25, 2014 at 11.30 a.m at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat-370110. No special resolution was passed at the 1st Annual General Meeting.

Postal Ballot

The Company was not required to pass any resolution through postal ballot during the financial year 2013-14.

7. MANAGEMENT

a) Management Discussion and Analysis

Management Discussion and Analysis of business of the Company is separately given in the Annual Report.

b) Disclosures by Management to the Board

All details relating financial and commercial transactions where directors may have pecuniary interest are provided to the Board, and the interested directors neither participate in the discussion, nor do they vote on such matters.

8. DISCLOSURES

a) Related Party Transaction

For related party transactions, refer Note no.23 of Notes to Accounts annexed to Balance Sheet and Profit & Loss Account.

b) Non Compliance

There was no non compliance by the Company during the last three financial years and hence no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years.

c) Whistle Blower Policy

The Company has a Whistle Blower and Vigil Mechanism Policy and no personnel have been denied access to the Audit Committee.

d) Code of Conduct

The Board complies with Code of Conduct for Board members and senior management of the Company. A copy of the Code is also posted on the Company's website for information of all the Board members and senior management of the Company. Compliance of the Code is being affirmed by the Directors and senior management personnel on annual basis every year.

A declaration signed by the Chairman of the Company is given below:

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

B K Goenka
Chairman

e) Certification by Chief Finance Officer:

A certificate obtained from Chief Finance Officer on the Financial Statements of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board, who took note of it and took same on record.

f) Secretarial Audit

A qualified practicing company secretary carries out the Secretarial Audit on quarterly basis to reconcile the share capital with National Securities Depository Services Ltd (NSDL) and Central Depository Services Ltd (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with total number of shares in physical forms and total number of demat shares held with NSDL and CDSL.

g) Brief resume of director being appointed / re-appointed

A brief resume, nature of expertise in specific functional areas, names of companies in which the person is already holds directorship and membership of committees of the Board and his shareholdings in the Company forms part of the Notice of Annual General Meeting.

h) Accounting Standards

The Accounting Standards laid down by the Institute of Chartered Accountants of India and applicable to the Company were followed by the Company in preparation of accounts and reports of the Company.

i) Details (in aggregate) of shares in the suspense account including freeze on their voting rights

There are 2685 unclaimed shares in suspense account and there is no freeze on voting rights of any shares.

j) Details of compliance with mandatory requirements and adoption of the non mandatory requirement of the Clause 49 of the Listing Agreement

The Company is in compliance with the mandatory requirement mentioned under the Clause 49(I) to 49(VII) to the extent applicable and in addition, the Company has adopted non-mandatory requirements mentioned at (4) – Remuneration Committee and (8) Whistle Blower Policy of Annexure ID to Clause 49 of the Listing Agreement with the Stock Exchanges.

9. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results of the Company are sent to Stock Exchanges immediately after they are approved by the Board. The Company published its un-audited / audited financial results in Free Press Journal / Business Standard (English edition) and Western Times (Gujarati edition).

10. GENERAL SHAREHOLDER'S INFORMATION:

a) Annual General Meeting:

The 2nd Annual General Meeting of the Company will be held on Tuesday, September 30, 2014 at 12.15 noon at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110

b) Financial year:

The financial year of the Company is from April 1 to March 31.

Board Meetings for Quarterly Unaudited Financial results: (Tentative and subject to change)

II Qtr Results (Jul- Sep)	Upto November 14, 2014
III Qtr Results (Oct-Dec)	Upto February 14, 2015
IV Qtr Audited Results	Upto May 30, 2015
I Qtr Results (14-15)(Apr-June)	Upto August 14, 2015

c) Date of Book Closure

The Company's Register of members and Share Transfer Books will remain closed from Monday, September 29, 2014 to Friday, October 03, 2014 (both days inclusive).

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Dividend has not been recommended by the Board.

e) Listing on Stock Exchanges

The equity shares of the Company are listed on following stock exchanges with effect from 11th July, 2014.

National Stock Exchange of India Limited (NSE)'Exchange Plaza', Bandra Kurla Complex,
Bandra (East), Mumbai-400 051.**Bombay Stock Exchange Limited (BSE)**Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001.**Security Codes :**

The Stock Codes of the equity shares of the Company are:

NSE : WELETRP

BSE : 538538

ISIN of the Equity Shares of the Company: INE072P01019**f) Market Price Data**

Shares of the Company were not listed on stock exchanges, hence no share price data is available for financial year 2013-14

g) Registrar & Share Transfer Agent

The Company has appointed Registrar and Transfer Agent to handle the share transfer work and to resolve the complaints of shareholders. Name, address, telephone number of Registrar & Share Transfer Agent is given hereunder:

M/s. Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound, L B S Marg,

Bhandup (West), Mumbai – 400 078

Phone: 022-2596 3838 Fax: 022-2594 6969 E-mail: mumbai@linkintime.co.in

h) Share Transfer System and Dematerialization:

Our Registrar and Transfer Agent registers transfer of shares in physical form within 15 days from the receipt of the documents. The Company's shares held in dematerialised form are transferable in electronic mode. As on March 31, 2014, 4,16,793 equity shares were in physical form being 3.17% of the total Equity Shares.

i) Distribution of Shareholding as on June 30, 2014

Nominal Value	Number of Shareholders	% of Total Shareholders	Value in Rs.	% of total Value
Upto 5,000	59520	99.3756	8587570	6.5318
5,001-10,000	150	0.2504	1097970	0.8351
10,001-20,000	88	0.1469	1259590	0.9581
20,001-30,000	29	0.0484	714680	0.5436
30,001-40,000	16	0.0267	568090	0.4321
40,001-50,000	14	0.0234	648270	0.4931
50,001-100,000	11	0.0184	801130	0.6093
1,00,001 and above	66	0.1102	117796850	89.5970
Total	59894	100.00	131474150	100.00

j) Shareholding Pattern as on June 30, 2014

Sr. No.	Category	No. of Shares	Percentage of holding
1	Promoter Group	4993722	37.98
2	Resident Bodies Corporates	1436829	10.92
3	Financial Institution /Banks	1116218	8.49
4	Insurance	13500	0.10
5	Foreign Institutional Investors	733566	5.57
6	Public	2673258	20.33
7	Overseas Bodies Corporate	2127135	16.17
8	NRIs	49412	0.37
9	Trust	375	0.0029
10	Hindu Undivided Family	3400	0.0259
	Total	13147415	100.00

l) Address for Correspondence:

Shareholders may contact the Compliance Office of the Company for any investment related query at the following address:

Compliance Officer:

Mr. Rajendra Sawant, Company Secretary
Welspun House, Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
email: companysecretary_wepl@welspun.com

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

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CERTIFICATE OF PRACTISING COMPANY SECRETARY ON REPORT OF CORPORATE GOVERNANCE

To The Members of
Welspun Enterprises Limited

We have examined the compliance conditions of Corporate Governance by Welspun Projects Limited for the year ended 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 explanations 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 further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Manasi Damania
Practicing Company Secretary

Certificate of Practice No. 8120

Place: Mumbai
Date: 18/08/2014

Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Financial Statement of Welspun Enterprises Ltd ("WEL" or the "The Company"), and the notes thereto for the year ended 31st March 2014. This MD&A covers WPL's financial position and operations for the year ended 31st March 2014. Amounts are stated in Indian Rupees unless otherwise indicated.

Forward-Looking Statements

This report contains forward looking statements, which may be identified by their use of words like plans, expects, will, anticipates, believes, intends, projects, estimates, or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement, on the basis of any subsequent developments, information or events.



“ With the demerger of Welspun Corp coming into effect in January 2014, Welspun Enterprises has come into existence in its current form. We are working aggressively on creating maximum value for our stakeholders and the sale of stake in Leighton Welspun Contractors Private Limited was the first step in that direction. ”

- Sandeep Garg,
Managing Director, Welspun Projects Limited.

BUSINESS OVERVIEW

Welspun Enterprises Limited (WEL), part of the Welspun Group, is a trading/operating Company as well as a holding company. Through the de-merger of Welspun Corp Limited, the DRI/Steel, Infrastructure, Oil & Gas exploration and Energy businesses which were earlier under Welspun Corp Limited's umbrella, were transferred to Welspun Enterprises Ltd. The "Scheme of Arrangement" for the demerger was sanctioned by the Honourable High Court of Gujarat via court order dated 10th January 2014 and came into effect on 24th January 2014.

MACRO-ECONOMIC ENVIRONMENT

The global economic environment continued to be challenging during the last year. During the course of 2013-14, the global financial markets had to face an extraordinary spell of financial turbulence arising from the US Fed contemplating tapering its large scale asset purchase programme. The tapering heralded the turning of the global interest rate cycle with volatile movements for cross-border capital flows and asset prices. Global growth in CY2013 was reported at 3% levels, almost at the same level as that in Cy2012.

For the Indian economy, the slowdown in growth that began in FY12, worsened in FY13 and continued into FY14. India's real GDP growth rate hit decade low levels. While the slowdown was broad-based affecting all major sectors of economic activity, construction and mining were among the worst-hit. The economic growth rate continued to stay around the 5% mark during 2013-14. The turbulence in the global economy only added to the woes of the Indian economy. Like most other emerging markets, India faced capital outflows and intense exchange rate pressures on fears of the US Fed tapering. This prompted the RBI and the government to take several measures to control inflation and current account deficit.

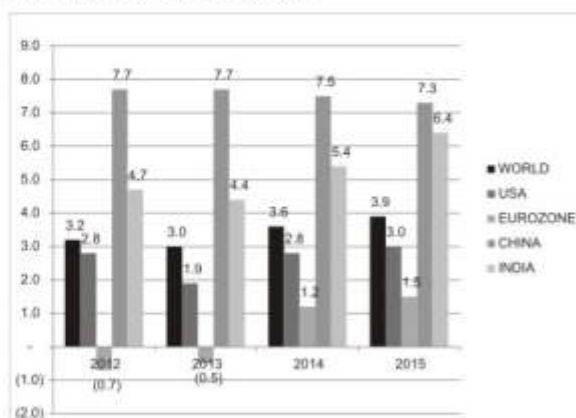
The outlook, however, appears cautiously optimistic. Global growth, after decelerating for the last three years is poised to improve in CY2014 and CY2015, but risks related to uncertainties in timing of unwinding of unconventional monetary policies and possibility of a renewed deflation in the euro area remain. Economic expansion in the US is gaining firmer footing and will aid recovery in global activity and trade. As far as India is concerned, there is expectation that the pace of reforms will pick up under newly elected National Democratic Alliance (NDA) government which mainly had "Development" as its plank. Thanks to policy measures, India's current account deficit has come down drastically in recent months reducing the risk of any external shocks to the economy. With inflation showing a downward trend in recent weeks, expectations are that the RBI will pause on the rate hike cycle and probably, initiate a cycle of rate cuts in FY14-15.

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Figure 1 GDP GROWTH ACROSS REGIONS



Source : IMF Report – April 2014

INDUSTRY AND COMPANY OVERVIEW

The Company's key activity is trading of commodities, especially cotton and steel. Apart from that, the company holds equity investments in Welspun Infratech Limited (infrastructure), Welspun Energy Limited (renewable energy), Welspun Maxsteel Ltd (DRI/steel) and Welspun Natural Resources Private Limited (Oil and gas exploration).

Infrastructure

The biggest constraint to India's growth remains its poor infrastructure. Although various governments in the last few years, have realised the importance of improving the country's infrastructure several challenges still remain. Some of the key challenges facing the industry relate to land acquisitions, regulatory clearances, funding and labour availability, which need to be overcome for a meaningful improvement in the sector. With the formation of a new stable government at the centre, there is increased expectation that various reform measures will be undertaken to overcome some of these hurdles.

Welspun Infratech represents Welspun Enterprises' interests in the infrastructure business. The company holds 61.12% in Welspun Projects Ltd, a listed company. Welspun Projects (earlier MSK projects) has developed and operates PPP projects in various sectors like roads, water, and urban infrastructure. In the highway sector alone, the Company has successfully completed six BOT (Toll) Road projects with a total length of over 500 km.

As part of its value unlocking strategy, the Company sold its equity stake in Leighton Welspun Contractors Private Limited (LWIN) during the year. LWIN was a Joint Venture Company of Leighton Holdings of Australia and the Welspun Group, which executes complex construction projects across sectors like Oil and Gas, Roads, Railways and Buildings. Welspun's entire 39.88% stake in LWIN was sold to the Leighton Group for a cash consideration of USD 99 million. The transaction was closed on 7th February 2014 on receipt of the agreed consideration. With this sale, Welspun Infratech's presence in the EPC space has considerably reduced. Going forward, Welspun Infratech will continue to focus with caution on project development activities. Key focus areas will be infrastructure development in niche areas such as water transmission and processing as well as O&M of existing assets.

Key risks and concerns in this business are:

- Limited avenues for raising long-term funding
- Delays in land acquisition
- Inadequate regulatory framework
- Requirement of multiple clearances and associated delays
- Inefficiencies in pricing of infrastructure
- Inadequate availability of skilled manpower
- High interest rates

DRI/Steel Industry

With GDP growth weakening in the last two years, the steel industry has faced a slowdown during this period. Key steel consuming sectors such as automobile and construction were affected by the slowdown which dragged down the capacity utilisation in the industry below 80%. Apart from this, gas based DRI plants have struggled to receive even a portion of the allocated gas, due to fall in production of gas in the country. This has forced players to depend on expensive imported gas, pushing up costs and affecting profitability.

Welspun Enterprises' presence in the DRI industry is through its subsidiary, Welspun Maxsteel. Welspun Maxsteel is a key player in the DRI (Direct reduced iron/sponge iron) business in India. Its plant located at Salav, Maharashtra has an annual capacity of 0.9 million tons, making it the largest gas based merchant DRI plant in India. The plant, being gas-based, has faced issues in receiving adequate amount of allocated gas for its operations. The Company is working on various strategic options to reduce its dependence on imported gas.

Key Risks and Concerns:

- Demand slowdown in steel consuming industries such as automobiles, construction etc
- Gas availability

Oil and Gas Exploration Industry

Global Upstream oil and gas investment for 2012 was estimated at about US\$ 620 billion - higher by 8% than in 2011 and 20% than in 2008. For 2013, the investment is expected to grow 7% reaching around US\$650 bn. The increased spending reflects a combination of improved returns spurred by higher oil prices and rising costs of current and planned projects. Gas prices also remained high in Asia driven by demand in Japan, China and India.

India was the fourth largest consumer of crude oil (including the crude used for exporting petroleum products) with a consumption of 172 MMT (3.65 mbpd). This translates to a 5% growth over consumption in 2011 and 4.2% of total world consumption. On the other hand, India's natural gas consumption declined by 11% due to decrease in domestic production despite about 20% increase in LNG import. With an import of 20.5 MMT during 2012, India is now the fourth largest importer of LNG in the world.

India is expected to be one of the fastest growing regions in terms of crude oil as well as natural gas demand in the next decade. A major portion of our requirement of oil and gas is met through imports, which puts pressure on our current account deficit. Therefore, it is imperative that the supply of domestic oil and gas should increase to reduce our dependence on imports.

Welspun Natural Resources represents the Welspun Group's interests in the oil and gas exploration business. The Company owns 35% stake in Adani Welspun Exploration Limited, a joint venture with the Adani group. Welspun Natural Resources has interest in various oil & gas exploration blocks in India and abroad, either directly or through its subsidiaries or JVs. Drilling is underway in these blocks.

Key Risks and Concerns:

- Regulatory control on output prices
- Increasing costs of exploration such as rig costs
- Commercial viability of discoveries

Energy/ Power sector

In the past, the source of energy for generating electricity was predominantly fossil fuel viz. coal, gas and oil, but in recent years, the focus has shifted to renewable energy. This is on account of various factors like challenges in thermal sector such as coal availability; India's commitment to reduce carbon emission; availability and affordability of inputs like solar panels; and supportive policy and structural framework. This has resulted in renewable energy capacity growing at a CAGR of 18.4% between FY2007 (10.2 GW) and FY2013 (28.1 GW). It now contributes 12.3% of total generation capacity in the country.

Welspun Enterprises holds a minority stake in Welspun Energy, which is primarily in the development of renewable energy projects. Welspun Energy is one of the leading renewable energy companies in India, with presence in the solar and wind energy sectors. It has one of the largest operational capacities in solar energy in the country of more than 300 MW. The Company plans

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to grow its portfolio to 1,800 MW of clean energy by 2017.

Key risks and concerns for the renewable industry:

- Delays in Land acquisition
- Delays in statutory approvals and clearances from the authorities
- Availability and cost of capital - both equity and debt funding
- Evacuation issues
- Rapid changes in technology in solar power
- Weak financial condition of electricity distribution companies
- Lack of availability of adequately skilled technical manpower

HUMAN RESOURCES POLICY

Human resource is the biggest asset of the Company and it remains one of the core focus areas of the Company. The Management of the Company lays special emphasis on the welfare of its employees and training, welfare and safety measures are undertaken on a regular basis. The Company has a well qualified and experienced team of professionals with a dedicated human resource department, which is competent to deliver when needed. The Company aims to provide a congenial work environment that respects individuals and encourages professional growth, innovation and superior performance.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Management of the Company maintains adequate internal control system which is designed to provide reasonable assurance that assets are safeguarded and transactions are rightly executed and recorded in accordance with management authorization and accounting policies.

All the records are adequately maintained for preparation of financial statements and other financial information. Apart from internal controls, the Company also audits the efficiency and security of its operations, its information technologies and data, in accordance with the global standards. The Audit Committee reviews internal audit reports as well as the internal control systems and financial disclosures.



Corporate Social Responsibility **A Welspun Commitment**

“Creating a strong business and building a better world are not conflicting goals – they are both essential ingredients for long-term success.”

- William Clay Ford
Jr. Executive Chairman, Ford Motor Company

At Welspun, we believe that a business can never be successful if the society around them fails. Therefore, it becomes our moral mission to identify and address the needs of our society.

Welspun as a group is committed to building a sustainable and progressive community. Our social mission is enshrined within the 3E's i.e. Education, Empowerment and Environment & Health. A number of projects encompassing the 3E's have been taken up under the banner of the Welspun Foundation for Health and Knowledge (WFHK) that either runs independently powered by Welspun or through nurtured partnership with the local government or non-governmental organizations (NGOs).



Quality Education Programme in Kutch

The recently enacted 'Right to Education (RTE)' Act, 2009 gives the right to get access to quality education to every child in underprivileged communities. According to the National Education University for Planning and Administration, Anjar has 156 schools in total and almost 80% of these schools are providing primary education. It also states that even though primary school is able to give education to all students and retain them till 8th standard, the dropout rate was 10% at primary level in year 2005 which alarmingly throw challenges in enrolment in secondary level education.

Welspun's CSR approach has initiated a Quality Education Project in Anjar with the Government of Gujarat in 2012 where we worked with 3 government schools i.e. Varsamedi, New Dudhai and Bhadreshwar to make a subtle difference to 28 teachers and 584 students from Std V – VIII. The achievements were measured using pre and post tests.

In 2013 -14, our objective was to reach out to 18 Government Schools from 14 villages (Ajapar, Bhadreshwar, Kumbharia, Shinai, Sinugra, Veera, VidiBaug, Varsamedi, Nagalpar, Vidi, Valadiya, Indraprasth, Kharapasvariya, Khamra), reaching out to 83 Teachers and 3,844 Students.

A Baseline Study was conducted and its observations were as follows:

- In Standard 1 to Standard 8, more than 60% of students did not meet their learning levels in Reading, Writing and Math
- 3% dropout rate noted across Standard 1 to Standard 8 while 8% noted in the migrating community
- 80% of teachers' irregularity observed - teachers report late and leave early
- It was observed that SMCs' (School Monitoring Committee) were not aware of their role in certain schools or not even formed for certain schools
- Non-functional toilets forces students to alternate options such as use open space in the outside areas while girl students prefer going home for the same.

Based on the Baseline Study, deliverables were set and are summarized as below:

	Deliverables Set As Per Baseline Study	List activities planned to achieve the set deliverables	Status as of March '14
1	50% of children to attain 40% learning levels – Reading, Writing, Math	<ul style="list-style-type: none"> Workbooks were designed from Standard 1 to 5 based on the curriculum for easy and enhanced learning Personality Development of students by children's camps. Target-800 students Pretest post tests in all schools 	<ul style="list-style-type: none"> Workbooks for std.1-5 children prepared and disseminated. 20 film screening done in 14 schools 5 one day camps conducted in 5 school in Nov, Feb and March reaching out to 750 students Art, origami ,quiz etc. conducted in all the schools twice Pre and post tests conducted in all schools and 27.31% increase in learning levels seen across the 18 schools
2	450 children to be enrolled. 30 from each village at the starting at standard 1.	<ul style="list-style-type: none"> No of children enrolled Number of irregular students to be identified 1 on 1 counseling to be conducted to ensure attendance across the 18 schools 	<ul style="list-style-type: none"> 576 children enrolled 86 irregular students identified in 10 villagers. All are attending school regularly 16 drop out children identified in 5 villages 5 out of 16 children readmitted to school in villages.
3	Teacher Enhancement	<ul style="list-style-type: none"> Teacher Training School timings: 11am-5pm Teacher Attendance 	<ul style="list-style-type: none"> Could not be conducted due to DPEO transfer Monitored by Edu-leaders and all 18 schools functional Except for few specific incidences in Bhadreshwar and Ajapar, teachers are quite regular. They teach for stipulated hours in the class
4	Formation of SMC's in all 18 schools	<ul style="list-style-type: none"> No of SMC formed No. of Training Provided to SMCs' on their Roles & Responsibilities 	<ul style="list-style-type: none"> 18 SMC formed 180 SMC members trained out of 216 Water connection have been installed in 5 schools RO plant installed in 3 schools out of 12 schools New toilet blocks have been constructed in 2 schools. Mid day meal has been regularized in 1 school as per the new menu In Veera, 4 new rooms has been constructed
5	Edu Leaders empowered with their roles and responsibilities	<ul style="list-style-type: none"> No of Edu Leaders Selected No of training conducted 	<ul style="list-style-type: none"> 18 Edu-leaders selected All 18 trained in 24 sessions
6	Bal Panchayat to be formed in all 18 schools	<ul style="list-style-type: none"> No of Bal Panchayat formed 	<ul style="list-style-type: none"> 18 Bal Panchayats formed 4 Bal Panchayats trained

Sustainability Approach

A formal presentation was given to the District Primary Education Officer, backed by research and implementation plan. After receiving a written approval, Welspun began to execute its plan in over 18 schools.

At the onset, an orientation programme was conducted wherein we invited all the concerned government officials and local community members and briefed them on the program outline and target objectives for the year.

A local member has been appointed from all the 14 villages as an EDU leader who works in co-ordination with the local Panchayat Bodies to monitor activities. He/ She is a volunteer who is passionate about education and wants to see a change in the schools. More so, a monthly review is conducted to understand gaps and shortfalls in the current plans while we also review the momentum of growth regularly.

This project is planned for a period of 3 years for each village. Each school will be guided for 3 years to bring it to a level of quality study resourcefulness, post which the respective community groups will ensure the functioning.

Welspun Vidya Mandir

At Welspun Vidya Mandir, 2 CBSE schools with classes up till 12th standard have been set up at Anjar, Gujarat and Salav, Maharashtra where they provide quality education to over 2060 students and also focus on an all round development

As a part of the community welfare programme, the school organizes regular community service activities where children get the opportunity to visit old age homes, orphanages and even take part in art & craft exhibitions, where the funds collected from sold items is donated to charity.

Balwadis – The pre-primary education center and adult literacy programme

Welspun runs 4 Balwadis in the worker colonies at Anjar and Vapi, Gujarat and Palghar, Maharashtra where a total of 170 children are benefitting from the basic education given at there. We also run Adult Literacy program for interested women in Anjar.

Career Counseling

This initiative is carried out for children belonging to Welspun employees at the Head office (Mumbai) and for students of Std X to XII at Welspun Vidya Mandir (CBSE Board School) at Anjar and Salav. Psychometric tests are administered and one on one counseling is conducted based on the test results.

Educational and motivational sessions for cancer patients and families

As a part of our Employee Volunteering Initiative, 17 Welspun Employees spend quality time (on working Saturdays) at St. Jude's childcare center, Mumbai in quest of making a qualitative difference to the lives of 38 underprivileged children suffering from cancer and their parents. The group teaches skills like Spoken English, Computer literacy, Art and Craft and also hold motivational sessions/videos; share inspirational stories that help the children and their families cope with distress.

As we empower our future generations with education, we also see the need to empower families so they can sustain themselves in times to come and move towards growth and prosperity. With this drive to provide a sustainable support to the society, we have focused our attention to the development of women - who is a key influencer in the life cycle and thus becomes our 2nd E to empower women!



A 360 Degree Approach To Women Empowerment

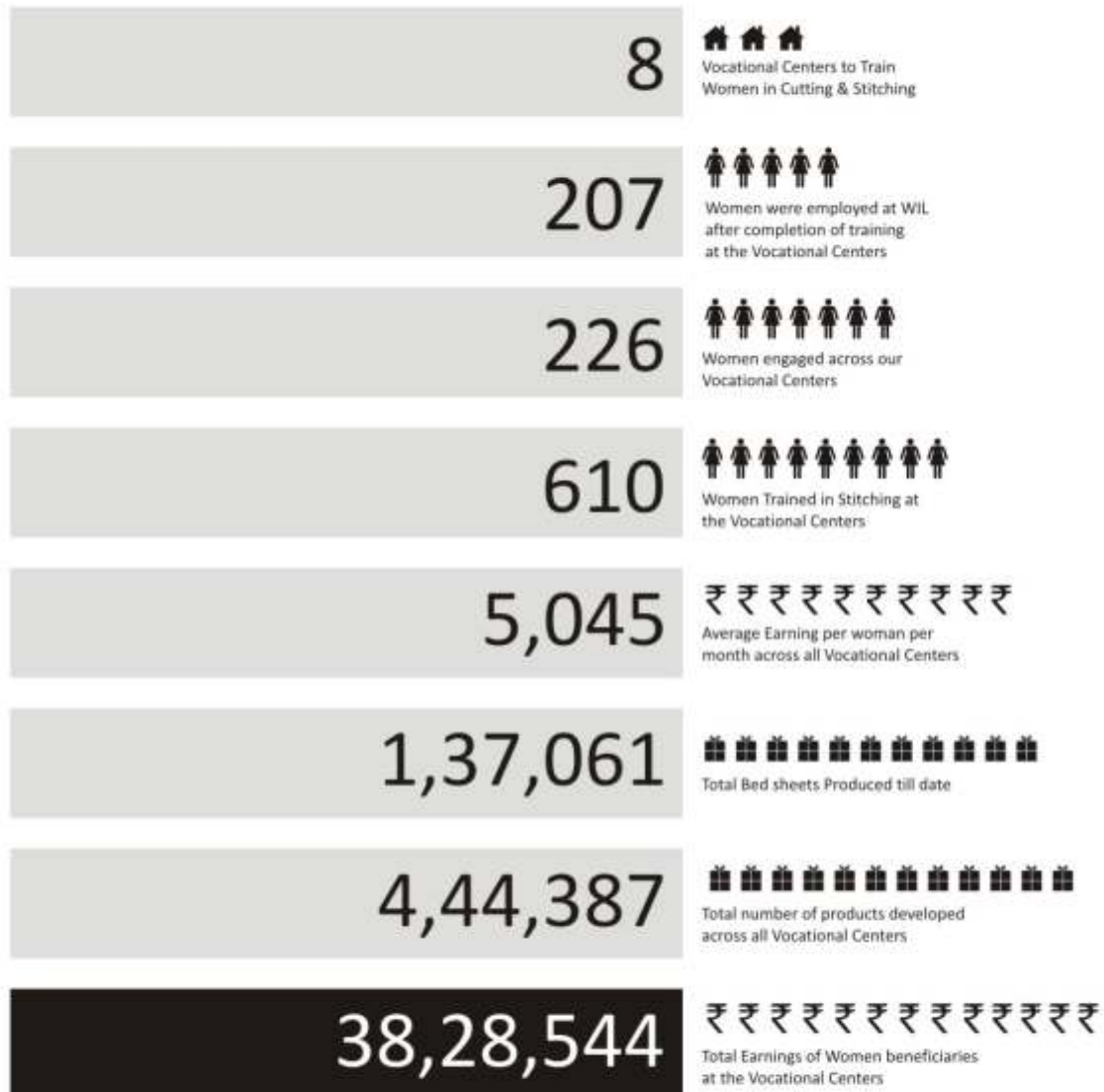
Need Analysis: We conduct surveys in communities surrounding our plants; identify women in need of financial aid who wish to be empowered with an aptitude to learn.

Set Up Stitching Center: We set up a vocational training center for cutting and stitching in their community, which is run like a professional enterprise by our CSR Team. Efficiency is monitored and daily guidance is provided to the women.

Ensure Sustainable Growth: After training them completely for a month, we provide them consistent work orders which ensure these women have enough jobs to get sustainable earnings. We also offer employment to these women at our Textile plant.

Our Mission & Way Forward: We aim to annually increase the number of beneficiaries as well as the individual earnings of the existing beneficiaries. We are in the process of starting one more Vocational Training Center in Sinugra Village, Anjar.

Results Achieved: The chart below quantifies our initiative.



This project has encouraged women who have never stepped out of their homes to venture out to learn a new skill and be an equal partner in the family's financial transactions.

Papad Making Workshops

We have also started a women empowerment initiative of Papad making at Palghar, Gujarat based on the local area needs and skill set.



ENVIRONMENT & HEALTH – For A Better Tomorrow

We realize the importance of conservation of natural resources and environment for a sustainable growth of mankind. As the saying goes, Health is Wealth! and with this in mind, we have started the following Initiatives:

Drinking Water Purification

In a survey done in villages near Vapi, Gujarat, it was observed that safe and clean drinking water was a dire need. Most of the water sources were highly polluted with very high PH value, which as per World Health Organization (WHO) standards was beyond permissible.

Therefore, our long-term vision is to provide purified drinking water to the community around our facilities. We have made a beginning by installing a 500LPH RO Plant in Kunta, Vapi which has made potable drinking water available to 6,200 people in the neighboring regions. We intend to further install RO plants post conducting the feasibility studies. At present the study is under progress for 15 locations.

Mobile Health Vans Mumbai

In Mumbai, for the underprivileged section of the society, Welspun aims to provide free access to Primary Health Care Services. To cater to this growing need, we have launched our Mobile Health Van in Association with Wockhardt Foundation. The mobile van is equipped with medicines, a doctor and a paramedic. This project has developed in phases.

- **Phase 1:** This initiative has covered 15532 people in the year 2011-2012 from six communities
- **Phase 2:** In 2012-2013, this initiative listed 25797 beneficiaries from six communities, where we gave more emphasis on Preventive Health Care and various health aspects like mother and child health care, immunization, cardiovascular diseases and other seasonal diseases
- **Phase 3:** In 2013- 2014, our Approach is to outreach to 12 new communities to increase the number of beneficiaries to approximately 50,000

We also plan to start the Mobile Health Van services in Anjar, providing free Primary Health Care services to rural & slum areas in the 10 km radius of Welspun City, Anjar Gujarat. The target for 3 years is to cover all the communities in the 10 km radius.

Anti- Tobacco Program

To create awareness on the ill effects of Tobacco and to make children instrumental in bringing about this change in their neighborhood and families, Welspun has initiated an Anti tobacco Life Skill Project with 33 secondary schools from Alibaug partnering with Salaam Bombay Foundation (NGO). This project covered approximately 10000 students, 100 teachers and 50 Anganwadi Workers.

We have held teachers training workshop, student's capacity building program and culmination event and other workshops were carried out in the year 2011-2012. All these schools continue to implement the life skill anti tobacco activities even today.

Waste Water Recovery Plant

As an example of our effort to grow through a sustainability focus, we have set up a state-of-art, Waste Water Recovery Plant with a capacity of 10 MLD (Million Liters Daily) at Anjar Campus, which takes care of both our Textile and Pipe plant.

It is one of the largest Waste Water Recovery plant in textile industry at a single location having series of treatment stages leading to its designed capacity of 90% recovery. This set-up recycles 100% of our water and we re-use 85% of water during our processing thereby conserving water in our already water-starved location of Anjar.

Nisargruna Biogas Plant

To enhance renewable source of energy at both business and environmental level is vital and with this thought playing an instrumental for our societies wellbeing. Welspun has installed a centralized 'Nisargruna Biogas plant' at WIL, Anjar to handle and process the biodegradable waste materials generated from kitchen, canteen, garden and other biological sludge of Welspun City and Gram, Anjar.

Presently, 2-2.5 MT of biodegradable waste is feed into the Nisargruna Plant, which generates fuel gas equivalent to 40kg of LPG, which in turn is used for cooking in plant canteen.

Tree Plantation

Our current tree plantation campaign deliverables are as follows:

Three years' targets, along with Activities

- 2012 - 2013 landscaping development—10,000 Sq. Meters
- 2013 - 2014 landscaping development—12000 Sq. Meters
- 2014 - 2015 landscaping development—10,000 Sq. Meters

Total number of Saplings planted so far 2,19,994 and actual survived is 1,94,832.

Tree Plantation Target for next 3 years:

- 2012-13: 8000 Trees • 2013-14: 8000 Trees • 2014-15: 8000 Trees

Plantation of Jatropha: Under our initiative to convert the desert area of Anjar into a lush and more serene environment, we have undertaken an afforestation drive at Welspun City by planting thousands of saplings of the Jatropha tree. The Jatropha seed oil can be combusted as fuel for simple diesel engines.

Sanitation

As we envision community development in all 3E's (Education, Environment & health, Empowerment), we have a long-term target of having 100% sanitation in all the communities we work in.

We have initiated the process this year by conducting a baseline need assessment in the 15 communities in Gujarat, where we are working on the Quality Education Program.

Miscellaneous

In addition to all these efforts, we also carry out various activities at HO in Mumbai like NGO Exhibition Stalls, Blood Donation Camps, Celebrations of World Environment Day, World No Tobacco Day, Donation Drives, Relief operations for victims of natural calamities.

These little steps in our journey towards sustainable growth are aimed at providing a socio-economic growth to the society which has given us so much in terms of business.

- Sir Winston Churchill

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WELSPUN ENTERPRISES LIMITED STATEMENT PURSUANT TO SECTION 212 (1) (e) OF THE COMPANIES ACT 1956 RELATING TO THE SUBSIDIARY Financial year ended for all subsidiaries on 31 March 2014

(All amounts are in Lacs, unless otherwise stated)

Name of the company	Extent of Holding Company's Interest in the Subsidiary Company (of paid up share capital)	Name of Shares held/ Amount of Capital subscribed	The Net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of Holding company were :-				Changes, if any, in the Holding company's interest in the subsidiary between the end of the financial year of the subsidiary and that of the holding company	Material changes, if any, between the end of the financial year of the subsidiary and that of the holding company
			a) Not dealt with in Holding Company's Account		b) Dealt with in Holding Company's Account :-			
			i) For the financial year ended 31 March 2014	ii) For the previous financial years of the subsidiary since they became the Holding Company's subsidiary	i) For the financial year ended 31 March 2014	ii) For the previous financial years of the subsidiary since they became the Holding Company's subsidiary		
Welspun InfraTech Limited	100%	48,639,899 Equity Shares of Rs. 10/- each	-6,634.68	-	-	-	NA	NA
Welspun Road Projects Private Limited	100%	10,000 Equity Shares of Rs. 10/- each	-	-	-	-	NA	NA
"Welspun Projects Limited" (formerly known MSK Projects Limited)	61.12%	24,448,445 Equity Shares of Rs. 10/- each	-3,559.29	-303.00	-	-	NA	NA
MSK Projects Himmatnagar Bypass Private Limited	61.12%	242,000 Equity Shares of Rs. 10/- each	5.95	99.40	-	-	NA	NA
MSK Projects Kim Mandavi corridor Private Limited	61.12%	6,730,000 Equity shares of Rs. 10/- each	-243.67	23.37	-	-	NA	NA
Welspun Infra Projects Private Limited	100%	10,060,000 Equity Shares of Rs. 10/- each	-1,410.68	-	-	-	NA	NA
ARSS Bus Terminal Private Limited	49%	9,127,441 Equity Shares of Rs. 10/- each	-	-	-	-	NA	NA
Anjar Road Private Limited	61.12%	10,000 Equity Shares of Rs. 10/- each	-	-	-	-	NA	NA
Welspun Natural Resources Private Limited	100%	1,075,000 equity shares of Rs. 10/- each	-4.99	-1.41	-	-	NA	NA
Welspun Plastics Private Limited	100%	1,128,750 Equity Shares of Rs. 10/- each	-0.15	44.70	-	-	NA	NA
Welspun Maxsteel Ltd	99.85%	909,176,457 equity shares of Rs. 10/- each	-30,025.91	-31,671.45	-	-	NA	NA

Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Members of **Welspun Enterprises Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Welspun Enterprises Limited** ("the company") which comprise of balance sheet as at 31 March 2014, the statement of profit and loss, the cash flow statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31 March 2014;
- (b) in the case of the statement of profit and loss, of the profit of the company for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. On the basis of written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

FOR MGB & Co
Chartered Accountants
Firm Registration No. 101169W

PALCE: Mumbai
DATE: 9 June 2014

Sanjay Kothari - PARTNER
Membership No. 048215

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

- (i) As there are no fixed assets in the Company, the requirements of Clause (i)(a), (i)(b), (i)(c) of paragraph 4 of the order are not applicable to the company.
- (ii) In respect of its inventories:
 - a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, 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) The Company has maintained proper records of inventories. As explained to us, no discrepancies were noticed on physical verification of inventories as compared to the book records.
- (iii) a) 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.
 - b) 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 Act.
- (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 for the purchases of inventory and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls systems in respect of the aforesaid areas.
- (v) According to the information and explanations given to us, there are no contracts or arrangements the particulars of which are required 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.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under section 209(1)(d) of the Act in respect of the activities carried on by the Company.
- (ix) According to the records of the Company examined by us and information and explanations given to us:
 - (a) Undisputed statutory dues, including provident fund, investor education and protection fund, employee state insurance, income tax, sales tax / value added tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues to the extent applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of the aforesaid dues outstanding as at 31 March 2014 for a period of more than six months from the date they became payable.
 - (b) There are no disputed dues of income tax, sales tax / value added tax, wealth tax, service tax, custom duty, excise duty and cess as at 31 March 2014.
- (x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit.
- (xi) The Company did not have any outstanding dues to any financial institution, banks or debenture holders.
- (xii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund / 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 terms and conditions on which the Company has given guarantees for loans taken by a subsidiary and a joint venture company from banks and financial institutions are prima facie not prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us, the Company has not raised any term loans during the year.
- (xvii) According to the information and explanations given to us and examination of the Balance Sheet of the Company and related information as made available to us, we report that funds raised on short-term basis have not been used for long-term investments.
- (xviii) During the year, the Company has not made any preferential allotment of shares to companies or parties covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues 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

PALCE: Mumbai
DATE: 9 June 2014

Sanjay Kothari - PARTNER
Membership No. 048215

WELSPUN ENTERPRISES LIMITED
(Formerly known as Welspun Infra Enterprises Limited)
Annual Report 2013-14

BALANCE SHEET AS AT 31 MARCH 2014

	Notes	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
EQUITY & LIABILITIES			
Share Holders' Funds			
Share Capital	2	13,14,74,150	5,00,000
Reserves & Surplus	3	16,02,46,55,842	-
		16,15,61,29,992	5,00,000
Current Liabilities			
Trade payables	4	5,34,66,357	-
Other current liabilities	5	8,50,42,307	5,618
Short-term provisions	6	10,75,405	-
		13,95,84,069	5,618
TOTAL		16,29,57,14,061	5,05,618
ASSETS			
Non-current assets			
Non-current investments	7	10,39,35,65,926	-
Long-term loans and advances	8	12,39,91,360	-
Other non-current assets	9	-	30,214
		10,51,75,57,286	30,214
Current assets			
Current investments	10	5,31,53,97,903	-
Trade receivables	11	5,42,41,450	-
Cash and bank balances	12	24,79,87,933	4,75,404
Short-term loans and advances	13	28,45,315	-
Other current assets	14	15,76,84,174	-
		5,77,81,56,775	4,75,404
TOTAL		16,29,57,14,061	5,05,618
Notes forming part of the financial statements	1- 29		

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

For and on behalf of Board of Directors

Sanjay Kothari - Partner
Membership Number 048215
Mumbai, 9 June, 2014

B.K. Goenka
Chairman

Sandeep Garg
Managing Director

Rajendra Sawant
Company Secretary

Shriniwas Kargutkar
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

	Notes	For the Year ended 31-3-2014 (Amount in Rs.)	For the Year ended 31-3-2013 (Amount in Rs.)
Revenue			
Revenue from operations:	15	44,25,22,158	-
Other income:	16	30,62,95,467	-
Total		74,88,17,625	-
Expenditure			
Purchase of traded goods	17	43,87,06,564	-
Other expenses	18	22,44,80,004	-
Total		66,31,86,567	-
Profit before finance costs and tax		8,56,31,058	-
Less : Finance costs	19	6,207	-
Profit before tax (A)		8,56,24,851	-
Tax expense			
- Current tax		6,50,69,350	-
- Deferred tax		-	-
Total tax expense (B)		6,50,69,350	-
Profit after tax (A-B)		2,05,55,500	-
Earnings per equity share of Rs. 10/- fully paid up	24		
- Basic		1.56	-
- Diluted		1.56	-
Notes forming part of the financial statements	1- 29		

As per our attached report of even date
For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

For and on behalf of Board of Directors

Sanjay Kothari - Partner
Membership Number 048215
Mumbai, 9 June, 2014

B.K. Goenka
Chairman

Sandeep Garg
Managing Director

Rajendra Sawant
Company Secretary

Shriniwas Kargutkar
Chief Financial Officer

Note 1A Corporate information

Welspun Enterprises Limited ('WEL' or 'the Company') was incorporated on 5 November 2012. The Company has entered into a Scheme of Arrangement (the "Scheme") with Welspun Corp Limited (WCL) whereby various investments held by WCL has been transferred to WEL (Refer note 21). The effective date of the Scheme is 24 January 2014 and the appointed date is 1 April 2012. Pursuant to the Scheme, four verticals i.e. Infrastructure, Sponge Iron, Energy and Oil & Gas businesses have been vested with WEL.

