

5th Annual Report

2012-13



Welspun Investments and Commercials Limited

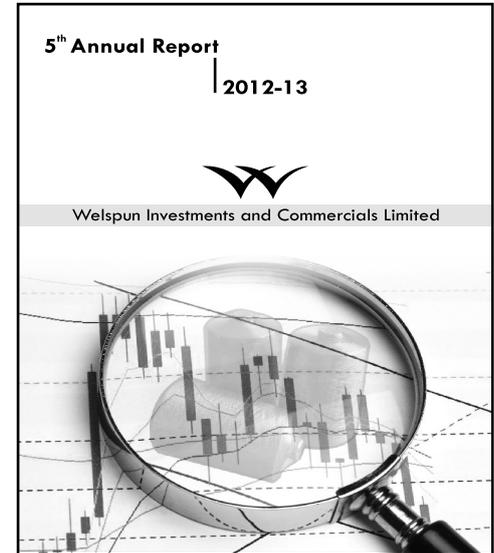




WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS:	L. T. Hotwani Arun Todarwal Raj Kumar Jain Atul Desai
AUDIT COMMITTEE:	Raj Kumar Jain Arun Todarwal Atul Desai
SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE:	L. T. Hotwani Arun Todarwal Atul Desai
COMPANY SECRETARY:	Jeevan Mondkar
STATUTORY AUDITORS:	Suresh Surana & Associates, Chartered Accountants
REGISTERED OFFICE:	Welspun City, Village Versamedi, Tal : Anjar, Dist. Kutch, Gujarat – 370 110 Tel: +91-2836- 661111 Fax : +91-2836-279010
CORPORATE OFFICE:	Welspun House, 7th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Tel : +91-22- 66136000 Fax : + 91-22-24908020
REGISTRAR AND TRANSFER AGENTS:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai – 400 078.
BANKERS:	Punjab National Bank IndusInd Bank Limited Axis Bank
WEBSITE:	www.welspuninvestments.com
EQUITY SHARES LISTED AT:	Bombay Stock Exchange Limited National Stock Exchange of India Limited



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NOTICE

NOTICE is hereby given that the 5th Annual General Meeting of Welspun Investments and Commercials Limited will be held on Friday, August 30, 2013 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal : Anjar, Dist. Kutch, Gujarat – 370 110 at 12.15.p. m. to transact the following business:

Ordinary Business:

- 1] To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2] To appoint a director in place of Mr. L.T. Hotwani, who retires by rotation, and being eligible offers himself for re- appointment.
- 3] To appoint M/s. Suresh Surana & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board of Directors

Jeevan Mondkar
Company Secretary

Place: Mumbai

Date: May 15, 2013

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Register of Members and Transfer Books of the Company will be closed from Friday, August 23, 2013 to Friday, August 30, 2013 (both days inclusive) for the purpose of Annual General Meeting.
3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of the Board resolution/Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to notify change in address, signature or bank particulars for their shares held in electronic mode to their respective depository participant and for physical holding to the Registrar and Share Transfer Agents of the Company. i.e. M/s Link Intime Private Limited.
5. Members are requested to bring their copy of the Annual Report at the Meeting.
6. Members/Proxies should bring their attendance slips duly completed for attending the Meeting.
7. To support the Green Initiative in Corporate Governance taken by the Ministry of Corporate Affairs by allowing paperless compliances and stating that service of notices/documents including Annual Reports can be effected by sending the same through electronic mode to the registered email addresses of the shareholders. Notices /documents including the Annual Report are now being sent by electronic mode to the shareholders whose email addresses have been registered with the Company. Members who would like to receive such notices/documents in electronic mode in lieu of physical copy and who have not registered their email addresses so far are requested to register their email addresses:

In respect of electronic shareholding holding- through their respective Depository Participant.

In respect of physical shareholding- by sending a request to the Company's registrar and Share Transfer Agent, mentioning therein folio number and email address.



ANNEXURE TO THE NOTICE :

BRIEF RESUME OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT.

ITEM NO. 2 :

As regards re-appointment of Mr. L.T. Hotwani referred to in item no. 2 of the notice, following necessary disclosures are made for the information of the shareholders:

Mr. L.T. Hotwani , aged 60 years, is a non-executive director. He has over 39 years of experience at senior level in various areas like supply chain, accounts, finance, taxation, commercials etc. He has been with Welspun Group since 1991.

Details of directorship / membership of the Committees of the Board of other companies are as under:

Directorship:

- i) Krishiraj Trading Ltd,
- ii) Mertz Securitites Ltd.,
- iii) Vipuna Trading Ltd.,
- iv) Goodvalue Polyplast Ltd.
- v) Welspun Mercantile Ltd.
- vi) Welspun Finance Ltd.
- vii) Alspun Infrastructure Limited
- viii) Welspun Pipes Limited

Membership of committees of the Board in other companies : Nil

He does not hold any equity shares in the Company.