Note 1B Significant Accounting Policies

a) Basis of preparation of financial statements

The financial statements of the company have been prepared on going concern in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting standards) Rules, 2006, (as amended) and the relevant provision of the Companies act, 1956 read with general circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Use of estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include the useful life of the tangible and intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plan etc. Actual results could differ from those estimates and in such case the difference is recognised when known or materialised.

c) Tangible and intangible assets

- i) Tangible assets are stated at original cost (net of tax/duty credit availed) less accumulated depreciation, amortisation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including borrowing costs incurred during pre-operational period.
- ii) Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iii) Intangible assets are carried at cost, net off accumulated amortization and impairment loss, if any.

d) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. All other borrowing costs are recognised as expense.

e) Impairment of tangible and intangible assets

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

f) Depreciation / Amortization on tangible and intangible assets

- i) Depreciation on tangible assets is provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- ii) Intangible assets are amortized on a straight-line basis over its expected useful life as estimated by the management.

g) Investments

- i) Investments, which are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- ii) Long-term investments are valued at cost less provision for diminution other than temporary, in the value of such investments. Current investments are valued at lower of cost and fair value.

h) Revenue recognition

- i) Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the customers, which is generally on dispatch of goods and is net off value added tax.
- ii) Dividend income is recognized when the right to receive the dividend is established.
- iii) Interest income is recognized at the agreed rate on time proportion basis.

i) Inventories

Stock-in-trade is valued at lower of cost and net realizable value.

j) Accounting for taxes on income

- i) Current tax is determined as the amount of tax payable in respect of taxable income for the year computed as per the provisions of the 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 are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

k) Provisions, contingent liabilities and contingent assets

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events. A provision is made when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year end date. Contingent assets are not recognized or disclosed in the financial statements.

l) Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

Notes forming part of the financial statements

	As at 31 March-201 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
Note No. 2 SHARE CAPITAL		
AUTHORISED#		
15,000,000 (Previous year 50,000) equity shares of Rs. 10/- each	15,00,00,000	5,00,000
Issued, Subscribed, & Paid up		
13,147,415 (Previous year 50,000) equity shares of Rs. 10/- each fully paid up (Refer note 21 (b)(iii))	13,14,74,150	5,00,000
	13,14,74,150	5,00,000

Increased pursuant to the Scheme of Arrangement (Refer note 21(b)(v))

a) Reconciliation of number of equity shares outstanding

	2014		2013	
	Number of Shares	Amount in Rupees	Number of Shares	Amount in Rupees
At the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add: Issued pursuant to the Scheme of Arrangement (Refer note 21(b)(iii))	1,31,47,415	13,14,74,150	-	-
Less: Cancellation of share capital pursuant to the Scheme of Arrangement (Refer note 21(b)(iii))	(50,000)	(5,00,000)	-	-
Outstanding at the end of the year	1,31,47,415	13,14,74,150	50,000	5,00,000

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

c) Details of each shareholder holding more than 5% shares in the Company

	2014		2013	
Name of the Shareholders	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
JP Morgan Chase Bank, NA	11,51,300	8.76%	-	-
Granele Limited	17,51,944	13.33%	-	-
Life Insurance Corporation and its schemes	9,63,895	7.33%	-	-
Krishiraj Trading Limited	26,13,061	19.88%	-	-
Welspun Wintex Limited	6,66,828	5.07%	-	-
Welspun Mercantile Limited	7,23,885	5.51%	-	-
Welspun Corp Limited	-	-	50,000	100.00%

d) Shares held by holding company

	2014		2013	
Name of the Shareholders	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Welspun Corp Limited	-	-	50,000	100.00%

Notes forming part of the financial statements

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
3. RESERVES & SURPLUS		
Capital reserve		
Received pursuant to Scheme of Arrangement (Refer note 21)	15,97,02,61,695	-
Add: Cancellation of share capital pursuant to the Scheme of Arrangement (Refer note 21(b)(iii))	5,00,000	-
	15,97,07,61,695	-
Surplus in the statement of profit and loss		
As per last balance sheet	-	-
Add: Adjustment pursuant to the Scheme of Arrangement (Refer note 21(b)(vi))	3,33,38,646	-
Profit for the year	2,05,55,500	-
Net surplus in the statement of profit and loss	5,38,94,147	-
Total	16,02,46,55,842	-

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
4. Trade payables		
Trade payables	5,34,66,357	-
Total	5,34,66,357	-

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
5. Other current liabilities		
Creditors for expenses	1,32,12,578	5,618
Trade advances	12,03,718	-
Statutory dues	12,52,044	-
Payable to a related party (Refer note 23)	6,93,73,967	-
Total	8,50,42,307	5,618

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
6. Short-term provisions		
Taxation (net of advances)	10,75,405	-
Total	10,75,405	-

Notes forming part of the financial statements

	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
7. Non-current investments (Valued at cost unless stated otherwise)		
A. Trade investments - Unquoted		
i) Wholly owned subsidiaries		
Welspun Infratech Limited		
48,639,899 (Previous year Nil) equity shares of Rs.10 each	1,26,19,66,629	-
44,553 (Previous year Nil) 11% unsecured optionally convertible debentures of Rs. 100,000 each (Refer note 27)	4,45,53,00,000	-
Welspun Natural Resources Private Limited		
1,875,000 (Previous year Nil) equity shares of Rs. 10 each	66,00,000	-
ii) Other subsidiaries		
Welspun Maxsteel Limited		
909,176,457 (Previous year Nil) equity shares of Rs. 10 each # (including 779,294,112 bonus shares allotted during the year)	3,72,14,46,539	-
3,740,000 (Previous year Nil) 0% redeemable preference shares of Rs. 10 each	3,74,00,000	-
iii) Others		
Welspun Energy Limited (Ceased to be associate w.e.f. 30 January 2014)		-
60,493,342 (Previous year Nil) equity shares of Rs.10 each	91,08,52,758	-
Total	10,39,35,65,926	-
(All the above shares and securities are fully paid up and are received pursuant to the Scheme of Arrangement as referred in note 21)		
# 23,67,49,881 equity shares are pledged with the lender for loan granted to subsidiary		
Aggregate book value of unquoted investment	10,39,35,65,926	-

	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
8. Long-term loans and advances (Unsecured considered good, unless otherwise stated)		
Deposits	75,025	-
Loans to subsidiaries (Refer note 23)	1,95,94,51,846	-
Less: Provision for doubtful loans	(1,83,56,24,693)	-
	12,38,27,153	-
Share application money to subsidiary (Refer note 23)	89,182	-
Total	12,39,91,360	-

	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
9. Other non-current assets		
Unamortised preliminary expenses	-	30,214
Total	-	30,214

Notes forming part of the financial statements

	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
10. Current Investments (Valued at lower of cost and fair value, unless stated otherwise)		
Quoted		
i) Bonds		
Industrial Finance Corporation of India Limited Deep Discount Bond 2032 31,320 (Previous year Nil) Bonds of Rs. 25,000 each	20,35,80,000	-
Industrial Finance Corporation of India Limited Deep Discount Bond 2033 16,200 (Previous year Nil) Bonds of Rs. 25,000 each	10,56,01,806	-
Industrial Finance Corporation of India Limited Deep Discount Bond 2034 41,470 (Previous year Nil) Bonds of Rs. 25,000 each	26,95,55,000	-
Industrial Finance Corporation of India Limited Deep Discount Bond 2037 17,370 (Previous year Nil) Bonds of Rs. 25,000 each	11,29,05,000	-
Industrial Finance Corporation of India Limited Deep Discount Bond 2038 41,470 (Previous year Nil) Bonds of Rs. 25,000 each	26,95,55,000	-
Industrial Finance Corporation of India Limited Deep Discount Bond 2039 7,010 (Previous year Nil) Bonds of Rs. 25,000 each	4,55,65,000	-
9.03% Gujarat State Petroleum Corp Limited 2028 1,368 (Previous year Nil) Bonds of Rs. 1,000,000 each	1,41,90,63,260	-
9.75 % Industrial Finance Corporation of India Limited 2028 685 (Previous year Nil) Bonds of Rs. 1,000,000 each	71,13,72,500	-
9.90 % Industrial Finance Corporation of India Limited 2022 7,320 (Previous year Nil) Bonds of Rs. 25,000 each	18,56,16,900	-
9.90 % Industrial Finance Corporation of India Limited 2032 20,000 (Previous year Nil) Bonds of Rs. 25,000 each	50,70,00,000	-
9.90 % Industrial Finance Corporation of India Limited 2027 10,000 (Previous year Nil) Bonds of Rs. 25,000 each	25,35,00,000	-
10.25% Reliance Capital Limited 2022 6 (Previous year Nil) Bonds of Rs. 1,000,000 each	60,00,000	-
10.45% Gujarat State Petroleum Corp Limited 2072 34 (Previous year Nil) Bonds of Rs. 1,000,000 each	3,67,20,000	-
8.25% National Housing Bank 2016 6 (Previous year Nil) Bonds of Rs. 1,000,000 each	61,32,000	-
ii) Government securities		
8.97% Government of India 2030 1,006,000 (Previous year Nil) units of Rs. 100 each	11,58,41,320	-
8.83% Government of India 2041 5,000,000 (Previous year Nil) units of Rs. 100 each	53,57,60,000	-
8.30% Government of India 2042 2,500,000 (Previous year Nil) units of Rs. 100 each	27,56,50,000	-
iii) Mutual Funds		
DWS Short Maturity Fund - Regular Plan Annual Bonus Option 10,428,011.957 (Previous year Nil) units	15,59,80,117	-
ICICI Prudential Liquid Plan - Regular Growth 5,27,565.57 (Previous year Nil) units	10,00,00,000	-
Total	5,31,53,97,903	-
Aggregate book value of quoted investments	5,31,53,97,903	-
Aggregate market value of quoted investments	5,45,82,90,413	-

Notes forming part of the financial statements

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
11. Trade receivables (Unsecured)		
Others considered good	5,42,41,450	-
Total	5,42,41,450	-

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
12. Cash and bank balances		
Balances with banks in current account	1,19,87,933	4,75,404
Other bank balances		
Deposit with the bank having original maturity period of less than twelve months*	23,60,00,000	-
Total	24,79,87,933	4,75,404

* Lien in favour of a bank for loan granted to its joint venture company

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
13. Short-term loans and advances (Unsecured considered good)		
Advances recoverable in cash or kind from a related party (Refer note 23)	28,45,315	-
Total	28,45,315	-

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
14. Other current assets		
Interest accrued on		
- Current investments	15,31,00,172	-
- Fixed deposits	45,84,002	-
Total	15,76,84,174	-

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
15. Revenue from operations		
Sale of traded goods		
- Steel Products	37,41,63,961	-
- Cotton	6,83,58,197	-
Total	44,25,22,158	-

Notes forming part of the financial statements

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
16. Other income		
Dividend income	8,36,22,335	-
Interest income		
- Current investments	21,73,40,671	-
- Fixed deposits	53,32,461	-
Total	30,62,95,467	-

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
17. Purchase of traded goods		
Purchases (Net)		
- Steel products	37,06,91,342	-
- Cotton	6,80,15,222	-
Total	43,87,06,564	-

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
18. Other expenses		
Staff deputation cost	2,94,66,368	-
Rates and taxes	26,39,583	-
Professional fees	17,03,243	-
Travelling and conveyance expenses	11,495	-
Directors' sitting fees	26,967	-
Printing and stationery	5,890	-
Auditors' remuneration	11,34,458	-
Loss on sale of current investments (Net)	6,44,04,018	-
Provision for doubtful loans	12,50,00,000	-
Preliminary expense written off	30,214	-
Miscellaneous expenses	57,768	-
Total	22,44,80,004	-

Name	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
19. Finance costs		
Bank charges	6,207	-
Total	6,207	-

Notes forming part of the financial statements

Note 20 Contingent liabilities not provided for

	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
Corporate guarantees given by the company (includes Rs. 14,944,800,000 (Rs. Nil) for loans/ liabilities taken by the subsidiaries). Loans/ liabilities outstanding against these guarantees are Rs 13,983,426,420 (Rs Nil).	15,44,92,27,000	-

Note 21 Scheme of Arrangement

	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
--	---	---

a) A Scheme of Arrangement between Welspun Corp Limited ("WCL" or the "Demerged Company") and Welspun Enterprises Limited ("WEL" or a wholly owned subsidiary of WCL or the Resulting Company) and their respective shareholders and creditors (the "Scheme"), providing for inter alia transfer of Other Business undertakings (viz. the infrastructure business (including energy, water, road), the direct reduced iron ore (DRI), EPC contracting, oil and gas business) of WCL to WEL, was approved by the Hon'ble High Court of Gujarat at Ahmedabad on 10 January 2014. The Scheme became effective on 24 January 2014 on filing with the Registrar of Companies and consequently all the assets and liabilities of the Other Business undertakings of WCL are transferred and have been recorded by WEL as on the appointed date 1 April 2012. The Scheme has been given effect to in these financial statements. However certain assets received are in the process of being transferred in the name of the company.

b) Pursuant to the Scheme:

- The whole of the assets and liabilities of Other Business undertakings of WCL are transferred to/and are vested with the Company with effect from 1 April 2012 at fair value as determined and approved by the Board of Directors of WEL.
- WEL to issue and allot equity shares to each member of WCL in the ratio of one equity share(s) of Rs. 10 each in WEL credited as fully paid up for every 20 equity shares of Rs. 5 each fully paid up held by such member in WCL. Accordingly, WEL issued and allotted 13,147,415 equity shares of Rs.10 each to the members of WCL.
- The share capital of Rs. 500,000 of WEL held by WCL has been cancelled and adjusted to capital reserve of WEL.
- The difference between the amounts credited to the share capital as per (ii) above and value of net assets taken over and recorded as per (i) above have been credited by WEL to capital reserve.

	Amount in Rs.
Non-current investments	7,08,27,57,052
Loans and advances (Net)	1,06,89,78,793
Current investments	6,64,00,00,000
Cash and bank balances	1,31,00,00,000
Total assets	16,10,17,35,845
Less: Adjustment for equity shares issued during (Refer note (ii) above)	13,14,74,150

Difference credited to capital reserve 15,97,02,61,695

- The authorized share capital of the Company is increased to 15,000,000 equity shares of Rs. 10 each amounting to Rs. 150,000,000.
- The net profit for the period from appointed date i.e. 1 April 2012 to 31 March 2013 is adjusted in balance in the statement of profit and loss.

Note 22 Payment to Auditors

	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
Audit fees	5,37,080	5,618
Certification fees	5,97,378	-

Notes forming part of the financial statements

Note 23 Related party disclosures

a) Particulars of subsidiaries/associates/joint ventures

Name of the entities	Nature of Business	Country of Incorporation	Extent of Holding (%)
Direct subsidiaries			
Welspun Natural Resources Private Limited	Oil and Gas Exploration	India	100.00% (—)
Welspun Infratech Limited	Infrastructure Development	India	100.00% (—)
Welspun Maxsteel Limited	Manufacturer of Sponge Iron	India	99.85% (—)
Indirect subsidiaries			
Held through Welspun Natural Resources Private Limited			
Welspun Plastics Private Limited	Oil and Gas Exploration	India	100.00% (—)
Held through Welspun Infratech Limited			
Welspun Projects Limited	Infrastructure Development	India	61.12% (—)
Welspun Road Projects Private Limited	Infrastructure Development	India	100.00% (—)
Welspun Infra Projects Private Limited	Infrastructure Development	India	100.00% (—)
ARSS Bus Terminal Private Limited	Infrastructure Development	India	49.00% (—)
Held through Welspun Projects Limited			
Anjar Road Private Limited	Infrastructure Development	India	100.00% (—)
Welspun BOT Projects Private Limited *	Infrastructure Development	India	— (—)
MSK Projects (Himmatnagar Bypass) Private Limited	Infrastructure Development	India	100.00% (—)
MSK Projects (Kim Mandavi Corridor) Private Limited	Infrastructure Development	India	100.00% (—)
Held through Welspun Infra Projects Limited			
Welspun Energy Transportation Private Limited @	Infrastructure Development	India	— (—)
Welspun Water Infrastructure Private Limited @	Infrastructure Development	India	— (—)
Associates			
Welspun Energy Limited \$	Power Generation	India	19.93% (—)
Indirect joint ventures			
Held through Welspun Natural Resources Private Limited			
Adani Welspun Exploration Limited	Oil and Gas Exploration	India	35.00% (—)
Held through Welspun Infra Projects Private Limited			
Leighton Welspun Contractors Private Limited #	Infrastructure Development	India	— (—)
Held through Welspun Projects Limited			
Dewas Bhopal Corridor Limited	Infrastructure Development	India	50.00% (—)
Bul MSK Infrastructure Private Limited**	Infrastructure Development	India	50.00% (—)

Ceased to be subsidiaries w.e.f. * 26 November 2013, @ 18 November 2013

\$ Ceased to be associate w.e.f. 30 January 2014

Ceased to be joint venture w.e.f. # 07 February 2014, ** 31 March 2014

b) Other related parties with whom transactions have taken place during the year and / or balances outstanding as on the last day of the year.

Welspun Energy Limited (w.e.f. 30 January 2014), Welspun Corp Limited

c) Directors / Key Management Personnel

	Nature of relationship
B. K. Goenka	Chairman *
Sandeep Garg	Managing Director *

* Appointed w.e.f. 21 February 2014

Notes forming part of the financial statements

d) Transactions with related parties for the year

	Subsidiaries	Associates / joint ventures	Other related parties	Total
Purchase of traded goods	27,30,31,651 (-)	- (-)	- (-)	27,30,31,651 (-)
Reimbursement of expenses paid	1,19,23,772 (-)	- (-)	- (-)	1,19,23,772 (-)
Loans given	45,88,96,399 (-)	- (-)	- (-)	45,88,96,399 (-)
Loans given repaid	21,76,03,489 (-)	- (-)	- (-)	21,76,03,489 (-)
Provision for doubtful loans	1,83,56,24,693 (-)	- (-)	- (-)	1,83,56,24,693 (-)
Investments made during the year	1,22,64,00,000 (-)	- (-)	- (-)	1,22,64,00,000 (-)
Share application money given	24,77,51,841 (-)	- (-)	- (-)	24,77,51,841 (-)
Share application money given repaid / adjusted	24,77,58,859 (-)	- (-)	- (-)	24,77,58,859 (-)

e) Closing balances as at 31 March 2014

	Subsidiaries	Associates / joint ventures	Other related parties	Total
Loans and advances given	1,96,22,97,161 (-)	- (-)	- (-)	1,96,22,97,161 (-)
Provision for doubtful loans	1,83,56,24,693 (-)	- (-)	- (-)	1,83,56,24,693 (-)
Investments outstanding	9,48,27,13,168 (-)	- (-)	91,08,52,758 (-)	10,39,35,65,926 (-)
Share application money given	89,182 (-)	- (-)	- (-)	89,182 (-)
Other payables	- (-)	- (-)	6,93,73,967 (-)	6,93,73,967 (-)
Corporate guarantees given	14,94,48,00,000 (-)	50,44,27,000 (-)	- (-)	15,44,92,27,000 (-)

f) Disclosure in respect of transactions which are more than 10% of the total Transactions of the same type with related parties during the year:

- Purchase of traded goods from Welspun Maxsteel Limited Rs. 273,031,651 (Rs. Nil)
- Reimbursement of expenses paid to Welspun Projects Limited Rs. 11,923,772 (Rs. Nil)
- Loans given include loan given to - Welspun Natural Resources Private Limited Rs. 456,633,133 (Rs. Nil)
- Loans given repaid include loan repaid by - Welspun Natural Resources Private Limited Rs. 219,019,512 (Rs. Nil)
- Provision for doubtful loans include provision made towards loan given to Welspun Natural Resources Private Limited Rs. 1,800,215,289 (Rs. Nil)
- Investments made during the year in equity shares of Welspun Infratech Limited Rs. 226,400,000 (Rs. Nil) and Welspun Maxsteel Limited Rs. 1,000,000,000 (Rs. Nil)
- Share application money given - Welspun Infratech Limited Rs. 247,751,841 (Rs. Nil)
- Share application money given adjusted/repaid by- Welspun Infratech Limited Rs. 247,758,859 (Rs. Nil)

Closing balances as at 31 March 2014

- Loans and advances given include interest free loans/advance given to - Welspun Natural Resources Private Limited Rs. 1,921,779,176 (Rs. Nil) and Welspun Plastics Private Limited - Rs 37,672,670 (Rs. Nil)
- Provision for doubtful loans include provided towards loan of Welspun Natural Resources Private Limited Rs. 1,800,215,289 (Rs. Nil)

Notes on financial statement for the year ended 31st March 2013

- iii Investments outstanding include investment in shares of - Welspun Maxsteel Limited Rs. 3,758,846,539 (Rs. Nil), Welspun Infratech Limited Rs. 1,261,966,629 (Rs. Nil) and investment in optionally convertible debentures of Welspun Infratech Limited Rs. 4,455,300,000 (Rs. Nil)
- v Share application money given - Welspun Infratech Limited Rs. 89,182 (Rs. Nil)
- vi Other payables - Welspun Corp Limited Rs. 69,373,966 (Rs. Nil)
- vii Corporate guarantees given to Welspun Maxsteel Limited Rs. 14,944,800,000 (Rs. Nil) and Adani Welspun Exploration Limited Rs. 504,427,000 (Rs. Nil)

Note: 1.) Figures in brackets pertain to previous year

2.) Letter of comfort of Rs 1,468,040,000 is issued in favour of Bank for loan taken by one of its joint venture company

Note 24 Earnings Per Share (EPS)

	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
Profit after tax (Rs.)	2,05,55,500	-
Weighted Number of equity shares outstanding during the period (No.)	1,31,47,415	-
Basic and diluted earnings per share on face value of Rs. 10 each (Rs.)	1.56	-

Note 25 The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March 2014.

Note 26 As per the transfer pricing rules prescribed under the income tax Act, 1961, the company is examining the domestic transaction and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustment with regard to the transactions involved.

Note 27 The Company has invested in unsecured optionally convertible debentures (OCDs) of its wholly owned subsidiary Welspun Infratech Limited (WITL). No interest is payable by WITL on said OCDs for a period of twenty four months from respective dates of allotment and thereafter from twenty fifth month onwards until redemption interest @ 11% p.a. is payable annually with redemption premium of 5%.

Note 28 The Company is engaged in the business of trading activities which in the opinion of the management is considered as the only reportable business segment in the context of Accounting Standard – 17 on "Segment Reporting". Further there is no geographical segment applicable to the company.

Note 29 Figures for the previous year are re- classified/ re - arranged / re -grouped, wherever necessary so as to be in conformity with the figures of the current years' classification/ disclosure. Previous year figures are not comparable in view of the scheme of arrangement referred in note 21.

As per our attached report of even date

For **MGB & Co.**

Chartered Accountants

Firm Registration Number 101169W

Sanjay Kothari - Partner
Membership Number 048215
Mumbai, 9 June, 2014

B.K. Goenka
Chairman

Sandeep Garg
Managing Director

Rajendra Sawant
Company Secretary

Shrinivas Kargutkar
Chief Financial Officer

For and on behalf of Board of Directors

Cash flow statement for the year ended 31 March 2014

	2013-14	2012-13
A) Cash flow from operating activities		
Profit before tax	8,56,24,851	-
Adjustments for		
Dividend income	(8,36,22,335)	-
Interest income	(22,26,73,132)	-
Loss on sale of current investments	6,44,04,018	-
Provision for doubtful loans	12,50,00,000	-
Preliminary expenses written off	30,214	-
Operating profit before working capital changes	(3,12,36,384)	-
Adjustment for		
Trade and other receivables	(5,71,65,278)	-
Trade and other payables	6,21,45,716	-
Cash used in operations	(2,62,55,947)	-
Direct taxes paid	(16,40,00,000)	-
Net cash used in operating activities (A)	(19,02,55,947)	-
B) Cash flow from investing activities		
Loans given to subsidiaries	(45,88,96,399)	-
Loans repaid by subsidiaries	21,76,03,489	-
Long-term investments in subsidiaries	(1,22,63,93,152)	-
Decrease/(increase) in current investments	1,62,74,47,831	-
Investment in fixed deposit	(23,60,00,000)	-
Ancillary cost incurred	-	(24,596)
Dividend received	8,36,22,335	-
Interest received	19,43,84,372	-
Net cash (used in)/generated from investing activities (B)	20,17,68,476	(24,596)
C) Cash flow from financing activities		
Proceed from issue of share capital	-	5,00,000
Net cash (used in)/generated from financing activities (C)	-	5,00,000
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,15,12,529	4,75,404
Cash and cash equivalents at the beginning of the year	4,75,404	-
Cash and cash equivalents at the end of the year	1,19,87,933	4,75,404
Add: Other bank balances	23,60,00,000	-
Cash and bank balances at the end of the year	24,79,87,933	4,75,404

Notes:

- 1) Cash and bank balances include Rs. 236,000,000 (Rs. Nil) which is not available for use by the Company.
- 2) The above cash flow statement has been prepared under the 'Indirect Method', as set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under Companies (Accounting Standard) Rules.
- 3) Transactions pursuant to the Scheme of Arrangement as referred in note 21 have not been considered in the above cash flow statement being non-cash transactions.

As per our attached report of even date
For MGB & Co.
Chartered Accountants
Firm Registration Number 101169W

For and on behalf of Board of Directors

Sanjay Kothari - Partner
Membership Number 048215
Mumbai, 9 June, 2014

B.X. Goenka
Chairman

Sandeep Garg
Managing Director

Rajendra Sawant
Company Secretary

Shriniwas Kargutkar
Chief Financial Officer

Welspun Infratech Limited

Directors' Report

To,
The Members,
Welspun Infratech Limited

Your Directors have pleasure in presenting their 7th Annual Report and audited statement of accounts for the year ended 31st March 2014.

FINANCIAL RESULTS

During the year under review the Company made total revenue of Rs.18,93,889/- and incurred loss of Rs.66,34,68,293/- mainly on account of write off of preoperative expenses.

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 2014.

DIRECTORS

Mr. B K Goenka is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

AUDITORS

M/s. Sureka Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

Since the Company is a not a manufacturing unit the above particulars are not applicable.

PARTICULARS OF EMPLOYEES

No employee of the Company comes under the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1988.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that they had:

- followed in the preparation of annual accounts, the applicable accounting standards and given proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities; and
- prepared the accounts on a going concern basis.

For and on behalf of the Board

Place: Mumbai
Date: 21st May 2014

B. K. Goenka
Director

Rajesh Mandawewala
Director

Welspun Infratech Limited

INDEPENDENT AUDITORS' REPORT

To the Members of **Welspun Infratech Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Welspun Infratech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order:

As required by section 227(3) of the Act, 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 purpose of 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

PLACE: Mumbai
DATE: 21.05.2014

Suresh Sureka - PARTNER
Membership No. 34132

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (5) of our report of even date to the members of Welspun Infratech Limited on the accounts for the year ended 31st March, 2014

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management During the year, no material discrepancies between the book records and the Physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanation given to us, a substantial Part of the fixed assets has not been disposed of by the Company during the year.
2. (a) The Company did not have any inventories. Hence, the question of physical verification and records thereof does not arise.
3. (a) The Company has not granted any loans, secured or unsecured, to any company, firm or other parties covered in the register maintained under section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest and overdue amounts are not applicable.
- (b) The Company has not taken any secured / unsecured loans from any company, firm or other parties covered in the register maintained under Section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the company and the nature of its business with regard to purchase of fixed assets and for the sale of services. During the course of our audit, no major weaknesses were noticed in the internal control system in respect above areas.
5. According to the information and explanation given to us, there is no contract or arrangement the particulars of which are required to be entered into the register in pursuance of section 301 of the Act.
6. The Company has not accepted any deposit from the Public.
7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the company.
9. (a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues with the appropriate authorities.
- (b) Based on our audit procedures and according to the information and explanations given to us, there are no undisputed arrears of statutory dues which has remained outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
10. In our opinion and according to the information and explanation given to us, the accumulated losses at the end of the financial year are less than fifty per cent of its net worth and the company has incurred cash losses in the financial year covered by the audit but not in the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the Company does not have any borrowing from Bank / financial institution. Hence, the question of default does not arise.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi or Mutual Benefit fund/ Society and therefore the requirements pertaining to such class of Company are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14

16. The Company has not taken any term loans during the year.
17. According to the information and explanation given to us by the management and on an overall examination of the balance sheet of company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. In our opinion and according to the information and explanations given to us, the Company has not issued debentures for which any security or charge needs to be created.
20. The Company has not made any public issues during the year and therefore, the question of disclosing the end use of money does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

PLACE: Mumbai
DATE: 21.05.2014

Suresh Sureka - PARTNER
Membership No. 34132

Welspun Infratech Limited
BALANCE SHEET AS AT 31 MARCH 2014

All amounts in Indian Rupees

	Notes	As at 31 March-2014	As at 31 March-2013
EQUITY & LIABILITIES			
Share Holders' Funds			
(a) Share Capital	1	48,63,98,990	48,63,98,990
(b) Reserves and Surplus	2	77,09,82,717	1,43,44,51,010
Non-Current Liabilities			
(a) Long Term Borrowings	3	4,45,53,00,000	4,22,89,00,000
Current Liabilities			
(a) Other Current Liabilities	4	3,70,73,491	10,17,87,283
TOTAL EQUITY AND LIABILITIES		5,74,97,55,198	6,25,15,37,282
ASSETS			
Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	5	4,35,09,261	4,57,45,157
(ii) Intangible Assets	5	18,374	25,664
(iii) Capital Work-in-Progress	6	-	65,88,83,372
(b) Non Current Investments	7	5,60,00,70,235	5,32,90,70,335
(c) Long Term Loans and Advances	8	25,000	25,000
Current assets			
(a) Current Investments	9	3,14,00,000	-
(b) Cash and Bank Balances	10	89,01,968	10,38,74,503
(c) Short Term Loans and Advances	11	6,58,30,360	11,39,13,253
TOTAL ASSETS		5,74,97,55,198	6,25,15,37,282
Significant Accounting Policies	8		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **Sureka Associates**
Chartered Accountants
Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Sd/-
B.K. Goenka
Director

Sd/-
Rajesh Mandawewala
Director

Place: Mumbai
Date: 21.05.2014

Place: Mumbai
Date: 21.05.2014

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14**Welspun Infratech Limited****Statement of Profit and Loss for the year ended March 31st, 2014****All amounts in Indian Rupees**

	Notes	For the Year ended 31 March-2014	For the Year ended 31 March-2013
I. Revenue from Operations	12	10,00,000	-
II. Other Income	13	8,93,889	-
III. Total Revenue (I + II)		18,93,889	-
IV. Expenses:			
Depreciation and Amortisation	5	22,43,186	-
Preoperative expenses written off	6	65,88,83,372	-
Other Expenses	14	42,35,624	-
Total Expenses		66,53,62,182	-
V. Profit before extraordinary items and tax		(66,34,68,293)	-
VI. Extraordinary items			
VII. Profit before tax (VII - VIII)		(66,34,68,293)	-
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
IX. Profit/(Loss) for the period		(66,34,68,293)	-
VI. Net Profit/(Loss) Carried to B/Sheet		(66,34,68,293)	-
X. Earning per equity share:			
(1) Basic		(13.64)	-
(2) Diluted		(13.64)	-

Significant Accounting Policies

B

The accompanying notes are an integral part of the financial statements

As per our report of even dateFor **Sureka Associates**

Chartered Accountants

Firm Registration No.: 110640W

Suresh Sureka - Partner
Membership Number 34132Place: Mumbai
Date: 21.05.2014**For and on behalf of Board of Directors**Sd/-
B.K. Goenka
DirectorSd/-
Rajesh Mandawewala
DirectorPlace: Mumbai
Date: 21.05.2014

Welspun Infratech Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

CORPORATE INFORMATION

Welspun Infratech Limited ('WITL' or 'the Company') was incorporated on April 26, 2007 in India and is in its seventh year of existence. The Company is primarily an infrastructure developer arm of the Welspun Group.

A. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

- a The financial statements have been prepared under the historical cost convention on going concern basis and in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act 1956 ('the Act').
- b The Company follows the mercantile system of accounting.

ii) Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting standards) Rules, 2006, (as amended) and the relevant provision of the Companies act, 1956 read with general circular 8/2014 Dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

iii) Use of Estimates

The preparation of 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 of the date of financial statements. Actual results could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

iv) Fixed Assets

- a Fixed assets are stated at original cost of acquisition net of accumulated depreciation.
- b All direct expenses attributable to fixed assets are capitalized.
- c Capital Work In Progress includes preoperative expenditure and is stated at the amount incurred up to the date of Balance Sheet.

v) Depreciation

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Act. Leasehold improvements is amortised over the period of lease. Software is amortised on a straight line basis over five years.

vi) Investments

- a Investments, which are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- b Long-term investments are valued at cost less provision for diminution other than temporary, in the value of such investments. Current investments are valued at lower of cost and fair value.
- c The cost includes cost of investment plus charges on investment such as brokerage, fee, duties, and reduced by pre-acquisition dividends.

vii) Lease

The Lease Payments under operating lease are recognized as an expense on accrual basis in accordance with the respective lease agreements.

Welspun Infratech Limited**Annexed to and forming part of financial statements for the year ended March 31st, 2014****(All amounts in Indian rupees)****viii) Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

ix) Foreign currency transactions and balances**a) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c) Exchange Difference

Other than specific requirements of Accounting Standard 11, generally exchange differences are recognised as income or expense in the period in which they arise.

x) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund.

The Company operates two defined benefit plans for its employees, viz., gratuity and leave encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the financial statements.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and which is expected to be carried forward beyond 12 months is considered as long-term employee benefit for measurement purposes. Both short term and long term employee benefits are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately charged in the books of accounts and are not deferred. The Company presents the leave liability into current and non current in the balance sheet based on the independent actuarial valuation.

Welspun Infratech Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	March 31, 2014 Amount	March 31, 2013 Amount
B. NOTES TO ACCOUNTS		
1 SHARE CAPITAL		
AUTHORISED		
50,000,000 (Previous Year: 50,000,000) Equity Shares of Rs. 10/- each	50,00,00,000	50,00,00,000
Issued, Subscribed, & Paid up		
48,639,899 (Previous Year: 48,639,899) Equity Shares of Rs. 10/- each	48,63,98,990	48,63,98,990
Total Issued, subscribed and fully paid up Share Capital	48,63,98,990	48,63,98,990

a Terms/rights attached to equity shares

"The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting. In the event of Liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders."

	March 31, 2014 No. Amount	March 31, 2013 No. Amount
b Reconciliation of shares outstanding at the beginning and at the end of the period		
At the beginning of the period	4,86,39,899 48,63,98,990	4,86,39,899 48,63,98,990
Issued during the period	- -	- -
Outstanding at the end of the period	4,86,39,899 48,63,98,990	4,86,39,899 48,63,98,990

	March 31, 2014 Amount	March 31, 2013 Amount
c Shares held by holding company		
Welspun Corp Limited		
Nil (Previous Year: 48,639,899) Equity shares of Rs. 10/- each fully paid	-	48,63,98,990
Welspun Enterprises Limited		
48,639,899 (Previous Year: Nil) Equity shares of Rs. 10/- each fully paid	48,63,98,990	-

	March 31, 2014 No. % Holding	March 31, 2013 No. % Holding
d Details of shareholders holding more than 5% shares in the Company		
Welspun Corp Limited	- -	4,86,39,899 100%
Welspun Enterprises Limited, the holding company	4,86,39,899 100%	- -

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14**Welspun Infratech Limited****Annexed to and forming part of financial statements for the year ended March 31st, 2014****(All amounts in Indian rupees)**

	March 31, 2014 Amount	March 31, 2013 Amount
2 Reserves and Surplus		
Securities Premium account		
Opening balance	1,43,44,51,010	1,43,44,51,010
Add: Premium on issue of Shares	-	-
Less: Amount Utilised	-	-
Closing balance	1,43,44,51,010	1,43,44,51,010
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-	-
Add: Profit / (Loss) for the year	(66,34,68,293)	-
Closing balance	(66,34,68,293)	-
Total Reserves and Surplus	77,09,82,717	1,43,44,51,010

	March 31, 2014 Amount	March 31, 2013 Amount
3 Long Term Borrowing		
<i>Unsecured</i>		
Debentures		
44,553 (Previous Year: 42,289) Optionally Convertible Debentures (OCD) of Rs. 100,000 each	4,45,53,00,000	4,22,89,00,000
Total Long Term Borrowing	4,45,53,00,000	4,22,89,00,000

Terms of Optionally Convertible Debentures (OCD)

During the year ended March 31, 2014, the company has issued 2,264 Optionally convertible debentures ("OCD") to Welspun Enterprises Limited with similar terms as was applicable to earlier OCDs issued. After issue of aforesaid OCD, the Company has outstanding Rs. 4,455,300,000 (Previous Year: Rs. 4,228,900,000) by way of 44,553 (Previous Year: 42,289) Optionally Convertible Debentures of Rs. 100,000 each. No interest to be paid from the date of allotment till March 31, 2013 and there after for 24 months from April 2013. However, interest @ 11% p.a. to be payable annually from 25th month onwards until redemption, with redemption premium of 5%. The above OCD is fully subscribed by Welspun Enterprises Limited, the holding company. The holding company has the option to convert OCDs into equity shares at any time within 3 years on following basis.

- If conversion on before 1st anniversary, the equity share shall be issued at a discount of 10% to fair market value (FMV).
- If conversion after 1st anniversary but on or before 2nd anniversary the equity share shall be issued at a discount of 15% to fair market value (FMV).
- If conversion is after 2nd anniversary but on before 3rd anniversary the equity share shall be issued at a discount of 20% to fair market value (FMV).
- If conversion not opted within 3 years, then the OCDs shall be redeemed at 5th anniversary.

The Company may also redeem the OCD, in part or full, before the 5th anniversary.

Welspun Infratech Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	March 31, 2014 Amount	March 31, 2013 Amount
4 a Other Current Liabilities		
Other Current Liabilities *	2,46,042	10,10,09,903
Provision for Expenses	19,53,919	6,80,450
Share Application Money pending allotment (refer note below)	89,182	96,930
Payable to Welspun Projects Limited	3,47,84,348	-
Total Other Current Liabilities	3,70,73,491	10,17,87,283

*Includes Rs Nil (Previous Year Rs 100,000,000) payable to promoter of erstwhile MSK Projects (India) Limited as per Share Purchase Agreement.

Note: Shares will be issued against the application money on such terms as may be agreed by the board from time to time

	March 31, 2014 Amount	March 31, 2013 Amount
6 Capital Work-in-Progress (Pre operative expenses)		
Opening balance	65,88,83,372	52,13,24,111
Add: Expenses incurred during the year		
Audit Fees	-	1,25,000
Communication Expenses	-	2,64,139
Business Development Expenses	-	17,025
Hotel Expenses	-	6,90,261
Printing and Stationery	-	2,76,847
Depreciation	-	22,73,556
Insurance Premium	-	3,01,054
Postage and Courier Charges	-	63,063
Books and Periodicals	-	11,444
Electricity Expenses	-	4,27,238
Miscellaneous Expenses	-	12,25,566
Professional and consultancy fee for Bidding in Infrastructure Projects	-	35,43,956
Other Professional and Consultancy Fees	-	91,26,679
Rates and Taxes	-	26,912
Subscription and Membership Fees	-	4,37,489
Rent Expenses	-	62,76,827
Salary, Wages and Allowance	-	10,90,38,068
Staff Welfare	-	-
Tender fee for Bidding in Infrastructure Projects	-	-
Travelling and Conveyance	-	39,08,116
Demat Charges	-	-
Sub total	65,88,83,372	65,93,57,352
Less: Incidental income		
Dividend Income	-	2,71,254
Interest Income (TDS Rs. 20,272 (Previous Year: 22,361))	-	2,02,726
Less :- Charged to Statement of Profit & Loss	65,88,83,372	
Total Capital Work-in-Progress	-	65,88,83,372

Welspun Infratech Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

5 Tangible Assets and Intangible Assets

	Furniture and Fittings	Office Equipments	Computers and Peripherals	Vehicles	Leasehold Improvements	Tangible Assets	Software	Total Intangible Assets
COST								
As at April 1, 2013	1,51,74,635	82,50,363	22,39,916	57,29,894	1,92,33,758	5,06,28,566	36,450	36,450
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2014	1,51,74,635	82,50,363	22,39,916	57,29,894	1,92,33,758	5,06,28,566	36,450	36,450
DEPRECIATION								
As at April 1, 2013	24,88,889	5,22,277	7,09,698	11,62,544	-	48,83,409	10,785	10,785
Charge for the year	9,60,554	3,67,908	3,63,090	5,44,343	-	22,35,896	7,291	7,291
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2014	34,49,443	8,90,185	10,72,789	17,06,887	-	71,19,304	18,076	18,076
NET BLOCK								
As at March 31, 2014	1,17,25,192	73,60,178	11,67,127	40,23,007	1,92,33,758	4,35,09,261	18,374	18,374
As at March 31, 2013	1,26,85,746	77,28,086	15,30,217	45,67,350	1,92,33,758	4,57,45,157	25,666	25,666

Welspun Infratech Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	March 31, 2014 Amount	March 31, 2013 Amount
7 Non Current Investments		
Trade Investments at cost		
Quoted Equity Instruments		
Investment in subsidiaries		
Welspun Projects Limited	3,06,41,35,825	3,16,41,35,825
24,448,445 (Previous Year: 24,448,445) Equity Shares of Rs. 10/- each fully paid up (Market Value of Quoted Shares is Rs. 257,931,095/- (Previous Year: Rs. 299,493,451/-))		
Unquoted Equity Instruments:		
Investment in subsidiaries		
Welspun Road Project Private Limited	1,00,000	1,00,000
10,000 (Previous Year: 10,000) Equity Shares of Rs. 10/- each fully paid up		
Welspun Infra Projects Private Limited	2,44,45,60,000	1,50,75,60,000
10,060,000 (Previous Year: 6,036,000) Equity Shares of Rs. 10/- each fully paid up		
ARSS Bus Terminal Private Limited	9,12,74,410	9,12,74,510
9,12,74,411 (Previous Year: 9,12,74,511) Equity Shares of Rs. 10/- each fully paid up		
Welspun Infra Projects Private Limited		
Optionally Convertible Debentures	-	56,60,00,000
Nil (Previous Year: 5660) Optionally Convertible Debentures (OCD) of Rs. 100,000 each		
Total Non Current Investments	5,60,00,70,235	5,32,90,70,335

	March 31, 2014 Amount	March 31, 2013 Amount
8 Long Term Loans and Advances		
Security deposits		
Unsecured, considered good	25,000	25,000
Total Long Term Loans and Advances	25,000	25,000

	March 31, 2014 Amount	March 31, 2013 Amount
9 Current Investments		
Other current investments (At lower of cost and fair value, unless otherwise stated):		
Investment in Mutual funds	3,14,00,000	-
(Reliance Liquid Fund Growth Plan)		
Market Value of Mutual Funds: Rs.31,443,114/- (Previous year Nil)		
Total Current Investments	3,14,00,000	-

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14**Welspun Infratech Limited****Annexed to and forming part of financial statements for the year ended March 31st, 2014****(All amounts in Indian rupees)**

	March 31, 2014 Amount	March 31, 2013 Amount
10 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with banks:		
- On current accounts	89,01,968	38,74,503
Other bank balances		
- Balance in Escrow Account *	-	10,00,00,000
Total Cash and Bank Balances	89,01,968	10,38,74,503

* Includes Rs. Nil (Previous Year: Rs. 100,000,000) being balance in Escrow Account not available for use by Company.

	March 31, 2014 Amount	March 31, 2013 Amount
11 Short Term Loans and Advances		
Advance recoverable in cash or kind		
Unsecured, considered good	3,48,53,098	23,096
(A)	3,48,53,098	23,096
Loans and advances to related parties		
Unsecured, considered good	72,32,832	9,10,99,023
(B)	72,32,832	9,10,99,023
Other Loans and advances		
Unsecured, considered good		
Advance Tax (net of provision, if any)	13,00,267	12,00,267
Other Advances	1,09,57,568	1,04,97,003
Cenvat Credit (Service tax) (net)	1,14,86,595	1,10,93,864
(C)	2,37,44,430	2,27,91,134
Total Short Term Loans and Advances (A+B+C)	6,58,30,360	11,39,13,253

	March 31, 2014 Amount	March 31, 2013 Amount
12 Revenue from Operations		
Advisory Fees	10,00,000	-
Total Revenue from operations	10,00,000	-

	March 31, 2014 Amount	March 31, 2013 Amount
13 Other Income		
Dividend Received	8,93,889	-
Total Other Income	8,93,889	-

Welspun Infratech Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	March 31, 2014 Amount	March 31, 2013 Amount
14 Other Expenses		
Insurance	48,031	
Bank Charges	11,590	
Legal Expenses	1,000	
Rates & Taxes	8,294	
Share Transfer Exp	10,000	
Audit fees	1,60,000	
Professional Fees- General	5,47,014	
Professional Fees - Legal	33,07,477	
Travel Expenses	80,846	
Filing Fees (ROC)	1,020	
Printing & Stationary	33,788	
Interest on Service Tax	26,564	
Total Other Expenses	42,35,624	-

C Other Notes

- 1 During the year 2010-11, the Company has entered into a Share Purchase Agreement with the existing promoters and other shareholders of Welspun Projects Limited (Formerly MSK Projects (India) Limited (a company engaged in infrastructure development and listed on Bombay Stock Exchange, National Stock Exchange and Vadodara Stock Exchange)) ('the Target Company') to transfer 5,279,438 equity shares (23.13%) of the Target Company at a price of Rs. 130.50 per share and also entered into a Share Subscription Agreement to subscribe to 17,178,888 equity shares of the Target Company at an issue price of Rs. 123 per share and consequently has made a public announcement to the existing shareholders of the Target Company to acquire 20% of post preferential issue equity share capital of the Target Company at a price of Rs. 130.50 per share. Post completion of the offer, the Company holds 24,448,445 equity shares (61.12%) in the issued equity share capital of the Target Company. The change in the control of the Target Company was completed on August 16, 2010. Further, during the year the company has received consent award dated Jan 23, 2014 where by existing promoters have agreed to release the entire amount lying in escrow account with SCB. Consequently, amount payable to old promoters Rs 10 Cr. (disclosed under current liabilities in FY 2012-13) have been reduced from cost of investment of shares in Welspun projects Limited

- 2 Welspun Infra Projects Private Limited ('the Acquirer'), a subsidiary of the Company has entered into Share Purchase Agreement (SPA) with Leighton International Limited on December 24, 2010 for acquiring 35% equity shares on April 28, 2011 in Leighton Contractors (India) Private Limited ('LCPL'), an Indian unit of Leighton Holdings at a total consideration of Rs. 4,700,000,000/- payable in two tranches of Rs. 4,300,000,000/- at the time of closing and Rs. 400,000,000/- deferred payment upon achievement of EBITDA Target by LCPL. LCPL was subsequently rechristened as Leighton Welspun Contractors Private Limited ('LWIN').

During the previous year, LWIN has achieved the EBITDA Target and hence the Company has also paid the second tranche of Rs. 400,000,000/- on August 30, 2011. With this, the total investment by the Acquirer in LWIN stands at Rs. 4,700,000,000/- During FY 2013-14, WIPPL purchased WPL's 7.5% post dilution shareholding in LWIN pursuant to share purchase agreement between Company & WPL for Rs. 81 Crores along with related obligations.

Further, on 7th February 2014, the Company sold its entire 39.88% shareholding in LWIN to Leighton International Limited ("LIL") for an agreed consideration of Rs. 619.38 crore and extinguishing all its rights and replacement obligations under transaction documents. Pursuant to the sale, the Company has made a profit of Rs. 59.62 Crores.

3. During the year, the Company has purchased 40% stake in Welspun Infra projects Private Limited ('WIPPL') at an agreed price of RS 93.7 crores pursuant to SPA dated 26th Dec 2013.

2 Related Party Disclosures

As per Accounting Standard 18, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

a Holding Company	Welspun Enterprises Limited ('WEL') (previously Welspun Corp Ltd (WCL))
Subsidiaries	Welspun Projects Limited ('WPL') Welspun Road Projects Private Limited ('WRPPL') Welspun Infra Projects Private Limited ('WIPPL') ARSS Bus Terminals Private Limited (w.e.f., August 3, 2011) ('ARSS')
Subsidiaries of Welspun Projects Limited	Anjar Road Project Private Limited ('ARPPL') MSK Projects (Himmatnagar Bypass) Private Limited ('MSK-HN') MSK Projects (Kim Mandvi Corridor) Private Limited ('MSK-KM')
Joint Venture of Welspun Projects Limited	Dewas Bhopal Corridor Limited (50%) ('DBCL') BUL MSK Infrastructure Private Limited (50%) ('BULMSK')
"Joint Venture of Welspun Infra Projects Private Limited"	Leighton Welspun Contractors Private Limited (formerly Leighton Contractors (India) Private Limited) (w.e.f., April 28, 2011) ('LWIN') (Ceased to be joint venture w.e.f. Feb 7, 2014)

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14**Welspun Infratech Limited****Annexed to and forming part of financial statements for the year ended March 31st, 2014****(All amounts in Indian rupees)****b Related parties with whom transaction have taken place during the year**

Holding Company	Welspun Enterprises Limited ("WEL")
Subsidiaries (Direct and Indirect)	Welspun Projects Limited ("WPL") Welspun Road Projects Private Limited ("WRPPL") Welspun Infra Projects Private Limited ("WIPPL") ARSS Bus Terminals Private Limited (w.e.f., August 3, 2011) ("ARSS")
Joint Venture (Indirect)	Leighton Welspun Contractors Private Limited (formerly Leighton Contractors (India) Private Limited) (w.e.f., April 28, 2011) ("LWIN") (Ceased to be joint venture w.e.f. Feb 7, 2014)
Key Managerial Personnel	Mr. B K Goenka, Director Mr. Rajesh R Mandawewala, Director Mr. Utsav Bajjal, Director Mr. Parvez Umrigar, Managing Director & CEO upto November 07, 2012)
Associate Company	Welspun Infra Developers pvt Ltd. Welspun India Limited Welspun Energy transportation pvt Ltd. Welspun Water Infrastructure private Ltd.

	March 31, 2014 Amount	March 31, 2013 Amount
4 d Transactions with Key Managerial Personnel		
Managerial remuneration	-	6,62,99,260.00
Contribution to Provident funds etc.	-	11,88,933.00
	-	6,74,88,193.00

5 Details of dues to Micro, Small and Medium Enterprises

There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2014. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

6 Segment Reporting

The Company is engaged in one business segment i.e. infrastructure development. The Company is operating in a single geographical segment i.e. India.

7 Previous Year figures are regrouped, rearranged or recast wherever considered necessary.**As per our report of even date**For **Sureka Associates**

Chartered Accountants

Firm Registration No.: 110640W

Suresh Sureka - Partner
Membership Number 34132

Place: Mumbai
Date: 21.05.2014

For and on behalf of Board of Directors

Sd/-
B.K. Goenka
Director

Sd/-
Rajesh Mandawewala
Director

Place: Mumbai
Date: 21.05.2014

Welspun Infrastrach Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

4 (c) Related Party Disclosures

Particulars	WEL*	WPL	WIPPL	WRPPL	WWPPL	WETPL	ARSS	WIDPL	WIL	WCL
Transactions during the year										
Proceeds from share application money	24,77,51,841	-	-	-	-	-	-	-	-	-
Amount of share application money refunded	(70,65,61,930)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Proceeds from subscription/Conversion to OCD	2,13,59,589	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Interest on OCD paid	(2,27,65,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfer of asset received from subsidiary	(1,39,89,00,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in Equity Share Capital	(17,64,63,863)	3,47,84,348	(-)	(-)	(-)	(-)	(-)	(-)	(1,72,250)	(57,417)
Advance given towards Share Capital	(-)	(-)	(-)	(-)	(-)	(-)	(1,35,47,240)	(-)	(-)	(-)
Conversion of Share application money into Equity shares	(-)	(-)	22,01,84,725	(-)	(-)	(-)	(1,14,97,240)	(-)	(-)	(-)
Advance refunded given towards Share Capital	(-)	(-)	(30,90,54,031)	(-)	(-)	(-)	(1,35,47,240)	(-)	(-)	(-)
Conversion of Share application money into OCD	(-)	(-)	22,02,39,921	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advances given	(-)	(-)	(56,60,00,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Refund of Advances given received	(-)	(-)	3,23,103	11,236	11,236	11,236	(-)	(-)	(-)	(-)
Rent Expenses	(-)	(-)	(7,57,08,698)	(308)	(308)	(1,224)	(-)	16,03,500	(-)	(-)
Advisory fees	(-)	10,00,000	8,06,24,103	(1,224)	13,257	15,093	(-)	(-)	(-)	(-)
Recovery of Expenses	(-)	(-)	(4,68,77,053)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Recovery of Expenses received	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in OCD amount received	(-)	(-)	(-)	(-)	(-)	(-)	5,28,702	(-)	(-)	(-)
Loan taken	(-)	(-)	56,60,00,000	(-)	(-)	(-)	(45,86,965)	(-)	(-)	(-)
Loan repaid	(-)	(-)	12,00,00,000	(-)	(-)	(-)	3,402	(-)	(-)	(-)
Loan Given	(-)	(-)	12,00,00,000	(-)	(-)	(-)	(32,02,509)	(-)	(-)	(-)
Loan repayment received	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	5,00,000	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	5,00,000	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14

Welspun InfraTech Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

4 (c) Related Party Disclosures

Particulars	WEL*	WPL	WIPPL	WRPPL	WWIPL	WETPL	ARSS	WIDPL	WIL	WCL
Balances outstanding as at year end										
Equity Share Capital of WITL	48,63,98,990	-	-	-	-	-	-	-	-	-
Optionally Convertible Debentures of WITL	(48,63,98,990)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in Equity Share Capital	4,45,53,00,000	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in Equity Share Capital	(4,22,89,00,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Share Application money received pending allotment	-	3,06,41,35,825	2,44,45,60,000	1,00,000	-	-	9,12,74,410	-	-	-
Investment in Optionally Convertible Debentures	89,182	(3,16,41,35,825)	(1,50,75,60,000)	(1,00,000)	(-)	(-)	(9,12,74,510)	(-)	(-)	(-)
Investment in Optionally Convertible Debentures	(96,930)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advance towards Share Application Money	-	(-)	(56,60,00,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Amount Payable	(-)	(-)	(55,196)	(-)	(-)	(-)	4,50,000	(-)	(-)	(-)
Miscellaneous Receivables	-	3,47,84,348	(-)	(-)	(-)	(-)	(4,50,000)	(-)	(-)	(-)
Advance given	(-)	(-)	(-)	(-)	(-)	(-)	44,18,409	(-)	(-)	(-)
		(7,75,23,158)	(45,46,939)	7,15,144	(-)	(39,37,559)	(-)	(1,72,250)	1,72,250	14,76,929
				(7,03,908)	(2,021)		(-)	(14,76,929)	(-)	(-)
							(-)	(16,03,500)	(-)	(-)

Figures in bracket represent previous year numbers

*Note :- Transactions for PY were shown with Welspun Corp Ltd. However pursuant to court order on scheme of restructuring now the same are transferred to Welspun Enterprises Limited.

Welspun Infratech Limited
CASH FLOW STATEMENT

All amounts in Indian Rupees

	2013-14	2012-13
Cash flow from operating activities		
Net loss for the year	(66,34,68,293)	-
Add: Non cash items		
Preoperative expenses written off	65,88,83,372	
Depreciation and Amortisation	22,43,186	
Investment income considered separately	(8,93,889)	
Cash from operations before working capital adjustment	(32,35,624)	-
Working capital adjustment :-		
Other current liabilities	5,09,608	
Other current assets	(5,82,735)	
	(73,128)	-
Net cash flow from/ (used in) operating activities (A)	(33,08,751)	-
Cash flows from investing activities		
Purchase of investment in subsidiaries	(93,70,00,000)	(68,45,45,504)
Repayment of OCD's	56,60,00,000	(1,35,47,240)
Dividend received	8,93,889	-
Repayment of Advances to related parties	8,39,10,640	-
Realisation from other Advances	(4,60,565)	-
Sale of investments in subsidiaries	-	-
Net cash flow from/ (used in) investing activities (B)	(28,66,56,036)	(69,80,92,744)
Cash flows from financing activities		
Proceeds from Share application Money received/(paid)	22,63,92,252	68,37,96,930
Net cash flow from/ (used in) in financing activities (C)	22,63,92,252	68,37,96,930
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(6,35,72,535)	(1,42,95,814)
Cash and cash equivalents at the beginning of the year	10,38,74,503	11,81,70,317
Cash and cash equivalents at the end of the year	4,03,01,968	10,38,74,503
Components of cash and cash equivalents		
With banks- on current account	89,01,968	10,38,74,503
Short term highly liquid investment having maturity less than 3 months	3,14,00,000	
Total cash and cash equivalents	4,03,01,968	10,38,74,503

Notes:

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date:
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Sd/-
B.K. Goenka
Director

Sd/-
Rajesh Mandawewala
Director

Place: Mumbai
Date: 21.05.2014

Place: Mumbai
Date: 21.05.2014

Welspun Road Projects Private Limited

Directors' Report

To,
The Members,
Welspun Road Projects Private Limited

Your Directors have pleasure in presenting their 4th Annual Report and audited statement of accounts for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

As the Company's business activities have not yet started, and as there is no Profit and Loss Account for the year ended on 31st March, 2014, there are no financial details available to mention here.

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 2014.

PUBLIC DEPOSITS

The Company has not accepted any Public Deposits pursuant to the provisions of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 and Reserve Bank of India Rules, if any.

DIRECTORS

None of the directors are liable to retire by rotation as per the provision of Articles of Association.

AUDITORS

M/s. Sureka Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

Since the Company is not a manufacturing unit the above particulars are not applicable.

PARTICULARS OF EMPLOYEES

No employee of the Company comes under the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1988.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that they had:

- followed in the preparation of annual accounts, the applicable accounting standards and given proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities; and
- prepared the accounts on a going concern basis.

For and on behalf of the Board

Place: Mumbai
Date: 21.05.2014

Deepak Chauhan
Director

Devendra Patil
Director

Welspun Road Projects Private Limited

INDEPENDENT AUDITORS' REPORT

To the Members of **Welspun Road Projects Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statement of Welspun Road Projects Private Limited. ("the Company") which comprise the Balance Sheet as at March 31, 2014, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- (b) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the Company is exempted from application of the Companies (Auditor's Report) Order, 2003 since it fulfills all the conditions stipulated under clause (2)(iv) of paragraph 1 of the said order and hence the matters specified in paragraph 4 and 5 of the said Order are not applicable.

As required by section 227(3) of the Act, 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 purpose of 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

PLACE: Mumbai
DATE: 21.05.2014

Suresh Sureka - PARTNER
Membership No. 34132

Welspun Road Projects Private Limited

BALANCE SHEET AS AT 31 MARCH 2014

All amounts in Indian Rupees

Notes	As at 31 March-2014	As at 31 March-2013
EQUITY & LIABILITIES		
Share Holders' Funds		
(a) Share Capital	1 1,00,000	1,00,000
Current Liabilities		
(a) Other Current Liabilities	2 7,25,696	7,15,696
TOTAL EQUITY AND LIABILITIES	8,25,696	8,15,696
ASSETS		
Non-current assets		
(a) Fixed Assets		
(i) Capital Work-in-Progress	3 7,61,491	7,50,306
Current assets		
(a) Cash and Cash Equivalents	4 64,205	65,390
TOTAL ASSETS	8,25,696	8,15,696
Significant Accounting Policies	A	
The accompanying notes are an integral part of the financial statements		

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Sd/-
Devendra Patil
Director

Sd/-
Deepak Chauhan
Director

Place: Mumbai
Date: 21.05.2014

Place: Mumbai
Date: 21.05.2014

Welspun Road Projects Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

A. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

- a The financial statements have been prepared under the historical cost convention on going concern basis and in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act 1956 ('the Act').
- b Welspun Road Projects Private Limited (the Company) follows the mercantile system of accounting.

ii) Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Act.

iii) Use of Estimates

The preparation of 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 of the date of financial statements. Actual results could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

iv) Fixed Assets

- a Fixed assets are stated at original cost of acquisition net of accumulated depreciation.
- b All direct expenses attributable to fixed assets are capitalized.
- c Capital Work In Progress includes preoperative expenditure and is stated at the amount incurred up to the date of Balance Sheet.

v) Depreciation

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Act.

vi) Lease

The Lease Payments under operating lease are recognized as an expense on accrual basis in accordance with the respective lease agreements.

	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
B. NOTES TO ACCOUNTS		
1 SHARE CAPITAL		
AUTHORISED		
50,000 (Previous Year: 50,000) Equity Shares of Rs. 10/- each	5,00,000	5,00,000
Issued, Subscribed, & Paid up		
10,000 (Previous Year: 10,000) Equity Shares of Rs. 10/- each	1,00,000	1,00,000
Total Issued, subscribed and fully paid up Share Capital	1,00,000	1,00,000

a Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting. In the event of Liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Welspun Road Projects Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	March 31, 2014		March 31, 2013	
	No.	Amount	No.	Amount
b Reconciliation of shares outstanding at the beginning and at the end of the period				
At the beginning of the period	10,000	1,00,000	10,000	1,00,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	10,000	1,00,000	10,000	1,00,000

	March 31, 2014	March 31, 2013
	Amount	Amount
c Shares held by holding/ultimate holding company and/or their subsidiaries/associates		
Welspun Infotech Limited	1,00,000	1,00,000
10,000 (Previous Year: 10,000) Equity Shares of Rs. 10/- each		

	March 31, 2014		March 31, 2013	
	No.	% Holding	No.	% Holding
d Details of shareholders holding more than 5% shares in the Company				
Welspun Infotech Limited	10,000	100%	10,000	100%

	March 31, 2014	March 31, 2013
	Amount	Amount
2 Other Current Liabilities		
Creditor for Expenses	7,15,696	7,05,696
Audit fees payable	10,000	10,000
Total Other Current Liabilities	7,25,696	7,15,696

	March 31, 2014	March 31, 2013
	Amount	Amount
3 Capital Work-in-Progress (Pre operative expenses)		
Opening balance	7,50,306	2,60,770
Filing Fees, Stamp duty and registration	918	1,224
Bank Charges	267	-
Audit fee	10,000	12,472
Bank Guarantee Commission	-	4,75,840
Total Capital Work-in-Progress	7,61,491	7,50,306

Welspun Road Projects Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	March 31, 2014 Amount	March 31, 2013 Amount
4 Cash and Cash Equivalents		
Balances with banks:		
- On current accounts	64,205	65,390
Total Cash and Cash Equivalents	64,205	65,390

C Other Notes

1 Related Party Disclosures

As per Accounting Standard 18, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

a Related parties where control exists

Holding Company Welspun Infratech Limited

b Related parties with whom transaction have taken place during the year

Holding Company Welspun Infratech Limited

c Transaction with related parties

Name of Entity	Nature of transactions	Amount of Transaction March 31, 2014	Amount of Transaction March 31, 2013
Welspun Infratech Limited	Share Capital	1,00,000	1,00,000
Welspun Infratech Limited	Reimbursement of Expenses	-	1,224

d Outstanding items pertaining to the related parties at the Balance Sheet date

Name of Entity	Nature of transactions	Amount of Transaction March 31, 2014	Amount of Transaction March 31, 2013
Welspun Infratech Limited	Share Capital	1,00,000	1,00,000
Welspun Infratech Limited	Other Current Liabilities	7,15,144	7,15,144

Note : Related Parties are as disclosed by the Management and relied upon by the auditors.

2 Details of dues to Micro, Small and Medium Enterprises

There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2014. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

3 Segment Reporting

The Company is engaged in one business segment i.e. infrastructure development. The Company is operating in a single geographical segment i.e. India.

4 As the Company has not commenced the operations, the Statement of Profit and Loss has not been prepared for the year.

5 Previous Year figures are regrouped, rearranged or recast wherever considered necessary.

As per our report of even date

For Sureka Associates

Chartered Accountants

Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Sd/-
Devendra Patil
Director

Sd/-
Deepak Chauhan
Director

Place: Mumbai
Date: 21.05.2014

Place: Mumbai
Date: 21.05.2014

Welspun Road Projects Private Limited
CASH FLOW STATEMENT

All amounts in Indian Rupees

	2013-14	2012-13
Cash flow from operating activity		
Cash flow from operating activities	-	-
Net cash flow from/ (used in) operating activities (A)	-	-
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(1,185)	(11,236)
Net cash flow from/ (used in) investing activities (B)	(1,185)	(11,236)
Cash flows from financing activities		
Proceeds from issuance of equity share capital	-	-
Net cash flow from/ (used in) in financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,185)	(11,236)
Cash and cash equivalents at the beginning of the year	65,390	76,626
Cash and cash equivalents at the end of the year	64,205	65,390
Components of cash and cash equivalents		
Cash on hand	-	-
With banks- on current account	64,205	65,390
Total cash and cash equivalents	64,205	65,390

Notes:

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date

For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Place: Mumbai
Date: 21.05.2014

Sd/-
Devendra Patil
Director

Sd/-
Deepak Chauhan
Director

Place: Mumbai
Date: 21.05.2014

Welspun Projects Ltd. DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the 20th Annual Report together with the Audited Financial Statement along with the Report of the Auditors for the year ended on March 31, 2014.

1. Financial Performance

(Rs. in Lakh)

Particulars	FY 2013-14 Consolidated	FY 2013-14 Standalone	FY 2012-13 Consolidated	FY 2012-13 Standalone
Contract Receipts & Other Operating Income	16,946.65	17,066.64	34,337.22	34,489.36
Toll Collection	7,398.09	3,231.32	7,289.58	3,027.08
Other Income	3,194.74	3,311.81	1,432.34	1,493.00
Change in Work in Progress	(1,907.53)	(1,907.53)	250.45	250.45
Total Income	25,631.95	21,702.24	43,309.59	39,259.89
Total Expenditure	28,998.06	24,873.44	43,021.96	38,802.71
Profit Before Tax	(3,366.10)	(3,171.20)	287.63	457.18
Exceptional Items	(3,406.82)	(3,406.82)	-	-
Less : Provision for Tax	(672.36)	754.58	(301.38)	89.14
Profit After Tax	(6,100.56)	(5,823.44)	589.01	546.33
Balance Carried to Balance Sheet	-	(5,823.44)	589.01	546.33
Earning Per Share (Rs.)	(15.25)	-	1.47	-

The order book position as on March 31, 2014 is approx Rs. 193 crores. During the year under report your company executed orders worth Rs.185 crores.

During the year under report, the Company sold its 7.5% equity shareholding in Leighton Welspun Contractors Pvt. Ltd through its associates to Leighton International Limited for aggregate consideration of Rs. 81 crores.

2. Dividend

In view of loss during Financial Year 2013-14, your directors do not recommend any dividend on equity shares of the Company for the year ended March 31, 2014.

3. Directors

Since the last report, Mr. Nirmal Gangwal, Independent Director, resigned as director of the Company with effect from August 05, 2013. and Mrs. Mala Tadarwal was appointed as an Independent Director of the Company with effect from August 05, 2014. In accordance with the requirements of the Companies Act, 2013 and Article 150 of the Articles of Association of the Company, Mr. Rajesh Mandawewala, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

In terms of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder it is proposed to appoint Mr. Mohan Tandon, Mr. AK Dasgupta, Mr. Atul Desai for a term of consecutive period of 5 (Five) years upto March 31, 2019, Mrs. Mala Tadarwal, as independent directors of the Company for a period of 2 (Two) years for a term up to August 04, 2016.

The details of these directors are provided in the Notice of the ensuing Annual General Meeting being sent to shareholders along with Annual Report.

4. Deposits

During the financial year 2013-14, the Company did not accept any public deposits as per Section 58A of the Companies Act, 1956 and rules made there under. No amount on account of principal or interest on public deposit was outstanding on the date of the Balance Sheet.

5. Auditors

The Company's Statutory Auditors, M/s Chandrakant & Sevantilal & J. K. Shah & Company, Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received written consent from the Auditor for their reappointment and certificate to effect that the appointment, if made shall be in accordance with provisions of Section 139(1) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

6. Auditors' Report

The Auditors observation read with Notes to Account are self explanatory and therefore do not call for any comments.

7. Cost Audit Report

The Company has appointed M/s Kiran J Mehta and Co., (FRN- 000025) Cost Accountants for conducting Cost Audit for the Company for the financial year 2014-15. The Cost Audit Report for financial year 2013-14 is approved by the Board of Directors and the report is e-filed with the Ministry of Corporate Affairs, Government of India.

8. Internal Control Systems:

The Company has an adequate system of Internal Control to ensure compliance with policies and procedures. Internal Audits are regularly carried out to review the internal control systems. The Internal Audit Reports along with recommendations contained therein are reviewed by the Audit Committee of the Board.

9. Subsidiaries:-

As on March 31, 2014 the following companies, were subsidiaries of the Company viz. (1) MSK Projects (Himmatnagar Bypass) Private Limited (2) MSK Projects (Kim Mandvi Corridor) Private Limited (3) Anjar Road Private Limited

The Ministry of Corporate Affairs vide its General Circular No. 2/ 2011 dated February 08, 2011 granted general exemption to the companies from attaching a copy of Balance Sheet, the Profit and Loss Account and other documents of subsidiary companies as required to be attached under Section 212 of the Companies Act, 1956 to the Balance Sheet of the Company subject to fulfillment of conditions stipulated in the circular.

Therefore, the said documents of the aforesaid subsidiary companies will not be attached to the Annual Report. However, the aforesaid documents relating to the subsidiary companies and related detailed information will be made available upon request by any member or investor of the Company. Further, the Annual Report of the subsidiary companies are kept open for inspection by a member or an investor at the Registered Office of the Company.

As required under the exemption, a statement containing the requisite information for each subsidiary is attached with this report.

10. Particulars of Employees

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

11. Directors' Responsibility Statement:

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a. that in the preparation of the accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the accounts for the financial year ended March 31, 2014 on a 'going concern' basis.

12. Corporate Governance

Your Company believes that Corporate Governance is a voluntary code of self-discipline. Your Company continuously endeavors to follow healthy Corporate Governance practices to nurture interest of all stakeholders in the Company.

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

13. Listing with Stock Exchange

The Company's equity shares are listed on Bombay Stock Exchange (BSE), National Stock Exchange of India Limited (NSE) and Vadodara Stock Exchange Limited (VSE). Annual listing fee for the year 2014-15 have been paid to BSE, NSE and VSE

14. Conservation of energy, technology absorptions and Foreign Exchange Earnings and Outgo:

The operations of the Company are not energy intensive and therefore there is nothing to report in respect of information on Conservation of Energy and Technology Absorptions as required under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in report of the Board of Directors) Rules, 1988. Within the limited scope available for saving energy in construction contracts, every effort is being made for conserving and reducing its consumptions.

Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings – NIL

Foreign Exchange Outgo – NIL

15. Consolidated Financial Statement

As stipulated by clause 32 of the Listing Agreement with the Stock Exchanges and Circular No. 2/2011 dated February 08, 2011 issued by Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards issued by ICAI. The Audited Consolidated Financial Statements together with Auditors' Report thereon forms a part of the Report.

16. Acknowledgement:

Your directors take this opportunity to express gratitude towards the suppliers, clients, bankers, government authorities and all other stakeholders for their continuous support and co-operation. Your directors also thank the employees of the Company for their efforts towards achieving the Company's goals and support in making the Company face the challenges.

Your directors acknowledge the support received from you as Shareholders of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 05/08/2014

B K Goenka
Chairman

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY ON CODE OF GOVERNANCE

The Board of Directors of the Company ("the Board") acts as a trustee and assumes fiduciary responsibility of protecting the interests of the shareholders and other stakeholders of the Company. The Board supports the broad principles of Corporate Governance. In order to attain the highest level of good Corporate Governance practice, the Board lays strong emphasis on transparency, accountability and integrity. Corporate Governance is a mechanism by which the Company can achieve sustainable growth. It combines positive attributes of system centric approach as well as individual excellence for the benefit of common good.

2. BOARD OF DIRECTORS

As on March 31, 2014 the Board comprises of six Directors (five of them are non executive directors), of which three directors were Independent Directors. Mr. B. K. Goenka, a Non-Executive Director is the Chairman of the Company.

Composition and category of directors; attendance of directors at board meetings and the last AGM, number of other companies on the Board or Committees of which, a director is a member or chairperson as on March 31, 2014 is as under:

Name of the Director and Category	Category	Number of Board Meetings attended during the financial year 13 - 14	No. of other Directorships@	Number of other Board Committees		Attendance in Last AGM
				Chairman @@	Member @@	
Mr. B. K. Goenka - Chairman	Promoter	4	13	Nil	5	No
M. Rajesh Mandawewala	Promoter	5	12	1	8	No
Mr. Sandeep Garg - Managing Director	Executive	6	2	Nil	2	No
Mr. Mohan Tandon	Independent	6	3	3	Nil	No
Mr. Nirmal Gangwal*	Independent	1	-	-	-	No
Mr. Apurba Kumar Dasgupta	Independent	5	2	2	3	No
Mr. Atul Desai	Independent	5	9	4	6	Yes

@ Only Directorships held in Indian Public Limited Companies are considered.

@@ Only Chairmanship/membership of Audit Committee and Shareholders' Grievance Committee are considered (includes Chairmanship/membership held in Welspun Projects Limited).

* Resigned w.e.f. August 05, 2013

The Board periodically reviews reports on compliance of all laws applicable to the Company.

6 meetings of the Board of Directors were held during the financial year 2013-14 on the following dates: May 18, 2013, August 05, 2013, October 28, 2013, November 28, 2013, December 24, 2013 and February 12, 2014.

Profile of directors:

I. Mr. Balkrishan Goenka (DIN 00270175):

Balkrishan Goenka (also known as BKG) is amongst India's most dynamic businessmen and the Chairman of Welspun Group – the \$3 billion multinational conglomerate. Under his astute leadership and exceptional flair for entrepreneurship, BKG has built one of the most resilient conglomerates under the banner of Welspun. Every company of the Group is growing at a dynamic pace and has emerged as a market leader, with most clients being amongst the Fortune 100 Companies. Today, Welspun Group as a whole captures a presence in more than 50 countries, employs over 24,000 people and has as many as 100,000+ shareholders.

II. Mr. Rajesh Mandawewala (DIN 00007179):

Mr. Rajesh Mandawewala is Managing Director of Welspun India Limited. A qualified Chartered Accountant (ICAI); he is in-charge of operations of the textile business and has enabled Welspun to develop a global reach in over 50 Countries. He has over 25 years of experience in industries varying from Textiles to SAW pipes. Today, WIL is the largest producer of Terry Towels in Asia and the second largest home textile company in the world. Mr. Mandawewala is a prolific speaker and is associated with leading business councils such as (CII), FICCI, IMC, BCC, Texprocil and FIEO.

III. Mr. Sandeep Garg (DIN 00036419)

Mr. Garg is B.E. (Electrical) and a scholar of Harvard Business School. Mr. Garg is Prominent figure in the industry with long and varied experience of over three decades. He has worked with the companies involved in engineering and construction of infrastructure in road, elevated roads, power, irrigation, railways, buildings and oil & gas pipelines.

IV. Mr. Mohan Tandon (DIN 00026460)

Mr. Tandon is M.Com, LL.B., and comes with Insurance Industry background, he is a former Managing Director of GIC of India, and Chairman & M.D., National Insurance Co. Ltd. He is expert in Organization Restructuring, designing Productivity-oriented Incentive Scheme for the chief executives.

V. Mr. Apurba Kumar Dasgupta (DIN 00043075)

Mr. Dasgupta is Post Graduate in Civil Engineering and is having expert knowledge and experience in multi-disciplined project planning and execution in India and third world countries for the last 50 years.

VI. Mr. Atul Desai (DIN 00019443)

Mr. Desai is B. Sc, LLB, Attorney at Law. He is a partner of M/s. Kanga & Co., leading Law firm. Mr. Desai has attended large number of matters relating to mergers, amalgamations, litigations and arbitrations involving commercial disputes.

VII. Mrs. Mala Tadarwal (DIN 06933515)

Mrs. Mala Tadarwal, aged 29 years, a qualified Chartered Accountant with over 5 years post qualification experience of practice in CA profession as a partner of M/s. Tadarwal & Tadarwal, Chartered Accountants. Mrs. Tadarwal has experience in: (i) Audit Assurance (ii) Due Dilligence (iii) Corporate Restructuring and Transaction Advisory.

3. AUDIT COMMITTEE

a) Terms of Reference:

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under clause 49 of the Listing Agreement with the Stock Exchanges and Section 177 of the Companies Act, 2013.

Scope pursuant to Section 177:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the Company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters

Scope pursuant to Rule 7(2) of the Companies (Meetings of Board and its Powers) Rules, 2014:

- (i) Establish vigil mechanism for the Company's directors and employees to report their genuine concerns or grievances;
- (ii) Oversee the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.

Scope as per the Listing Agreement

- (i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (iv) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (ix) Discussion with internal auditors any significant findings and follow up there on.

- (x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - (xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - (xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 - (xiii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 - (xiv) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 - (xv) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Any other role required to be performed by the Audit Committee pursuant to provisions of the standard listing agreement with the stock exchanges"

b) Composition:

The Audit Committee comprises of 3 independent directors. The Chairman of the Committee is an independent director The present composition of the Audit Committee as under;

Name of the Member	Designation	Number of meetings attended during the year
Shri Mohan Tandon	Chairman	4
Shri Atul Desai	Member	3
Shri A K Dasgupta	Member	3

4 meetings of the Audit Committee were held during the financial year 2013 – 14 on following dates May 18, 2013, August 05, 2013, October 28, 2013 and February 12, 2014

The Company's Internal Auditors and Chief Finance Officer remained present at the Audit Committee meetings the Company Secretary acts as the secretary of the Audit Committee.

4. **NOMINATION AND REMUNERATION COMMITTEE:**

a) **Terms of Reference**

The Company has re-constituted Remuneration Committee with the name 'Nomination and Remuneration Committee'. The terms of reference Nomination and Remuneration Committee is as per Listing Agreement and Section 178 of the Companies Act, 2013.

b) **Composition of Nomination and Remuneration Committee**

The present composition of Nomination and Remuneration Committee is as under;

Name of the Member	Designation
Mr. A K Dasgupta	Chairman
Mr. Atul Desai	Member
Mr. Mohan Tandon	Member
Mr. B K Goenka*	Member

* Appointed w.e.f. 21.05.2014

During financial year 2013-14 no meeting of Nomination and Remuneration Committee was held.

c) **Remuneration Policy**

As per the Remuneration Policy of the Company the Nomination and Remuneration Committee focus on recommending, persons who may be appointed as directors, KMP and senior management officials, to the Board of Directors. The Committee also scan performance of directors, KMP and senior management and recommend their removal if the performance is found unsatisfactory. The Nomination and Remuneration Committee is required to perform duties as may be mandated by the Board of Directors from time to time.:

d) **The Remuneration paid to Non Executive Directors during the financial year 2013-14 is as under:**

Non Executive Directors (except Promoter Directors) are sitting fees for the board meeting, audit committee meeting and remuneration committee meeting.

The independent directors are not paid any other remuneration except sitting fees for attending meeting of Board of Directors, General Meeting and Committee Meetings. The revised sitting fee for attending the Board Meeting is Rs. 25,000/-, Audit Committee meeting is Rs.20,000/- Nomination and Remuneration Committee meeting is Rs.10,000/-, Shareholders' and Investors' Grievance Committee meeting is Rs. 20,000/- and General Meeting is Rs. 20,000/-.

Details of sitting fees payable to each director based on meetings attended are as given below:

Name of Non Executive Director	Sitting Fees for Board Meetings (in Rs.)	Sitting Fees for Committee Meetings (in Rs.)	Total(in Rs.)
Mr. Atul Desai	75,000/-	30,000/-	1,05,000/-
Mr. Mohan Tandon	90,000/-	35,000/-	1,25,000/-
Mr. Nirmal Gangwal*	15,000/-	-	15,000/-
Mr. A. K. Dasgupta	75,000/-	25,000/-	1,00,000/-

*Ceased to be director w.e.f. August 05, 2013

The above sitting fees paid to the non-executive directors is within the limits prescribed under the Companies Act, 1956 for payment of sitting fees without approval of the Central Government and hence prior approval of the members as stipulated under Clause 49 (I) (B) is not required.

e) Managing Directors' compensation:

The Managing Director is paid salary and perquisites as per the contract between the Company and Managing Director. The details of remuneration paid to Managing Directors during the financial year 2013-14 is as under:

Name of Managing Director	Salary + Perquisites
Mr. Sandeep Garg	Rs. 1,83,51,240/-

5. SHARE TRANSFER AND INVESTORS' GRIEVANCE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Share Transfer and Investors' Grievance Committee of the Company was reconstituted with new name Share Transfer and Investor Grievance and Stakeholders Relationship Committee.

a) Terms of Reference:

The terms of reference of the Committee is as per Listing Agreement and Section 178 of the Companies Act, 2013. The Committee looks into the redressal of shareholders' complaints like non-receipt of Annual Report, non-receipt of dividends, revalidation of dividend warrants etc. The complaints are reported to the Board on quarterly basis and the status of the complaints pending at the beginning of the quarter, received during the quarter and resolved or pending at the end of the quarter, are published along with the Quarterly Unaudited Financial Results of the Company as a note thereto. None of the complaints were pending at the end of the financial year.

b) Number of Shareholders complaints received during the year:

During the year under review, no investor complaints were received. None of the complaints were pending at the end of the financial year.

c) Composition

The present composition of the Shareholders' and Investors' Grievances Committee was reconstituted as under :

Name of the Member	Designation
Mr. Atul Desai	Chairman
Mr. B K Goenka	Member
Mr. Mohan Tandon	Member

d) Meetings and Attendance during the financial year 2013-14 :

4 meetings of the Shareholders' and Investors' Grievances Committee were held during the financial year 2013 - 14 on following dates: May 28, 2012, August 13, 2012, November 09, 2012 and February 11, 2013

Name of the Member	Designation	Number of Meetings attended
Mr. Atul Desai	Member	3
Mr. B K Goenka	Member	3
Mr. Mohan Tandon	Member	4

6. GENERAL BODY MEETINGS

The details of Annual General Meeting held during the last three years are given hereunder:

Annual General Meeting	19 th Annual General Meeting	18 th Annual General Meeting	17 th Annual General Meeting
Day & Date	Tuesday, September 24, 2013	Friday, September 28, 2012	Tuesday, August 29, 2011
Time	11.30 a.m.	11.00 a.m.	9.30 a.m.
Venue	Welspun City, Village Versamedi, Taluka Anjar, Dist Kutch, Gujarat 370 110	Welspun City, Village Versamedi, Taluka Anjar, Dist Kutch, Gujarat 370 110	Vanijya Bhavan, Race Course, Vadodara
Special Resolution Passed in AGM	Nil	1) Section 269 -Appointment of Mr. Sandeep Garg as Managing Director 2) Section 81(1A) - Grant of ESOP to Mr. Sandeep Garg, Managing Director	Nil

Postal Ballot

The Company was not required to pass any resolution through postal ballot during the financial year 2013-14.

7. MANAGEMENT

a) Management Discussion and Analysis

Management Discussion and Analysis of business of the Company is separately given in the Annual Report.

b) Disclosures by Management to the Board

All details relating financial and commercial transactions where directors may have pecuniary interest are provided to the Board, and the interested directors neither participate in the discussion, nor do they vote on such matters.

8. DISCLOSURES

a) Related Party Transaction

For related party transactions, refer Note no.38 of Notes to Accounts annexed to Balance Sheet and Profit & Loss Account.

b) Non Compliance

There was no non compliance by the Company during the last three financial years and hence no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years.

c) Whistle Blower Policy

The Company has a Whistle Blower and Vigil Mechanism Policy and no personnel have been denied access to the Audit Committee.

d) Code of Conduct

The Board complies with Code of Conduct for Board members and senior management of the Company. A copy of the Code is also posted on the Company's website for information of all the Board members and senior management of the Company. Compliance of the Code is being affirmed by the Directors and senior management personnel on annual basis every year.

A declaration signed by the Chairman of the Company is given below:

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

B K Goenka
Chairman

e) Certification by Chief Finance Officer:

A certificate obtained from Chief Finance Officer on the Financial Statements of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board, who took note of it and took same on record.

f) Secretarial Audit

A qualified practicing company secretary carried out the Secretarial Audit on quarterly basis to reconcile the share capital with National Securities Depository Services Ltd (NSDL) and Central Depository Services Ltd (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with total number of shares in physical forms and total number of demat shares held with NSDL and CDSL.

g) Brief resume of director being appointed / re-appointed

A brief resume, nature of expertise in specific functional areas, names of companies in which the person is already holds directorship and membership of committees of the Board and his shareholdings in the Company forms part of the Notice of Annual General Meeting.

h) Accounting Standards

The Accounting Standards laid down by the Institute of Chartered Accountants of India and applicable to the Company were followed by the Company in preparation of accounts and reports of the Company.

i) Details (in aggregate) of shares in the suspense account including freeze on their voting rights

There are no unclaimed shares and hence no suspense account is required to be opened and credited with such shares and there is no freeze on voting rights of any shares.

j) Details of compliance with mandatory requirements and adoption of the non mandatory requirement of the Clause 49 of the Listing Agreement

The Company is in compliance with the mandatory requirement mentioned under the Clause 49(I) to 49(VII) to the extent applicable and in addition, the Company has adopted non-mandatory requirements mentioned at (4) – Remuneration Committee and (8) Whistle Blower Policy of Annexure ID to Clause 49 of the Listing Agreement with the Stock Exchanges.

9. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results of the Company are sent to Stock Exchanges immediately after they are approved by the Board. The Company published its un-audited / audited financial results in Free Press Journal / Business Standard (English edition) and Western Times (Gujarati edition).

10. GENERAL SHAREHOLDER'S INFORMATION:

a) Annual General Meeting:

The Twentieth Annual General Meeting of the Company will be held on Tuesday, September 30, 2014 at 11.30 a.m. at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110.

b) Financial year:

The financial year of the Company is from April 1 to March 31.

Board Meetings for Quarterly Unaudited Financial results: (Tentative and subject to change)

II Qtr Results (Jul-Sep) Upto November 14, 2014

III Qtr Results (Oct-Dec) Upto February 14, 2015

IV Qtr Audited Results Upto May 30, 2015

I Qtr Results (14-15)(Apr-June) Upto August 14, 2015

c) Date of Book Closure

The Company's Register of members and Share Transfer Books will remain closed from Monday, September 29, 2014 to Friday, October 03, 2014 (both days inclusive).

d) Dividend Payment Date

Dividend has not been recommended by the Board.

e) Listing on Stock Exchanges

The Company's Equity Shares are listed on the following Exchanges, listing fees were paid for the Financial Year 2013-14 to all the Stock Exchanges.

National Stock Exchange of India Limited (NSE)

'Exchange Plaza',
Bandra Kurla Complex,
Bandra (East),
Mumbai-400 051.

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001.

Vadodara Stock Exchange Limited (VSE)

Fortune Tower,
Sayajigunj,
Vadodara-390005

Security Codes :

The Stock Codes of the equity shares of the Company are:

NSE : WELPROJ

BSE : 532553

ISIN of the Equity Shares of the Company : INE625G01013

f) Market Price Data

High and Low price of equity shares of Welspun Projects Limited on BSE and NSE during the financial year 2013-14.

Month	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April 2013	15.48	12.16	15.60	12.10
May 2013	17.45	12.85	17.40	13.15
June 2013	18.50	12.70	19.35	13.25
July 2013	16.65	12.70	16.65	12.55
August 2013	14.00	8.50	14.30	8.50
September 2013	9.90	8.56	9.65	8.55
October 2013	9.50	7.81	9.65	7.90
November 2013	9.60	7.95	9.65	7.90
December 2013	13.31	8.05	13.40	8.00
January 2014	14.28	10.30	14.05	10.50
February 2014	12.34	9.04	11.90	9.20
March 2014	11.99	9.50	11.95	9.60

Source: respective websites of BSE and NSE.

Performance in comparison to broad based indices i.e. BSE Sensex and NSE Nifty.

Month	BSE Index	Closing Price of Share (Rs.)	NSE Nifty	Closing Price of Share (Rs.)
April 2013	19,504.18	14.58	5,930.2	14.55
May 2013	19,760.3	13.25	5,985.95	13.20
June 2013	19,395.81	13.75	5,842.2	13.80
July 2013	19,345.7	14.16	5742	14.95
August 2013	18,619.72	9.14	5,471.8	9.05
September 2013	19,379.77	9.13	5,735.3	9.20
October 2013	21,164.52	8.35	6,299.15	8.30
November 2013	20,791.93	8.27	6,176.1	8.40
December 2013	21,170.68	13.31	6,304	13.40
January 2014	20,513.85	11.30	6,089.5	11.35
February 2014	21,120.12	11.30	6,276.95	11.10
March 2014	22,386.27	10.84	6,704.2	10.55

g) Registrar & Share Transfer Agent

The Company has appointed Registrar and Transfer Agent to handle the share transfer work and to resolve the complaints of shareholders. Name, address, telephone number of Registrar & Share Transfer Agent is given hereunder:

M/s. Purva Share Registry (India) Pvt. Ltd.
9, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Opp. Kasturba Hospital
Lower Parel (East), Mumbai
Phone: 022-2301 6761/8281 Fax: 022-2301 2517 E-mail: busicomp@vsnl.com

h) Share Transfer System and Dematerialization:

Our Registrar and Transfer Agent registers transfer of shares in physical form within 15 days from the receipt of

the documents. The Company's shares held in dematerialised form are transferable in electronic mode. As on March 31, 2013, 680 equity shares were in physical form being 0.001% of the total Equity Shares.

i) Distribution of Shareholding as on March 31, 2014

Nominal Value	Number of Shareholders	% of Total Shareholders	Value in Rs.	% of total Value
Upto 5,000	7139	83.59	10202710	2.55
5,001-10,000	637	7.46	5346340	1.34
10,001-20,000	309	3.62	4846040	1.21
20,001-30,000	144	1.69	3693740	0.92
30,001-40,000	48	0.56	1731390	0.43
40,001-50,000	55	0.64	2603190	0.65
50,001-100,000	99	1.16	7470850	1.87
1,00,001 and above	110	1.29	364105740	91.03
Total	8541	100.00	400000000	100.00

j) Shareholding Pattern as on March 31, 2014

Sr. No.	Category	No. of Shares	Percentage of holding
1	Promoter Group	24448445	61.12%
2	Resident Bodies Corporates	8009400	20.02
3	FII/Mutual Funds	239675	0.60
4	Foreign Body Corporates	342334	0.86
5	Public	5532315	13.84
6	NRIs	88738	0.22
7	Trust	6000	0.02
8	Hindu Undivided Family	1333093	3.33
	Total	40000000	100.00

k) Site Locations:

The Company has presence across the Country and at present, on going projects are at various places in the states like Gujarat, Maharashtra, Madhya Pradesh, Punjab, Rajasthan etc.

l) Address for Correspondence:

Shareholders may contact the Compliance officer for any query related to dividend at the following address:

Compliance Officer:

Mr. Nilesh Javker, Company Secretary
Welspun House, 7th Floor,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
email: companysecretary_wpl@welspun.com

CERTIFICATE OF PRACTISING COMPANY SECRETARY ON REPORT OF CORPORATE GOVERNANCE

To The Members of
Welspun Projects Limited

We have examined the compliance conditions of Corporate Governance by Welspun Projects Limited for the year ended 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Vadodara Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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 explanations 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 further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Manasi Damania
Practising Company Secretary

Certificate of Practice No.8120

Place : Mumbai
Date : 05/08/2014

Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Financial Statement of Welspun Projects Ltd ("WPL" or the "The Company"), and the notes thereto for the year ended 31st March 2014. This MD&A covers WPL's financial position and operations for the year ended 31st March 2014. Amounts are stated in Indian Rupees unless otherwise indicated. The numbers used in the analysis are on a consolidated basis; the corresponding number for the previous year has been regrouped and reclassified, wherever necessary.

Forward-Looking Statements

This report contains forward looking statements, which may be identified by their use of words like plans', expects', will', anticipates', believes', intends', projects', estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement, on the basis of any subsequent developments, information or events.



MD's Quote

"This year continued to be a very challenging year for the infrastructure industry with very few project being awarded. For Welspun Projects, it was a year of re-organisation and consolidation. As part of its value unlocking strategy, the Company sold its equity stake in Leighton Welspun Contractors Private Limited during the year, thereby considerably reducing its exposure to the EPC business. Welspun Projects will continue to focus with caution on development activities."

Mr. Sandeep Garg,

Managing Director, Welspun Projects Ltd.

BUSINESS OVERVIEW

WPL has a rich experience of executing EPC contracts and PPP projects in various sectors like roads, water, and urban infrastructure. WPL's successful execution of projects for the past 35 years has made the company a niche player in the construction industry. It was one of the first developers to complete a NHAI BOT project in India. In the highway sector alone, the Company has successfully completed six BOT (Toll) Road projects with a total length of over 500 km and a capital expenditure of over US \$ 200 million. One of its signature projects is the 142.6 km long Dewas-Bhopal Corridor linking Bhopal and Dewas on SH 18 in the state of Madhya Pradesh on BOT Toll Basis.