By Order of the Board of Directors

Jeevan Mondkar
Company Secretary

Place: Mumbai

Date: May 15, 2013



DIRECTORS' REPORT

Dear Members,

WELSPUN INVESTMENTS AND COMMERCIALS LIMITED.

The Directors of your Company are pleased to present their 5th Annual Report together with Audited Statement of Accounts for the year ended March 31, 2013.

1. WORKING RESULTS:

The working results of the Company for the year under report are as under:

	2012-13 (Rs.)	2011-12 (Rs.)
Income	28,999,094	66,865,978
Expenditure	23,546,022	57,122,920
Profit Before taxation	5,453,072	9,743,058
Provision for current taxation	(254,237)	(23,234)
Profit After Taxation	5,198,835	9,719,824
Profit available for appropriation	5,198,835	9,719,824
Balance b/f for Previous Year	35,041,033	25,321,209
Balance Carried to Balance Sheet	40,239,868	35,041,033

2. DIVIDEND:

In order to conserve resources for the future, your directors do not recommend any dividend for the period ended March 31 2013. The directors expects that this will increase shareholders' value in the long term.

3. DIRECTORS:

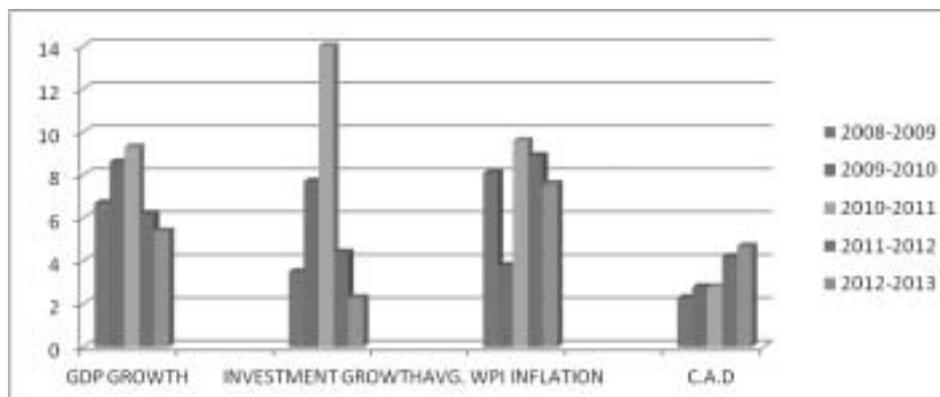
In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. L.T. Hotwani, a director liable to retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer himself for re-appointment. The Board of Directors recommends his appointment for approval of the shareholders of the Company.

Brief resume of Mr. Hotwani proposed to be re-appointed is provided in the Notice for convening the Annual General Meeting.

4. MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments

For the Indian economy, the slowdown in growth that began in FY12 continued in FY13. For FY13, the growth rate of real GDP is estimated at 5.0 percent, the slowest pace in a decade. The slowdown has been broad-based, affecting all major sectors of economic activity. Slowdown in industrial sector growth which started in FY12 weaknesses continued in FY13, bringing down the average industrial growth to 3.3 percent from an average of 9.2 percent during the preceding two years. Continued weakness in the industrial sector dragged down growth in services as well, bringing down its projected rate of growth an 11-year low of 6.6 per-cent. Although persistent weakness in the global environment contributed to the slowdown in growth, the adverse contagion effects from the Eurozone debt crisis explain only a small part of the overall deceleration. (See figure below) The key challenges facing the economy included a record current account deficit coupled with a high fiscal deficit and stubbornly high inflation, with the Reserve Bank of India (RBI) finding it difficult to strike a balance between monetary stimulus and price restraint.



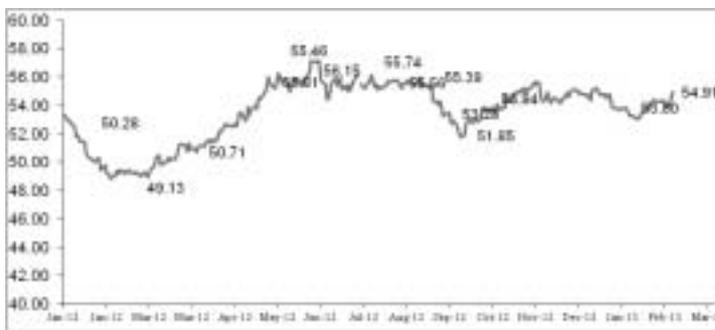
Source: RBI



Recovery in 2013-14 is expected to be modest. Subdued domestic business confidence, coupled with supply constraints, such as shortage of coal and natural gas, stoppage of mining in some states and delays in commissioning of large projects are expected to drag down growth for some more time. However, there is reason for optimism. Pick up of growth in consumption expenditure and gross fixed capital formation in the second half of FY13 suggest that the slowdown in demand may be bottoming out. With output growth slowing, headline inflation has fallen to its lowest level in over three years. This has prompted RBI to lower policy rates twice in the last quarter of FY13 and to follow it up with another cut in the first quarter of FY14. With interest rates on a downward trajectory, investment is expected to pick up. Policy action to reduce fuel subsidies and the recently presented fiscal 2014 Union Budget has reaffirmed the government's commitment to fiscal consolidation.