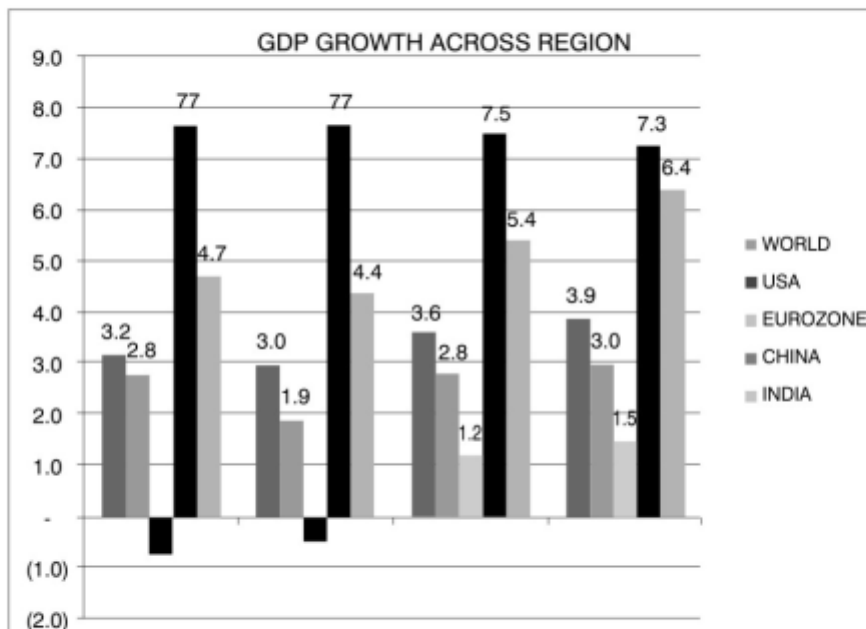
Macro-Economic Environment

The global economic environment continued to be challenging during the last year. During the course of 2013-14, the global financial markets had to face an extraordinary spell of financial turbulence arising from the US Fed contemplating tapering its large scale asset purchase programme. The tapering heralded the turning of the global interest rate cycle with volatile movements for cross-border capital flows and asset prices. Global growth in CY2013 was reported at 3% levels, almost at the same level as that in CY2012.

For the Indian economy, the slowdown in growth that began in FY12, worsened in FY13 and continued into FY14. India's real GDP growth rate hit decade low levels. While the slowdown was broad-based affecting all major sectors of economic activity, construction and mining were among the worst-hit. The economic growth rate continued to stay around the 5% mark during 2013-14. The turbulence in the global economy only added to the woes of the Indian economy. Like most other emerging

markets, India faced capital outflows and intense exchange rate pressures on fears of the US Fed tapering. This prompted the RBI and the government to take several measures to control inflation and current account deficit.

The outlook, however, appears cautiously optimistic. Global growth, after decelerating for the last three years is poised to improve in CY2014 and CY2015, but risks related to uncertainties in timing of unwinding of unconventional monetary policies and possibility of a renewed deflation in the euro area remain. Economic expansion in the US is gaining firmer footing and will aid recovery in global activity and trade. As far as India is concerned, there is expectation that the pace of reforms will pick up under newly elected National Democratic Alliance (NDA) government which mainly had "Development" as its plank. Thanks to policy measures, India's current account deficit has come down drastically in recent months reducing the risk of any external shocks to the economy. With inflation showing a downward trend in recent weeks, expectations are that the RBI will pause on the rate hike cycle and probably, initiate a cycle of rate cuts in FY14-15.



Source : IMF Report – April 2014

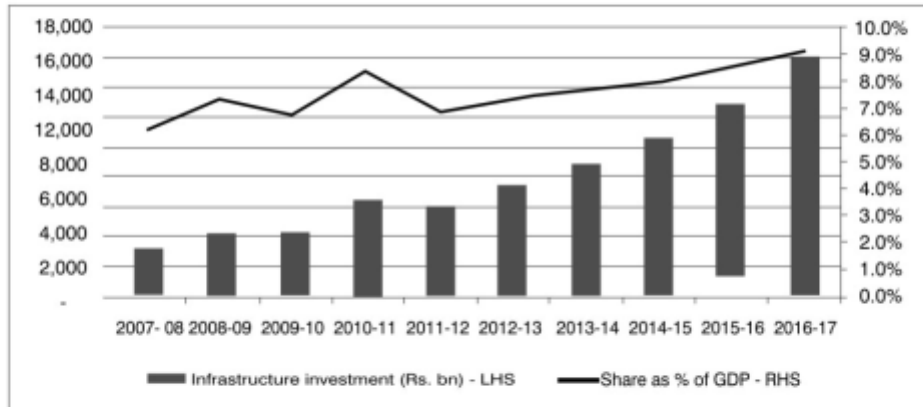
Indian Infrastructure sector

Though India is the fourth largest economy in the world, a key factor obstructing its further growth and development is the lack of world class infrastructure. Physical infrastructure has a direct impact on the growth and overall development of an economy. The goals of inclusive growth and 9 percent growth in GDP can be achieved only if India's infrastructure deficit is overcome. Infrastructure development will also help create a better investment climate in India.

Infrastructure Development in the Twelfth Five Year Plan

The Twelfth Plan intends to continue increasing the pace of investment in infrastructure as this is critical for sustaining and accelerating growth. The Planning Commission in its Twelfth Five Year Plan Document (2012-17) expects investments in infrastructure projects to be worth US\$1 trillion over the five years of the Plan. Total investment as a percentage of GDP is expected to be in the range of 7-9 per cent.

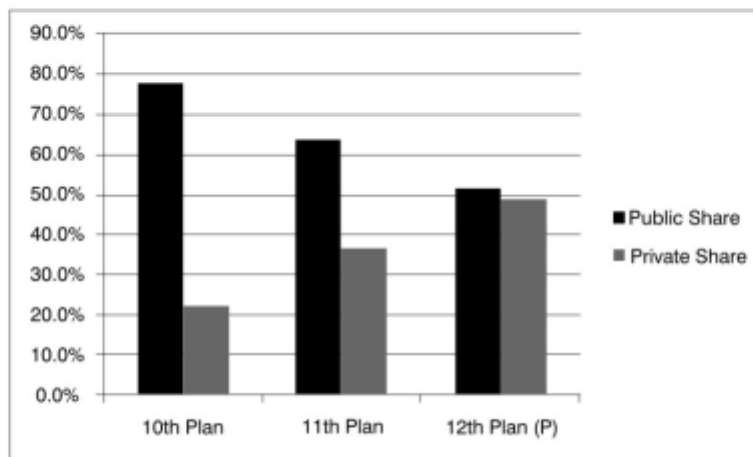
Figure 1: Share of infrastructure in GDP



PPP in infrastructure

While public investments have been the dominant form of infrastructure financing in India, there is higher emphasis on attracting private investments in the last few years. In the last decade, the government's huge resource crunch, high deficits and limited capability of borrowing resulted in constraints on public spending on infrastructure. While public investment continue to finance infrastructure needs in backward and remote areas for improving connectivity and expanding much-needed public services, PPPs are increasingly becoming the preferred mode of project implementation for projects which are financially viable. Private participation has become more prominent especially in sectors such as highways, airports, ports, urban transit systems etc, over the years. The Planning Commission has set a target to achieve 50 per cent private and PPP funding in total infrastructure investment in the Twelfth plan, compared to a little more than 30 per cent in the Eleventh Plan.

Figure 2: Share of private sector in infra spending



While the intent of increased private participation in infrastructure is commendable, there are some major challenges which need to be overcome before these plans bear fruition. Some of the key challenges facing the industry are:

- Limited avenues for raising long-term funding
- Delays in land acquisition
- Inadequate regulatory framework

- Requirement of multiple clearances and associated delays
- Inefficiencies in pricing of infrastructure
- Inadequate availability of skilled manpower
- High interest rates

With the formation of a new stable government at the centre, there is increased expectation that various reform measures will be undertaken to overcome some of these hurdles. The new government has listed infrastructure as one of its key focus areas and is expected to take measures which would improve private participation.

Welspun Projects – Year in review and Way ahead

FY13-14 was a very challenging year for the infrastructure industry. With only a few projects being awarded and interest rates remaining high, the appetite for new bids remained low. For Welspun Projects, it was a year of re-organisation and consolidation. During the year, the Company focussed on execution of the remaining EPC projects as well as Operations & Maintenance (O&M) of its BOT project portfolio.

The Company achieved the successful completion of the following projects during FY13-14:

- a) Bharuch Dahej Road Project - Widening to 6 lane of Bharuch Dahej Road (SH-6) from km 200 to km 225, including construction of ROB approaches
- b) L-Saw Coating Plant Project – Civil works for external & internal coating area, electric substation, cooling tower, open gantry & storage area.

As part of its value unlocking strategy, the Company sold its equity stake in Leighton Welspun Contractors Private Limited (LWIN) during the year. LWIN was a Joint Venture Company of Leighton Holdings of Australia and the Welspun Group, which executes complex construction projects across sectors like Oil and Gas, Roads, Railways and Buildings. Welspun Projects held 11,503,485 equity shares of Rs. 10 each, comprising of 7.5% of issued, subscribed and paid up share capital of LWIN, which was sold for a consideration of Rs. 810 mn. The transaction was closed on 7th February 2014 on receipt of the agreed consideration.

Going forward, the Company will continue to focus with caution on project development activities. Key focus areas for WPL will be infrastructure development in niche areas such as water transmission and processing as well as O&M of existing assets. The Company will also focus on completion of the remaining EPC order book.

HUMAN RESOURCES POLICY

Human resource is the biggest asset of the Company and it remains one of the core focus areas of the Company. The Management of the Company lays special emphasis on the welfare of its employees and training, welfare and safety measures are undertaken on a regular basis. The Company has a well qualified and experienced team of professionals with a dedicated human resource department, which is competent to deliver when needed. The Company aims to provide a congenial work environment that respects individuals and encourages professional growth, innovation and superior performance.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Management of the Company maintains adequate internal control system which is designed to provide reasonable assurance that assets are safeguarded and transactions are rightly executed and recorded in accordance with management authorization and accounting policies.

All the records are adequately maintained for preparation of financial statements and other financial information. Apart from internal controls, the Company also audits the efficiency and security of its operations, its information technologies and data, in accordance with the global standards. The Audit Committee of the Company met four times in FY14 to review internal audit reports as well as the internal control systems and financial disclosures.

DISCUSSION OF FINANCIAL PERFORMANCE

The discussion of the Financial Performance and Analysis below relates to the Consolidated audited financial statements of Welspun Projects Ltd. The discussion should be read in conjunction with the consolidated financial statements and the related 'Notes to the Accounts' for the year ended March 31, 2014

KEY FINANCIAL DATA (Profit and Loss A/C)

(Figures are in Rs. Millions)

Particulars	Year ended March 2013	Year ended March 2014
Contract Receipt (A)	1,688	2,342
Toll Collection (B)	740	729
Other Operating Income (C)	7	1,092
Total Operating Income (A+B+C)	2,434	4,162
EBITDA	415	1,188
EBITDA Margin	17%	29%
Financial Cost	397	474
Depreciation and Amortization expense	354	685
Profit before Taxes (PBT)	(337)	29
Profit after Taxes (PAT)	(610)	59

a. Operating Income

The Company's revenue is primarily generated from civil construction and Toll income. Income from Civil contracts (net of Service Tax) was Rs. 1,688 million in FY14 as compared to Rs. 2,342 million in FY13. The decline was mainly on account of the sale of EPC business in the previous financial year. Toll revenue was Rs. 740 million in FY14, which is only marginally higher as compared to the previous year. This was mainly on account of subdued traffic growth during the year, due to difficult economic environment.

b. EBITDA

The Company's EBITDA in FY14 stands at Rs. 415 million as compared to EBITDA of Rs. 1,188 million in FY13. FY13 figures included an income of Rs. 1,079 million on account of income from transfer of EPC business to LWIN. Adjusted for that, EBITDA grew from Rs. 108 million to Rs. 415 million.

c. Financial Cost

The Company's financial expenses have decreased by 16% to Rs. 397 million in FY14 as compared to Rs. 474 million in FY13 due to reduction in debt level during the year.

d. Depreciation/Amortization expenses

Depreciation/Amortization has decreased by 48% at Rs. 354 million in FY14 as compared to Rs. 685 million in FY13. During FY13, the Company changed its accounting policy retrospectively in respect of cash subsidy received for BOT projects which resulted in a higher depreciation in that year.

e. Profit (Loss) before Tax (PBT)

PBT stands at Rs.(337) million in FY14 as compared to Rs. 29 million in FY13.

f. Profit (Loss) after Tax (PAT)

PAT stands at Rs. (610) million in FY14 as compared to Rs. 59 million in FY13. This includes an exceptional loss of Rs. 341 million related to the sale of stake in LWIN.

TABLE : CONSOLIDATED BALANCE SHEET

(Figures in Rs. Million)

	As At 31 st March 2014	As At 31 st March 2013
EQUITY & LIABILITIES		
Share Holders' Funds		
Share Capital	400	400
Reserves & Surplus	4,185	4,807
	4,585	5,207
Non Current Liabilities		
Long Term Borrowings	2547	2,240
Deferred Tax Liabilities (Net)	-	21
Long Term Provisions	19	9
	2,567	2,270
Current Liabilities		
Short Term Borrowings	310	779
Trade Payable	547	821
Other Current Liabilities	591	1,063
Short Term Provisions	12	3
	1,460	2,666
TOTAL (Rs.)	8,611	10,142
ASSETS		
Non Current Assets		
Fixed Assets		
Tangible Assets	292	379
Intangible Assets	5,057	5,412
BOT Project Expenditure	257	170
Non Current Investment	4	1,154
Deffered tax asset	95	-
Other Non Current Assets	0.25	0.38
Long term Loans & Advances	342	344
	6,048	7,460
Current Assets		
Current Investment	904	585
Inventories	59	148
Trade Receivable	469	889
Cash and Bank Balances	168	281
Short Term Loans & Advances	746	561
Other Current Assets	217	219
	2,564	2,682
TOTAL (Rs.)	8,611	10,142

NETWORTH

Net worth of the Company stands at Rs. 4,585 million as on March 31, 2014 as compared to Rs. 5,207 million as on March 31, 2013. The net worth decreased due to the losses incurred during the year by the company.

SHARE CAPITAL

The total number of equity shares stands at 40,000,000 shares as at 31st March 2014 which is same as in the previous financial year.

NON CURRENT LIABILITIES

The non-current liabilities of the Company stand at Rs. 2,567 million at the end of FY14 as compared to Rs. 2,270 million at the end of FY13 showing an increase of 13%. The components of non-current liabilities are as follows:

- Long Term Borrowing: The non current portion of long Term Borrowing has increased by Rs. 307 million at Rs. 2,547 million in FY14 as compared to Rs. 2,240 in FY13.
- Long Term Provisions: Long Term Provisions have increased by Rs. 11 million to Rs. 19 million in FY14 as compared to Rs. 9 million in FY13. This increase is due to provision for gratuity for employees.
- Deferred Tax liability: There is a deferred tax asset of Rs. 95 million in FY14 as compared to a deferred tax liability of Rs. 21 million in FY13.

CURRENT LIABILITIES

The current liabilities of the Company stand at Rs. 1,460 million at the end of FY14 as compared to Rs. 2,666 million at the end of FY13. The reduction is mainly due to the sale of the EPC division which has higher working capital requirement compared to the BOT division. The components of current liabilities include:

- Short term borrowings: Short Term Borrowings has overall decreased by Rs. 469 million to Rs. 310 million in FY14 as compared to Rs. 779 million in FY13. This change is mainly due to reduction in working capital loans due to the EPC division sale.
- Trade Payables: Trade Payables has decreased by Rs. 274 million to Rs. 547 million in FY14 from Rs. 821 million in FY13. The trade payable days in FY13 is 82 days as compared to 72 days in FY13.
- Other Current Liabilities: Other Current Liabilities has decreased by Rs. 472 million to Rs. 591 million in FY14 as compared to Rs. 1,063 million in FY13. The other current liabilities includes:
 - Advance from Customers: Advance from customers has decreased to Rs. 63 million in FY14 as compared to Rs. 71 million in FY13.
 - Current portion of Long Term Debt stands at Rs. 388 million in FY14 as compared to Rs. 762 million in FY13.
 - Security Deposits payable has increased by Rs. 26 million in FY14 to Rs. 84 million as compared to Rs. 58 million in FY13.
 - The amount payable under the other payables in FY14 is NIL as compared to Rs. 54 million in FY13.
- Short Term Provisions: Short Term Provisions stands at Rs. 12 million at the end of FY14 as compared to Rs. 3 million at the end of FY13. This was mainly on account of provision for leave benefits for the employees of the Company.

NON CURRENT ASSETS

The total non-current assets stand at Rs. 6,048 million as of 31st March, 2014. The components of non-current assets include:

- Net block of tangible and intangible fixed assets including BOT assets and the intangible assets under development stands at Rs. 5,606 million in FY14 as compared to Rs. 5,961 million in FY13.
- Non-current investment stands at Rs. 4 million in FY14 as compared to Rs. 1,154 million in FY13. The reduction was on account of the sale of the Company's stake in LWIN.
- Long term loans and advances at Rs. 342 million in FY14, was at similar levels as last year.

CURRENT ASSETS

The current assets of the Company stand at Rs. 2,564 million at the end of FY14 as compared to Rs. 2,682 million at the end of FY13. The components of current assets include:

- **Current Investment:** Current Investment stands at Rs. 904 million in FY14 as compared to Rs. 585 million in FY13. This was due to the investment of the surplus cash received after the LWIN sale.
- **Inventories:** Inventories has reduced to Rs. 59 million at the end of FY14 from Rs. 148 million at the end of FY13 to decrease in business operations post the EPC division sale.
- **Trade Receivables:** Trade Receivables has decreased to Rs. 469 million at the end of FY14 from Rs. 889 million at the end of FY13. The company has debtor collection period of 70 days in FY14 as compared to 78 days in FY 13.
- **Cash and Bank Balances:** The Company has cash and bank balances of Rs. 168 million at the end of FY14 as compared to Rs. 281 million at the end of FY13. It has decreased as the company has used the cash for investing in financial instruments viz mutual funds and bonds.
- **Short Term Loans and Advances:** Short Term Loans and Advances have increased to Rs. 746 million at the end of FY14 from Rs. 561 million at the end of FY13.

LOAN FUNDS

The Gross Debt as on March 31, 2014 stands at Rs. 3,245 million as against Rs. 3,781 million in FY13. This was mainly due to repayment of a large part of the working capital debt paid during the year.

Cautionary Statement

Some of the statements in this Management Discussions and Analysis, describing the projections, estimates and expectations may be forward looking statements within the meaning of the applicable laws and regulations. Actual results may differ substantially from those expressed or implied. Important developments that could affect Welspun's operations include a shift in the industry structure, significant changes in political and economic environment in India and globally, tax laws, import duties, litigations and labour relations.

Auditor Report

To
The Board of Directors of
Welspun Projects Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements of Welspun Projects Limited ("the Company"), and its Subsidiaries and Joint Ventures (collectively referred to as the Group), which comprise the consolidated Balance Sheet as at 31st March 2014, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of Significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on our audit and on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries companies and joint ventures as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the Loss of the group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date.

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14**Other Matters**

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 54,38,51,015/- as at 31st March 2014, and total revenue of Rs. 7,14,01,342/- and Net Cash Flow amounting to Rs. (-) 27,57,331/- for the year then ended. These financial statements and other financial information have been audited by other auditors whose report have been furnished to us and our opinion is based solely on the report of the other Auditors.

We have relied on the unaudited financial statement of one joint venture, whose financial statements reflect total assets of Rs. 2,74,86,46,496/- as at 31st March 2014 and total revenue of Rs. 35,81,50,344/- and net Cash Flow amounting to Rs. 4,72,73,396 for the year then ended. These unaudited financial statements as approved by the board of directors of the Company have been furnished to us by the management and our report in so far as its relates to amounts included in respect of the joint Venture is based solely on such approved unaudited financial statements.

For CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.

Chartered Accountants

Firm Registration No. 101676W

PLACE: VADODARA

DATE: 21-05-2014

(H.B. SHAH) PARTNER

Membership No. 016642



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

	Notes	As At 31-03-2014 (Amount in ₹)	As At 31-03-2013 (Amount in ₹)
EQUITY & LIABILITIES			
Share Holders' Funds			
Share Capital	2	40,00,00,000	40,00,00,000
Reserves & Surplus	3	4,18,50,71,100	4,80,67,94,849
		4,58,50,71,100	5,20,67,94,849
Non Current Liabilities			
Long Term Borrowings	4	2,54,73,12,667	2,23,99,65,936
Deferred Tax Liabilities (Net)	5	-	2,07,73,257
Long Term Provisions	6	19317431	88,06,764
		2,56,66,30,098	2,26,95,45,957
Current Liabilities			
Short Term Borrowings	7	31,01,41,778	77,91,15,386
Trade Payable	8	54,69,44,627	82,08,06,492
Other Current Liabilities	9	59,06,70,734	1,06,27,13,351
Short Term Provisions	10	1,19,62,476	31,97,910
		1,45,97,19,615	2,66,58,33,140
TOTAL (Rs.)		8,61,14,20,812	10,14,21,73,946
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	29,16,29,766	37,86,33,436
Intangible Assets	11	5,05,74,77,170	5,41,20,62,144
Intangible Assets under development	11	25,73,09,647	17,05,41,928
Non Current Investment	12	38,97,571	1,15,42,46,071
Deferred Tax assets (Net)	5	9,49,28,621	-
Other Non Current Assets	13	2,52,056	3,88,006
Long term Loans & Advances	14	34,23,83,266	34,39,42,018
		6,04,78,78,097	7,45,98,13,603
Current Assets			
Current Investments	15	90,41,62,912	58,53,32,890
Inventories	16	5,87,72,323	14,81,65,882
Trade Receivable	17	46,89,79,184	88,85,45,852
Cash and Bank Balances	18	16,84,91,452	28,05,30,337
Short Term Loans & Advances	19	74,61,33,136	56,05,07,445
Other Current Assets	20	21,70,03,707	21,92,77,936
		2,56,35,42,715	2,68,23,60,343
TOTAL (Rs.)		8,61,14,20,812	10,14,21,73,946
Significant Accounting Policies & Notes on Financial Statements	1 to 43		

As per our report of even date
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
 Firm registration number: 101676W
 CHARTERED ACCOUNTANTS

For & On Behalf Of The Board of
WELSPUN PROJECTS LIMITED

(H. B. Shah) - Partner
 Membership No. 16642

(B. K. Goenka)
 Chairman

(Sandeep Garg)
 Managing Director

(Nilesh Javkar)
 Company Secretary

Place: Vadodara
 Date : 21-05-2014

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31ST MARCH 2014

	Notes	As At 31-03-2014 (Amount in ₹)	As At 31-03-2013 (Amount in ₹)
Revenue from Operation	21	2,43,44,74,447	4,16,26,79,752
Other Income	22	31,94,74,731	14,32,34,305
Total Revenue (I)		2,75,39,49,178	4,30,59,14,057
Expenditure			
Cost of Raw Material consumed	23	67,57,68,241	1,55,12,29,381
Purchase of Traded Goods	24	2,02,02,208	14,51,21,704
Changes in the Work in Progress	25	19,07,53,360	-2,50,45,421
Employee Benefits Expense	26	28,56,97,719	33,12,94,787
Finance Cost	27	39,68,59,366	47,37,70,836
Depreciation and Amortisation expense	28	35,44,86,794	68,50,39,492
Other Expenses	29	1,16,67,91,967	1,11,57,40,065
Total Expenses (II)		3,09,05,59,655	4,27,71,50,843
Profit / (Loss) before Tax		(33,66,10,477)	2,87,63,214
Exceptional Items		(34,06,82,111)	-
Tax Expense			
Current Tax		-	(93,80,133)
Earlier year Tax		(4,70,96,630)	(1,52,47,189)
Deferred Tax assets / (liabilities)		11,43,32,878	4,68,65,500
MAT Entitlement		-	79,00,000
		6,72,36,248	3,01,38,178
Profit / (Loss) for the year from continuing operation		(61,00,56,340)	5,89,01,391
Earnings per equity share of face value of Rs. 10/- each. Basic & Diluted		(15.25)	1.47
Significant Accounting Policies & Notes on Financial Statements	1 TO 43		

As per our report of even date
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Firm registration number: 101676W
CHARTERED ACCOUNTANTS

For & On Behalf Of The Board of
WELSPUN PROJECTS LIMITED

(H. B. Shah) - Partner
Membership No. 16642

(B. K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Nilesh Javker)
Company Secretary

Place: Vadodara
Date : 21-05-2014

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014.

1. BASIS OF CONSOLIDATION:

A. Basis of Accounting:

The Consolidated financial statements relate to M/s. Welspun Projects Limited, its subsidiary Companies, and joint ventures Company are drawn up to the same reporting date as of the Company, i.e. year ended 31st March 2014.

B. Principle of Consolidation:

- a. The Consolidated Financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard – AS-21 (Consolidated Financial Statements) & Accounting Standard - AS-27 (Financial Reporting of interest in joint ventures) issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements have been prepared on the following basis.
 - i. The financial statements of the Company and its subsidiary Companies are combined on a line by line basis by adding together the book value of the like item of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profit.
 - ii. Interest in Joint Ventures has been accounted by using the proportionate consolidation method as per accounting Standard (AS-27) – Financial Reporting of Interest in Joint Ventures.
- ii. The difference between the Company's cost of investments in the subsidiaries over its position of equity at the time of acquisition of the shares is recognized in the consolidated financial statements as goodwill or Capital Reserves as the case may be.
- iv. The difference between costs of the Company's interest in jointly controlled entities over its shares of net assets in the jointly controlled entities at the date on which interest is acquired is recognized in the consolidated financial statement as Goodwill or Capital Reserves as the case may be.
- v. Good-will recognized in the Consolidated Financial Statement is not amortized.
- vi. The Consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and presented to the extent possible, in the financial statements.

b. The subsidiary Companies considered in the consolidated financial statements are :

Name of the Company	Country Of Incorporation	% of Ownership interest as on 31 st Mar' 14
MSK Projects (Kim Mandvi Corridor) Private Ltd	India	100%
MSK Projects (Himmatnagar Bypass) Private Ltd	India	100%
Anjar Road Private Limited	India	100%

b. The significant joint Venture Companies considered in the consolidated financial statements.

Name of the Company	Country Of Incorporation	% of Ownership interest as on 31 st Mar' 14
Dewas Bhopal Corridor Limited *	India	50%

* Un-audited accounts (as furnished by the management of the Company) as at 31st March 2014 is taken into consideration for consolidated financial statements.

C). Other Significant Accounting policies:

These are set out under "Significant Accounting Policies" as given in the Company's separate statements

Notes on Consolidated financial statement for the year ended 31st March 2014

	As At 31-03-2014 (Amount in ₹)	As At 31-03-2013 (Amount in ₹)
Note No. 2 SHARE CAPITAL		
AUTHORISED		
4,20,00,000 (Previous Year 4,20,00,000) equity Shares of Rs. 10/- each.	42,00,00,000	42,00,00,000
Issued, Subscribed, & Paid up		
4,00,00,000 (Previous year 4,00,00,000) equity Share of Rs. 10/- each fully paid up.	40,00,00,000	40,00,00,000
	<u>40,00,00,000</u>	<u>40,00,00,000</u>

a OUT OF THE ABOVE SHARES:

- 2353768 Shares are issued on conversion of foreign currency convertible bonds during the year 2007-08
- 4450000 Shares are issued on preferential basis during the year 2007-08
- 17178888 Shares are issued on preferential basis during the year 2010-11

23982656

b. TERMS / RIGHT TO EQUITY SHARES

The company has only one class of equity shares of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

c Shares held by holding Company:

Out of equity shares issued by the Company, shares held by its holding Company are as under:

Name	As At 31-03-2014 No. of Shares	As At 31-03-2013 No. of Shares
Welspun Infratech Limited	24448445	24448445
d Details of the share holders holding more than 5% shares in the Company		
Welspun Infratech Limited	24448445 (61.12%)	24448445 (61.12%)

Name	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
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Note No. 3 RESERVES & SURPLUS

a. Capital Reserves		
Subsidy received from Madhya Pradesh Rajya Setu Nirman Nigam Limited against Build, Operate and Transfer Projects.		
As per the Previous Year Balance Sheet	1,23,37,29,840	1,23,37,29,840
Subsidy received from Gujarat State Road Development Corporation against Build, Operate and Transfer Projects as per the previous year Balance Sheet		
As per the Previous Year Balance Sheet	3,16,50,000	3,16,50,000
b. Security Premium Reserve		
As per the Previous Year Balance Sheet	2,88,65,99,786	2,88,65,99,786
c. General Reserves		
As per the Previous Year Balance Sheet	3,21,77,549	3,21,77,549
d. Amalgamation Reserves		
As per the Previous Year Balance Sheet	5,21,12,583	5,21,12,583
e. Surplus in the statement of Profit & Loss		
As per the Previous Year Balance Sheet	57,05,25,090	51,16,23,700
Less: Adjustment Pertaining to previous year *	(1,16,67,408)	-
	<u>55,88,57,682</u>	<u>51,16,23,700</u>
Less: Adjustment Pertaining to previous year *	(61,00,56,340)	58,90,1391
Add: Net Profit / (Loss) for the year	(5,11,98,658)	57,05,25,091
	<u>4,18,50,71,100</u>	<u>4,80,67,94,849</u>

* Unaudited accounts of joint ventures e.g. Dewas Bhopal corridor Limited, for the year ended 31st March 2013 was taken in to consideration for consolidated financial statement, difference between the unaudited accounts for the year ended 31st March 2013 which was taken in to consideration for consolidated financial statements and audited accounts for the above year

Notes on Consolidated financial statement for the year ended 31st March 2014

SECURED	As at 31 March-2014		As at 31 March-2013	
	Non Current	Current	Non Current	Current
Note No. 4 LONG TERM BORROWINGS				
Term Loans from :				
1 HDFC Bank Limited	-	-	-	1,21,403
Secured by Hypothecation Plant & Machineries, Vehicles and Personal Guarantee of some of Directors				
2 Dena Bank	3,70,11,059	6,29,04,000	9,97,38,775	6,29,04,000
Secured by first mortgage and charge on all the Company's capital assets, specific & pertaining to the Hoshangabad - Harda - Khandwa Projects only both present and futures.				
<ul style="list-style-type: none"> - A first Charge on all the revenues / receivable of Hoshangabad-Harda - Khandwa project account of the Company - A First charge on all the intangible assets of the Company including but no limited to Goodwill of the Company pertaining to Hoshangabad - Harda - Khandwa Projects - A first charge on Company's bank accounts including without limitation the trust and retention account (RTA) / Escrow Account and Debt Service Reserve Account to be established by the Company. - A First charge/assignment/security on the Company right under the concession agreement, Project documents Contract and all licence permits approvals consents and insurance policies in respect of the projects. 				
(Repayable within 22 Monthly Installment of Rs. 46.25 Lacs bearing rate of Interest: 12.50%)				
3 Corporation Bank	13,37,72,735	3,36,00,000	17,07,59,894	3,36,00,000
Secured by exclusive first charge by way of hypothecation of entire toll receivable under the Raisen Rahatgarh road Project				
(Repayable within 60 Monthly Installment of Rs.28 Lacs bearing rate of Interest: 12.50%)				
4 Punjab National Bank	-	-	-	1,63,28,785
Secured by Ludhiana & Jalandhar Bus Terminal Projects, and Personal guarantee of some of the directors.				
5 Bank of India	-	-	-	4,80,87,071
Secured by specific Plant & Machineries and second charge on current assets of the Company.				
6 Industrial Development Finance Company Limited	48,42,13,484	5,85,00,000	46,91,32,842	4,68,00,000
Terms of Repayment: 84 Months (Mar-2019)				
<ul style="list-style-type: none"> - Secured by by way of mortgage in favour of IDFC of all moveable properties pertaining to the Dewas Water Supply Projects Presents, futures. - a first charge by ways of the hypothecationb of the all movables including movables including movable plant machinery, machinery spares, tools, & accessories, furniture & fixture, vehicles and all other movable assets pertaining to the project present & future. - First charge of all the book debts, operating, Cash Flows, revenue, receivables of the Company pertaining to the Dewas Water Supply project, present & Future. - Assignment of all rights, title and Interest of the Company in respect of all the assets of the Dewas Water Supply Projects agreement and Contracts including Concession Agreement. - First Charge over the Escrow Account, Debt Service Reserve Account and other Reserve and any Other reserves and any other banks account the Company whreover maintained. - Personal Guarantee of the Directors of the Company/ (Repayable within 56 Monthly Installment of Rs. 49 Lacs bearing rate of Interest: 10.30%) 				
7 State Bank of India	-	-	-	90,99,324
First Charge on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the Himmatnagar bypass project and on assignement of all receivable / revenue of the projects.				

Notes on Consolidated financial statement for the year ended 31st March 2014

SECURED	As at 31 March-2014		As at 31 March-2013	
	Non Current	Current	Non Current	Current
First charge on Company bank accounts from the Himmatnagar bypass projects including the Trust and Retention account / Escrow Account and Debt Service Reserve Account (Debt Service Reserve account to be maintained in the form either Bank Guarantee of the First Charges / Assignment Security Interest on the Company's right under the concession Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Himmatnagar Bypass Projects)				
Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Himmatnagar Bypass road Projects noting the interest of the lenders.				
First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Himmatnagar Bypass Projects.				
First charge on all the revenue / receivable and projects accounts of the Company.				
8 State Bank of India	29,90,19,385	2,67,00,000	7,72,12,118	1,32,00,000
First Charge over on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the respective projects and on assignment of all the receivable / revenue of the projects.				
First charge on Company's bank accounts from the Kim Mandvi projects including the Trust and Retention account / Escrow Account and Debt Service Reserve Account /Maintenance Reserve Account or such other account to be opened as directed by the bank.				
First Charge / Assignment Security Interest on the Company's right under the concession Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Kim Mandvi Projects)				
Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Kim Mandvi Projects noting the interest of the lenders.				
First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Kim Mandvi Projects.				
9 Term Loan for DEWAS BHOPAL CORRIDOR PRIVATE LIMITED	1,59,32,96,004	6,43,75,000	1,42,31,22,307	24,23,00,000
* Secured by 1st pari passu charge with other term lenders on All rights (including step in charge) of the project covered by Tri-partite agreement that has been signed by company with MPRTC (Madhya Pradesh Road Development Corporation).				
First charge on Assignment of Toll Collection rights along with Escrow on Future Toll Collection.				
Charge on Debt Service Reserve Account proposed to be created Hypothecation of all Movable, tangible & intangible, receivable, cash & investment & monies lying in trust & retention account				
Further secured by personal guarantee of Directors & Corporate Guarantees of Welspun Projects Limited & Chetak Enterprises Limited.				
Further secured by pledge of Equity Shares of the company equivalent to 51% of the subscribed and paid up capital of the company for a period up to 36 Months from Commercial Operation Date.				
Thereafter, and subject to satisfactory performance of the project and also satisfaction of lenders, the pledged shares shall aggregate 30% of the paid up capital of the company until the currency of the loan.				
FCNRB US \$ 50 MILLION from State Bank of India	-	-	-	13,61,00,000
14 State Bank of India	-	-	-	5,71,48,887
First Charge over on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the respective projects and on assignment of all the receivable / revenue of the projects.				

Notes on Consolidated financial statement for the year ended 31st March 2014

SECURED	As at 31 March-2014		As at 31 March-2013	
	Non Current	Current	Non Current	Current
First charge on Company's bank accounts from the Kon Sawle Dand Phata projects including the Trust & Retention account / Escrow Account and Debt Service Reserve Account /Maintenance Reserve Account or such other account to be opened as directed by the bank.				
First Charge / Assignment Security Interest on the Company's right under the concession				
Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Kim Mandvi Projects)				
Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Kim Mandvi Projects noting the interest of the lenders.				
First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Kim Mandvi Projects.				
UN-SECURED				
From Related Parties				
Chetak Enterprises Limited		14,19,37,088		8,80,75,000
Bull MSK Infrastructure P Ltd				81,00,561
	<u>2,54,73,12,667</u>	<u>38,80,16,088</u>	<u>2,23,99,65,936</u>	<u>76,18,65,031</u>

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 5 DEFERRED TAX LIABILITY (NET)		
Deferred Tax Assets		
Retirement Benefits	69,44,201	10,45,227
Provision for Bad Debts	7,93,83,196	1,75,36,349
Shares of Joint Ventures	4,04,97,000	3,91,78,000
Impairment of Assets	-	21,86,336
Carry Forward Losses and absorbed depreciation	9,74,26,970	5,85,94,029
	<u>22,42,51,367</u>	<u>11,85,39,940</u>
Deferred Tax Liabilities		
Depreciation	12,93,85,033	13,92,78,814
Bonus Payable	(62,287)	34,383
	<u>12,93,22,746</u>	<u>13,93,13,197</u>
DEFERRED TAX (ASSETS) / LIABILITIES (NET)	<u>(9,49,28,621)</u>	<u>2,07,73,257</u>
Deferred Tax Assets	11,57,01,878	
Less : Difference between the unaudited and Audited account of Dewas Bhopal Corridor Ltd	<u>13,69,000</u>	
	<u>11,43,32,878</u>	

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No.6 LONG TERM PROVISIONS		
Provision for the Employees Benefits		
Provision for Gratuity	1,93,17,431	88,06,764
	<u>1,93,17,431</u>	<u>88,06,764</u>

Notes on Consolidated financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 7 SHORT TERM BORROWINGS		
SECURED		
Working Capital Loan		
1. Corporation Bank	31,01,41,778	41,46,70,543
Secured by hypothecation of the entire stocks & book debts of the Company.		
Bearing rate of interest @12.35%		
2. Idbi Bank Limited	-	25,68,02,827
Secured by hypothecation of the entire stocks & book debts of the Company.		
3. Punjab National bank	-	1,73,07,290
Secured by hypothecation of the entire stocks & book debts of the Company.		
UN-SECURED		
From Holding Company: Welspun Infratech Limited		
	-	7,74,96,246
	31,01,41,778	77,91,15,386

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 8 TRADE PAYABLE		
Trade Payable	54,69,44,627	82,08,06,492
	54,69,44,627	82,08,06,492

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 9 OTHER CURRENT LIABILITIES.		
1. Current Maturity of Long Term Debts	38,80,16,088	76,18,65,031
2. Interest Accrued but not dues on long term borrowing	1,84,07,055	25,43,78,05
3. Statutory Liabilities	3,67,89,292	5,21,23,800
4. Security Deposits Payable	8,40,26,934	5,79,62,686
5. Advance from Customers	6,34,31,365	7,10,15,647
6. Other Payable *	-	5,41,46,862
7. Advance received against sale of shares of joint venture	-	5,30,00,000
	59,06,70,734	1,06,27,13,351

* Represents amount payable to third parties in respect of their fixed deposits against which the Company has taken loan from Corporation Bank. The said fixed deposits encashed by the bank by crediting loan account

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 10 SHORT TERM PROVISIONS.		
Provision for the Employees Benefits		
1. Provision for Leave Benefits	1,19,62,476	31,97,910
	1,19,62,476	31,97,910

Notes on Consolidated financial statement for the year ended 31st March 2014

Note no. 11 Fixed Assets

Sr	Fixed Assets	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
		As on 01-04-2013	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31-03-2014	ADDITION DURING YEAR	DEDUCTION DURING YEAR	AS ON 31-03-2014	AS ON 31-03-2013
Tangible Assets									
1	Free hold Land *	14044390	0	0	14044390	0	0	14044390	14044390
2	Buildings	4852609	0	0	4852609	147729	1508266	3344343	3492072
3	Plant & Machineryes **	501531903	9767316	112497442	398801777	26807551	72090277	148764262	206211662
4	Construction Equipments	238898234	420169	0	239319403	14760788	145061378	94258024	108598644
5	Air-Conditioners	1569132	67850	0	1636982	86602	1071472	565310	584262
6	Vehicles **	206820399	1364561	62825741	145159219	8789023	54685726	18740694	34305172
7	Computers	14031823	372899	0	14404722	1177200	12381490	2023232	2827533
8	Office Equipments **	9636165	2414674	45551	12005288	3978909	1047629	6978750	5657256
9	Furniture & Fixtures	6350160	326733	0	6676893	326618	4566332	2110560	2112446
10	Realisation Value of Impaired Assets	800000	0	0	800000	0	0	800000	800000
SUB TOTAL - (A)		998335815	14734201	175368734	837701282	53145140	126776003	291629766	378633437
Intangible Assets									
11	Good Will	1701592		1701592	-	-	-	-	1701592
12	Good Will on Consolidation	264956868			264956868			264956868	264956868
13.	Build operate & Transfer Project								
	Expenditure - (Toll Collection right)								
a.	Hoshanagabad-Harda- Khandwa Projects	970660788	6107214		976768002	86873964	640730549	336037453	416804203
b.	Raisen Rahatgarh Projects	720352316	349689		720702005	73565356	391722277	328979728	402195395
c.	Jalandhar Bus Terminal Project	188877689			188877689	36576235	188877689	0	36576235
d.	Ludhiana Bus Terminal Project	194313456			194313456	25628285	141477397	52836059	78464344
e	Dewas Water Supply Project	1190956828			1190956828	61489387	61489387	1129457441	1129457441
f	Himmatnagar Bypass P Ltd	84447460			84447460	10806105	52029143	32418317	43224422
g	Kim Mandvi Corridor P Ltd	511346287	3150255		514496542	16431596	52409607	462066935	475368276
h	Dewas Bhopal Road Projects	2721867548			2721867548	51303733	271163179	2450704369	2502008102
i	Bul WSK Projects Ltd	103421865		103421865	0	42116599	0	0	61305266
SUB TOTAL - (B)		6952902697	9607158	105123457	6857386398	301185273	42116599	5057477170	54120662144
Intangible Assets under development									
	Build operate & Transfer Project								
	Expenditure -Toll Collection right								
f.	Hoshanagad-Harda-Khandwa	2200140		2200140	-	-	-	-	2200140
g.	Dewas Water Supply Project	168341788	88967859		257309647	-	-	257309647	168341788
	SUB TOTAL - (C)	170541928	88967859	2200140	257309647	-	-	257309647	170541928
	TOTAL - (A+B+C)	8121780440	113309218	282692331	7952397327	354330414	168892602	5606416583	5961237509
	PREVIOUS YEAR	8036326782	122622359	37368700	8121780441	1491285125	15625307	2160542932	5961237509

*Includes Rs. 27.40 Lacs (Rs. 84.50 Lacs) being plot of land situated in M.P. purchased from ex-directors of the Company in earlier years for which legal documents are yet to be executed.

**Addition to fixed assets includes assets transfer from Leighton Welspun Contractors Private Limited in respect of Mohali projects.

Notes on Consolidated financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 12 NON CURRENT INVESTMENT		
LONG TERM INVESTMENT		
TRADE, (UNQUOTED)		
Investment in subsidiaries		
Nil (P.Y. 11503485) Equity shares in Leighton Welspun Contractors Pvt Ltd of Rs. 10/- each fully paid up	-	1,15,03,48,500
NON-TRADE (UNQUOTED)		
1500 (P.Y. 1500) Equity Shares in Sarv Shakti Synthetics Limited of Rs. 10/- each fully Paid up	15,000	15,000
30000 (P.Y. 30000) Equity Shares in Myraj Consultancy Limited of Rs. 10/- each fully paid up	3,00,000	3,00,000
500 (P.Y. 500) Equity shares in MSK Finance Limited of Rs. 100/- each fully paid up	50,000	50,000
48 (P.Y. 48) Equity shares in Nutan Nagrik Sahakari Bank Limited of Rs. 100/- each fully paid up.	4,800	4,800
37652 (P.Y. 37652) Equity shares in Baroda Peoples Co-Op. Bank Limited of Rs. 10/- each fully paid up	3,76,521	3,76,521
63 (P.Y. 63) Equity shares in Baroda City Co-Op. Bank Limited of Rs. 50/- each fully paid up	3,150	3,150
1000 (P.Y. 1000) Equity shares in Classic Organisers Private Ltd of Rs. 10/- each fully paid up	10,000	10,000
960 (P.Y. 960) Equity shares in Sindh Mechantile Co-Op. Bank Ltd of Rs. 10/- each fully paid up	9,600	9,600
7400 (P.Y. 7400) Equity shares in Minar Trading Services Limited of Rs. 10/- each fully paid up.	74,000	74,000
	8,43,071	1,15,11,91,571
Less: Provision for diminution in value of investments	(74,000)	74,000
	7,69,071	1,15,11,17,571
Investment in Government Securities		
Indira Vikash Patra	500	500
Three (P.Y. Three) Bonds of Rs. 10,00,000/- Sardar Sarovar Narmada Nigam Limited	30,00,000	30,00,000
NON-TRADE (QUOTED)		
1600 (P.Y. 1600) Equity Shares in Corporation Bank Of Rs. 10/- each fully Paid Up	1,28,000	1,28,000
TOTAL	38,97,571	1,15,42,46,071
Particulars		
Amount of quoted investment	31-03-2014 1,28,000	31-03-2013 1,28,000
Amount of un-quoted Investment	38,43,571	1,15,41,92,071
Amount of Market Value of Quoted Investments	4,43,040	6,26,400
Provision for diminution in value of Investments	(74,000)	74,000

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 13 OTHER CURRENT ASSETS		
UN-AMORTISED EXPENDITURE		
Balance as per last financial year	4,17,961	5,53,911
Less: Deduction During the year	9,525	9,525
	4,08,436	5,44,386
Less: Preliminary Expense Wrt. Off	1,56,380	1,56,380
	1,56,380	1,56,380
	2,52,056	3,88,006
TOTAL	2,52,056	3,88,006

Notes on Consolidated financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 14 LONG TERM LOAN & ADVANCES: (unsecured considered good, stated other wise)		
Security Deposits		
Considered Good	99,68,539	2,08,06,127
Considered Doubtful	47,52,410	65,97,112
	1,47,20,949	2,74,03,239
Provision for Doubtful Debts	47,52,410	65,97,112
	99,68,539	2,08,06,127
Loans & Advances to Related Parties	15,18,59,267	13,25,64,288
Tax Deducted At Source / Advance Tax (Net Of Taxation)	17,26,55,461	18,26,71,603
MAT Credit Entitlement	79,00,000	79,00,000
TOTAL	34,23,83,266	34,39,42,018
Debts due by Private Companies in which Directors of the Company is a Director		
Name of the Companies	Amount 31-03-2014	Amount 31-03-2013
BUL MSK Infrastructure P Limited	-	3,51,69,546
Dewas Bhopal Corridor P Ltd	15,18,44,923	8,33,55,000
Welsun Corp. Limited	-	37,390
MSK Projects (Kim Mandvi corridor P Ltd)	-	1,00,42,457
MSK Projects (Himmatnagar Bypass) (P) Limited	-	39,45,735
Welsun BOT Projects (P) Ltd	1,530	12,830
Welsun Natural Resources P Ltd	-	300
Anjar Road Private Limited	-	1,530
Welsun Steel Limited	12,814	-
Welsun Steel Resources P Ltd	-	19,800
	15,18,59,267	13,25,84,588

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 15 CURRENT INVESTMENTS:		
NON-TRADE (UN - QUOTED)		
Investment in Bonds		
NIL (P.Y. 145) Bonds of Cholanmandalam P.P. @12.70% of Rs.1000000/- each fully paid up.	-	14,96,55,507
NIL (P.Y. 90) Bonds of REC 2018 @8.70% of Rs.1000000/- each fully paid up.	-	9,00,85,808
NIL (P.Y. 150) Bonds of L&T Finance Ltd @9.80% of Rs.1000000/- each fully paid up.	-	15,39,06,575
NIL (P.Y., 1960) Bonds of IFCI Deep Discount Bond of Rs.25000/- each fully paid up.	-	19,16,85,000
15% Alike IFMR Capital 2014	1,40,24,193	-
50 (P.Y. Nil) Bonds of India Infrastructure Fin Co. 30/08/2028 @ 8.46% of Rs.1000000/- each fully paid up.	5,19,54,276	-
7(P.Y. Nil) Bonds of Tata Sons Ltd 2024 (13/01/2024) @9.74% of Rs.1000000/- each fully paid up.	70,67,246	-
118 (P.Y. Nil) Bonds of Cholanmandalam P.P. 14/12/2012 @ 12.70% of Rs.1000000/- each fully paid up.	12,21,87,868	-
16 (P.Y. Nil) Bonds of L&T Finance Ltd 21/12/2022 @ 9.80% of Rs.1000000/- each fully paid up.	1,64,12,405	-
97(P.Y. Nil) Bonds of REC 31/05/2023 @8.06% of Rs.1000000/- each fully paid up.	10,34,44,246	-
3320 (PY Nil) Bonds of IFCI 05/11/2027 @ 9.90% of Rs.25000/- each fully paid up.	8,73,36,238	-
50 (P.Y. Nil) Bonds of IRFC 26/03/2029 @ 8.63% of Rs.1000000/- each fully paid up.	50,17,36,438	-
TOTAL	90,41,62,912	58,53,32,890

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 16. INVENTORIES:		
Raw Material	5,87,72,323	14,81,65,882
TOTAL	5,87,72,323	14,81,65,882

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 17 TRADE RECEIVABLES. (Unsecured, Considered good, stated other wise)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	10,34,59,262	86,58,49,758
considered doubt ful	22,79,04,224	4,08,52,989
	33,13,63,486	90,67,02,748
Less: Provision for doubt ful debts	22,79,04,224	4,08,52,989
	10,34,59,262	86,58,49,758
Other Receivable:		
Considered good	36,55,19,922	2,26,96,093
considered doubt ful	1,72,36,210	80,12,746
	38,27,56,132	3,07,08,839
Less: Provision for doubtful receivable	1,72,36,210	80,12,746
(Debts due by related parties refer note no. 36)	36,55,19,922	2,26,96,093
TOTAL	46,89,79,184	88,85,45,852

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note no. 18. CASH & BANK BALANCES		
Cash on hand	1,24,54,991	1,75,12,107
Balance With Bank:		
- In current accounts	9,41,76,740	18,80,14,987
- In fixed deposits accounts *	6,18,59,721	7,50,03,243
TOTAL	16,84,91,452	28,05,30,337

* Includes fixed deposits of Rs.355.80 Lacs pledge with MPRDC Ltd as maintenance deposits

Notes on Consolidated financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 19. SHORT TERM LOANS & ADVANCES. (unsecured, considered good, stated other wise))		
Inter Corporate Deposits	50,44,30,410	35,63,69,343
Advance to Supplier		
Considered good	8,28,63,948	12,57,75,534
Considered doubtful	70,10,703	26,40,818
	8,98,74,651	12,84,16,352
Less: Provision for Doubtful Debt	70,10,703	26,40,818
	8,28,63,948	12,57,75,534
Advance for Capital Purchase	51,500	51,500
Interest accrued on fixed deposits	81,65,391	39,89,075
Other Advance *	6,47,84,348	0
Pre-Paid Expenses	78,00,673	46,37,508
Advance to Staff & Others	28,90,767	35,59,807
Balances with Statutory Authorities	7,51,46,095	6,61,24,679
	74,61,33,131	56,05,07,445

* Other advance includes advances to Welspun Infratech Limited, a holding Company Rs. 3.47 Crores & amount due from ex-promoter of the Company Rs. 3.00 Crores

	As at 31 March-2014 (Amount in ₹)	As at 31 March-2013 (Amount in ₹)
Note No. 20 OTHER CURRENT ASSETS:		
Work In Progress	21,70,03,707	21,92,77,936
TOTAL	21,70,03,707	21,92,77,936

	For the Year ended 31.3.2014 (Amount in ₹)	For the Year ended 31.3.2013 (Amount in ₹)
Note No. 21 REVENUE FROM OPERATIONS:		
Revenue from Operations:		
Civil Contracts	1,66,47,05,713	2,14,53,04,463
Sales of Traded Goods	2,78,19,513	24,77,25,488
Consultancy charges received	3,37,42,025	-
Toll Collection	73,95,12,597	72,89,58,374
Total (a)	2,46,57,79,848	3,12,19,88,325
Other Operating Revenue		
Income from Transfer of Business *	-	1,07,92,49,055
Sales of Scrap	70,50,437	1,23,45,071
Total (b)	7,05,0437	1,09,15,94,126
Revenue From Operations (Gross)	2,47,28,30,285	4,21,35,82,451
Less: Service Tax	3,83,55,838	5,09,02,699
Revenue From Operations (Net)	2,43,44,74,447	4,16,26,79,752
20.1 Particulars of Sales of traded goods		
Electric Material	1,21,84,974	17,17,64,731
Mechanical Material	10426628	7,10,10,048
Bare Pipes	5207911	24,63,289
Other Materials	-	24,87,420
	2,78,19,513	24,77,25,488

Notes on Consolidated financial statement for the year ended 31st March 2014

	For the Year ended 31.3.2014 (Amount in ₹)	For the Year ended 31.3.2013 (Amount in ₹)
Note No. 22 OTHER INCOME		
Interest		
From Current Investment	2,68,37,078	2,42,30,726
From Long Term Investment	6,34,76,119	8,77,09,621
Dividend		
From Current Investment - Mutual Fund	1,16,21,322	1,08,17,323
From Long Term Investment	37,600	32,800
Insurance claim received	65,05,415	57,43,958
Unclaim liabilities/Provision written back	2,75,000	5,289,439
Profit on sales of Stake in BUL MSK Infrastructure P Ltd	5,11,24,201	-
Profit on sales of Current Investment	21,22,974	57,85,588
Profit on sales of fixed assets	1,94,84,137	-
Interest on Income Tax Refund	35,55,287	36,24,851
unpaid Liabilities written back on Settlement with ex-promoters of the Company	5,41,46,862	-
Amount received on Settlement with ex-Promoters of the Company	8,00,00,000	-
Miscellaneous income	2,88,736	-
TOTAL	31,94,74,731	14,32,34,305

22.1 Profit on sales of Stake in BUL MSK Infrastructure P Ltd

Pursuant to agreements dated. 03-12-2012, 31-12-2012 and 26-07-2013 entered in to between Welspun Projects Limited, Welspun Infra Projects Private Limited and Bharat Udyog Limited, the Company has sold its 50% Share holding in BUL-MSK Infrastructure Private Limited, (a Joint Venture Company). Gain of Rs. 5,71,91,997/- on sales of the said share holding is shown as Profit on sales Company's stake in BUL MSK Infrastructure Private Limited.

22.2 Amount received on Settlement with ex-Promoters of the Company

On settlement of dispute between Welspun Infra tech Limited, Welspun Projects Limited and ex-promoters of the Welspun Projects Limited (Formerly known as MSK Projects (India) Limited) and pursuant to the consent terms filed before honourable justice during January 2014 claim of Rs. 8,00,00,000/- received / receivable from ex-promoters of the Company has been treated as income and shown as above.

Amount of Rs. 5,41,46,862/- being unpaid liabilities not payable in pursuant to said agreement to third parties in respect of their fixed deposits against which the ex-promoters of the Company has taken loan from Corporation bank has been written back and shown as income and shown as above.

	For the Year ended 31.3.2014 (Amount in ₹)	For the Year ended 31.3.2013 (Amount in ₹)
Note No. 23 - COST OF RAW MATERIAL CONSUMED:		
Inventories at the beginning of the year	14,81,65,882	20,68,33,681
Add: Purchase	58,63,74,682	1,49,25,61,582
	73,45,40,564	1,69,93,95,263
Less: Inventories at the end of the year.	5,87,72,323	14,81,65,882
TOTAL	67,57,68,241	1,55,12,29,381
23.1 Cost of materials consumed		
Particulars	2013-14 % of Consumption	2012-13 % of Consumption
-Imported	-	-
-Indigenous	675768241 100%	1551229381 100%



Notes on Consolidated financial statement for the year ended 31st March 2014

	For the Year ended 31.3.2014 (Amount in ₹)	For the Year ended 31.3.2013 (Amount in ₹)
Note No. 24. PURCHASE OF TRADED GOODS		
Purchases	2,02,02,208	14,51,21,704
Total	2,02,02,208	14,51,21,704

24.1 Particulars of Purchase of traded goods.

Name of products	Amount 2013-14	Amount 2012-13
Bare Pipes	32,99,527	20,11,602
Electric Material	1,03,98,368	10,63,07,628
Mechanical Material	65,04,313	3,46,60,395
Others		21,42,079
TOTAL	2,02,02,208	14,51,21,704

	For the Year ended 31.3.2014 (Amount in ₹)	For the Year ended 31.3.2013 (Amount in ₹)
Note No. 25 CHANGE IN WORK- IN- PROGRESS.		
Opening Stock		
Work in Progress	21,92,77,936	19,42,32,515
Transfer from Leighton Welspun Contractors P Ltd in respect of Mohali Projects	18,84,79,131	-
	40,77,57,067	19,42,32,515
Less: Closing Stock		
Work in Progress	21,70,03,707	21,92,77,936
TOTAL	-19,07,53,360	2,50,45,421

	For the Year ended 31.3.2014 (Amount in ₹)	For the Year ended 31.3.2013 (Amount in ₹)
Note No. 26. EMPLOYEES REMUNERATION & BENEFITS		
Salaries, Wages	25,94,39,289	29,89,41,657
Contribution to Provident Funds & Other Funds	1,90,33,637	2,05,08,689
Staff Welfare Expense	72,24,793	1,18,44,441
TOTAL	28,56,97,719	33,12,94,787

	For the Year ended 31.3.2014 (Amount in ₹)	For the Year ended 31.3.2013 (Amount in ₹)
Note No. 27. FINANCE COST.		
Interest Expense	35,49,23,402	42,43,34,375
Other Borrowing Cost	3,55,35,885	4,82,73,943
Foreign Exchange Loss	64,00,079	11,62,517
	39,68,59,366	47,37,70,835

	For the Year ended 31.3.2014 (Amount in ₹)	For the Year ended 31.3.2013 (Amount in ₹)
Note No. 28. DEPRECIATION AND AMORTISATION:		
- Depreciation	5,31,45,141	6,76,66,788
- Amortization of the BOT Assets	30,11,85,273	61,72,16,325
- Preliminary Expenses Wrt. Off	1,56,380	1,56,380
TOTAL	35,44,86,794	68,50,39,492

Notes on financial statement for the year ended 31st March 2014

	For the Year ended 31.3.2014 (Amount in ₹)	For the Year ended 31.3.2013 (Amount in ₹)
Note No. 29. OTHER EXPENSE		
Power & Fuel	1,24,01,783	3,35,18,420
Insurance	88,42,603	1,28,26,074
Rent	1,04,34,312	1,93,26,810
Rates & Taxes	6,73,35,424	12,37,51,389
Consultancy Charge	2,76,97,020	4,47,55,146
Project Monitoring Fees	87,98,428	76,16,924
Project Maintenance Fees	53,90,109	32,48,542
Tender Fees	32,64,757	18,17,359
Travelling Expense	1,10,98,857	1,82,26,588
Vehicle Hire Charge	52,97,023	77,34,667
Security Service charge	87,14,458	89,91,002
Value of asset discarded	17,01,592	5,87,098
Payment to Auditors		
- Audit Fees	16,53,320	14,46,853
- Other Services	1,68,200	2,39,500
Repairs & maintenance for		
Machineries	57,01,319	1,56,96,827
Vehicles and Others	45,90,861	2,79,33,740
Road	6,84,25,809	4,10,65,445
Provision for Bad Debts	19,87,99,882	15,98,95,479
Bad Debts	-	2,02,73,302
Loss on sales of Fixed Assets	12,17,467	8,29,713
Air Conditioning Work	-	38,200
Bituminous Work	-	1,21,66,013
Civil Work	79282741	4,40,17,838
Concrete Work	8381548	1,43,39,497
Doors & Windows Work	-	53,61,925
Donation	303411	4,752
Earth Work	2,69,14,500	4,59,37,414
Fabrication Expense	1,18,33,950	1,24,93,680
Flooring Work	-	50,81,007
Pollution control exp	-	1,04,000
Machineries Hire Charges	68,91,795	1,48,22,593
Masonry Work	-	1,84,87,538
Miscellaneous Site Work	13,58,47,802	3,64,28,291
Land Scaping	-	3,42,329
Painting Work	14,30,031	3,76,09,362
Payment to Site Workers	6,28,98,061	9,16,07,267
Pipe Laying Work	-	7,26,03,375
Reinforcement Work	-	1,79,22,639
Road Work	31,84,23,708	6,54,97,339
Safety Expense	8,332	46,822
Sanitary Work	29,855	35,330
Shuttering Work	2,57,09,455	3,71,48,247
Toll plaza Work	22,42,313	17,03,609
Water Proofing Work	-	59,05,456
Penalty Charge	1,000	40,900
Crash Barrier	-	11,72,145
Water Harvesting work	-	12,420
Miscellaneous Expenditure	35060246	2,50,29,199
TOTAL	1,16,67,91,967	1,11,57,40,065

30). **CONTINGENT LIABILITIES AND COMMITMENTS:**

Rs. In Lacs

		As At 31-03-14	As At 31-03-13
a.	Claims against the Company / Disputed Liabilities not acknowledged as debts	263.63	505.79
b.	Guarantee issued by the bankers on behalf of the Company	4622.48	11113.92
c.	Guarantee given by the company to bankers for the facilities granted.	36410.61	34212.56
d.	Income tax Demand disputed by the Company	5069.59	1107.31
e.	Service Tax Demand disputed by the Company	463.74	-
f.	Liabilities of stamp duty in respect of joint Venture Company	426.74	426.74
g.	Liability of Labour cess in respect of Joint Venture Company	345.44	477.84

31) Security Deposits and retention money deducted from contract receipt are subject to confirmation and adjustment, if any, on finalization of account.

32) **Build, Operate & Transfer Projects (BOT Projects)**

The Company obtained a contract on Build, Operate and Transfer (BOT) basis from the Madhya Pradesh State Industrial Development Corporation (MPSIDC) for execution of Dewas Water Supply project.

In terms of contract the ownership of the said property vests in the government immediately. Under the contract the Company is entitled to collect the water supply charge during the concession period of 32 years including the period of construction or reconstruction.

In earlier year the Company finished the construction and obtained the provisional certificate for commissioning and started operations. However the Company could not achieve the optimal capacity and was advised to complete the project to achieve the desired and specified results by MPSIDC as also to expand the capacity and to under take reconstruction and completion

Accordingly the Company has undertaken reconstruction and completion of the project so as to achieve the desired capacity as also increase the capacity for supply of water from BOT Project.

Having regard to the accounting policies followed by the Company, the entire expenditure incurred thereon (net of revenue for supply of water) is shown as Build, Operate and Transfer project expenditure and would be amortized / written off based on the projected toll revenue during the balance concession period.

In the prior financial year(s) the Company had written off, operational and maintenance expenses including interest. However due to reconstruction and completion under taken, the Company has discontinued that practice from the year 2011-12.

33) The Company is operating in a single segment only during the year i.e. Infrastructure Development Contract.

34) **Disclosure in accordance with Accounting Standard – 7 (Revised).**

Particulars	2013-14	2012-13
Contract Revenue	25757.31	75213.51
Contract Cost Incurred	25545.07	68944.84
Recognized Profits / Losses	1217.89	6268.67
Advances Received	348.03	778.71
Retention Money	1199.76	5356.09
Gross Amount due from Customers For Contract Work	1101.30	4667.50

35) **Disclosure relating to Employees Benefits – As per revised AS-15:**

During the year Company has recognized the following amount in the financial statements.

a) Contribution to Defined Contribution Plan recognized as Expense for the year as under:

Particulars	
Employer Contribution to Provident Fund	178.48
	(201.43)

b) The Company has estimated its liability for the staff gratuity for the current year and made necessary provision in the books of accounts.

36) Transaction with related parties (as certified by the management)

a. Associate Concern:

- Welspun Max Steel Limited
- Welspun Steel Limited
- Welspun India Limited
- Welspun Retails Limited
- Welspun Captive Power Generation Limited

b. Holding / Indirect Holding Company

- Welspun Corp. Limited (up to 24th Jan 2014)
- Welspun Infratech Limited
- Welspun Enterprise Limited

c. Key Management

Name	Position
B.K. Goenka	Chairman
Sandeep Garg	Managing Director
Rajesh R Mandawewala	Director

Rs. In Lacs			
Sr	Transaction with Related Parties	Holding Company	Associate Company Key Management
1	Sales / Income from operations	1368.16 (3529.81)	5591.19 (5511.41)
2	Other Income	- (-)	- (115.37)
2	Material Purchase	282.28 (342.54)	947.24 (1599.87)
3	Reimbursement of Expense	11.88 (-)	64.01 (147.58)
4	Mobilization Advance Received	7.73 (-)	1011.91 (135.00)
5	Mobilization Advance Repayment	393.11 (174.91)	673.17 (106.53)
6	Loan given	- (-)	150.00 (3300.00)
7	Loan Received	387.60 (757.08)	1.01 (66.92)
8	Repayment of Loan Received	37.30 (469.04)	0.95 (66.92)
9	Repayment of loan given	- (-)	150.00 (3300.00)
10	Sales of Shares.	8100.00 (-)	- (-)
11	Remuneration to the Directors	- (-)	- (-)
12	Receivable at the end of the year	217.58 (800.60)	434.26 (1015.87)
13	Payable at the end of the year	23.93 (1775.46)	376.51 (469.93)

37) Based on the expert's opinion taken by the Company, subsidy of Rs.126,53,79,840/- (Previous Year Rs.126.53.79.840/-) received from Madhya Pradesh Rajya Setu Nirman Nigam Limited, and Gujarat State Road Development Corporation against the Build, Operate and Transfer projects expenditure is in the nature of promoter contribution and accordingly treated as Capital Reserve in the books of account of the Company.

38) Earnings per share:

	2013-14	2012-13
A. Net profit/ (loss) after Tax available for equity shareholders.	(610056340)	5,89,01,391
B. Weighted average number of Equity Shares of Rs.10/- each outstanding during the year (Nos. of Shares)	40000000	40000000
C. Basic & Diluted Earnings Per Share (Rs.)	(15.25)	1.47



- 39) Confirmations of certain parties for amounts due from them as per accounts of the company are not obtained. Amount due from customers include amounts due/with held on account of various claims. The claims will be verified and necessary adjustments, if any, shall be made in the year of settlement. Subject to this, company is confident of recovering the dues and accordingly they have been classified as "debt considered good" and therefore no provision is considered necessary, there against.
- 40) Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act") which came into force effective from 2nd October, 2006, certain disclosures relating to amounts due to micro, small and medium enterprises and remained unpaid after the appointed date etc. of principal and interest amounts are required to be made. The Company is in the process of compiling the relevant information. As the relevant information is not yet readily available and / or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may Subsequently become payable to such enterprise in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.
In the absence of the necessary information with the Company relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act' 2006, the information required under the said Act could not be compiled and disclosed.
- 41) In the opinion of the Directors, Current Assets, Loans and Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 42) In respect of Joint controlled entities, the Company's Assets, Liabilities, Income and Expenditure of the Joint Venture companies/Company's are as follows.

Sr		31-3-2014 (Amount in Rs.)	31-3-2013 (Amount in Rs.)
I.	EQUITIES AND LIABILITIES		
1.	Shareholders' Funds		
a.	Reserves and Surplus	353188204	351,987,038
2.	Non Current Liabilities		
a.	Long Term borrowings	1593296004	1423122307
b.	Deferred tax liabilities (Net)	-	(39128000)
3.	Current Liabilities		
a.	Trade Payable	3054032	38489324
b.	Other Current Liabilities	222097967	555486886
	TOTAL	2171636207	2329957555
II.	ASSETS:		
1.	NON CURRENT ASSETS		
a.	Fixed Assets		
i.	Tangible Assets	4256592	2812428
ii.	Build, Operate & Transfer Project Expenditure	2715618301	2828270236
	Deferred tax assets (Net)	40497000	-
b.	Long Term Loan & Advances	1807478	38250362
c.	Other Non Current Assets	-	10100
2.	CURRENT ASSETS		
a.	Trade Receivable	-	8913119
b.	Cash & Cash Equivalent	47273396	53726440
c.	Short Loan & Advances	664739	6426886
	TOTAL	2810117506	2938409571
III.	INCOME	358150344	368685377
IV.	EXPENDITURE	341064795	383670308

43) Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.

FOR & ON BEHALF OF THE BOARD

CHARTERED ACCOUNTANTS

(H.B.SHAH)

PARTNER

MEMBERSHIP NO. 16642

CHAIRMAN

(B.K.GOENKA)

MANAGING DIRECTOR

(SANDEEP GARG)

PLACE: VADODARA

DATE : 21-05-2014

COMPANY SECRETARY

(NILESH JAVKER)

WELSPUN PROJECTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & exceptional items	(34,82,77,885)	2,87,63,214
Depreciation	5,31,45,141	67666788
Preliminary Expense	1,56,380	165905
Amortisation of BOT Cost	30,11,85,273	617216325
Deferred Tax	(13,89,431)	-
Finance Cost	39,68,59,366	473770836
Loss On Sale of Fixed Assets	12,17,467	(829713)
Provision for Bad-Debts	19,87,99,882	20273302
Bad Debts	-	159895479
Profit on Sale of Investments	(21,22,974)	(5785588)
Profit on sale of Stake in BUL MSK Infrastructure P Ltd (Joint Venture)	(5,11,24,201)	-
Profit on Sale of fixed assets	(1,94,84,137)	-
Provision for Leave Encashment & Gratuity	2,25,27,255	3197910
Unclaimed liabilities Written back	(5,44,21,862)	-
Intangible Assets Written Off	17,01,592	-
Dividend received	(37,600)	(32800)
Operating Profits before Working Capital changes	49,87,34,266	1364301658
Adjustment for:		
Inventory & WIP	9,16,67,788	33622378
Trade & Other Receivables	(2,04,12,926)	180689246
Trade Payables & Provisions	(69,47,34,643)	567128881
	(62,34,79,781)	781440505
Cash generated from Operations before Tax & Exceptional Item	(12,47,45,515)	2145742163
Less: Direct Taxes	(1,00,16,143)	(30138176)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(11,47,29,372)	2175880339
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,47,34,201)	(14675052)
Sale of Fixed Assets	17,92,88,868	10358190
Sales of Investment	81,17,89,363	(1679258173)
Purchase of Investment	(31,88,30,022)	-
BOT expenditure incurred during the Year	(9,63,74,877)	(95932391)
Dividend Received	37,600	32800
NET CASH USED IN INVESTING ACTIVITIES	56,11,76,731	(1779474626)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Loan during the Year	(16,16,26,878)	(276439771)
Interest paid	(39,68,59,366)	(473770,836)
NET CASH FROM FINANCING ACTIVITIES	(55,84,86,244)	(75,02,10,607)
Net changes on Cash & Cash Equivalents (A+B+C)	(11,20,38,885)	(35,38,04,894)
Cash & Cash Equivalents - Opening Balance	28,05,30,337	63,43,35,231
Cash & Cash Equivalents - Closing Balance	16,84,91,452	28,05,30,337
	(11,20,38,885)	(35,38,04,894)

As per our report of even date
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Firm registration number: 101676W
CHARTERED ACCOUNTANTS

For & On Behalf Of The Board of
WELSPUN PROJECTS LIMITED

(H. B. Shah) - Partner
Membership No. 16642

(B. K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Nilesh Javkar)
Company Secretary

Place: Vadodara
Date : 21-05-2014

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

Rs. In Lacs

Name of the subsidiary company	MSK Projects (Himmatnagar) Bypass P Ltd	MSK Projects (Kim Mandvi Corridor) Private Ltd	Anjar Road Private Limited
Financial Year of the subsidiary ended on	31-Mar-14	31-Mar-14	31-Mar-14
Share Capital	24.20	673.00	1.00
Reserves & Surplus	382.80	(43.93)	-
Total Assets (Fixed Assets + Investments + Current Assets)	418.43	5,020.08	1.25
Total Liabilities (Debts + Current Liabilities)	11.43	4,391.01	0.31
Investment (excluding investments in subsidiaries)	-	-	-
Turnover	292.46	419.27	-
Profit before Taxation	14.05	(398.67)	-
Provision for Taxation	2.68	-	-
Profit after Taxation	11.37	(398.67)	-
Proposed Dividend	-	-	-

AS PER OUR REPORT OF EVEN DATE
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & COMPANY
CHARTERED ACCOUNTANTS
REGISTRATION NO. 101676W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
WELSPUN PROJECTS LIMITED

H.B. SHAH - PARTNER
MEMBERSHIP NO. 016642

B. K. Goenka
Chairman

Sandeep Garg
Managing Director

Nilesh Javker
Company Secretary

Welspun Infra Projects Private Limited

Directors' Report

To,
The Members,
Welspun Infra Projects Private Limited

Your Directors have pleasure in presenting their 6th Annual Report and audited statement of accounts for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

During the year under review the Company sold its entire shareholding in Leighton Welspun Contractors Private Limited (LWIN) for the aggregate consideration of Rs.619.38 crores. The Company earned other income of Rs.62.49 crores, major part of which has arisen from LWIN stake sale. After writing off preoperative expenses of Rs.52.61 crores, the Company incurred loss of Rs.14.10 crores.

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 2014.

PUBLIC DEPOSITS

The Company has not accepted any Public Deposits pursuant to the provisions of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 and Reserve Bank of India Rules, if any.

DIRECTORS

None of the directors are liable to retire by rotation as per the provision of Articles of Association.

AUDITORS

M/s. Sureka Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

Since the Company is not a manufacturing unit the above particulars are not applicable.

PARTICULARS OF EMPLOYEES

No employee of the Company comes under the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1988.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that they had:

- followed in the preparation of annual accounts, the applicable accounting standards and given proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- prepared the accounts on a going concern basis.

For and on behalf of the Board

Place: Mumbai
Date: 21st May 2014

Devendra Patil
Director

Abhishek Mandawewala
Director



Welspun Infra Projects Private Limited

INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Infra Projects Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Welspun Infra Projects Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order:

As required by section 227(3) of the Act, 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 purpose of 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

PLACE: Mumbai
DATE: 21.05.2014

Suresh Sureka - PARTNER
Membership No. 34132

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (5) of our report of even date to the members of Welspun Infra Projects Private Limited on the accounts for the year ended 31st March, 2014

1. (a) The Company has no Fixed Assets. Hence, sub clause (b) & (c) are not applicable.
2. (a) The Company did not have any inventories. Hence, the question of physical verification and records thereof does not arise.
3. (a) The Company has not granted any loans, secured or unsecured, to any company, firm or other parties covered in the register maintained under section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest and overdue amounts are not applicable.
(b) The Company has not taken any secured / unsecured loans from any company, firm or other parties covered in the register maintained under Section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, no major weaknesses were noticed in the internal control system in respect above areas.
5. According to the information and explanation given to us, there is no contract or arrangement the particulars of which are required to be entered into the register in pursuance of section 301 of the Act.
6. The Company has not accepted any deposit from the Public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the company.
9. (a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues with the appropriate authorities.
(b) Based on our audit procedures and according to the information and explanations given to us, there are no undisputed arrears of statutory dues which has remained outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
10. In our opinion and according to the information and explanation given to us the Company's accumulated losses at the end of the year are not more than fifty percent of its net worth and company has not incurred cash losses in financial year covered by audit and in immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the Company does not have any borrowing from Bank / financial institution. Hence, the question of default does not arise.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi or Mutual Benefit fund/ Society and therefore the requirements pertaining to such class of Company are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loans during the year.
17. According to the information and explanation given to us by the management and on an overall examination of the balance sheet of company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. In our opinion and according to the information and explanations given to us, the Company has not issued debentures for which any security or charge needs to be created.
20. The Company has not made any public issues during the year and therefore, the question of disclosing the end use of money does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

PLACE: Mumbai
DATE: 21.05.2014

Suresh Sureka - PARTNER
Membership No. 34132

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14

Welspun Infra Projects Private Limited
BALANCE SHEET AS AT 31 MARCH 2014

All amounts in Indian Rupees

	Notes	As at 31 March-2014	As at 31 March-2013
EQUITY & LIABILITIES			
Share Holders' Funds			
a) Share Capital	1	10,06,00,000	10,06,00,000
b) Reserves and Surplus	2	2,27,09,32,173	2,41,20,00,000
Non-Current Liabilities			
Long Term Borrowing	3	-	2,81,60,00,000
Current Liabilities			
a) Other Current Liabilities	4	4,21,192	53,61,342
b) Short Term Provisions	4	84,77,141	-
TOTAL EQUITY AND LIABILITIES		2,38,04,30,506	5,33,39,61,342
ASSETS			
Non-current assets			
(a) Capital Work-in-Progress	5	-	52,61,05,963
(b) Non Current Investments	6	100	4,78,78,04,994
Current assets			
(a) Current Investments	7	2,32,05,91,089	-
(b) Cash and Cash Equivalents	8	5,88,39,844	2,00,50,385
(d) Other Current Assets	9	9,99,473	-
TOTAL ASSETS		2,38,04,30,506	5,33,39,61,342
Significant Accounting Policies	A		
The accompanying notes are an integral part of the financial statements			

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Sd/-
Abhishek Mandawewala
Director

Sd/-
Devendra Patil
Director

Place: Mumbai
Date: 21.05.2014

Place: Mumbai
Date: 21.05.2014

Welspun Infra Projects Private Limited

Statement of Profit and Loss for the year ended March 31st, 2014

All amounts in Indian Rupees

	Notes	For the Year ended 31 March-2014	For the Year ended 31 March-2013
I. Other Income	10	62,49,90,746	-
Total Revenue		62,49,90,746	-
II. Expenses:			
Financial Costs	11	23,08,85,142	-
Preoperative expenses written off	5	52,61,05,963	-
Other Expenses	12	15,67,468	-
Total Expenses		75,85,58,573	-
III. Profit/(loss) before tax (I - II)		(13,35,67,827)	-
IV. Tax expense:			
(1) Current tax		75,00,000	-
(2) Deferred tax		-	-
V. Profit/(Loss) for the period (III-IV)		(14,10,67,827)	-
VI. Net Profit/(Loss) Carried to B/Sheet		(14,10,67,827)	-
VII. Earning per equity share:			
(1) Basic		(14.02)	-
(2) Diluted		(14.02)	-
Significant Accounting Policies	A		
The accompanying notes are an integral part of the financial statements			

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Sd/-
Abhishek Mandawewala
Director

Sd/-
Devendra Patil
Director

Place: Mumbai
Date: 21.05.2014

Place: Mumbai
Date: 21.05.2014

Welspun Infra Projects Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

A. SIGNIFICANT ACCOUNTING POLICIES**i) Basis of Accounting**

- a) The financial statements have been prepared under the historical cost convention on going concern basis and in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act 1956 ('the Act').
- b) Welspun Infra Projects Private Limited (the Company) follows the mercantile system of accounting.

ii) Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting standards) Rules, 2006, (as amended) and the relevant provision of the Companies Act, 1956 read with general circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of the financial statement are consistent with those of previous year.

iii) Use of Estimates

The preparation of 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 of the date of financial statements. Actual results could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

iv) Fixed Assets

- a) Fixed assets are stated at original cost of acquisition net of accumulated depreciation.
- b) All direct expenses attributable to fixed assets are capitalized.
- c) Capital Work In Progress includes preoperative expenditure and is stated at the amount incurred up to the date of Balance Sheet.

v) Depreciation

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Act.

vi) Investments

- a) Investments intended to be held for more than a year, from the date of acquisition, are classified as long term and are carried at cost. Provision for diminution in value of investments is made to recognize a decline other than temporary.
- b) The cost includes cost of investment plus charges such as brokerage, fee, duties, and reduced by pre-acquisition dividends.

vii) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

viii) Foreign currency translation

Foreign currency transactions and balances

a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



Welspun Infra Projects Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

b Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c Exchange Difference

Other than specific requirements of Accounting Standard 11, generally exchange differences are recognised as income or expense in the period in which they arise.

	March 31, 2014 Amount	March 31, 2013 Amount
B. NOTES TO ACCOUNTS		
1 SHARE CAPITAL		
AUTHORISED		
11,000,000 (Previous Year: 11,000,000) Equity Shares of Rs. 10/- each	11,00,00,000	11,00,00,000
Issued, Subscribed, & Paid up		
10,060,000 (Previous Year: 10,060,000) Equity Shares of Rs. 10/- each	10,06,00,000	10,06,00,000
Total Issued, Subscribed and fully paid up Share Capital	<u>10,06,00,000</u>	<u>10,06,00,000</u>

a Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting. In the event of Liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	March 31, 2014 No. Amount	March 31, 2013 No. Amount
b Reconciliation of shares outstanding at the beginning and at the end of the period		
At the beginning of the period	1,00,60,000 10,06,00,000	1,00,60,000 1,00,60,000
Issued during the period	- -	- -
Outstanding at the end of the period	<u>1,00,60,000 10,06,00,000</u>	<u>1,00,60,000 1,00,60,000</u>

	March 31, 2014 Amount	March 31, 2013 Amount
c Shares held by holding/ultimate holding company and/or their subsidiaries/associates		
Welspun Infratech Limited	10,06,00,000	6,03,60,000
10,060,000 (Previous Year: 6,036,000) Equity Shares of Rs. 10/- each fully paid		

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14

Welspun Infra Projects Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	March 31, 2014		March 31, 2013	
	No.	% Holding	No.	% Holding
d Details of shareholders holding more than 5% shares in the Company				
Welspun Infratech Limited, the holding company	1,00,60,000	100%	60,36,000	60%
Welspun Infra developers Private Limited			40,24,000	40%

	March 31, 2014 Amount	March 31, 2013 Amount
2 Reserves and Surplus		
Securities Premium account		
Balance b/f/d	2,41,20,00,000	2,41,20,00,000
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	-	-
Add: Profit / (Loss) for the year	(14,10,67,827)	-
Closing balance	(14,10,67,827)	-
Total Reserves and Surplus	2,27,09,32,173	2,41,20,00,000

	March 31, 2014 Amount	March 31, 2013 Amount
3 Long Term Borrowing		
<i>Secured</i>		
Term Loan from Standard Chartered Bank	-	2,25,00,00,000
<i>Unsecured</i>		
Optionally Convertible Debentures	-	56,60,00,000
Nil (Previous Year: 5660) Optionally Convertible Debentures (OCD) of Rs. 100,000 each		
Total Long Term Borrowing	-	2,81,60,00,000

Terms of Loan:

Term loan was taken during the financial year 2011-12 and carries interest @ 12.15% p.a. upto April 2012 and onwards carried interest @ 12.31%. Interest rate reset annually on April 28. The entire loan is repayable in one instalment at maturity after 5 years from date of drawdown. The loan is secured by first and exclusive charge on all Fixed and Current Assets of the Company, unconditional irrevocable guarantee from Welspun Infra Developers Private Limited, pledge of 30% equity shares of the Company (18% held by Welspun Infratech Limited and 12% by Welspun Infra Developers Private Limited)

Terms of Optionally Convertible Debentures (OCD)

The Company has outstanding Rs. 566,000,000 (Previous Year: Rs. Nil) by way of 5,660 (Previous Year: Nil) Optionally Convertible Debentures (OCD) of Rs. 100,000 each. No interest to be paid from the date of allotment till March 31, 2013 and there after for 24 months from April 2013. However, interest @ 11% p.a. to be payable annually from 25th month onwards until redemption, with redemption premium of 5%. The above OCD is fully subscribed by Welspun Infratech Limited, the holding company. The holding company has the option to convert OCDs into equity shares at any time within 3 years on following basis:

- If conversion on before 1st anniversary, the equity share shall be issued at a discount of 10% to fair market value (FMV).
- If conversion after 1st anniversary but on or before 2nd anniversary the equity share shall be issued at a discount of 15% to fair market value (FMV).
- If conversion is after 2nd anniversary but on before 3rd anniversary the equity share shall be issued at a discount of 20% to fair market value (FMV).
- If conversion not opted within 3 years, then the OCDs shall be redeemed at 5th anniversary.

The Company may also redeem the OCD, in part or full, before the 5th anniversary.

During the year, the Company has redeemed the aforesaid debentures on demand of WITL.

Welspun Infra Projects Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	March 31, 2014 Amount	March 31, 2013 Amount
4 a Other Current Liabilities		
Creditor for Expenses	-	47,84,086
TDS payable	1,21,092	22,060
Share Application Money pending allotment (refer note below)	-	5,55,196
Other Liability	3,00,100	-
Total Other Current Liabilities	4,21,192	53,61,342
Note: Shares will be issued against the application money on such terms as may be agreed by the board from time to time		
b Short Term Provisions		
Provision for tax	75,00,000	-
Other provisions for expenses	9,77,141	-
	84,77,141	-

	March 31, 2014 Amount	March 31, 2013 Amount
5 Capital Work-in-Progress (Pre operative expenses)		
Opening balance	52,61,05,963	25,07,68,928
Professional Fees	-	4,48,101
Registration and Filing Fees	-	2,040
Interest on Loan	-	27,61,14,562
Demat Charges	-	13,483
Bank Charges	-	1,075
Audit Fees	-	26,047
Miscellaneous Expenses	-	-
Sub total	52,61,05,963	52,73,74,237
Less: Incidental income	-	-
Interest received	-	-
Dividend received on Mutual Fund Investments	-	12,68,274
Less :- Charged to Statement of Profit & Loss	52,61,05,963	-
Total Capital Work-in-Progress	-	52,61,05,963

	March 31, 2014 Amount	March 31, 2013 Amount
6 Non Current Investments		
Trade Investments		
<u>Unquoted Equity Instruments</u>		
<i>Investment in subsidiaries</i>		
Welspun Energy Transportation Private Limited	-	1,00,000
Nil (Previous Year: 10,000) Equity Shares of Rs. 10/- each fully paid up	-	-
Welspun Water Infrastructure Private Limited	-	1,00,000
Nil (Previous Year: 10,000) Equity Shares of Rs. 10/- each fully paid up	-	-
ARSS Bus Terminus Pvt Ltd	100	-
10(NIL) Equity shares of Rs. 10 each fully paid	-	-
<i>Investment in joint venture</i>		
Leighton Welspun Contractors Private Limited (formerly Leighton Contractors (India) Private Limited)	-	4,78,76,04,994
Nil (Previous Year: 49,656,709) Equity Shares of Rs. 10/- each fully paid up	-	-
Total Non Current Investments	100	4,78,78,04,994

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14
Welspun Infra Projects Private Limited

Annexed to and forming part of financial statements for the year ended March 31st, 2014

(All amounts in Indian rupees)

	March 31, 2014 Amount	March 31, 2013 Amount
7 Current investments		
Other current investments (At lower of cost and fair value, unless otherwise stated):		
Investment in Mutual Funds:	7,36,50,000	-
(388,552.038 Units - ICICI Prudential Liquid Regular plan - Growth - Market value is Rs 73751451)		
Investment in Bonds (fully paid up)		
10.25% Rajasthan State Tran.Corp	1,50,00,000	-
15(Nil) Bonds of Rs 10,00,000 each		
11.90% Neelachal Ispat Nigam Ltd	5,00,00,000	-
50(Nil) Bonds of Rs.10,00,000 each		
7.50% WSPF 09/09/2020	19,30,56,000	-
1920 (Nil) Bonds of Rs. 1,00,000 each		
7.93% PGC 20/05/2022	4,95,00,000	-
50 (Nil) Bonds of Rs. 10,00,000 each		
7.93% PGC 20/05/2023	4,95,00,000	-
50(Nil) Bonds of Rs.10,00,000 each		
8.06% REC 31/05/2023	9,00,00,000	-
90(Nil) Bonds of Rs.10,00,000 each		
8.80% FCI 22/03/2028	7,88,98,400	-
73(Nil) Bonds of Rs.10,00,000 each		
8.82% REC 12/04/2023	2,41,00,000	-
25(Nil) Bonds of Rs.10,00,000 each		
9.18% NPCIL 23/01/2025 - Bond	44,26,40,000	-
400(Nil) Bonds of Rs.10,00,000 each		
9.18% NPCIL 23/01/2026 - Bond	11,06,60,000	-
100(Nil) Bonds of Rs.10,00,000 each		
9.18% NPCIL 23/01/2027	27,66,50,000	-
200(Nil) Bonds of Rs.10,00,000 each		
9.18%NPCIL 23/01/2029	22,13,20,000	-
200(Nil) Bonds of Rs.10,00,000 each		
9.45% GSPC 01/10/2022	2,87,70,000	-
28(Nil) Bonds of Rs.10,00,000 each		
9.48% PNB 31/01/2024	2,09,28,599	-
21(Nil) Bonds of Rs.10,00,000 each		
9.85% Reliance Cap.28/03/2023	20,46,60,000	-
200(Nil) Bonds of Rs.10,00,000 each		
9.95% FCI 07/03/2022	15,23,55,000	-
150(Nil) Bonds of Rs.10,00,000 each		
9.85% Andhra Pradesh State Fin .Corp	19,70,00,000	-
Accrued interest on bonds	4,19,03,090	-
Total Current Investments	2,32,05,91,089	-
Aggregate book value of investments	2,32,05,91,089	
Aggregate market value of investments	2,33,49,46,000	
	March 31, 2014 Amount	March 31, 2013 Amount
8 Cash and Cash Equivalents		
Balances with banks:		
- On current accounts	5,88,39,844	2,00,50,385
Total Cash and Cash Equivalents	5,88,39,844	2,00,50,385

Welspun Infra Projects Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	March 31, 2014 Amount	March 31, 2013 Amount
9 Other Current Assets		
Tds receivable	32,473	-
Other receivables	9,67,000	-
Total Other Current assets	9,99,473	-

	March 31, 2014 Amount	March 31, 2013 Amount
10 Other Income		
Interest Income - Bond	2,00,57,195	-
Dividend on Mutual Fund	70,14,233	-
Profit on Sale of Bond	17,34,433	-
Profit on Sale of Mutual Fund	11,479	-
Profit on Sale of LWIN Stake (refer note C -1)	59,61,73,406	-
Total Other Income	62,49,90,746	-

	March 31, 2014 Amount	March 31, 2013 Amount
11 Finance Costs		
Interest on SCB - Loan	22,48,29,301	-
Other borrowing cost	60,55,841	-
Total Finance Costs	23,08,85,142	-

	March 31, 2014 Amount	March 31, 2013 Amount
12 Other Expenses		
Demat Charges	11,236	-
Legal Exps.	2,700	-
Audit fees	40,000	-
Professional & Consultancy Fees	15,11,602	-
Registration & Filing Fees	1,930	-
Total Other Expenses	15,67,468	-

C Other Notes

- The Company has entered into Share Purchase Agreement (SPA) with Leighton International Limited on December 24, 2010 for acquiring 35% equity shares on April 28, 2011 in Leighton Contractors (India) Private Limited ("LCPL"), an Indian unit of Leighton Holdings at a total consideration of Rs. 4,700,000,000/- payable in two tranches of Rs. 4,300,000,000/- at the time of closing and Rs. 400,000,000/- deferred payment upon achievement of EBITDA Target by LCPL. LCPL was subsequently rechristened as Leighton Welspun Contractors Private Limited ("LWIN"). Pursuant to the SPA, LWIN has achieved the EBITDA Target and hence the Company has also paid the second tranche of Rs. 400,000,000/- on August 30, 2011. With this, the total investment by the Acquirer in LWIN stands at Rs. 4,700,000,000/-. During the previous year, the Company has received Rs 22,935,571/- from Leighton International Limited on March 28, 2013 as indemnity towards customs duty payment pursuant to aforesaid SPA. The same has been reduced from the carrying value of investment as the aforesaid indemnities are in the nature of adjustment towards the acquisition cost of investment in LWIN. During FY 2013-14, the Company purchased WPL's 7.5% post dilution shareholding in LWIN pursuant to share purchase agreement between Company & WPL for Rs. 81 Crores along with related obligations. Further, on 7th February 2014, the Company sold its entire 39.88% shareholding in LWIN to Leighton International Limited ("LIL") for an agreed consideration of Rs. 619.38 crore and extinguishing all its rights and replacement obligations under transaction documents. Pursuant to the sale, the Company has made a profit of Rs. 59.62 Crores.

2 Related Party Disclosures

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14

Welspun Infra Projects Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

As per Accounting Standard 18, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

a Related parties where control exists

Holding Company	Welspun Infratech Limited ('WITL')
Ultimate Holding Company	Welspun Enterprises Limited ('WEL')
Subsidiaries	Welspun Water Infrastructure Private Limited ('WWIPL') Welspun Energy Transportation Private Limited ('WETPL')
Joint Venture	Leighton Welspun Contractors Private Limited (formerly Leighton Contractors (India) Private Limited) ('LWIN') (ceased to be Joint venture w.e.f. from Feb 7, 2014).

b Related parties with whom transaction have taken place during the year

Holding Company	Welspun Infratech Limited ('WITL')
Ultimate Holding Company	Welspun Enterprises Limited ('WEL')
Joint Venture	Leighton Welspun Contractors Private Limited (formerly Leighton Contractors (India) Private Limited) ('LWIN') (ceased to be Joint venture w.e.f. from Feb 7, 2014).
Fellow subsidiaries	Welspun Projects Limited ('WPL')
Associate Company	Welspun Infra Developers Pvt Ltd. ('WIDPL')
Co - Venturer	Leighton International Limited ('LIL')

3 Details of dues to Micro, Small and Medium Enterprises

There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2014. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

4 Segment Reporting

The Company is engaged in one business segment i.e. infrastructure development. The Company is operating in a single geographical segment i.e. India.

5 Previous Year figures are regrouped, rearranged or recast wherever considered necessary.**As per our report of even date**

For Sureka Associates

Chartered Accountants

Firm Registration No.: 110640W

Suresh Sureka - Partner
 Membership Number 34132

Place: Mumbai
 Date: 21.05.2014

For and on behalf of Board of Directors

Sd/-
Abhishek Mandawewala
 Director

Sd/-
Devendra Patil
 Director

Place: Mumbai
 Date: 21.05.2014

Welspun Infra Projects Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

2 (c) Related Party Disclosures

Particulars	WEL*	WITL	WIDPL	LWIN	WETPL	WWIPL	WPL	LIL
Transactions during the year								
Proceeds from share application money	-	22,01,84,725	-	-	-	-	-	-
Reimbursement of expenses	(-)	(30,90,54,031)	(-)	(-)	(-)	(-)	(-)	(-)
Payment of Reimbursement of expenses	(-)	3,23,103	(-)	(-)	(-)	(-)	(-)	(-)
Amount received towards Indemnity	(5,58,39,375)	(29,035)	(-)	(-)	(-)	(-)	(-)	(-)
Conversion of Share application Money into OCD	(-)	48,70,042	(-)	(-)	(-)	(-)	(-)	(-)
OCD redeemed	(-)	(-)	(2,29,35,571)	(-)	(-)	(-)	(-)	(-)
Allotment of Equity Shares (incl. premium)	(-)	(56,60,00,000)	(-)	(-)	(-)	(-)	(-)	(-)
Share application money refunded	(-)	56,60,00,000	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of LWIN 7.5% stake from WPL	(-)	22,02,39,921	5,00,000	(-)	(-)	(-)	81,00,00,000	(-)
Sale of Equity shares	(-)	(-)	(-)	(-)	(-)	(-)	(-)	6,19,37,78,400
Balances outstanding as at year end								
Equity Share Capital of WITPL	-	1,00,60,000	-	-	-	-	-	-
Share Application money received pending allotment	(-)	(60,36,000)	(40,24,000)	(-)	(-)	(-)	(-)	(-)
Investment in Equity Share Capital	(-)	(55,196)	(5,00,000)	(-)	(-)	(-)	(-)	(-)
Optionally Convertible Debentures	(-)	(-)	(-)	(4,78,76,04,994)	(1,00,000)	(1,00,000)	(-)	(-)
Creditor for expenses/investment	(-)	(56,60,00,000)	(-)	(-)	(-)	(-)	(-)	(-)
	(-)	100	(-)	(-)	(-)	(-)	(-)	(-)
	(-)	(45,46,939)	(-)	(-)	(-)	(-)	(-)	(-)

Figures in bracket represent previous year numbers

*Note :- Transactions for PY were shown with Welspun Corp Ltd. However pursuant to court order on scheme of restructuring now the same are transferred to Welspun Enterprises Limited.

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14
Welspun Infra Projects Private Limited
CASH FLOW STATEMENT

All amounts in Indian Rupees

	2013-14	2012-13
A Cash Flow From Operating Activities		
Net Profit before tax	(13,35,67,827)	-
Adjustments for:		
Dividend Income	(70,14,233)	-
(Profit) / Loss on Sale of Intercompany Shares	(59,61,73,406)	-
(Profit) / Loss on Sale of Bond	(17,34,433)	-
(Profit) / Loss on Sale of Mutual Fund	(11,479)	-
Pre Operative Expenses	52,61,05,963	-
Interest Expenses	23,08,85,142	-
Interest Income	(2,00,57,195)	-
Operating Profit before Working Capital changes	(15,67,468)	-
Changes in working capital :		
Adjustments for Increase/(Decrease) in operating liabilities		
Other current Liabilities	(52,40,250)	-
Short term provisions	9,77,141	-
Cash (used in) / generated from Operations	(58,30,577)	-
Income Taxes paid (including taxes deducted at source)	(32,473)	-
Net Cash (used in) / generated from Operating Activities	(58,63,050)	-
B Cash Flow from Investing Activities		
(Increase)/ Decrease in Capital Work in Progress	-	(33,09,13,959)
Dividend received	70,14,233	-
Indemnity Received	-	2,29,35,571
Proceeds from sale of Investment	6,19,39,78,400	-
Purchase of investment	(81,00,00,000)	-
Profit on sale of Mutual Fund	11,479	-
Investment in Bonds	(2,24,58,73,656)	-
Interest Income	2,00,57,195	-
Net Cash (used in) Investing Activities	3,16,51,87,651	(30,79,78,388)
C Cash Flow from Financing Activities		
Loans repaid during the year	(2,25,00,00,000)	-
Debenture repaid during the year	(56,60,00,000)	-
Proceeds from Share Application Money	-	30,90,54,031
Finance charges	(23,08,85,142)	-
Net Cash (used in) / generated from Financing Activities	(3,04,68,85,142)	30,90,54,031
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	11,24,39,459	10,75,643
Cash & Cash Equivalents at the beginning of the year (See note 1)	2,00,50,385	1,89,74,742
Cash & Cash Equivalents at the end of the year (See note 1)	13,24,89,844	2,00,50,385

Notes:
(1) Cash & Cash Equivalents Reconciliation

Cash on hand and balance with banks		
Cash on hand	-	-
Cheques on hand	-	-
Balances with scheduled banks in :		
- Current account	5,88,39,844	2,00,50,385
- Deposit account	-	-
Less: Bank overdraft		
Short Term Investments (mutual fund)	7,36,50,000	-
Cash & Cash Equivalents	13,24,89,844	2,00,50,385

(2) The above Cash Flow Statement has been prepared under the 'Indirect Method', as set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under Companies (Accounting Standard) Rules.

(3) Cash and Cash Equivalents represent cash and bank balances and short term investments in Mutual Funds which are highly liquid and have an insignificant risk of change in value.

As per our report of even date

For Sureka Associates

Chartered Accountants

Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Sd/-
Abhishek Mandawewala
Director

Sd/-
Devendra Patil
Director

Place: Mumbai
Date: 21.05.2014

Place: Mumbai
Date: 21.05.2014

ARSS Bus Terminal Private Limited

Directors' Report

To,
The Members,
ARSS BUS TERMINAL PRIVATE LIMITED

Your Directors have pleasure in presenting their 4th Annual Report and audited statement of accounts for the year ended 31st March 2014.

FINANCIAL RESULTS

As the company has not started any business activity, the Company has not prepared profit & loss account.

DIVIDEND

Due to absence of business activities during the financial year, the Company has not declared any dividend for the financial year ended on 31st March 2014.

DIRECTORS

Mr. Sandeep Garg, Director of the Company, retires by rotation and offers himself for re-appointment.

AUDITORS

M/s. Sureka Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

Since the Company is a not a manufacturing unit the above particulars are not applicable.

PARTICULARS OF EMPLOYEES

No employee of the Company comes under the purview of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 1988.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a. that in the preparation of the accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the accounts for the financial year ended March 31, 2014 on a 'going concern' basis.

For and on behalf of the Board

Place: Mumbai
Date: 21st May 2014
CIN : U63031OR2010PTC012372

Sandeep Garg
Director (DIN 00036419)

Deepak Chauhan
Director (DIN 01694550)

ARSS Bus Terminal Private Limited

INDEPENDENT AUDITORS' REPORT

To the Members of ARSS Bus Terminal Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of ARSS Bus Terminal Private Limited ("the Company") which comprise the Balance Sheet as at March 31, 2014, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order:

As required by section 227(3) of the Act, we report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
- 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;
- the Balance Sheet, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- in our opinion, the Balance Sheet, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

PLACE: Mumbai
DATE: 21.05.2014

Suresh Sureka - PARTNER
Membership No. 34132

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (5) of our report of even date to the members of ARSS Bus Terminal Private Limited on the accounts for the year ended 31st March, 2014

1. (a) The Company has no Fixed Assets. Hence, Sub-clause (b) and (c) are not applicable.
2. (a) The Company did not have any inventories. Hence, the question of physical verification and records thereof does not arise.
3. (a) The Company has not granted any loans, secured or unsecured, to any company, firm or other parties covered in the register maintained under section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest and overdue amounts are not applicable.
(b) The Company has not taken any secured / unsecured loans from any company, firm or other parties covered in the register maintained under Section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the company and the nature of its business purchase of fixed assets. During the course of our audit, no major weaknesses were noticed in the internal control system in respect above areas.
5. According to the information and explanation given to us, there is no contract or arrangement the particulars of which are required to be entered into the register in pursuance of section 301 of the Act.
6. The Company has not accepted any deposit from the Public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the company.
9. (a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues with the appropriate authorities.
(b) Based on our audit procedures and according to the information and explanations given to us, there are no undisputed arrears of statutory dues which has remained outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
10. The Company has not commenced its commercial operations. As such, the question of losses does not arise.
11. In our opinion and according to the information and explanation given to us, the Company does not have any borrowing from Bank / financial institution. Hence, the question of default does not arise.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi or Mutual Benefit fund/ Society and therefore the requirements pertaining to such class of Company are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loans during the year.
17. According to the information and explanation given to us by the management and on an overall examination of the balance sheet of company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14

19. In our opinion and according to the information and explanations given to us, the Company has not issued debentures for which any security or charge needs to be created.
20. The Company has not made any public issues during the year and therefore, the question of disclosing the end use of money does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

PLACE: Mumbai
DATE: 21.05.2014

Suresh Sureka - PARTNER
Membership No. 34132

ARSS Bus Terminal Private Limited

BALANCE SHEET AS AT 31 MARCH 2014

Notes	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
EQUITY & LIABILITIES		
Share Holders' Funds		
Share Capital	1 18,62,74,510	18,62,74,510
Current Liabilities		
Other Current Liabilities	2 7,22,09,819	7,14,59,759
Total Equity and Liabilities	25,84,84,329	25,77,34,269
ASSETS		
Non-current assets		
Capital Work - In - Progress	3 25,28,55,395	25,23,42,282
Other Non Current Assets	4 11,15,110	11,15,110
Current assets		
Cash and Cash Equivalents	5 42,03,847	39,86,905
Short Term Loans and Advances	6 3,09,977	2,89,972
Total Assets	25,84,84,329	25,77,34,269
Significant Accounting Policies	8	
The accompanying notes are an integral part of the financial statements		

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

Suresh Sureka - Partner
Membership Number 34132

Place: Mumbai
Date: 21.05.2014

For and on behalf of Board of Directors

Sd/-
Deepak Chauhan
Director

Sd/-
Sandeep Garg
Director

Place: Mumbai
Date: 21.05.2014

ARSS Bus Terminal Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

A. CORPORATE INFORMATION

ARSS Bus Terminal Private Limited (the Company) has entered into tripartite agreement with Orissa State Road Transportation Corporation (OSRTC) and ARSS Infrastructure Projects Limited to develop, finance, design, construct, manage, operate and maintain the Bus Terminal facility at Baramunda, Bhubaneshwar in the state of Orissa.

B. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

- a) The financial statements have been prepared under the historical cost convention on going concern basis and in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act 1956 ('the Act').
- b) The Company follows the mercantile system of accounting.

ii) Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Act.

iii) Use of Estimates

The preparation of 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 of the date of financial statements. Actual results could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

iv) Fixed Assets

- a) Fixed assets are stated at original cost of acquisition net of accumulated depreciation.
- b) All direct expenses attributable to fixed assets are capitalized.
- c) Capital Work In Progress includes preoperative expenditure and is stated at the amount incurred up to the date of Balance Sheet.

	As at 31 March-2014 (Amount in Rs.)	As at 31 March-2013 (Amount in Rs.)
C. NOTES TO THE FINANCIAL STATEMENTS		
1 SHARE CAPITAL		
AUTHORISED		
20,000,000 (PY: 20,000,000) Equity Shares of Rs.10/- each	20,00,00,000	20,00,00,000
Issued, Subscribed, & Paid up		
18,627,451 (PY: 18,627,451) Equity Shares of Rs.10/- each	18,62,74,510	18,62,74,510
Total Issued, Subscribed and fully paid up Share Capital	18,62,74,510	18,62,74,510

ARSS Bus Terminal Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	March 31, 2014		March 31, 2013	
	No.	Amount	No.	Amount
a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
At the beginning of the Period	1,86,27,451	18,62,74,510	1,72,72,727	17,27,27,270
Issued during the period	-	-	13,54,724	1,35,47,240
Outstanding at the end of the period	1,86,27,451	18,62,74,510	1,86,27,451	18,62,74,510

b) Terms/right attached to equity shares

"The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting. In the event of Liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders."

	March 31, 2014		March 31, 2013	
	No.	% Holding	No.	% Holding
c) Details of shareholders holding more than 5% shares in the Company				
ARSS Infrastructure Projects Limited	95,00,000	51%	95,00,000	51%
Welspun Infratech Limited	91,27,441	49%	91,27,451	49%
	1,86,27,441	100%	1,86,27,451	100%

	March 31, 2014	March 31, 2013
	Amount	Amount
2 OTHER CURRENT LIABILITIES		
Creditors for Services	1,97,65,351	1,90,28,663
Other Creditors	30,421	-
TDS Payable and Other statutory dues	10,000	27,049
Share Application Money pending allotment (refer note below)	5,24,04,047	5,24,04,047
	7,22,09,819	7,14,59,759

Note: Shares will be issued against the application money on such terms as may be agreed by the board from time to time.

ARSS Bus Terminal Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	March 31, 2014 Amount	March 31, 2013 Amount
3 CAPITAL WORK-IN-PROGRESS (PRE OPERATIVE EXPENSES)		
Opening Balance	25,23,42,282	24,31,22,725
Add: Incurred During the Year		
Business Support Expenses	-	22,81,921
Dmat Charges	24,719	
Salaries and wages	3,25,554	17,43,364
Professional Fees	2,500	22,84,198
Architecture and Consultancy Fees	-	21,33,705
Bank Charges & Commission	942	-
Printing, Stationery & Postage	1,420	-
Interest on TDS	39,200	1,52,624
Telephone / Internet Expenses	4,741	-
Business Development Expenses	-	1,08,891
Office Expenses	-	1,40,983
Travelling and Conveyance	63,537	2,71,811
ROC Filing Fees	500	
Audit Fees	50,000	1,02,060
Total Capital Work-in-Progress	25,28,55,395	25,23,42,282

	March 31, 2014 Amount	March 31, 2013 Amount
4. Other Non Current Assets		
Preliminary expenses	11,15,110	11,15,110
	11,15,110	11,15,110

	March 31, 2014 Amount	March 31, 2013 Amount
5. CASH AND CASH EQUIVALENTS		
Balances with bank:		
- On current accounts	42,03,847	39,86,905
	42,03,847	39,86,905

	March 31, 2014 Amount	March 31, 2013 Amount
6. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
Other loans and advances:		
Balance with Government authorities:	2,89,972	2,89,972
Others advances	20,005	-
	3,09,977	2,89,972

ARSS Bus Terminal Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

D OTHER NOTES

1 Segment Reporting

The Company is engaged in only one business segment i.e. Infrastructure development. The Company is operating in a single geographical segment i.e., India.

2 Related Party Disclosures

As per Accounting Standard 18, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

a) Related parties where control exists	ARSS Infrastructure Projects Limited Welspun Infotech Limited
b) Related parties with whom transaction have taken place during the year	
Investing Party	ARSS Infrastructure Projects Limited
Investing Party	Welspun Infotech Limited
Associate	ARSS Developers Limited

Particulars	ARSS Infrastructure Projects Limited	Welspun Infotech Limited	Welspun Projects Limited	ARSS Developers Limited
Transactions during the year				
Proceeds from share application money	-	-	-	-
	(-)	(1,14,97,240)	(-)	(-)
Refund of share application money	-	-	-	-
	(-)	(-)	(-)	(-)
Business Support Services	-	-	-	-
	(-)	(45,86,965)	(-)	(-)
Allotment of Equity Shares	-	-	-	-
	(-)	(1,35,47,240)	(-)	(-)
Expenses incurred on behalf of the Company	-	4,80,850	3,17,686	-
	(-)	(-)	(-)	(11,97,665)
Payment of Expenses incurred on behalf of the Company	-	-	-	-
	(-)	(32,02,509)	(-)	(5,34,516)
Balances outstanding as at year end				
Equity Share Capital of the Company	9,50,00,000	9,12,74,410	-	-
	(9,50,00,000)	(9,12,74,510)	(-)	(-)
Share Application money received pending allotment	5,19,54,047	4,50,000	-	-
	(5,19,54,047)	(4,50,000)	(-)	(-)
Investment in Equity Share Capital	-	-	-	-
	(-)	(-)	(-)	(-)
Creditor for expenses	-	44,18,409	3,17,686	1,44,51,102
	(-)	(39,37,559)	(-)	(1,44,51,102)

Figures in bracket represent previous year numbers

Note : Related Parties are as disclosed by the Management and relied upon by the auditors.

ARSS Bus Terminal Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

4. Details of dues to Micro, Small and Medium Enterprises

There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2014. This information has been determined to the extent such parties have been identified on the basis of the information available with the Company.

5. As the Company has not commenced the operations, the Statement of Profit and Loss has not been prepared for the year.
6. Previous Year figures are regrouped, rearranged or recast wherever considered necessary.

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

Suresh Sureka - Partner
Membership Number 34132

Place: Mumbai
Date: 21.05.2014

For and on behalf of Board of Directors

Sd/-
Deepak Chauhan
Director

Sd/-
Sandeep Garg
Director

Place: Mumbai
Date: 21.05.2014

Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

CASH FLOW STATEMENT

	2013-14	2012-13
Increase in Capital Work In Progress (CWIP)	(5,13,113)	(89,88,081)
Increase in Current liabilities related to above	7,50,060	-
Advance given	(20,005)	-
Net cash flow from/ (used in) investing activities (A)	2,16,942	(89,88,081)
Cash flows from financing activities		
Proceeds from Share Application (net of refund)	-	1,14,97,240
Net cash flow from/ (used in) in financing activities (B)	-	1,14,97,240
Net increase/(decrease) in cash and cash equivalents (A+B)	2,16,942	25,09,159
Cash and cash equivalents at the beginning of the year	39,86,905	14,77,746
Cash and cash equivalents at the end of the year	42,03,847	39,86,905
Components of cash and cash equivalents		
Cash on hand	-	-
With banks- on current account	42,03,847	39,86,905
Total cash and cash equivalents	42,03,847	39,86,905

Note:

The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 ('AS 3') on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As on date, the bank account of the Company is frozen and hence the aforesaid bank balance can be classified as restricted bank balance as per AS 3.

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

Suresh Sureka - Partner
Membership Number 34132

Place: Mumbai
Date: 21.05.2014

For and on behalf of Board of Directors

Sd/-
Deepak Chauhan
Director

Sd/-
Sandeep Gang
Director

Place: Mumbai
Date: 21.05.2014

WELSPUN NATURAL RESOURCES PRIVATE LIMITED

Directors' Report

To,
The Members,
WELSPUN NATURAL RESOURCES PRIVATE LIMITED

Your Directors have pleasure in presenting the 8th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS

Particulars	For the Financial Year ended on 31.03.2014	For the Financial Year ended on 31.03.2013
Income	158,604,622	244,274
Expenses	159,103,855	28,423
Profit (Loss) Before Tax	(499,233)	215,851
Provision For Tax		
(1) Current Tax	-	66,698
(2) Provision of tax for earlier years	-	289,838
Profit (Loss) After Tax	(4,99,233)	(140,685)

DIVIDEND

Your Directors do not recommend any dividend for the year ended March 31, 2014.

DIRECTORS

Since, the Company is a subsidiary of a public limited Company viz. Welspun Enterprises Limited, Mr. Ashok Jain retires at the 8th Annual General Meeting of the Company, as per the provisions of Companies Act, 1956 and being eligible offers himself for re-appointment.

AUDITORS

M/s. Sureka Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

DEPOSITS

During the year, the company has not received any deposits under the provisions of Section 58A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

Since the Company is not a manufacturing unit the above particulars are not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no Foreign Exchange Earnings and Outgo during the year under review.

COMPLIANCE CERTIFICATE

As required under the provisions of Section 383A of Companies Act, 1956, a Compliance Certificate for the year ended March 31, 2014 has been obtained from Mansi Damania & Associates, Practising Company Secretaries.

PARTICULARS OF EMPLOYEES

As the Company has no employee, no annexure has been set out in the report as per provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 1988.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that they had:

- a. followed, in the preparation of annual accounts, the applicable accounting standards and given proper explanation relating to material departures, if any;
- b. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year for that period;
- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and
- d. prepared the accounts on a going concern basis.

For and on behalf of the Board

Place: Mumbai
Date: June 09, 2014

Devendra Patil
Director

Ashok Jain
Director

WELSPUN NATURAL RESOURCES PRIVATE LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of **Welspun Natural Resources Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Welspun Natural Resources Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order:

As required by section 227(3) of the Act, 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 purpose of 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

PLACE: Mumbai
DATE: 09.06.2014

Suresh Sureka - PARTNER
Membership No. 34132

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (5) of our report of even date to the members of Welspun Natural Resources Private Limited on the accounts for the year ended 31st March, 2014

1. (a) The Company has no Fixed Assets. Hence, Sub-clause (b) and (c) are not applicable.
2. (a) The Company did not have any inventories. Hence, the question of physical verification and records thereof does not arise.
3. (a) The Company has not granted any loans, secured or unsecured, to any company, firm or other parties covered in the register maintained under section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest and overdue amounts are not applicable.
(b) The Company has not taken any secured / unsecured loans from any company, firm or other parties covered in the register maintained under Section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, no major weaknesses were noticed in the internal control system in respect above areas.
5. According to the information and explanation given to us, there is no contract or arrangement the particulars of which are required to be entered into the register in pursuance of section 301 of the Act.
6. The Company has not accepted any deposit from the Public.
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the company.
9. (a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues with the appropriate authorities.
(b) Based on our audit procedures and according to the information and explanations given to us, there are no undisputed arrears of statutory dues which has remained outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
10. The Company does not have accumulated losses at the end of the financial year covered by audit and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the Company does not have any borrowing from Bank / financial institution. Hence, the question of default does not arise.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi or Mutual Benefit fund/ Society and therefore the requirements pertaining to such class of Company are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loans during the year.
17. According to the information and explanation given to us by the management and on an overall examination of the balance sheet of company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. In our opinion and according to the information and explanations given to us, the Company has not issued debentures for which any security or charge needs to be created.
20. The Company has not made any public issues during the year and therefore, the question of disclosing the end use of money does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W**

**PLACE: Mumbai
DATE: 09.06.2014**

**Suresh Sureka - PARTNER
Membership No. 34132**

WELSPUN NATURAL RESOURCES PRIVATE LIMITED

BALANCE SHEET AS AT 31 MARCH 2014

All amounts in Indian Rupees

	Notes	As at 31 March-2014	As at 31 March-2013
EQUITY & LIABILITIES			
Share Holders' Funds			
(a) Share Capital	2	1,87,50,000	1,87,50,000
(b) Reserves and Surplus	3	16,72,10,082	16,77,09,315
		18,59,60,082	18,64,59,315
Non-Current Liabilities			
(a) Long-term borrowings	4	1,92,31,98,636	1,58,35,72,214
Current Liabilities			
(a) Trade Payables	5	1,339	1,35,13,007
(b) Other current liabilities	6	3,02,035	11,23,82,766
		3,03,374	12,58,95,772
TOTAL		2,10,94,62,092	1,89,59,27,301
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Capital Work in Progress		54,26,35,444	24,30,03,339
(b) Non-current investments	7	17,98,65,380	17,98,65,380
(c) Long-term loans and advances	8	1,35,08,94,847	1,45,69,41,528
		2,07,33,95,671	1,87,98,10,247
Current assets			
(a) Cash and cash equivalents	9	43,49,862	2,73,489
(b) Short-term loans and advances	10	3,15,43,913	1,56,46,739
(c) Other Current Assets	11	1,72,646	16,826
		3,60,66,421	1,59,37,054
TOTAL		2,10,94,62,092	1,89,57,47,301

See accompanying notes from 1 to 15 forming part of the financial statements

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

Suresh Sureka - Partner
Membership Number 34132

Place: Mumbai
Date: 09.06.2014

For and on behalf of Board of Directors

Sd/-
Ashok Jain
Director

Sd/-
Devendra Patil
Director

Place: Mumbai
Date: 09.06.2014

WELSPUN NATURAL RESOURCES PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31st, 2014

All amounts in Indian Rupees

	Notes	For the Year ended 31 March-2014	For the Year ended 31 March-2013
I. Income			
Revenue from Operations		-	-
Other Income	12	15,86,04,622	2,44,274
Total Revenue		15,86,04,622	2,44,274
II. Expenses			
Other expenses	13	15,91,03,855	28,423
Total Expenses		15,91,03,855	28,423
III. Profit before exceptional items and tax		(4,99,233)	2,15,851
IV. Add/(Less) : Exceptional items	14	-	-
V. Profit after exceptional items and before tax		(4,99,233)	2,15,851
VI. Tax expense:			
(1) Current tax		-	66,698
(2) Deferred tax		-	-
(3) Provision of tax for earlier years		-	2,89,838
VII. Profit (Loss) for the period from continuing operations		(4,99,233)	(1,40,685)
VIII. Profit/(loss) from discontinuing operations		-	-
IX. Tax expense of discontinuing operations		-	-
X. Profit/(loss) from Discontinuing operations (after tax)		-	-
XI. Profit (Loss) for the period		(4,99,233)	(1,40,685)
XII. Earnings per equity share (Face Value Rs 10 per share):			
1. Basic (In Rupees)		(0.27)	(0.08)
2. Diluted (In Rupees)		(0.27)	(0.08)
Weighted average number of shares used in computing		18,75,000	18,75,000

See accompanying notes from 1 to 15 forming part of the financial statements

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

Suresh Sureka - Partner
Membership Number 34132

Place: Mumbai
Date: 09.06.2014

For and on behalf of Board of Directors

Sd/-
Ashok Jain
Director

Sd/-
Devendra Patil
Director

Place: Mumbai
Date: 09.06.2014

WELSPUN NATURAL RESOURCES PRIVATE LIMITED
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all aspects with the accounting standards notified under section 211 (3c) Companies (Accounting Standards) Rules, 2006, as amended and the other relevant provisions of the Companies Act, 1956.

ii) Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provision of the Companies act, 1956 read with general circular 8/2014 Dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

iii) Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, disclosures of contingent liabilities as of the date of financial statements. Actual result could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

	As at 31 March-2014	As at 31 March-2013
2. NOTES TO ACCOUNTS		
a) SHARE CAPITAL		
AUTHORISED		
20,00,000 (Previous Year 20,00,000) Equity Shares of Rs. 10 each	2,00,00,000	2,00,00,000
Issued, Subscribed, & Paid up		
18,75,000 (Previous Year 18,75,000) Equity Shares of Rs.10 each fully paid up	1,87,50,000	1,87,50,000
Total	1,87,50,000	1,87,50,000

b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

	March 31, 2014		March 31, 2013	
	No.	Amount	No.	Amount
Equity Shares :-				
Balance as at the beginning of the year	18,75,000	1,87,50,000	18,75,000	1,87,50,000
Add: Shares Issued during the year	-	-	-	-
Balance as at the end of the year	18,75,000	1,87,50,000	18,75,000	1,87,50,000

WELSPUN NATURAL RESOURCES PRIVATE LIMITED
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

c) Details in respect of each class in the company held by the holding company and its associates

	March 31, 2014		March 31, 2013	
	No.	% Holding	No.	% Holding
Holding Company :-				
Welspun Enterprises Limited	18,75,000	100	-	-
Welspun Corp Limited	-	-	18,75,000	100
Total	18,75,000	100	18,75,000	100

d) Details of Shareholders holding more than 5% shares of the aggregate shares in the Company

	March 31, 2014		March 31, 2013	
	No.	% Holding	No.	% Holding
Welspun Enterprises Limited	18,75,000	100	-	-
Welspun Corp Limited	-	-	18,75,000	100
Total	18,75,000	100	18,75,000	100

e) The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuring Annual General Meeting.
In the event of Liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at 31 March-2014	As at 31 March-2013
3. Reserves And Surplus		
Reserves :		
Securities Premium Account		
Balance as per last Balance Sheet	16,78,50,000	16,78,50,000
Add: Received during the current period	-	-
	16,78,50,000	16,78,50,000
Profit and Loss Account		
Balance as per last Balance Sheet	(1,40,685)	-
Add: Net Profit/(Net Loss) for the current period	(4,99,233)	(1,40,685)
	(6,39,918)	(1,40,685)
Total	16,72,10,082	16,77,09,315

	As at 31 March-2014	As at 31 March-2013
4. Long-term borrowings		
Loans and Advances from related parties		
Unsecured Loan from Welspun Enterprise Ltd (Holding Company)	1,92,17,79,176	-
Unsecured Loan from Welspun Corp Ltd	14,19,460	1,58,35,72,214
Total	1,92,31,98,636	1,58,35,72,214

WELSPUN NATURAL RESOURCES PRIVATE LIMITED
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	As at 31 March-2014	As at 31 March-2013
5 Trade Payables		
Trade Payables	1,339	1,35,13,007
Total	1,339	1,35,13,007

	As at 31 March-2014	As at 31 March-2013
6 Other Current Liabilities		
Provision for Expenses	67,349	19,663
Interest Payable	-	10,05,93,289
TDS Payable	2,34,686	1,17,69,814
Total	3,02,035	11,23,82,766

	As at 31 March-2014	As at 31 March-2013
7 Non Current Investments		
Trade (unquoted) (Valued at Cost)		
I) Investments In Equity Instruments of Subsidiary Welspun Plastics Private Limited (C.Y.11,28,750 shares of Rs.10/- each) (P.Y.11,28,750 shares of Rs.10/- each)	4,87,50,000	4,87,50,000
II) Investments In Equity Shares of Associate Adani Welspun Exploration Limited (C.Y.34,99,997 shares of Rs.10/- each) (P.Y.34,99,997 shares of Rs.10/- each)	13,11,15,380	13,11,15,380
Total	17,98,65,380	17,98,65,380

	As at 31 March-2014	As at 31 March-2013
8 Long Term Loans and Advances		
(Unsecured, considered good)		
Loans and Advances to Related Parties	1,18,36,09,205	1,28,96,55,886
Interest Receivable	16,72,85,642	16,72,85,642
Total	1,35,08,94,847	1,45,69,41,528

WELSPUN NATURAL RESOURCES PRIVATE LIMITED
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	As at 31 March-2014	As at 31 March-2013
9 Cash and Cash Equivalents		
Balance with Banks		
Balance with Banks - In Current Accounts	43,49,862	2,73,489
Total	43,49,862	2,73,489

	As at 31 March-2014	As at 31 March-2013
10 Short Term Loans and Advances		
Unsecured, considered good		
Security deposits	49,000	-
Advance-Direct Taxes-(Net of Tax Provision)	3,14,94,913	1,56,46,739
Total	3,15,43,913	1,56,46,739

	As at 31 March-2014	As at 31 March-2013
11 Other Current Assets		
Prepaid Expenses	1,72,167	16,826
VAT/ Service tax Receivable	479	-
Total	1,72,646	16,826

	As at 31 March-2014	As at 31 March-2013
12 Other Income		
Other Interest	15,84,81,739	-
Gain on Exchange Difference	1,22,883	-
Interest received on Income Tax Refund	-	2,44,274
Total	15,86,04,622	2,44,274

WELSPUN NATURAL RESOURCES PRIVATE LIMITED
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	As at 31 March-2014	As at 31 March-2013
13 Other Expenses		
Interest receivable (net of TDS) written off	14,26,33,565	-
Filing Fees & Registration Charges	1,785	3,042
Audit Fees	25,000	19,663
Lease Rent	1,52,250	-
Leave & License Fees	7,64,732	-
Legal & Professional Charges	11,07,006	3,343
Bank Charges	29,679	-
Insurance Premium	16,826	-
Interest on Delayed Payment of TDS	39,281	-
Printing & Stationary	1,339	2,375
Repairs and Maintenance	11,12,919	-
Security Charges	87,749	-
Transportation Charges	18,923	-
Water Charges	23,808	-
Preliminary expenses w/o	24,176	-
Bid Expenses	1,93,200	-
Cementing Charges	17,59,458	-
C & F Charges	49,998	-
Civil Consultancy Charges	1,69,379	-
Engineering Works	1,00,63,761	-
Labour Charges	1,99,776	-
Loading Unloading Charges	15,516	-
Mud Engineering Cost	6,12,274	-
Miscellaneous (Others)	1,455	-
Total	15,91,03,855	28,423

	Year ended March 31, 2014	Year ended March 31, 2013
14 Exceptional Items		
Loan written back (Ref Note-3 b)	-	(53,81,98,823)
Loan written off (Ref Note-3 b)	-	53,81,98,823
Total	-	-

15 Other Significant Notes

- In the opinion of the Board the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business and Provision for all the known liabilities have been made in the accounts.
- In the opinion of the Management, investments have been categorised as long term investments. In view of this no provision is made for diminution, if any, in value of investments.
- (a) The Directorate General of Hydrocarbons have served termination notice on the ground that the designated operator in respect of the Block M/s Naftogaz India Pvt Ltd -"NIPL" had allegedly committed misrepresentation by falsely representing itself as the subsidiary of Naftogaz, Ukraine which has 10 % stake in the Block. Adani Group Companies-"Adani"-(55%) and Welspun Natural Resources Private Limited-"Welspun" (35%) together holding 90 % stake in the Block, have contested this notice. The Company has already made representations to the Government expressing its willingness to carry put the activities and to consider the Block as valid and live. Pending a decision from the Government on the representation made by the Company, it has been decided to carry the amount spent on the said block in the balance sheet, till the final outcome.

(b) Adani Welspun Exploration Limited-"AWEL" (joint venture between Welspun Natural Resources Private Limited and Adani Enterprises Limited) had two blocks in Thailand L39/489 and Thailand L22/50. During the period under review, the final liability of Thailand blocks were crystallized and settled after discussion with Directorate of Mineral Fuels, Thailand.
- Related Party Disclosure:-**
As per Accounting Standard 18, the disclosure with related parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year is given below.

Welspun Enterprises Ltd - Holding Company

Welspun Plastics Ltd. - Wholly Owned Subsidiary Company

Note: A Scheme of Arrangement between Welspun Corp Limited ("WCL" or the "Demerged Company") and Welspun Enterprises Limited ("WEL" or a wholly owned subsidiary of WCL or the Resulting Company) and their respective shareholders and creditors (the "Scheme"), providing for inter alia transfer of Other Business undertakings [viz. the infrastructure business (including energy, water, road), the direct reduced iron ore (DRI), EPC contracting, oil and gas business) of WCL to WEL, was approved by the Hon'ble High Court of Gujarat at Ahmedabad on 10 January 2014. The Scheme became effective on 24 January 2014 on filing with the Registrar of Companies and consequently all the assets and liabilities of the Other Business undertakings of WCL are transferred to WEL as on the appointed date 1 April 2012.

Key Management Personnel

Gajendra Nahar	Director
Bharat Thanvi	Director
Devendra Patil	Director
Ashok Jain	Director

	Year ended March 31, 2014	Previous Year ended March 31, 2013
Transaction with Related Parties :		
Other Receivables		
Welspun Plastics Pvt. Ltd.	30,69,32,319	2,85,000
Interest Payable during the year		
Welspun Corp Limited	-	11,17,70,321
Interest Receivable during the year		
Adani Welspun Exploration Ltd.	-	9,45,37,450
Investment In		
Adani Welspun Exploration Ltd.	13,11,15,380	13,11,15,380
Welspun Plastics Pvt. Ltd.	4,87,50,000	4,87,50,000
Loan Given		
Adani Welspun Exploration Ltd.	1,18,36,09,205	1,28,95,50,886
Unsecured Loan Taken		
Welspun Enterprise Limited	1,92,17,79,176	-
Welspun Corp Limited	14,19,460	1,58,35,72,214
	Year ended March 31, 2014	Previous Year ended March 31, 2013
5 Audit Fees		
Audit Fee	25,000	19,663

6 Figures of the Previous periods are reclassified/ rearranged/ regrouped wherever necessary.

7 Other additional information pursuant to Part II of Schedule VI to the Companies Act, 1956 are either Nil or not applicable. The Notes referred to above form an integral part of the Accounts.

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

Suresh Sureka - Partner
Membership Number 34132

Place: Mumbai
Date: 09.06.2014

For and on behalf of Board of Directors

Sd/-
Ashok Jain
Director

Sd/-
Devendra Patil
Director

Place: Mumbai
Date: 09.06.2014

WELSPUN NATURAL RESOURCES PRIVATE LIMITED
CASH FLOW STATEMENT

All amounts in Indian Rupees

	2013-14	2012-13
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and exceptional items	(4,99,233)	2,15,851
Adjustments for:		
Depreciation	-	-
Unrealised exchange difference	-	-
Employees Stock Option Compensation	-	-
Interest income	(15,84,81,739)	-
Unrealised exchange difference income	(1,22,883)	-
Sundry Balance W/o	14,26,33,565	-
Loss on sale of fixed assets	-	-
Operating Profit before working capital changes	(1,64,70,290)	2,15,851
Trade and other receivables	(5,26,39,878)	(46,51,64,193)
Trade and other payables	(12,55,92,398)	2,64,27,590
	(17,82,32,276)	(43,87,36,603)
Cash generated from operations	(19,47,02,566)	(43,85,20,752)
Taxes paid (net)	-	(3,56,536)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(19,47,02,566)	(43,88,77,288)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including Capital Work in Progress)	(29,95,09,223)	(5,48,66,158)
Interest Income	15,84,81,739	-
NET CASH USED IN INVESTING ACTIVITY	(14,10,27,484)	(5,48,66,158)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings (Net)	33,96,26,422	49,33,67,214
NET CASH FROM FINANCING ACTIVITY	3,96,26,422	49,33,67,214
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	38,96,372	(3,76,233)
Cash and cash equivalent Opening balance	2,73,489	6,49,722
Cash and cash equivalent Closing balance	43,49,862	2,73,489

Notes:

The cash flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash flow statements issued by the Institute of Chartered Accountants of India.

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Sd/-
Ashok Jain
Director

Sd/-
Devendra Patil
Director

Place: Mumbai
Date: 09.06.2014

Place: Mumbai
Date: 09.06.2014

Welspun Plastics Private Limited

Directors' Report

To,
The Members,
Welspun Plastics Private Limited

Your Directors have pleasure in presenting their 32nd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS

Particulars	For the Financial Year ended on 31.03.2014	For the Financial Year ended on 31.03.2013
1 Income	--	---
2 Expenditure	14,926	15,883
3 Profit (Loss) before tax	(14,926)	(15,883)
4 Provision for the tax	--	---
5 Profit (Loss) after tax	(14,926)	(15,883)

DIVIDEND

In view of losses incurred by the Company, your Directors do not recommend any dividend for the financial year ended on 31st March, 2014.

PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 and Reserve Bank of India Rules, if any. Hence, no amount on account of principal or interest on public deposit was outstanding on the date of the Balance Sheet.

DIRECTORS

Our company is subsidiary of Welspun Natural Resources Private Limited, which is a subsidiary of a public limited Company viz Welspun Enterprises Limited, therefore according to the provisions of the Companies Act, 1956, Mr. Shrinivas Kargutkar is appointed as additional director of the Company and is eligible for appointment as director at the ensuing annual general meeting. Mr. Mohan Manikkan retires at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment as Director.

AUDITORS

M/s. Sureka Associates, Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments from the Board.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

The provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in report of the Board of Directors) Rules 1988 regarding disclosure of Particulars with respect to Conservation of Energy are not applicable to the Company.

PARTICULARS OF EMPLOYEES

As the Company does not have any employees, it does not come under the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 1988.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that they had:

- a. followed in the preparation of annual accounts, the applicable accounting standards and given proper explanation relating to material departures, if any;
- b. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities; and
- d. prepared the accounts on a going concern basis.

For and on behalf of the Board

Place: Mumbai
Date: June 09, 2014

Shrinivas Kargutkar
Director

Mohan Manikkan
Director

Welspun Plastics Private Limited

INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Plastics Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Welspun Plastics Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order:

As required by section 227(3) of the Act, 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 purpose of 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

PLACE: Mumbai
DATE: 09.06.2014

Suresh Sureka - PARTNER
Membership No. 34132

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (5) of our report of even date to the members of Welspun Plastics Private Limited on the accounts for the year ended 31st March, 2014

1. (a) The Company has no Fixed Assets. Hence, Sub-clause (b) and (c) are not applicable.
2. (a) The Company did not have any inventories. Hence, the question of physical verification and records thereof does not arise.
3. (a) The Company has not granted any loans, secured or unsecured, to any company, firm or other parties covered in the register maintained under section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest and overdue amounts are not applicable.
(b) The Company has not taken any secured / unsecured loans from any company, firm or other parties covered in the register maintained under Section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, no major weaknesses were noticed in the internal control system in respect above areas.
5. According to the information and explanation given to us, there is no contract or arrangement the particulars of which are required to be entered into the register in pursuance of section 301 of the Act.
6. The Company has not accepted any deposit from the Public.
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the company.
9. (a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues with the appropriate authorities.
(b) Based on our audit procedures and according to the information and explanations given to us, there are no undisputed arrears of statutory dues which has remained outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
10. In our opinion, there are no accumulated losses at the end of the financial year hence question of losses being more than fifty per cent of its net worth does not arise and the Company has incurred cash losses in the financial year cover by audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the Company does not have any borrowing from Bank / financial institution. Hence, the question of default does not arise.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi or Mutual Benefit fund/ Society and therefore the requirements pertaining to such class of Company are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loans during the year.
17. According to the information and explanation given to us by the management and on an overall examination of the balance sheet of company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.

19. In our opinion and according to the information and explanations given to us, the Company has not issued debentures for which any security or charge needs to be created.
20. The Company has not made any public issues during the year and therefore, the question of disclosing the end use of money does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

PLACE: Mumbai
DATE: 09.06.2014

Suresh Sureka - PARTNER
Membership No. 34132

Welspun Plastics Private Limited

BALANCE SHEET AS AT 31 MARCH 2014

All amounts in Indian Rupees

	Notes	As at 31 March-2014	As at 31 March-2013
EQUITY & LIABILITIES			
Share Holders' Funds			
(a) Share Capital	2	1,12,87,500	1,12,87,500
(b) Reserves and Surplus	3	3,80,17,168	3,80,32,094
		4,93,04,668	4,93,19,594
Non-Current Liabilities			
(a) Long Term Borrowings	4	34,46,04,989	3,56,63,000
Current Liabilities			
(a) Other Current Liabilities	5	2,11,120	43,320
	TOTAL	39,41,20,777	8,50,25,914
ASSETS			
Non-current assets			
(a) Fixed Assets			
(i) Capital Work in Progress		39,40,30,308	8,48,57,156
Current assets			
(a) Cash and Cash Equivalents	6	90,469	1,30,976
(b) Other Current Assets	7	-	37,782
		90,469	1,68,758
	TOTAL	39,41,20,777	8,50,25,914

See accompanying notes from 1 to 10 forming part of the financial statements

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Sd/-
Shrinivas Kargutkar
Director

Sd/-
Mohan Manikkan
Director

Place: Mumbai
Date: 09.06.2014

Place: Mumbai
Date: 09.06.2014

Welspun Plastics Private Limited

Statement of Profit and Loss for the year ended March 31st, 2014

All amounts in Indian Rupees

Notes	For the Year ended 31 March-2014	For the Year ended 31 March-2013
I. Income		
Revenue from Operations	-	-
Total Revenue	-	-
II. Expenses		
Other expenses 8	14,926	15,883
Total expenses	14,926	15,883
III. Profit/ (Loss) before tax	(14,926)	(15,883)
IV. Tax expense:		
(1) Current tax	-	-
(2) Deferred tax	-	-
V. Profit (Loss) for the period from continuing operations	(14,926)	(15,883)
VI. Profit/(loss) from discontinuing operations	-	-
VII. Tax expense of discontinuing operations	-	-
VIII. Profit/(loss) from Discontinuing operations (after tax)	-	-
IX. Profit (Loss) for the period	(14,926)	(15,883)
XII. Earnings per equity share (Face Value Rs 10 per share): 9		
1. Basic (In Rupees)	(0.01)	(0.01)
2. Diluted (In Rupees)	(0.01)	(0.01)

See accompanying notes from 1 to 10 forming part of the financial statements

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Sd/-
Shrinivas Kargutkar
Director

Sd/-
Mohan Manikkan
Director

Place: Mumbai
Date: 09.06.2014

Place: Mumbai
Date: 09.06.2014

Welspun Plastics Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all aspects with the Accounting Standards notified under Section 211 (3c) Companies (Accounting Standards) Rules, 2006, as amended and the other relevant provisions of the Companies Act, 1956.

ii) Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting standards) Rules, 2006, (as amended) and the relevant provision of the Companies Act, 1956 read with general circular 8/2014 Dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

iii) Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, disclosures of contingent liabilities as of the date of financial statements. Actual result could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

	As at 31 March-2014	As at 31 March-2013
2. SHARE CAPITAL		
a) SHARE CAPITAL		
AUTHORISED		
12,50,000 (Previous Year 12,50,000) Equity Shares of Rs. 10 each	1,25,00,000	1,25,00,000
Issued, Subscribed, & Paid up		
11,28,750 (Previous Year 11,28,750) Equity Shares of Rs. 10 each fully paid up	1,12,87,500	1,12,87,500
Total	1,12,87,500	1,12,87,500

b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

	March 31, 2014		March 31, 2013	
	No.	Amount	No.	Amount
Equity Shares :-				
Balance as at the beginning of the year	11,28,750	1,12,87,500	11,28,750	1,12,87,500
Add: Shares Issued during the year	-	-	-	-
Balance as at the end of the year	11,28,750	1,12,87,500	11,28,750	1,12,87,500

Welspun Plastics Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

(c) Details in respect of each class in the company held by the holding company and its associates

	March 31, 2014		March 31, 2013	
	No.	% Holding	No.	% Holding
Holding Company :-				
Welspun Natural Resources Private Limited	11,28,750	100	11,28,750	100
TOTAL	11,28,750	100	11,28,750	100

(d) Details of Shareholders holding more than 5% shares of the aggregate shares in the Company

	March 31, 2014		March 31, 2013	
	No.	% Holding	No.	% Holding
Welspun Natural Resources Private Limited (Holding Company)	11,28,750	100	11,28,750	100
TOTAL	11,28,750	100	11,28,750	100

e) The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting.
In the event of Liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

	As at 31 March-2014	As at 31 March-2013
3 Reserves And Surplus		
Securities Premium Account		
Securities Premium Account	3,35,62,500	3,35,62,500
Profit and Loss Account		
Balance as per last Balance Sheet	44,69,594	44,85,477
Add: Net Profit/(Net Loss) for the current period	(14,926)	(15,883)
	44,54,668	44,69,594
Total	3,80,17,168	3,80,32,094

	As at 31 March-2014	As at 31 March-2013
4 Long Term Borrowings		
Loans and Advances from related parties		
Unsecured Loan from Welspun Enterprise Limited	3,76,72,670	-
Payable to Holding Company - Welspun Natural Resources Private Ltd	30,69,32,319	2,85,000
Unsecured Loan from Welspun Corp Limited	-	3,53,78,000
Total	34,46,04,989	3,56,63,000

Welspun Plastics Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	As at 31 March-2014	As at 31 March-2013
5 Other Current Liabilities		
Other Payables		
Provision for Expenses	86,451	8,427
Interest Payable (Welspun Corp Limited)	-	34,893
Service Tax Payable	13,596	-
TDS Payable	1,11,073	-
Total	<u><u>2,11,120</u></u>	<u><u>43,320</u></u>

	As at 31 March-2014	As at 31 March-2013
6 Cash and cash equivalents		
Balance with Banks - In Current Accounts	90,469	1,30,976
Total	<u><u>90,469</u></u>	<u><u>1,30,976</u></u>

	As at 31 March-2014	As at 31 March-2013
7 Other Current Assets		
Prepaid Insurance	-	37,782
Total	<u><u>-</u></u>	<u><u>37,782</u></u>

	Year ended March 31, 2014	Year ended March 31, 2013
8 Other Expenses		
Professional Fees	3,900	2,959
Registration & Filing Fees	1,605	3,700
Audit Fees	7,500	8,427
Misc Expenses	1,921	797
Total	<u><u>14,926</u></u>	<u><u>15,883</u></u>

Welspun Plastics Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

		Year ended March 31, 2014	Year ended March 31, 2013
9 Basic and Diluted Earning Per Share			
For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered :			
Basic Earnings Per Share			
Net Profit after tax (A)		(14,926)	(15,883)
Weighted average number of equity shares (Nos.) (B)		11,28,750	11,28,750
Basic Earnings Per Share of face value of Rs.10/- each (A) / (B)		(0.01)	(0.01)
Diluted Earnings Per Share			
Amount available for calculation of Diluted EPS (A)		(14,926)	(15,883)
Weighted average number of equity shares (Nos.) (B)		11,28,750	11,28,750
Number of Shares used for calculating Diluted EPS (B)		11,28,750	11,28,750
Diluted Earnings Per Share of face value of Rs.10/- each (A) / (B)		(0.01)	(0.01)

10 Other Significant Notes

- 1 Previous year's figures are regrouped, rearranged or recast wherever considered necessary.
- 2 In the opinion of Board the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business and Provision for all the known liabilities have been made in the accounts.
- 3 The company has not recognised Deferred Tax Assets in respect of carry forward losses under the laws as the company is not certain to earn sufficient future taxable income against which deferred tax assets can be realized.
- 4 The Directorate General of Hydrocarbons have served termination notice on the ground that the designated operator in respect of the Block M/s Naftogaz India Pvt Ltd - "NIPIL" had allegedly committed misrepresentation by falsely representing itself as the subsidiary of Naftogaz, Ukraine which has 10 % stake in the Block. Adani Group Companies - "Adani" - (55%) and Welspun Plastics Private Limited - "Welspun" (35%) together holding 90 % stake in the Block, have contested this notice. The Company has already made representations to the Government expressing its willingness to carry put the activities and to consider the Block as valid and live. Pending a decision from the Government on the representation made by the Company, it has been decided to carry the amount spent on the said block in the balance sheet, till the final outcome.

5 Related Party Disclosure:-

As per Accounting Standard 18, the disclosure with related parties as defined in the accounting standard is given below:

a.) Key Management Personnel

- 1 Shri L.T.Hotwani Director
- 2 Shri Mohan Manikhan Director

b) Ultimate Holding Company

Welspun Enterprises Limited

c) Holding Company

Welspun Natural Resources Pvt. Ltd.

Note: A Scheme of Arrangement between Welspun Corp Limited ("WCL" or the "Demerged Company") and Welspun Enterprises Limited ("WEL" or a wholly owned subsidiary of WCL or the Resulting Company) and their respective shareholders and creditors (the "Scheme"), providing for inter alia transfer of Other Business undertakings (viz. the infrastructure business (including energy, water, road), the direct reduced iron ore (DRI), EPC contracting, oil and gas business) of WCL to WEL, was approved by the Hon'ble High Court of Gujarat at Ahmedabad on 10 January 2014. The Scheme became effective on 24 January 2014 on filing with the Registrar of Companies and consequently all the assets and liabilities of the Other Business undertakings of WCL are transferred to WEL as on the appointed date 1 April 2012.

	Year ended March 31, 2014	Year ended March 31, 2013
6 Transaction with Related Parties :		
Long Term Borrowings		
Welspun Enterprises Limited	3,76,72,670	3,53,78,000
Welspun Natural Resources Pvt Ltd	30,69,32,319	2,85,000
Interest Payable		
Welspun Corp Limited	-	34,893

Welspun Plastics Private Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

	Year ended March 31, 2014	Year ended March 31, 2013
5 Audit Fees		
Audit Fee	7,500	8,427

- 8 The company had no transactions with any micro, small and medium enterprise during the year.
- 9 Other additional information pursuant to Part II of Schedule VI to the Companies Act, 1956, has not been furnished as the same is either Nil or Not applicable.

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

Suresh Sureka - Partner
Membership Number 34132

Place: Mumbai
Date: 09.06.2014

For and on behalf of Board of Directors

Sd/-
Shrinivas Kargutkar
Director

Sd/-
Mohan Manikkan
Director

Place: Mumbai
Date: 09.06.2014

Welspun Plastics Private Limited
CASH FLOW STATEMENT

All amounts in Indian Rupees

	2013-14	2012-13
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and exceptional items	(14,926)	(15,883)
Adjustments for:		
Depreciation	-	-
Interest income	-	-
Dividend income	-	-
Interest expenses	-	-
Operating Profit before working capital changes	(14,926)	(15,883)
Trade and other receivables	37,782	(37,782)
Trade and other payables	1,67,800	(72,378)
	2,05,582	(1,10,160)
Cash generated from operations	1,90,656	(1,26,043)
Taxes paid (net)	-	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,90,656	(1,26,043)
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in fixed assets (including capital work in progress)	(30,91,73,152)	(3,54,97,893)
Share Application Money Received	-	2,00,000
NET CASH USED IN INVESTING ACTIVITIES	(30,91,73,152)	(3,52,97,893)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	30,89,41,989	3,53,78,000
NET CASH FROM FINANCING ACTIVITIES	30,89,41,989	3,53,78,000
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(40,507)	(45,936)
Opening Balance Cash and cash equivalent	1,30,976	1,76,912
Closing Balance Cash and cash equivalent	90,469	1,30,976

Notes:

The cash flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash flow statements issued by the Institute of Chartered Accountants of India.

As per our report of even date
For Sureka Associates
Chartered Accountants
Firm Registration No.: 110640W

For and on behalf of Board of Directors

Suresh Sureka - Partner
Membership Number 34132

Sd/-
Shrinivas Kargutkar
Director

Sd/-
Mohan Manikkan
Director

Place: Mumbai
Date: 09.06.2014

Place: Mumbai
Date: 09.06.2014

Welspun Maxsteel Limited Directors' Report

Dear Members,
Welspun Maxsteel Limited

Your Directors have pleasure in presenting their 6th Annual Report for the year ended 31st March, 2014.

Financial Performance

(Rs. in Lacs)

The financial results of the Company for the financial year ended 31st March, 2014 are as under:

Particulars	For financial year ended March 2014	For financial year ended March 2013
Income from operations	78,619.63	92,117.30
Profit before interest, depreciation & tax	5,340.38	(6,176.90)
Less : Interest / Finance costs (net)	13,205.18	8,298.41
Gross Profit / (Loss)	(7,864.80)	(14,475.31)
Less: Depreciation	7,363.02	3,669.18
Profit before tax and exceptional items	(15,227.83)	(18,144.49)
Less: Exceptional item	15,227.50	4,939.93
Profit before tax for the year	(30,455.33)	(23,084.42)
Less : Provision for current taxation	Nil	Nil
Provision for deferred taxation	Nil	3,018.65
Profit after tax for the year (after Minority Interest)	(30,455.33)	(20,065.77)
Add : balance brought forward from previous year	(23,289.58)	(3,223.81)
Profit available for appropriation	(53,744.90)	(23,289.58)
Balance carried forward to the next year	(53,744.90)	(23,289.58)

PERFORMANCE REVIEW

Particulars	UNIT	For Financial year ended 31st March, 2014	For Financial year ended 31st March, 2013
Installed Capacity	MT	900,000	900,000
Production	MT	291,065	348,505
Sales	MT	303,080	335,752
Sales	Rs. Crores	772.59	894.84
PBDIT	Rs. Crores	53.40	(61.76)

During the year the capacity utilization remained low at approx. 32%, mainly due to drastic ad - hoc cut in supply of long term natural gas allocated by the Government. The said cut was due to overall decline in natural gas generation and priority accorded to fertilizer, power & 'CGD sectors. Due to high input cost and uneconomical industry conditions, plant remained closed from mid Jun'13 till end Oct'13.

The plant restarted from Nov'13 and remained operational at a minimum safe level due to limited availability of long term gas which improved on account of lower off take by power sectors.

From Nov'13 onwards Company's key customer segment i.e. Alloy Steel started improving. However, the infrastructure sector remained subdued due to overall slow economy. Due to this, the demand of long steel product also remained subdued.

Due to under utilisation of existing facilities and overall uncertainty on long term natural gas supply, Company's progress on the expansion project remained on hold. One of the suppliers terminated the contract and the matter was referred to arbitrator who awarded forfeiture of advance of Rs.147.60 Crores and allowed supplier's other claims of Rs.5.71 crores, which was finally settled at Rs.152.28 crores in aggregate, which has been charged to the profit and loss as an exceptional items.

BUSINESS OUTLOOK

FY'15 with the formation of new Government at the center and expected overall improvement in economy may improve the demand and market scenario of steel industry. Also new Government may suitably address the gas allocation / pricing policy. The Company looks forward to have better availability of long term gas during FY'15 thereby reduce the cost of production and hence, the Company may be better placed in the competitive market, and the overall performance of the Company is expected to improve.

DIVIDEND

In view of accumulated losses, your directors do not recommend any dividend for the financial year ended 31st March, 2014.

AVAILABILITY OF NATURAL GAS/ COAL GASIFICATION

Due to the general election in the country, new price guidelines for domestic gas formulated by the Rangarajan Committee was deferred, which is now likely to be implemented from Oct. 2014 onwards after re-examining of the Rangarajan Committee's recommendation with suitable modifications / changes by new government. On implementation of new price, the demand from the power sector is likely to shrink due to high cost for power generation which would result in improved domestic gas supply to steel / sponge iron sector. Also new price guidelines may help higher exploration in KG D6 field of RIL resulting in likely resumption of natural gas supply as per the long term allocation.

ALTERNATIVE SOURCE OF NATURAL GAS

To meet the shortfall of domestic natural gas, alternate sources available are imported RLNG / Naphtha / Propane, however the exorbitant cost of these fuels & high volatility in prices, are not economically viable for the company's business. The use of coal producer gas (CPG) was found to be viable for the Company, which can be used as fuel to replace approximately 40% of the natural gas in the existing plant. The CPG is a well proven technology. For producing CPG, thermal coal is used.

The Company has initiated the preliminary work and arranged the means of finance. The Company plans to initiate project work after due consideration of the scenario of domestic natural gas availability under the new policy in the offing.

STATUS OF EXPANSION PLAN

The Company had planned to augment the existing DRI plant capacity from 9,00,000 tonnes per annum to 1,70,000 tonnes per annum, and also to set up facilities for manufacturing of API grade steel slabs with an installed capacity of 1,50,000 tonnes per annum.

The Company had also carried out initial preparatory activities in relation to the DRI expansion project and API Grade steel slab which includes advances for technical consultancy fees, plant and machinery, acquisition of land, site development activities, etc. However, the project has been temporarily put on hold awaiting regulatory approvals from Maharashtra Coastal Zone and due to non-availability of Natural gas at economical rates. Due to Government policy paralysis earlier, these issues are yet to be addressed. Now with the formation of new stable Government in the center, we expect clarity in due course, and accordingly the Company will take necessary steps with regards to its project plans.

RESTRUCTURING OF LONG TERM DEBTS

The Company had restructured its existing term loans of Rs. 871 crores. As per the restructuring scheme, approved jointly by all term lenders, the Company has been allowed to defer its repayment till December, 2014. Lenders have also agreed to convert interest payment on this term loan for the period from 1st June, 12 till 30th Sept, 14 into Funded Interest Term Loan (FITL). As per the restructuring package, The Company is now liable to pay Term Loan and FITL, in ballooning terms w.e.f December' 2014 till March' 2022.

INCREASE IN AUTHORISED SHARE CAPITAL

During the year, the Authorised share capital of the Company has increased from Rs. 272 Crores to Rs. 1500 Crores.

ISSUE OF BONUS SHARES

During the year the Company has issued 780,494,112 equity shares of Rs. 10 each as bonus shares to the equity shareholders in the proportion of six equity shares for every one equity share held by them by way of capitalisation of reserves of the Company.

SUBSIDIARIES

During the year, Welspun Water Infrastructure Private Limited became a wholly owned subsidiary of the Company. Welspun Water Infrastructure Private Limited is in the process of acquisition of land which is strategically important.

PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 and Reserve Bank of India Rules, if any. As such, no amount on account of principal or interest on public deposit was outstanding on the date of the Balance Sheet.

BIFR

On account of non-availability of key raw material viz. natural gas, the Company incurred substantial losses and the net worth of the Company as on March 31, 2013 was eroded by more than 50% of its previous four years' peak net worth. In compliance of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, the Company has reported the same to the Board for Industrial and Financial Reconstruction vide a letter dated November 21, 2013. Later, taking into consideration the increased net worth and expected improvement in performance, the Company has informed the BIFR that the Company no longer remains a potentially sick company.

BOARD OF DIRECTORS

During the period, the following changes took place in the directorship of the Company:

- Retirement of Mr. Vijay Singh Bapna, CEO and Whole Time Director of the Company, with effect from April 12, 2013. The Board places its gratitude for the services rendered by him during his tenure.
- Appointment of Mr. Prakash Tatia as an additional director and a whole time director effective from April 13, 2013
- Resignation of Mr. Mintoo Bhandari effective from October 25, 2013 and Mr. Utsav Baijal effective from October 15, 2013 on withdrawal of their nominations by Welspun Corp Ltd and Insight Solutions Ltd. respectively.
- Mr. Gopalkrishna A. Tadas has been appointed by IDBI Bank Ltd as their Nominee Director in place of Mr. Madhav V. Phadke effective from April 28, 2014. The Board places its gratitude for the services rendered by him as a member of the Board.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. R. R. Mandawewala retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Company is in the process of appointing a suitable candidate as the company secretary of the Company.

AUDITORS

Your Company's Auditors M/s MGB & Company, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, have given their consent to act as the Auditors of the Company for the forthcoming tenure. The shareholders are requested to consider their appointment as the Auditors of the Company and to fix their remuneration as per the provisions of the Companies Act, 2013.

AUDITORS' REPORT

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, need no further explanation.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosure of Particulars with respect to Conservation of Energy:

The provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in report of the Board of Directors) Rules 1988 regarding disclosure of Particulars with respect to Conservation of Energy are not applicable to Sponge Iron unit.

Foreign Exchange Earnings and Outgo:

For the financial year ended on 31st March, 2014, the Company has:

- Foreign Exchange Earnings of Rs. 685,415,497/-; and
- Foreign Exchange Outgo of Rs. 1,660,377,913/-

The information on Foreign Exchange earnings and outgo is contained in Notes 43, 44 & 45 of Accounts.

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with read with Companies (Particulars of Employees) Rules, 1988, forms part of the Directors report and is attached herewith as Annexure 'A'.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that they had:

- a. followed in the preparation of annual accounts, the applicable accounting standards and given proper explanation relating to material departures, if any;
- b. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities; and
- d. Prepared the accounts on a going concern basis.

ACKNOWLEDGMENTS

Your Directors wish to express their grateful appreciation for the valuable support and cooperation received from lenders, business associates, banks, financial institutions, shareholders, various statutory authorities and society at large. Your Directors also place on record their sincere appreciation of the valued contribution made by the employees at all levels which substantially contributed to bring the Company to the present level.

For and on behalf of the Board

Place: Mumbai
Date: 9 June 2014

B K Goenka
Chairman



INFORMATION U/S 217 (2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1971 AS AMENDED AND FORMING PART OF DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2014.

(A) EMPLOYED THROUGHOUT THE PERIOD UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION FOR THE FINANCIAL YEAR IN THE AGGREGATE OF NOT LESS THAN RS. 60,00,000/- P.A. OR RS. 5,00,000/- PM

SL NO	NAME	DATE OF BIRTH (DD-MM-YYYY)	AGE (COMPLETED YRS. AS ON 31.03.14)	QUALIFICATION	DESIGNATION	DATE OF COMMENCEMENT OF EMPLOYMENT	EXPERIENCE (YEARS)	GROSS REMUNERATION	NET TAKE HOME PAY	PARTICULARS OF LAST EMPLOYMENT
1	ASHOK TANDON	13-OCT-58	56	BE (MECHANICAL)	DIRECTOR	1-FEB-07	33	5,954,192	3,662,484	LLOYDS STEEL IND. LTD
2	PRAKASH TATIA	1-DEC-53	61	BE(MECH)	DIRECTOR	1-MAR-93	35	8,278,778	5,496,390	GRASIM INDUSTRIES LTD

(B) EMPLOYED FOR PART OF THE YEAR UNDER REVIEW (JOINED DURING THE PERIOD UNDER REVIEW) AND WERE IN RECEIPT OF REMUNERATION AT THE RATE OF NOT LESS THAN RS.5,00,000/- PER MONTH

SL NO	NAME	DATE OF BIRTH (DD-MM-YYYY)	AGE (COMPLETED YRS. AS ON 31.03.14)	QUALIFICATION	DESIGNATION	DATE OF COMMENCEMENT OF EMPLOYMENT	EXPERIENCE (YEARS)	GROSS REMUNERATION	NET TAKE HOME PAY	PARTICULARS OF LAST EMPLOYMENT
						Nil				

(C) EMPLOYED FOR PART OF THE YEAR UNDER REVIEW (LEFT DURING THE PERIOD UNDER REVIEW) AND WERE IN RECEIPT OF REMUNERATION AT THE RATE OF NOT LESS THAN RS. 5,00,000/- PER MONTH

SL NO	NAME	DATE OF BIRTH (DD-MM-YYYY)	AGE (COMPLETED YRS. AS ON 31.03.14)	QUALIFICATION	DESIGNATION	DATE OF COMMENCEMENT OF EMPLOYMENT	DATE OF CESSATION	EXPERIENCE (YEARS)	GROSS REMUNERATION	NET TAKE HOME PAY
1	VIJAY SINGH BAPNA	28-AUG-48	66	M.COM, FCA	EXECUTIVE DIRECTOR & CEO	21-NOV-08	12.04.2013	40	3,645,407	395,164
2	P.S. Ghose	28-JAN-52	62	M.TECH	PRESIDENT & UNIT HEAD	26-OCT-09	31.03.2014	37	11,771,004	10,195,506

Welspun Maxsteel Limited

INDEPENDENT AUDITORS' REPORT

To the Members of **Welspun Maxsteel Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Welspun Maxsteel Limited** ("the company") which comprise the balance sheet as at 31 March 2014, the statement of profit and loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements together with the notes thereon, 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.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Attention is drawn to Note 38 regarding issue of Bonus Shares by capitalising its security premium and revaluation reserve. The issue of bonus shares to the extent out of revaluation reserve is as per the judgment of Hon'ble Supreme Court in the case of Bhagwati Developers Vs Peerless General Finance & Investment Co. & others (2005) Comp LJ 377 (SC). Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) 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;

- (iii) the balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the balance sheet, statement of profit and loss, and cash flow statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- (v) On the basis of written representations received from the directors as on 31 March 2014, and taken on record by the board of directors, none of the directors is disqualified as at 31 March 2014, from being appointed as a director in terms of section 274(1)(g) of the Act.

For and on behalf of
MGB & Co
Chartered Accountants
Firm Registration No. 101169W

PLACE: Mumbai
DATE: 9 June 2014

Sanjay Kothari - PARTNER
Membership Number 048215

Annexure referred to in paragraph (8) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

- i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed off a substantial part of its fixed asset during the year and the going concern status of the Company is not affected.
- ii) In respect of its inventories
 - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, 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) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- iii) a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - b) The Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- 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 for the purchases of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system in respect of the aforesaid areas.
- v) According to the information and explanations given to us, there are no contracts or arrangements the particulars of which are required to be entered into the register in pursuance of 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 deposit from the public.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.
- ix) According to the records of the Company examined by us and information and explanations given to us:
 - a) Undisputed statutory dues, including provident fund, investor education and protection fund, employee state insurance, income tax, sales tax / value added tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues to the extent applicable have been deposited regularly with the appropriate authorities *except for delays in few cases*. There are no undisputed amounts payable in respect of the aforesaid dues outstanding as at 31 March 2014 for a period of more than six months from the date they became payable.
 - b) The disputed dues of income tax, sales tax/value added tax, service tax, custom duty and excise duty which have not been deposited are as under:



Name of the Statute (Nature of dues)	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Custom Act, 1962 -Customs Duty	108,550,736 3,864,139 890,452 101,094,818	FY 1990-91 FY 2008-09 & FY 2011-12 to FY 2012-13 FY 2009-10 FY 2000-01 to FY 2009-10 & FY 2011-12 to FY 2012-13	Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Commissioner of Customs (Appeals) Assistant Commissioner of Customs Deputy Commissioner of Customs
The Central Excise Act, 1944 - Excise Duty	88,434,126 15,491,044 65,000 #275,567,141 2,210,655 11,204,273 64,469	FY 1993-94 to FY 1995-96 & FY 2007-08 FY 1999-00 & FY 2005-06 to FY 2009-10 FY 2011-12 FY 2001-02 & FY 2012-13 FY 2000-01 & FY 2009-10 to FY 2010-11 FY 2001-02, FY 2006-07 & FY 2011-12 to FY 2012-13 FY 2010-11	Supreme Court of India Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Commissioner of Central Excise (Appeals) Commissioner of Central Excise Additional / Assistant Commissioner of Central Excise Deputy Commissioner of Central Excise Superintendent of Central Excise
- Service Tax	21,803,091 175,527,149	FY 2003-04 to FY 2007-08 FY 2003-04 & FY 2005-06 to FY 2012-13	High Court Custom Excise and Service Tax Appellate Tribunal (CESTAT)
	2,478,495 153,227,358 7,493,488 712,478 157,317	FY 2003-04 & FY 2008-09 to FY 2012-13 FY 2006-07 to FY 2011-12 FY 2009-10 to FY 2013-14 FY 2008-09 to FY 2012-13 FY 2010-11 & FY 2012-13 to FY 2013-14	Commissioner of Central Excise (Appeals) Commissioner of Central Excise Additional/Assistant Commissioner of Central Excise Deputy Commissioner of Central Excise Superintendent of Central Excise
- Sales Tax/Value Added Tax Income Tax Act, 1961	22,790,674	FY 2009-10	Deputy Commissioner of Sales Tax
Income Tax	2,106,780,540	FY 2009-10 to FY 2010-11	Commissioner of Income Tax (Appeals)

includes Rs. 270,385,381 (Refer Note 25 (ii))

- v) The Company has accumulated losses at the end of the financial year and is more than fifty percent of its Net worth. The Company has incurred cash losses during the financial year covered by the audit and also in the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders considering the Debt restructuring approved by lenders as referred in Note 5 to the financial statements.
- xii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund /nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- 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 guarantee for loans taken by others from banks and financial institutions.
- xvi) The Company has not raised new term loans during the year. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
- xvii) According to the information and explanations given to us and examination of the Balance Sheet of the Company and related information as made available to us, we report that funds raised on short term basis have not been used for long term investments.
- xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- xix) The Company has not issued any secured debentures during the year.
- xx) The Company has not raised any money through public issue during the year.
- xxi) In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **MGB & Co**

Chartered Accountants

Firm Registration Number 101169W

Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 9 June 2014

Welspun Maxsteel Limited

BALANCE SHEET AS AT 31 MARCH 2014

All amounts in Indian Rupees

	Notes	As at 31 March-2014	As at 31 March-2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	9,14,31,64,640	1,33,82,23,520
Reserves and surplus	4	(5,15,56,73,377)	5,69,48,00,751
		3,98,74,91,263	7,03,30,24,271
Non - current liabilities			
Long - term borrowings	5	10,97,22,35,390	10,10,17,76,862
Other long term liabilities	6	-	50,000
Long - term provisions	7	2,59,77,209	3,45,63,714
		10,99,82,12,599	10,13,63,90,576
Current liabilities			
Short - term borrowings	8	23,79,24,164	4,22,78,720
Trade payables	9	2,49,88,16,474	2,53,43,13,001
Other current liabilities	10	49,67,62,261	18,78,94,876
Short term provisions	7	6,56,42,010	3,62,30,246
		3,29,91,44,909	2,80,07,16,843
	Total	18,28,48,48,771	19,97,01,31,690
ASSETS			
Non - current assets			
Fixed assets			
Tangible assets	11	13,98,53,60,907	14,70,56,43,982
Intangible assets	11	4,75,835	38,15,835
Capital work-in-progress	11	8,52,13,767	7,99,88,679
Non-current investments	12	3,00,06,165	2,99,06,165
Long - term loans and advances	13	59,11,29,606	1,97,59,80,472
		14,69,21,86,280	16,79,53,35,133
Current assets			
Inventories	14	2,07,51,98,251	2,39,63,68,846
Trade receivables	15	1,03,59,18,097	38,29,60,923
Cash and bank balances	16	56,64,483	28,70,16,698
Short - term loans and advances	13	46,41,14,532	10,74,47,806
Other current assets	17	1,17,67,128	10,02,284
		3,59,26,62,491	3,17,47,96,557
	Total	18,28,48,48,771	19,97,01,31,690
Notes forming part of the financial statements	1- 46		

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

Sanjay Kothari - Partner
Membership Number 048215

Place: Mumbai
Date: 9 June 2014

For and on behalf of the Board

sd/-
B.K. Goenka
Chairman

sd/-
Prakash Tatia
Director

Welspun Maxsteel Limited

Statement of Profit and Loss for the year ended March 31st, 2014

All amounts in Indian Rupees

	Notes	Year ended 31 March-2014	Year ended 31 March-2013
INCOME			
Revenue from operations			
Sales and Services (gross)	18	8,59,03,69,083	9,92,52,64,958
Less: Excise duty		86,44,71,786	97,68,96,122
Sales and services (net)		7,72,58,97,297	8,94,83,68,836
Other income	19	13,60,65,708	26,33,60,747
	Total	7,86,19,63,005	9,21,17,29,583
EXPENSES			
Cost of materials consumed	20	5,93,69,41,083	8,64,94,02,611
Changes in inventories of finished goods and goods in process	21	25,90,74,783	(21,59,07,127)
Employee benefits expense	22	28,31,67,489	36,28,32,240
Other expenses	23	84,87,42,025	1,03,30,92,256
	Total	7,32,79,25,380	9,82,94,19,980
Profit/ (Loss) before finance cost, tax and depreciation		53,40,37,625	(61,76,90,397)
Depreciation and amortisation expenses	11	73,63,02,497	36,69,18,037
Finance cost	24	1,32,05,18,136	82,98,40,794
Loss before exceptional items and tax		(1,52,27,83,008)	(1,81,44,49,228)
Exceptional items			
Project advances and Settlement amount written off (Refer Note 37)		1,52,27,50,000	-
Project expenses written off		-	49,39,92,730
Loss before tax		(3,04,55,33,008)	(2,30,84,41,958)
Tax expenses			
- Current tax		-	-
- Deferred tax		-	(30,18,65,031)
Loss for the year		(3,04,55,33,008)	(2,00,65,76,927)
Loss per share (face value Rs.10/- each)			
Basic and diluted loss per share (Rs.)		(3.34)	(2.20)
Weighted average number of shares used in computing			
Earning per share - basic and diluted	36	91,05,76,464	91,05,76,464
Notes forming part of the financial statements	1- 46		

For and on behalf of the Board

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

Sanjay Kothari - Partner
Membership Number 048215

Place: Mumbai
Date: 9 June 2014

sd/-
B.K. Goenka
Chairman

sd/-
Prakash Tatia
Director

Welspun Maxsteel Limited
Annexed to and forming part of financial statements for the year ended March 31st, 2014
(All amounts in Indian rupees)

1. Corporate Information

Welspun Maxsteel Limited is a Company incorporated under the Companies Act 1956. The Company is a subsidiary of Welspun Enterprises Limited under the Companies Act 1956. The Company is engaged in manufacturing and selling of Gas based Sponge Iron which is popularly known as DRI (Direct Reduced Iron) and HBI (Hot Briquetted Iron). The Company caters mainly domestic market however, small volume is exported.

2. Significant Accounting Policies

i. Basis of preparation of financial statements

The financial statements of the company have been prepared on Going concern basis in accordance with generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting standards) Rules, 2006, (as amended) and the relevant provision of the Companies act, 1956 read with general circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention except for certain fixed assets which are revalued as referred in Note No. 34. The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

ii. 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.

iii. Tangible and Intangible Assets

- (a) Tangible fixed assets are stated at original cost of acquisition / installation (net of cenvat credit availed) and includes amounts added on revaluation net off accumulated depreciation, amortization and impairment losses. 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 pre-operational period.
- (b) Projects under which tangible assets are not ready for their intended use are carried at cost, comprising direct cost related incidental expenses.
- (c) Goodwill on acquisition is capitalised as intangible asset.

iv. Depreciation

- (a) Depreciation on tangible assets is provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956, except motor vehicles and mobile phone instruments which are depreciated as per policy of the company over five years and three years respectively. In case of revalued assets, depreciation is provided over the residual life of the assets.
- (b) Continuous process plant has been identified on the basis of technical opinion taken by the Company / Expert for determining the appropriate rate of depreciation on Plant and Machinery.
- (c) Premium on leasehold land is amortized over the period of lease.
- (d) Goodwill on acquisition is amortized over a period of five years.

v. Impairment of Assets

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

vi. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets till the time the asset is ready for its intended use. All other borrowing costs are charged to revenue.

vii. Investments

- a) Investments intended to be held for more than a year, from the date of acquisition, are classified as long-term and are stated at cost. Provision for diminution in the value of investments is made to recognize a decline other than temporary in nature.
- b) Current Investments are stated at lower of cost and fair value.

viii. Revenue Recognition

- (a) Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the customers, which is generally on dispatch of goods. Export Sales are accounted for on the basis of date of bill of lading. Gross Sales include excise duty but net of value added tax.
- (b) Export benefits are accounted on accrual basis.
- (c) Revenue from Services is recognized when the services are completed.
- (d) Dividend income is recognized when the right to receive the dividend is unconditional.
- (e) Interest income is recognized on a time proportion basis taking into account outstanding amount and the applicable interest rate.

ix. Inventories

Inventories are valued at lower of cost and net realizable value except waste/scrap which is valued at net realizable value. Excise duty liability is included in the valuation of closing inventory of Finished Goods.

The basis of determining cost of various categories of inventories is as follows;

- a) Raw Materials, Stores and Spares – Moving weighted average basis.
- b) Goods in Process and Finished Goods – Cost of Direct Material, Labour and other manufacturing expenses.

x. Foreign Currency Transactions

- (a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Current monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.
- (b) Premium / discount on forward exchange contracts not relating to firm commitments or highly probable forecasted transactions and not intended for trading or speculation purpose is amortized as income or expense over the life of the contract.

xi. Employee Benefits

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related services are rendered.
- b) Post employment and other long term benefits are recognized as an expense in the statement of profit and loss 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 statement of profit and loss.
- c) Payments to defined contribution retirement benefit schemes are charged as expenses as and when they fall due.

xii. Accounting for Taxes on Income

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

xiii. Operating Lease

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

xiv. Research and Development

Capital expenditure on research and development is treated in the same manner as fixed assets. Revenue expenditure on research and development is charged to statement of profit and loss.

xv. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes to accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

Notes forming part of financial statements

Note - 3 Share Capital	31 March 2014	31 March 2013
Authorised		
1,200,000,000 (268,250,000) Equity share of Rs 10 each	12,000,000,000	2,682,500,000
300,000,000 (3,750,000) Preference share of Rs 10 each	3,000,000,000	37,500,000
	15,000,000,000	2,720,000,000
Issued, subscribed and paid up		
910,576,464 (130,082,352) Equity shares of Rs.10/- each fully paid up	9,105,764,640	1,300,823,520
3,740,000 (3,740,000) 0 (Zero)% Redeemable Preference shares of Rs 10/- each fully paid up	37,400,000	37,400,000
Total	9,143,164,640	1,338,223,520

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

	31 March 2014		31 March 2013	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Equity shares				
At the beginning of the year	130,082,352	1,300,823,520	130,082,352	1,300,823,520
Movements during the year	780,494,112	7,804,941,120	-	-
Outstanding at the end of the year	910,576,464	9,105,764,640	130,082,352	1,300,823,520
Preference shares				
At the beginning of the year	3,740,000	37,400,000	-	-
Movements during the year	-	-	3,740,000	37,400,000
Outstanding at the end of the year	3,740,000	37,400,000	3,740,000	37,400,000

b. Terms / right attached to equity shares

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

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

c. Terms / right attached to 0 (Zero) % Redeemable Preference Shares

During the year ended 31 March 2013, the company issued 3,740,000 0 (Zero)% Redeemable Preference shares of Rs. 10/- each at par.

0(Zero) % Redeemable Preference Shares of Rs. 10/- each are redeemable at par at the option of the company at any time but not later than 20 years from the date of issue i.e. 31 December 2012.

d. Shares held by holding company #

	31 March 2014		31 March 2013	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Equity shares #				
Welspun Enterprises Limited #	909,176,457	9,091,764,570	-	-
Welspun Corp Limited #	-	-	113,622,058	1,136,220,580
	909,176,457	9,091,764,570	113,622,058	1,136,220,580
Preference shares				
Welspun Enterprises Limited #	3,740,000	37,400,000	-	-
Welspun Corp Limited #	-	-	3,740,000	37,400,000
	3,740,000	37,400,000	3,740,000	37,400,000

Transferred pursuant to Scheme of Arrangement between Welspun Corp Limited ("WCL" or the "Demerged Company") and Welspun Enterprises Limited ("WEL" or a wholly owned subsidiary of WCL or the Resulting Company). (Refer Note 35)

e. Details of aggregate number of Bonus shares issued, shares issued for consideration other than cash and shares bought back during 5 years preceding 31 March 2014

	31 March 2014 Number of shares	31 March 2013 Number of shares	31 March 2012 Number of shares	30 September 2011 Number of shares	31 March 2010 Number of shares
Equity shares allotted as fully paid Bonus shares	780,494,112	-	-	-	40,100,000

f. At the Extra-ordinary General Meeting held on 5 August 2013, the shareholders of the Company have approved the issue of Bonus Shares in the ratio of six equity shares of Rs. 10 each fully paid up for every one equity share of Rs. 10 each fully paid up aggregating to 780,494,112 equity shares, by capitalization of Revaluation Reserve and Securities Premium of Rs. 6,564,115,853 and Rs. 1,240,825,267 respectively.

g. Details of Shareholders holding more than 5% shares in Company				
	31 March 2014		31 March 2013	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Welspun Enterprises Limited #	909,176,457	99.85%	-	-
Welspun Corp Limited #	-	-	113,622,058	87.35%
Insight Solutions Limited # (Refer Note (d) above)	-	-	16,260,294	12.50%
	31 March 2014		31 March 2013	
	Number of preference shares	% Holding	Number of preference shares	% Holding
Welspun Enterprises Limited #	3,740,000	100%	-	-
Welspun Corp Limited # (Refer Note (d) above)	-	-	3,740,000	100%



Note - 4 Reserves and surplus		
	31 March 2014	31 March 2013
(a) Securities premium account		
At per last Balance Sheet	1,459,642,605	1,459,642,605
Less: Issue of Bonus Shares (Refer Note 3(f) above)	1,240,825,267	-
	218,817,338	1,459,642,605
(b) Revaluation Reserve		
At per last Balance Sheet	6,564,115,853	-
Less: Issue of Bonus Shares (Refer Note 3(f) above)	6,564,115,853	-
Add : Revaluation of Fixed Assets (Refer Note 34)		6,564,115,853
	-	6,564,115,853
(c) Surplus / (deficit) in the statement of profit and loss		
As per last Balance Sheet	(2,328,957,707)	(322,380,780)
Loss for the year	(3,045,533,008)	(2,006,576,927)
	(5,374,490,715)	(2,328,957,707)
Total	(5,155,673,377)	5,694,800,751

Note - 5 Long - term borrowings				
	Non Current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Secured				
Term Loan from Bank (in Rupee) (Refer Note (a),(b),(c),(d) below)	10,192,439,178	9,507,979,179	273,640,000	-
Unsecured:				
(a) Zero coupon optionally convertible Debentures (Refer Note (e) below)	135,882,000	-	10,000,000	-
(b) Deferred sales tax loan (Refer Note (f) below)	643,914,212	593,797,683	-	-
	10,972,235,390	10,101,776,862	283,640,000	-
Amount disclosed under the head " Other current liabilities" (Refer Note 10)			283,640,000	-
Total	10,972,235,390	10,101,776,862	-	-

- Indian Rupee Term loan of Rs. 8,710,000,000 (Rs. 8,710,000,000) have been restructured w.e.f 1 June 2012 as per the restructuring package approved by the term lenders. As per the terms of the scheme, the Interest Liabilities on the term loans w.e.f 1 June 2012 till 30 September 2014 will be converted into Funded Interest Term Loan (FITL) @ 11.00 % p.a. During this period, Interest on FITL will be serviced on a monthly basis @ 11.00 % p.a. from 1 June 2012 till 30 September 2014. Subsequently, Term Loan and Funded Interest Term Loan will be repaid in 30 Quarterly ballooning Installment commencing from 31 December 2014 till 31 March 2022 alongwith interest servicing @ BBR + 3.25 % pa w.e.f. 1 October 2014.
- Indian Rupee Term loan of Rs. 8,710,000,000 (Rs. 8,710,000,000) includes IDBI Bank Limited Rs.4,000,000,000 (Rs.4,000,000,000), Allahabad Bank Limited Rs.1,710,000,000 (Rs.1,710,000,000) and Canara Bank Limited Rs.3,000,000,000 (Rs.3,000,000,000).
- Funded Interest Term Loan of Rs. 1,756,079,178 (Rs.797,979,179) includes IDBI Bank Limited Rs.8,06,465,753 (Rs.366,465,759), Allahabad Bank Limited Rs.3,44,764,110 (Rs.156,664,110) and Canara Bank Limited Rs.604,849,315 (Rs.274,849,316).
- Indian Rupee Term Loans and Funded Interest Term Loans from banks are secured by first charge ranking pari passu by way of mortgage hypothecation of entire immovable and movable fixed assets of the company both present and future and also secured by second pari passu charge on current assets subject to prior charge in favour of banks for working capital facilities. Further, term loans are also secured by corporate guarantee of holding company i.e. Welspun Enterprises Limited. Further, 23,67,49,881 of equity shares of the Company held by Welspun Corp Limited are pledged in favour of IDBI Trusteeship Services Limited (ITSL) appointed as security trustee for IDBI Bank Limited, Allahabad Bank Limited and Canara Bank Limited. Further it is hypothecated by immovable properties situated and lying at Salav, Nidi, Mithekar, Killa, Sangade, Ashtami and Chehar - Maharashtra in favour of IDBI Trusteeship Services Limited for the benefit of long term lenders.
- As per the terms of the restructuring package, the Company has issued 145,882 Zero Coupon Optionally Convertible Debentures (ZCOCD) of Rs 1,000 each to the term lenders to the extent of their sacrifice amount outstanding as at 31 March 2014 amounting Rs. 145,882,000. In view of loss incurred during the year, no Debenture Redemption Reserve created. These debentures are payable in future years with a maturity date as detailed below

No of ZCOCDs	Face Value of ZCOCD (Rs.)	Redemption Date	Rate of Interest (p.a.)	Amount (Rs.)
71,582	1,000	December 2022	Nil	71,582,000
21,400	1,000	April 2017	Nil	21,400,000
21,400	1,000	April 2016	Nil	21,400,000
21,500	1,000	April 2015	Nil	21,500,000
10,000	1,000	April 2014	Nil	10,000,000
Total	145,882			145,882,000

f. Deferred sales tax loan is interest free. Deferred sales tax loan of Rs. 549,780,000 (Rs. 549,780,000) is payable from April 2021 and Rs. 94,134,212 (Rs. 44,017,683) is payable from April 2023.

Note - 6 Other long - term liabilities

	31 March 2014	31 March 2013
Long term deposits	-	50,000
Total	-	50,000

Note - 7 Provisions

	Long - term		Short - term	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Provision for employee benefits	25,977,209	34,563,714	3,584,499	7,305,648
Other provisions				
For taxation - wealth tax	-	-	598,200	700,000
Provision for estimated loss on derivative contracts	-	-	61,459,311	28,224,598
Total	25,977,209	34,563,714	65,642,010	36,230,246

Note - 8 Short - term borrowings

	31 March 2014	31 March 2013
% From Banks : (secured loans)		
Working capital loans	237,924,164	42,278,720
Total	237,924,164	42,278,720

Working capital facilities from banks are secured by first charge by way of hypothecation of raw materials, finished goods and goods in process, stores and spares and book debts and export incentives of the company and second charge on entire immovable and movable fixed assets of the company both present and future. Further they are secured by Corporate Guarantee of Welspun Enterprises Limited.

Note - 9 Trade payables		
	31 March 2014	31 March 2013
Acceptances	2,294,904,721	2,253,384,318
Other than acceptances (refer note 40)	203,911,753	280,928,683
Total	2,498,816,474	2,534,313,001

Note - 10 Other current liabilities

	31 March 2014	31 March 2013
Current maturities of long term borrowings	283,640,000	-
Trade advances and deposits received	14,946,792	13,872,903
Interest accrued but not due	14,071,570	14,821,875
Interest swap payable	705,339	-
Statutory liabilities	84,153,531	69,608,642
Creditors for expenses	99,245,030	89,591,456
Total	496,762,261	187,894,876

Note - 11 Fixed Assets (Amount in Rupees)

Sr. No.	Particulars	Gross Block				Depreciation			Net Block		
		As at 01 April 2013	Additions	Revaluation	Deductions	As at 31 March 2014	Upto 01 April 2013	Deductions For the year	Upto 31 March 2014	As at 31 March 2013	As at 31 March 2014
A	Tangible Assets										
1.	Land-Free Hold	623,744,040	18,613,104	-	-	642,357,144	-	-	-	623,744,040	642,357,144
	- Lease Hold	2,966,698,908	-	-	-	2,966,698,908	18,596,297	36,851,283	55,447,580	2,948,102,611	2,911,251,328
2	Buildings	830,258,032	-	-	-	830,258,032	20,283,281	16,213,076	36,496,357	809,974,750	793,761,674
3	Plant and Machinery	11,403,879,369	269,627	-	6,453,647	11,397,695,350	1,125,887,315	290,193	1,798,818,428	10,277,992,054	9,598,876,921
4	Office Equipments	39,945,871	544,237	-	1,016,652	39,473,457	12,657,379	730,488	16,422,549	27,288,492	23,050,907
5	Furniture and Fixtures	7,915,148	-	-	-	7,915,148	1,874,863	-	2,331,069	6,040,285	5,584,059
6	Motor Vehicles	17,975,849	389,616	-	1,719,591	16,645,874	5,474,059	1,032,045	1,724,947	12,501,750	10,478,873
	Sub-Total-A	15,890,417,216	19,816,585	-	9,189,889	15,901,043,912	1,184,773,234	2,052,727	1,915,683,005	13,985,360,907	14,705,643,982
B	Intangible Assets										
	Goodwill	16,700,000	-	-	-	16,700,000	12,884,165	-	16,224,165	3,815,835	475,835
	Sub-Total-B	16,700,000	-	-	-	16,700,000	12,884,165	-	16,224,165	3,815,835	475,835
	Total A+B	15,907,117,216	19,816,585	-	9,189,889	15,917,743,912	1,197,657,399	2,052,727	1,931,907,170	13,989,176,742	14,709,459,817
	Previous Year	7,234,947,607	235,389,388	6,564,115,853	16,839,249	15,907,117,216	835,122,201	4,382,840	1,197,657,399	14,709,459,817	6,399,825,406
C	Capital work in Progress	79,988,679	34,292,663	-	29,067,575	85,213,767	-	-	-	85,213,767	79,988,679

Note

- Leasehold Land Revalued aggregating to Rs. 2,966,698,908 (Rs 39,84,11,024 Original block) acquired under Scheme of Arrangement is yet to be transferred in the name of company.
- Building includes Revalued Rs. 60,614,828 (Rs 54,429,767 Original block) being contribution for construction of Kharland bunds (Structure), ownership of which vests with the state government authorities.
- Building includes Revalued Rs. 29,535,317 (Rs 29,470,828 Original block) being contribution for construction of Diversion Road (SH 91), ownership of which vests with the state government authorities.
- Refer Note 34

Note - 12 Non - current Investments

	31 March 2014	31 March 2013
Trade Investments - Long term (at cost)		
a) Unquoted		
Wholly owned Subsidiary		
Welspun Water Infrastructure Private Limited	100,000	-
10,000 (Nil) Equity share of Rs.10 each fully paid up.		
b) Quoted		
National Minerals Development Corporation Limited	29,906,165	29,906,165
100,000 (100,000) Equity share of Rs.10 each fully paid up.		
Total	30,006,165	29,906,165
(All the above shares are fully paid up)		
Aggregate book value of quoted investments	29,906,165	29,906,165
Aggregate book value of unquoted investments	100,000	-
Aggregate market value of quoted investments		
	13,925,000	13,775,000

Note:

Diminution in value of Long- Term investments in National Minerals Development Corporation Limited of Rs. 15,981,165 (Rs.16,151,165) is not provided for, considering the same to be temporary in nature.

Note - 13 Loans and advances

(Unsecured and considered good, unless otherwise stated)				
	Long -Term		Short -Term	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
(a) Capital advances	45,591,905	1,540,143,484	-	-
(b) Security deposits	149,835,830	157,405,834	-	18,000,000
(c) Other loans and advances				
Balances with government authorities				
- Direct taxes (net of provisions)		140,853,347	136,568,672	-
- Indirect taxes		7,409,575	12,942,101	11,802,907
	8,445,969			
MAT credit entitlement	69,418,407	69,418,407	-	-
Loans and advances to employee		-	-	1,401,296
	728,342			
Prepaid expenses	172,681,976	54,142,413	42,973,031	22,873,991
Other advances	5,338,566	5,359,561	407,937,298	57,399,504
Total	591,129,606	1,975,980,472	464,114,532	107,447,806

Note - 14 Inventories

(As taken, valued and certified by the management)		
	31 March 2014	31 March 2013
(a) Raw materials		
(Refer Note 20)	1,647,156,808	1,702,316,229
(b) Goods in process		
(Refer Note 21)	10,146,161	9,163,959
(c) Finished goods		
(Refer Note 21)	294,751,830	554,808,815
(d) Stores and spares		
	123,143,452	130,079,843
Total	2,075,198,251	2,396,368,846

Note - 15 Trade Receivable

(Unsecured and considered good, unless otherwise stated)

	31 March 2014	31 March 2013
Over six months		
Considered good	-	-
Considered doubtful	-	-
Others		
Considered good	1,035,918,097	382,960,923
Considered doubtful	-	-
	1,035,918,097	382,960,923
Less : provision for doubtful debts	-	-
Total	1,035,918,097	382,960,923

Note - 16 Cash and bank balance

	31 March 2014	31 March 2013
Cash and cash equivalents		
Balances with banks:		
- in Current account	5,297,451	285,084,177
Cash on hand	338,165	602,583
	5,635,616	285,686,760
Other bank balances:		
- in Margin money account	28,867	-
- Deposits with original maturity for more than 3 months but less than 12 months	-	1,329,938
Total	5,664,483	287,016,698

Note - 17 Other current assets

(Unsecured and considered good, unless otherwise stated)

	31 March 2014	31 March 2013
Export benefits receivable	3,388,275	27,734
Interest swap receivable	-	974,550
Other receivables	8,378,853	-
Total	11,767,128	1,002,284

Note - 18 Revenue from operations

	31 March 2014	31 March 2013
Revenue from operations		
Sales of products	8,490,633,038	9,770,921,697
Other operating revenue		
Hire charges of ships / barges	94,497,392	149,575,415
Export benefits	5,238,653	4,767,846
Total	8,590,369,083	9,925,264,958
Details of Sale of Products		
	31 March 2014	31 March 2013
Sponge Iron	8,025,411,627	8,952,378,266
Iron ore fines	402,299,364	725,434,903
Liquid Co2	62,922,048	93,108,529
Total	8,490,633,038	9,770,921,697

Note - 19 Other income

	31 March 2014	31 March 2013
Scrap sale	12,596,229	9,037,786
Rent received	1,498,715	1,411,837
Dividend income on current investments	7,960,815	16,926,070
Profit on sale of current investments	-	29,959,051
Interest income from banks	74,478	47,577
Interest income from current investments	32,522,113	43,423,446
Interest income from customers	46,307,736	127,552,073
Interest income from others	29,250	41,527
Gas related refund - earlier years	24,192,920	2,439,873
Excess provision written back (net)	7,469,915	4,069,709
Miscellaneous receipts	3,413,537	28,451,798
Total	136,065,708	263,360,747

Note - 20 Cost of raw material consumed

	31 March 2014	31 March 2013
Opening stock	1,702,316,229	1,869,900,338
Purchases	5,881,781,662	8,481,818,502
	7,584,097,891	10,351,718,840
Less: Closing stock	1,647,156,808	1,702,316,229
Total	5,936,941,083	8,649,402,611
Details of raw material consumed		
	31 March 2014	31 March 2013
Pellet	1,082,127,109	2,577,063,832
Iron ore	2,822,551,120	2,936,402,154
Natural gas	1,964,200,825	3,058,225,799
Auxiliary materials	68,062,028	77,710,825
Total	5,936,941,083	8,649,402,611
Details of raw material stock		
	31 March 2014	31 March 2013
Pellet	772,009,754	956,056,855
Iron ore	850,788,048	713,947,941
Auxiliary materials	24,359,006	32,311,433
Total	1,647,156,808	1,702,316,229

Note - 21 Changes in inventories of finished goods and goods in process

Closing stock	31 March 2014	31 March 2013
Finished Goods	294,751,830	554,808,815
Goods In Process	10,146,161	9,163,959
	304,897,991	563,972,774
Less : Opening Stock		
Finished Goods	554,808,815	339,643,005
Goods In Process	9,163,959	8,422,642
	563,972,774	348,065,647
Increase/(decrease) in stock		
Total	(259,074,783)	215,907,127
Details of finished goods stock	31 March 2014	31 March 2013
Sponge iron	129,531,560	448,223,474
Iron ore fines	164,324,514	103,714,896
Liquid Co2	830,055	809,663
Scrap	65,701	2,060,782
Total	294,751,830	554,808,815
Details of goods in process stock	31 March 2014	31 March 2013
Sponge iron	9,240,441	8,769,662
Liquid Co2	905,720	394,297
Total	10,146,161	9,163,959

Note - 22 Employee benefits expense

	31 March 2014	31 March 2013
Director's remuneration	9,477,234	15,842,082
Salaries, wages and allowances	235,438,713	306,382,699
Contribution to provident and other funds	19,772,969	23,274,693
Staff welfare expenses	18,478,573	17,332,766
Total	283,167,489	362,832,240

Note - 23 Other expenses

	31 March 2014	31 March 2013
Stores and spares consumed	97,482,589	154,618,676
Power and fuel charges	30,803,227	40,671,352
Water charges	14,595,858	14,820,186
Increase/(decrease) in excise duty on finished goods	(33,069,301)	34,566,004
Repairs and maintenance		
-Plant and machinery	87,476,298	123,544,002
-Buildings	6,717,141	15,534,231
-Others	17,154,008	11,724,469
Ship operation and maintenance charges	55,240,672	56,999,236
Other operational expenses	22,351,589	29,685,279
Freight and other expenses	76,769,547	68,588,134
Advertisement	229,180	142,555
Insurance	13,386,903	14,555,144
Director sitting fees	261,000	191,000
Rent	6,951,103	22,062,709
Rates and taxes	15,371,205	8,465,114
Export duty	104,060,098	205,834,053
Printing and stationary	1,324,167	1,602,159
Communication expenses	1,876,765	2,309,612
Traveling and conveyance	9,956,322	18,018,597
Professional and consultancy fees	16,717,461	19,959,370
Security and service charges	12,783,395	9,864,998
Payment to Auditors (Refer Note 32)	1,025,188	989,415
Foreign exchange difference (net)	272,876,506	152,845,397
Loss on sale / discard of fixed assets (net)	5,889,457	10,710,461
Loss on sale of current investments	1,091,794	-
Miscellaneous expenses	9,419,853	14,790,103
Total	848,742,025	1,033,092,256

Note - 24 Finance cost

	31 March 2014	31 March 2013
Interest on		
Fixed loans	1,108,833,083	574,155,773
Working capital	108,136,634	142,568,391
Others	1,699,011	1,307,442
	1,218,668,728	718,031,606
Discounting and other charges	101,849,408	111,809,188
Total	1,320,518,136	829,840,794

25. (i) Contingent Liabilities not provided for

	31 March-2014	31 March-2013
(a) Bank Guarantees (excluding (c) below)	308,250,000	523,500,000
(b) Claims against the Company not acknowledged as debts	288,572,997	1,562,001,667
(c) Disputed service tax / excise duty/ custom duty / VAT liabilities. (Include disputed dues of Rs. 108,550,736/- (Rs.108,550,736/-) for which bank guarantee issued for Rs.53,622,803 (Rs.53,622,803/-))	627,566,241	541,026,951
(d) Disputed Direct Taxes*	2,106,780,540	1,915,199,395
(e) Bills discounted with Banks	440,357,762	535,431,507
(f) Unexpired Letters of Credit (Net of liability booked)	162,054,315	Nil

* Income tax demands mainly include appeals filed by the Company before appellate authorities against the disallowance of depreciation / claims the values of inventories taken over as per scheme of arrangement. The management is of the opinion that its tax position will be sustained / decided in its favour and hence no provision is considered necessary at this stage.

- (ii) The Company has received show cause notice of Rs.270,385,381 during the year alleging wrong availment and utilisation of input credit on import of "Iron Ore Pellets". The Company has replied to all these notices. The Commissioner of Central Excise has granted favorable order, dropping the earlier show cause notices of Rs. 2,913,782,766 on the same subject matter during the year.
- (iii) Capital Commitments not provided for Rs.3,322,830 (Rs.814,519,890), net of advances.
- (iv) The company have long term contract for purchase of raw materials to ensure uninterrupted supply of raw material, however does not have any financial commitment.
26. a) The Company's production and profitability has suffered due to the decreased availability of contracted gas from KG-D6 Basin at economical rates from May 2011, and eventually become Nil and the problem further compounded by the reduction in Natural Gas supply from GAIL India Limited also, and will continue to have impact until the required gas supply is restored. The special leave petition (SLP) filed by the Company along with other affected parties in the Hon'ble Supreme Court of India against Government of India for restoration of supply of Gas from KG-D6 Basin is still pending.
- b) In view of uneconomical prices of RLNG and depressed market during the year, the Company's manufacturing facility remained shut down for a period of more than five months resulting into lower capacity utilisation.
27. a) Details of foreign currency exposures that are hedged by forward instruments outstanding are as under as at balance sheet date:

	31 March 2014		31 March 2013	
	USD	Rs.	USD	Rs.
Foreign Currency Payables	7,050,000	446,610,750	9,000,000	488,565,000

- b) Foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under as at the balance sheet date:

	31 March 2014			31 March 2013	
	USD	EURO	Rs.	USD	Rs.
Foreign currency Receivables	1,773,137	Nil	*106,237,503	1,701,253	92,352,521
Foreign Currency Payables	16,908,128	4,813	*1,013,448,404	34,125,211	1,852,487,075

*Converted at exchange rate of US\$ = Rs. 59.9150

Converted at exchange rate of EURO = Rs.82.6850

28. Operating Lease

- (a) The Company leases office premises, residential facilities, equipments, etc. under cancelable/non-cancelable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for eleven months to sixty months.

	31 March-2014	31 March-2013
Lease Rental charges for the period	13,837,925	31,663,123
Future lease rental obligations payable (under non-cancelable leases)		
Not Later than one year	14,199,593	34,702,165
Later than one year but not later than five years	2,366,597	28,124,337
Later than five years	3,696,090	3,752,010
Total	34,100,205	98,241,635

- (b) The company provides Mini Bulk Carriers and Barges on hire basis regularly. Income from Hire charges is Rs. 94,497,392 (Rs. 149,575,415). (Refer Note 18)

29. Managerial Remuneration

Remuneration to Whole-time Director and Executive Director is approved by members and is within the limits prescribed by section 198 and Schedule XIII of the Companies Act, 1956.

	31 March 2014		31 March 2013	
	Whole Time Directors #	Executive Chairman	Whole Time Directors #	Executive Chairman

Salaries and Allowances, Incentives and Contribution to Provident Fund *	9,477,234	Nil	13,812,510	2,029,572
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* Excludes leave encashment and Gratuity which is based on actuarial valuation and provided on an overall company basis.

Includes leave encashment at the time of retirement of Rs. 2,287,631.

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

- a) The Employees gratuity fund scheme managed by Life Insurance Corporation Limited is a defined benefit plan. The present value of obligation is based on actuarial valuation using the projected unit credit method. The obligation for leave encashment is recognized in the same manner as gratuity. The gratuity and leave encashment liability is provided on the basis of report of independent actuaries with valuation date 31 March 2014.

Defined Benefit Plan

Details of defined benefit plan of Gratuity (Funded) is as follows

I. Actuarial Assumptions

Economic Assumptions

Major Assumptions	31 March 2014 (%p.a.)	31 March 2013 (%p.a.)
Discount Rate (p.a.)	9.20	7.95
Expected Return on Assets	8.00	8.00
Salary Escalation Rate	8.00	8.00

Demographic Assumptions

Major Assumptions	
Mortality	Published rates under the Indian Assured Lives Mortality (2006-08) Ult table.
Retirement Age	Staff -60Yrs and Workers -58 yrs
Withdrawal Rate	2% per annum at all ages

II. Expenses Recognized in the Statement Profit and Loss

	Gratuity (Funded) 31 March 2014	Gratuity (Funded) 31 March 2013
Current Service Cost	7,660,267	7,182,937
Interest Cost	8,272,275	7,488,218
Expected Return on Plan Assets	(7,653,988)	(7,338,491)
Net Actuarial (Gain)/Loss recognized in the period	(23,200,662)	6,817,797
Effect of the limit in Para 59(b)	2,593,668	(194,656)
Expenses recognized in the Statement of Profit and Loss.	(12,328,440)	16,341,394

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

	Gratuity (Funded) 31 March 2014	Gratuity (Funded) 31 March 2013
Present Value of Obligation as at 31 March 2014	83,495,749	101,365,165
Fair Value of Plan Assets as at 31 March 2014	104,699,203	99,646,511
Effect of the limit in Para 59(b)	(2,593,668)	Nil
Assets/(Liability) Recognized in the Balance Sheet and disclosed under Loans and Advances /(Current Liability)	18,609,786	(1,718,654)

IV. Change in the Present Value of Obligation

	Gratuity (Funded) 31 March 2014	Gratuity (Funded) 31 March 2013
Present Value of Obligation – Opening Balance	101,365,165	85,072,407
Current Service Cost	7,660,267	7,182,937
Interest Cost	8,272,275	7,488,218
Benefits Paid	(11,217,636)	(9,032,021)
Actuarial (Gain) / Loss on Obligations	(22,584,322)	8,268,035
Past Service cost	Nil	2,385,589
Liabilities assumed on acquisition	Nil	Nil
Present Value of Obligation – Closing Balance	83,495,749	101,365,165

V. Change in Fair Value of Plan Assets

	Gratuity (Funded) 31 March 2014	Gratuity (Funded) 31 March 2013
Opening Fair Value of Plan Assets	99,646,511	94,889,803
Expected Return on Plan Assets	7,653,988	7,338,491
Actuarial Gain/(Loss) on Plan Assets	616,340	1,450,238
Contributions	8,000,000	5,000,000
Benefits Paid	(11,217,636)	(9,032,021)
Closing Fair Value of Plan Assets	104,699,203	99,646,511

31. Segment Reporting

- (i) The Company operates in a single primary business segment i.e. manufacture of Sponge iron and hence, there are no reportable segments as per Accounting Standard (AS) - 17 "Segment Reporting".
- (ii) Information about Secondary-Geographical segment.

	31 March 2014			31 March 2013		
	India	Outside India	Total	India	Outside India	Total
Sales	6,980,871,309	745,025,988	7,725,897,297	7,974,907,577	973,461,260	8,948,368,836
Carrying Amount of Segment Assets	18,283,490,142	1,358,629	18,284,848,771	19,970,117,954	13,736	19,970,131,690
Capital Expenditure	(1,469,509,906)	Nil	(1,469,509,906)	19,807,268	Nil	19,807,268

Note: The Segment revenue in the geographical segments considered for disclosure is as follows:

- Revenue within India includes sales to customers located within India and earnings in India.
- Revenue outside India includes sales to customers located outside India, earnings outside India
- Capital expenditure also includes expenditure incurred on capital work-in-progress and capital advances

32. Payment to Auditors

	31 March 2014	31 March 2013
As Auditor:		
Audit fees	800,000	750,000
Tax audit fees	200,000	150,000
Other services (certification fees)	10,000	50,200
Reimbursement of expenses	15,188	39,215
Total	1,025,188	989,415

33. Taxation

(a) Current Tax

In view of losses incurred during the year and income computed as per Income Tax Act, 1961, no provision for current tax is required to be made.

- (b) There was Search and Seizure action by Income Tax Department on 13 October 2010 against the Company/group entities. Later, on the basis of records enquiries from officers/staff, the Company through affidavit of directors retracted its declarations u/s 132(4) of the Income Tax Act, 1961 pertaining to income of Rs. 320,000,000 for the financial year ended 31 March 2010 and of Rs. 50,000,000 of capital expenses in the period ended 30 September 2011. Hence the relevant declaration u/s 132 (4) of income was not given effect in the books of the account. However required provision for tax considering the declaration of income u/s 132(4) is made in the relevant year.
- (c) 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.

34. During the previous year, the Company has revalued its Land, Building, Plant and Machinery and Capital Work in progress and Gross block as at 31 March 2013 and restated the net book value by adding therein the addition of Rs. 6,564,115,853 to fixed assets based on the valuation report issued by a independent registered valuer. The revaluation reserve is fully utilized for issue of Bonus Shares (Refer note 4(b)). Hence, depreciation charges of Rs. 369,384,460 on the revalued amount is charged to statement of profit and loss.

35. Related party disclosures

As per Accounting Standard 18, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

List of parties where control exists:

Holding Company :

Welspun Corp Limited (Upto 24.01.2014)*

Welspun Enterprises Limited (w.e.f. 24.01.2014)*

Wholly owned Subsidiary Company :

Welspun Water Infrastructure Private Limited (w.e.f 14.03.2014)

*Scheme of Arrangement: A scheme of Arrangement between Welspun Corp Limited ("WCL" or the "Demerged Company") and Welspun Enterprises Limited ("WEL" or a wholly owned subsidiary of WCL or the Resulting Company) and their respective shareholders and creditors (the "Scheme"), providing for inter alia transfer of Other Business undertakings (viz. the infrastructure business (including energy, water, road), the direct reduced iron ore (DRI), EPC contracting, oil and gas

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business) of WCL to WEL, was approved by the Hon'ble High Court of Gujarat at Ahmedabad on 10 January 2014 and pursuant to the scheme, Welspun Enterprises Limited became immediate Holding Company.

Fellow Subsidiaries

W.e.f. 24 January 2014

Welspun Natural Resources Private Limited, Welspun Infratech Limited, Welspun Plastics Private Limited, Welspun Projects Limited, Welspun Road Projects Private Limited, Welspun Infra Projects Private Limited, ARSS Bus Terminal Private Limited, Anjar Road Private Limited, Welspun BOT Projects Private Limited **, MSK Projects (Himmatnagar Bypass) Private Limited, MSK Projects (Kim Mandavi Corridor) Private Limited, Welspun Energy Transportation Private Limited @, Welspun Water Infrastructure Private Limited @.

Ceased to be subsidiaries w.e.f. ** 26 November 2013, @ 18 November 2013

Associate companies of Welspun Enterprises Limited (Holding Company)

Welspun Energy Limited \$

\$ Ceased to be associate w.e.f. 30 January 2014

Joint Venture companies of Welspun Enterprises Limited (Holding Company).

Adani Welspun Exploration Limited, Leighton Welspun Contractors Private Limited #, Dewas Bhopal Corridor Limited, Bul MSK Infrastructure Private Limited^

Ceased to be Joint Venture w.e.f. 07 February 2014

^ ceased to be Joint Venture w.e.f. 31 March 2014

Other related parties with whom transactions have taken place during the year and balances outstanding as on the last day of the year.

Welspun India Limited, Welspun Corp Limited, Welspun Logistics Limited, Welspun Steel Limited, Welspun Projects Limited, Welspun Reality Private Limited, Welspun Wintex Private Limited, Welspun Water Infrastructure Private Limited, Welspun Enterprises Limited.

Directors /Key Management Personnel

Name of the Related Party	Nature of Relationship
Mr. Vijay Singh Bapna (Resigned w.e.f. 12.04.2013)	Whole Time Director
Mr. Balkrishan Goenka	Non Executive Chairman
Mr. Rajesh Rameshkumar Mandawewala	Non Executive Director
Mr. Prakash Tatia (Appointed w.e.f. 13.04.2013)	Whole Time Director
Mr. Utsav Bajjal (Resigned w.e.f. 15.10.2013)	Nominee Director
Mr. Madhav Vasant Phadke (ceased to be director w.e.f. 28.04.2014)	Nominee Director
Mr. Mintoo Bhandari (Resigned w.e.f. 25.10.2013)	Nominee Director
Mr. Ram Gopal Sharma	Independent Director
Mr. Gopalkrishna Annaji Tadas (Appointed w.e.f. 28.04.2014)	Nominee Director

Transactions taken place with related parties during the year:

	Relationship	31 March 2014	31 March 2013
Sale / Services and Reimbursement of Expenses Received		363,150,800	30,073,815
Welspun India Limited	Other Related Party	92,617	42,785
Welspun Corp Limited	Erstwhile Holding Company	27,250	438,760
Welspun Projects Limited	Other Related Party	100,566	6,852,539
Welspun Steel Limited	Other Related Party	75,877,743	22,739,731
Welspun Enterprises Limited	Holding Company	287,052,624	Nil
Purchase of Goods and services / Reimbursements made against expenses incurred		39,769,797	11,710,384
Welspun India Limited	Other Related Party	30,643	291,216
Welspun Corp Limited	Erstwhile Holding Company	1,063,610	Nil
Welspun Steel Limited	Other Related Party	40,864,050	2,045,829
Welspun Logistics Limited	Other Related Party	Nil	7,047,220
Welspun Projects Limited	Other Related Party	Nil	2,326,119
Managerial Remuneration		9,477,234	15,842,082
Mr. Vijay S. Bapna	Whole Time Director	3,645,407	13,812,510
Mr.Prakash Tatia	Whole Time Director	5,831,827	2,029,572
Interest Income		59,466	Nil
Welspun Steel Limited	Other Related Party	59,466	Nil
Advance given		Nil	1,000,000
Welspun Projects Limited	Other Related Party	Nil	1,000,000
Advance given repaid		Nil	1,000,000
Welspun Projects Limited	Other Related Party	Nil	1,000,000
Advance taken		678,498,157	Nil
Welspun Steel Limited	Other Related Party	678,498,157	Nil
Advance taken repaid		639,987,126	Nil
Welspun Steel Limited	Other Related Party	639,987,126	Nil
Sale of Preference Shares		Nil	37,400,000
Welspun Corp Limited	Erstwhile Holding Company	Nil	37,400,000
Investments		100,000	Nil
Welspun Water Infrastructure Private Limited	Subsidiary Company	100,000	Nil
Loan Received		15,000,000	Nil
Welspun Projects Limited	Other Related Party	15,000,000	Nil
Loan Repaid		15,000,000	Nil
Welspun Projects Limited	Other Related Party	15,000,000	Nil

Balance (payable)/ Receivable as at 31 March 2014

	Relationship	31 March 2014	31 March 2013
Welspun India Limited	Other Related Party	37,295	(282,606)
Welspun Steel Limited	Other Related Party	45,470,413	6,354,524
Welspun Water Infrastructure Private Limited	Subsidiary Company	100,000	-
Welspun Projects Limited	Other Related Party	-	(970,836)
Welspun Enterprises Limited	Holding Company	(2,845,317)	-

36. Earnings per Share

	31 March 2014	31 March 2013
Loss after Tax	(3,045,533,008)	(2,006,576,927)
Weighted average number of equity shares outstanding during the year	910,576,464	910,576,464
Basic and Diluted Loss Per share on Face Value of Rs. 10 each	(3.34)	(2.20)

Previous year EPS has been recasted considering bonus issue (refer note 3(f)) in compliance with AS-20 on "Earning Per Share"

37. Capital Projects

The Company had given Capital Advance of Rs.1,476,000,000 for supplying of machinery for the Project. However the Steel Project was put on hold for long period, the Supplier terminated contract and matter was referred to arbitrator who has awarded for forfeiture of advance of Rs. 1,476,000,000 and allowed supplier's other claims of Rs. 57,100,000. However, the Company has finally settled amicably with the supplier and the Company agreed to pay Rs.46,750,000 in full and final settlement. The entire amount of Rs.1,522,750,000 has been charged to the statement of profit and loss during the year and the same has been shown as Exceptional items in the statement of profit and loss.

38. During the year, the Company has issued Bonus shares on 06 August 2013 for Rs. 7,804,941,120 (780,494,112 equity shares of Rs. 10/- each) by capitalising its Securities premium account of Rs. 1,240,825,267 and Revaluation reserve of Rs. 6,564,115,853. Accordingly, the paid up equity share capital of the company stands increased by Rs. 7,804,941,120 and the revaluation reserve stands reduced by Rs. 6,564,115,853. The issue of bonus shares to the extent out of Revaluation reserve as aforesaid is contrary to the circular issued by the Department of Company Affairs issued in September, 1994 and the recommendations of the Institute of Chartered Accountants of India issued in November, 1994. However, the Hon'ble Supreme Court in the case of Bhagwati Developers Vs Peerless General Finance & Investment Co. & others (2005) Comp LJ 377 (SC) has held that there is no specific bar under the Companies Act for issue of Bonus Shares out of Revaluation Reserve and that the Department's Communique was advisory in nature, without any mandatory effect. Hence Management is of the opinion that the Company is justified in capitalizing its Revaluation Reserve.
39. a) Balances of certain debtors, creditors and advance are subject to confirmation / reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments except otherwise stated.
- b) In the opinion of management, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for expenses and all known liabilities is adequate and not in excess of the amount reasonably stated.
40. The Company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006(MSMED Act). As the Company has not received any intimation from its suppliers as on date regarding their status under the above said Act, no disclosure has been made. This has been relied upon by Auditors.
41. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

42. Raw Materials Consumed	31 March 2014		31 March 2013	
	%	Rs.	%	Rs.
Imported	19.10	1,133,832,828	30.46	2,634,299,440
Indigenous	80.90	4,803,108,255	69.54	6,015,103,171
Total	100.00	5,936,941,083	100.00	8,649,402,611

43. Stores and Spares Consumed	31 March 2014		31 March 2013	
	%	Rs.	%	Rs.
Imported	12.60	12,279,337	11.66	18,026,203
Indigenous	87.40	85,203,252	88.34	136,592,473
Total	100.00	97,482,589	100.00	154,618,676

44. CIF Value of Imports	31 March 2014		31 March 2013	
		Rs.		Rs.
a) Raw materials		1,010,929,321		2,715,355,235
b) Stores and Spares		11,223,575		7,879,739

45. Expenditure in Foreign Currency	31 March 2014		31 March 2013	
		Rs.		Rs.
Traveling and conveyance		572,232		140,122
Membership and other Fees		542,697		227,589
Technical Assistance Fees		2,908,714		2,487,622
Freight and other expenses		616,058,421		419,485,207
Interest		18,142,953		32,741,453
Miscellaneous expenses		Nil		800,646

46. Earnings in Foreign Currency:	31 March 2014		31 March 2013	
		Rs.		Rs.
FOB value of Exports		685,415,497		935,497,491

For and on behalf of the Board

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

Sanjay Kothari - Partner
Membership Number 048215

Place: Mumbai
Date: 9 June 2014

sd/-
B.K. Goenka
Chairman

sd/-
Prakash Tatia
Director

Welspun Maxsteel Limited
CASH FLOW STATEMENT

All amounts in Indian Rupees

	2013-14	2012-13
Cash Flow from Operating Activities		
Profit before tax and exceptional items	(1,52,27,83,008)	(1,81,44,49,228)
Adjustment for:		
Depreciation / Amortisation expenses	73,63,02,497	36,69,18,037
Exchange adjustments	2,91,94,271	1,14,03,387
Loss on sale/discard of fixed assets(net)	58,89,457	1,07,10,461
Dividend received	-79,60,815	-1,69,26,070
Profit/ (Loss) on Sale of Short Term Investment	10,91,794	-2,99,59,051
Interest income	-7,89,33,577	-17,10,64,623
Interest expenses	1,21,86,68,728	80,53,81,196
Operating profit / (loss) before working capital changes	38,14,69,347	(83,79,85,891)
Adjustment for changes in Working Capital		
Trade and other receivables	(97,99,22,782)	1,25,28,19,250
Inventories	32,11,70,595	(2,77,53,133)
Trade and other payables	(1,86,43,187)	(12,81,32,138)
Cash generated from Operations	(29,59,26,029)	25,89,48,088
Income tax	(42,84,675)	(91,54,228)
Net Cash from / (used in) Operating Activities	(30,02,10,704)	24,97,93,860
Cash Flow from Investing Activities		
Purchase of fixed assets (including Capital Work In Progress)	(5,32,40,094)	(17,39,03,011)
Sale of fixed assets	12,47,705	17,45,948
Dividend received	79,60,815	1,69,26,070
Purchase of units of Mutual Funds and Bonds	(4,77,78,30,088)	(7,87,37,37,620)
Redemption of units of Mutual Funds and Bonds	4,77,67,38,294	7,90,36,96,671
Investment in Subsidiary Company	(1,00,000)	-
Interest received	7,89,33,577	17,10,64,623
Loan received from related party	1,50,00,000	-
Loan repaid to related party	-	(1,50,00,000)
Net Cash used in Investing Activities	3,37,10,210	4,57,92,681
Cash Flow from Financing Activities		
Interest paid	(26,06,13,694)	(35,02,05,356)
Proceeds from issue of preference shares	-	3,74,00,000
Proceeds from Long term loan	-	91,43,727
Proceeds from working capital (net)	19,56,45,444	(26,01,79,538)
Deferred Sales Tax Loan	5,01,16,529	4,40,17,683
Net Cash from Financing Activities	(1,48,51,721)	(51,98,23,484)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(28,13,52,215)	(22,42,36,943)
CASH AND CASH EQUIVALENT - OPENING BALANCE	28,70,16,698	51,12,53,641
CASH AND CASH EQUIVALENT - CLOSING BALANCE	56,64,483	28,70,16,698

Notes:

(1) Cash and Cash Equivalents

Cash on hand	3,38,165	6,02,583
Balances with banks:		
- in Current account	52,97,451	28,50,84,177
	56,35,616	28,56,86,760
Other bank balances:		
- in Margin money account	28,867	-
- Deposits with original maturity for more than 3 months but less than 12 months	-	13,29,938
	56,64,483	28,70,16,698

(2) Previous year's figures have been regrouped/recast wherever necessary.

As per our report of even date
For SMGB & Co.
Chartered Accountants
Firm Registration No.: 101169 W

For and on behalf of Board of Directors

Sanjay Kothari - Partner
Membership Number 048215

B.K. Goenka
Chairman

Prakash Tatia
Director

Place: Mumbai
Date: 9 June 2014

Welspun Water Infrastructure Pvt. Ltd. Directors' Report

To,
The Members,
Welspun Water Infrastructure Private Limited, Mumbai.

Your Directors have pleasure in presenting their 4th Annual Report and audited statement of accounts for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

As the Company's business activities have not yet started, hence, there are no financial details available to mention here.

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 2014.

PUBLIC DEPOSITS

The Company has not accepted any Public Deposit under provisions of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 and Reserve Bank of India Rules, if any.

DIRECTORS

During the year Mr. Devendra Patil and Mr. L.T. Hotwani resigned as Directors while Mr. Pradeep Gokhroo and Mr. Prakash Tatia have been appointed as Additional Directors of the Company. None of the directors are liable to retire by rotation as per the provision of Articles of Association.

CHANGE OF NAME AND OBJECTS

Your company is in process to change its name from Welspun Water Infrastructure Private Limited to Welspun Agro Ventures Private Limited and also to change the main object of the company for acquiring and dealing with various agricultural and other land properties. The members approved the change of name and new objects vide their Extra Ordinary Meeting held on March 29, 2014.

AUDITORS

M/s. Sureka Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company is a not a manufacturing unit the above particulars are not applicable.

PARTICULARS OF EMPLOYEES

No employee of the Company comes under the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1988.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that they had:

- followed in the preparation of annual accounts, the applicable accounting standards and given proper explanation relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year;
- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities; and
- prepared the accounts on a going concern basis.

For and on behalf of the Board

Mumbai
Date: 9th June, 2014

Prakash Tatia
Director

Pradeep Gokhroo
Director

Welspun Water Infrastructure Pvt. Ltd.

INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Water Infrastructure Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statement of **Welspun Water Infrastructure Private Limited** which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, *but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control*. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the *Statement of Profit and Loss*, of the Loss for the year ended on that date;
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

5. In our opinion, the Company is exempted from application of the Companies (Auditor's Report) Order, 2003 since it fulfills all the conditions stipulated under clause (2)(iv) of paragraph 1 of the said order and hence the matters specified in paragraph 4 and 5 of the said Order are not applicable.
6. As required by section 227(3) of the Act, 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 purpose of 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

SUREKA ASSOCIATES
Chartered Accountants
Firm's Registration No. 110640W

Suresh Sureka
Partner
Membership No. 34132

Place : Mumbai
Date : 09th June, 2014

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Annual Report 2013-14

Welspun Water Infrastructure Pvt. Ltd.**BALANCE SHEET AS AT 31 MARCH 2014**

All amounts in Indian Rupees

	Notes	As at 31 March-2014	As at 31 March-2013
EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share Capital	2	100,000	100,000
Reserves and Surplus	3	(60,171)	-
(2) Current Liabilities			
Trade Payables	4	276	2,297
Other current liabilities	5	11,848	11,236
Total		51,953	113,533
ASSETS			
(1) Non-current assets			
CWIP - Pre operative expenses	6	-	46,911
(2) Current assets			
Cash and cash equivalents	7	51,953	66,622
Total		51,953	113,533
Notes forming part of the financial statements	1- 14		

As per our report of even date attached

For SUREKA ASSOCIATESFirm Registration No.:110640W
Chartered Accountants**SURESH SUREKA**Partner
Membership No. 34132Place: Mumbai
Date: 9 June 2014**For and on behalf of the Board****PRAKASH TATIA**
Director**PRADEEP GOKHROO**
Director

Welspun Water Infrastructure Pvt. Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

All amounts in Indian Rupees

	Notes	Current Year 2013-14	Previous Year 2012-2013
INCOME			
Revenue from operations		-	-
Total Revenue			
EXPENSES:			
Pre-operative Expenses Written off		46,911	-
Other expenses	8	13,260	-
Total Expenses		60,171	-
Profit / (Loss) before tax		(60,171)	-
Tax expense:		-	-
Profit/(Loss) for the Year		(60,171)	-
Earning per equity share: Basic & Diluted	9	(6.02)	-
Notes forming part of the financial statements	1- 14		

As per our report of even date attached

For SUREKA ASSOCIATES
Firm Registration No.:110640W
Chartered Accountants

For and on behalf of the Board

SURESH SUREKA
Partner
Membership No. 34132

PRAKASH TATIA
Director

PRADEEP GOKHROO
Director

Place: Mumbai
Date: 9 June 2014

Welspun Water Infrastructure Pvt. Ltd.

CASH FLOW STATEMENT

ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31 March, 2014

All amounts in Indian Rupees

Particulars	31st March 2014 Rs.	31st March 2013 Rs.
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and exceptional items	(60,171)	-
<i>Adjustments for:</i>		
Pre operative Expenditure written off	46,911	-
Operating Profit before working capital changes	(13,260)	-
Increase/(Decrease) in Trade and other payables	(1,409)	-
	(1,409)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	(14,669)	-
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including CWIP & Capital Advance	-	(11,236)
NET CASH USED IN INVESTING ACTIVITY	0	(11,236)
CASH FLOW FROM FINANCING ACTIVITIES	-	-
NET CASH FROM FINANCING ACTIVITY	-	-
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(14,669)	(11,236)
Cash and cash equivalent Opening balance	66,622	77,858
Cash and cash equivalent Closing balance	51,953	66,622

Notes:

1. The cash flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow statements issued by the Institute of Chartered Accountants of India.

As per our report of even date attached

For SUREKA ASSOCIATES
Firm Registration No.:110640W
Chartered Accountants

For and on behalf of the Board

SURESH SUREKA
Partner
Membership No. 34132

PRAKASH TATIA
Director

PRADEEP GOKHROO
Director

Place: Mumbai
Date: 9 June 2014



Notes to financial statements for the year ended 31 March 2014

1 SIGNIFICANT ACCOUNTING POLICIES**a. Basis of preparation:**

The financial statements of the company have been prepared in accordance with generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting standards) Rules, 2006, (as amended) and the relevant provision of the Companies act, 1956 read with general circular 8/2014 Dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention.

b. Use of estimates:

The preparation of 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 of the date of financial statements and the reported income and expenses during the year. Actual results could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

c. Fixed Assets:

- There are no Fixed assets as at the Balance sheet date.
- Capital work in Progress includes preoperative expenditure and is stated at the amount incurred up to the date of Balance Sheet.

d. Earning per share:

Basic earning per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during period.

Particulars	31st March 2014 Rs.	31st March 2013 Rs.
2 Share Capital		
Authorised:		
50,000 (50,000) Equity Shares of Rs. 10/- each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>
Issued, Subscribed and Paid up:		
10,000 (10,000) Equity Shares of Rs.10/- each, fully paid up	100,000	100,000
Total	<u>100,000</u>	<u>100,000</u>

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period

Particulars	As at 31/03/2014		As at 31/03/2013	
	Number	Rs.	Number	Rs.
Equity shares				
Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	10,000	100,000	10,000	100,000

b. Terms / rights attached to equity shares

The company has only one class of equity shares having a face value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The dividend, if any proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March, 2014, the company has not declared any dividend. (31 March, 2013: NIL)

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

c. Shares held by holding / ultimate holding company and / or their subsidiaries

Out of Equity Shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:-

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period

Particulars	As at 31/03/2014		As at 31/03/2013	
	Number of shares held	% of holding	Number of shares held	% of holding
Holding Company				
Welspun Maxsteel Ltd.	9,999	99.99	-	-
Welspun Infra projects Pvt. Ltd.	-	-	10,000	100.00

d. Details of share holders holding more than 5% Shares in the company

Particulars	As at 31/03/2014		As at 31/03/2013	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares				
Welspun Maxsteel Ltd.	9,999	99.99	-	-
Welspun Infra Projects Pvt. Ltd.	-	-	10,000	100.00

Notes to financial statements for the year ended 31 March 2014

Note No.	Particulars	31st March 2014 Rs.	31st March 2013 Rs.
3	Reserves and Surplus		
	Balance in Statement of Profit and Loss		
	Balance as per Last financial statements	-	-
	Profit/(Loss) for the year	(60,171)	-
	Balance as at the end of the year	(60,171)	-
	Total Reserve and Surplus	(60,171)	-
4	Trade Payables		
	S S Risbud & Co.	276	276
	Welspun Infratech Ltd.	-	2,021
	Total	276	2,297
5	Other current liabilities		
	Creditor for expenses		612
	Audit fees payable	11,236	11,236
	Total	11,848	11,236
6	CWIP - Pre operative expenses		
	Opening Balance	46,911	34,133
	Audit Fees	-	12,472
	Filling Fees	-	306
	Written off	(46,911)	-
	Total	-	46,911
7	Cash and cash equivalents		
	Balances with banks:		
	In current accounts (Punjab National Bank)	51,953	66,622
	Total	51,953	66,622
8	Other Expenses		
	Auditors remuneration:		
	Audit fees	11,236	-
	Bank Charges	424	-
	Filling Fees	1,200	-
	Professional Fees	400	-
	Total	13,260	-
9	Earning Per Share		
	For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered :		
	Basic and diluted Earnings Per Share		
	Net profit after tax attributable to equity shareholders (Rs.)	(60,171)	-
	Weighted average number of equity shares outstanding during the year (No.)	10,000	10,000
	Nominal value of share (Rs.)	10	10
	Basic and diluted earnings per share (Rs.)	(6.02)	-

Notes to financial statements for the year ended 31 March 2014

10 Related party relationships:

Relationship	Name of Related Party
a. Key Managerial Personnel	Mr. Prakash Tatia Mr. Pradeep Gokhroo
Holding Company	Welspun Maxsteel Limited (From 14 th March 2014) Welspun Infra Projects Pvt Limited (up to 13 th March 2014)

Notes:

- The related party relationships have been determined by the management on the basis of the requirements of the Accounting Standard (AS) - 18 'Related Party Disclosures' and the same have been relied upon by the auditors.
- The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year, except where control exist, in which case the relationships have been mentioned irrespective of transactions with the related party.

Transactions with related parties:

ii Details of related party transactions during the year

Note No.	Particulars		31st March 2014 Rs.	31st March 2013 Rs.
	Ultimate Holding Company(Upto 13th March 2014)			
	Welspun Infratech Ltd.	Advance Taken	11,236	306
			11,236	306
iii. Closing Balances				
	Holding Company			
	Welspun Maxsteel Limited	Share Capital	100,000	-
	Welspun Infra Project Pvt Ltd.	Share Capital		100,000
	Welspun Infratech Pvt Ltd	Advance Taken		2,021
11	Payment to auditors:			
	Auditors remuneration:			
	Audit fees		11,236	11,236

- 12** The company does not have dues payable to any Micro, Small and Medium Enterprises for the year ended March 31, 2014. The identification of Micro, Small and Medium Enterprises is based on management's knowledge of their status.

13 Previous Year Comparatives:

Previous Year figures are regrouped, rearranged or recast wherever considered necessary.

- 14** Other Additional information required in pursuance of the provisions of Part II of Schedule VI to the Companies Act, 1956 to either Nil or not applicable.

As per our report of even date attached

For SUREKA ASSOCIATES
Firm Registration No.:110640W
Chartered Accountants

For and on behalf of the Board

SURESH SUREKA
Partner
Membership No. 34132

PRAKASH TATIA
Director

PRADEEP GOKHROO
Director

Place: Mumbai
Date: 9 June 2014

WELSPUN



Dare to Commit

WELSPUN ENTERPRISES LIMITED

(Formerly known as Welspun Infra Enterprises Limited)

Welspun House, 7th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013, INDIA