The Foreign Exchange

The Indian Rupee has been very volatile against the US dollar and other major currencies over the last year. Against the US dollar, from a high of 49.13 in April 2012, it depreciated sharply to around 56 levels in June 2012. It started appreciating post-June, reaching 51.85 in October 2012. But since then, the rupee has weakened closing the financial year at close to 55 levels. This volatility has created further uncertainty for companies, affecting both Importers and Exporters in equal measure. The figure below shows the price fluctuations during the year.



b. Business Overview

As the name reflects, Welspun Investments and Commercials Ltd, the business of the Company which is into a combination of trading activities and investment holding company with major size to be of trading activities, having investments predominantly in Welspun Group companies, which are engaged in the business of SAW Pipes & Plates, Infra, Steel, Home Textiles and Energy. The profitability from the investment activity is linked to the performance of the investee Company as well as fluctuations in the quotations on the stock markets. The Company also holds investments in bonds. The Company also deals in commodities in domestic as well as international market.

c. Outlook

The Company will continue to focus on its trading activities and making long term strategic investments in various existing/new ventures, besides consolidating the existing investments as and when the resources and opportunities are available going forward.

The economic situation continues to remain difficult. There seems little to suggest that governance at the level of centre and the states of India will improve sufficiently to re- create the investment climate.

d. Opportunity & Threats

The cut throat competition in trading activities is the major threat faced by the Company in the trading segment. Higher inflation is also a major challenge faced by trading business.

Various economic reforms announced by the Government are expected to boost investment and, it is hoped, rejuvenate the economy to provide business potential to the Company.

The Company is dependent on dividends and distributions from our investments. Thus, failure of the investee companies to be profitable, or inability of any of the investee companies to pay dividend could impact the revenue stream of the Company.

e. Internal control systems and their adequacy

The adequacy of the internal control system is reviewed by the Audit Committee of the Board of Directors. The emphasis on internal controls prevails across functions and processes, covering entire gamut of various activities. Your Company has taken proper and sufficient care for the maintenance of adequate accounting records as required by various Statutes.

Internal Auditors, the Audit Committee and Statutory Auditors have full and free access to all the information and records as considered necessary to carry out their responsibilities.

f. Cautionary Statement

The information and opinion expressed in this report may contain certain forward looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements, risks and opportunities could differ materially from



those expressed or implied in this report. This should be read in conjunction with the Company's financial statements.

5. DISCUSSION OF FINANCIAL PERFORMANCE

- a. Revenue: During FY13 the revenue from operations was Rs. 28.99 million as compared to Rs. 66.86 million in FY12. The Company is capitalizing on the opportunity to build on a strong trading business and at the same time focusing on its investment activities yielding market realistic returns. The Company's strong in-house capabilities give it a competitive edge in the industry.
- b. Purchases of Stock in Trade: The purchase of stock in trade was Rs. 16.36 million in FY13 as compared to Rs. 40.28 million in FY12.
- c. Employee Benefit Expenses: The Employee Benefit Expense was at Rs. 1.84 million in FY13 as compared to Rs. 1.77 million in FY12 showing a marginal increase.
- d. Interest Cost: The Interest expense was Rs. 3.36 million in FY13 as compared to Rs. 13.19 million in FY12.
- e. Other Expenses: The other expenses was Rs. 1.96 million in FY13 as compared to Rs. 1.87 million in FY 12 showing a marginal rise compared to last year.
- f. Profit (Loss) before Tax: The Profit before tax stands at Rs. 5.45 million in FY13 as compared to Rs.9.74 million in FY 12.
- g. Profit (Loss) After Tax : The Profit after tax in FY13 stands at Rs. 5.19 million as compared to Rs.9.71 million in FY12. The PAT margin in FY 13 was 18% as compared to 15% in FY12 which reflects better margins made during the year.
- h. Networth: The Networth of the Company stands at Rs. 273.58 million in FY13 as compared to Rs.268.36 million in FY12 showing a marginal increase.

6. PUBLIC DEPOSITS

The Company does not accept any deposit from public and hence has not contravened provisions of section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 and Reserve Bank of India Rules, if any.

7. AUDITORS

The Auditors of the Company, M/s Suresh Surana & Associates Chartered Accountants hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The certificate from the Auditors have been received to the effect that their re-appointment, if made, would be within the limits under Section 224(1B) of the Companies Act, 1956. Their re-appointment as the Auditors for the financial year 2013-14, forms part of the Notice of the said Annual General Meeting.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your company does not carry any activity which is covered under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and accordingly no data needs to be enclosed.

9. PARTICULARS OF EMPLOYEES

No employee has drawn salary in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with rules made there under.

10. 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 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.

11. ACKNOWLEDGEMENTS

Your Directors wish to acknowledge the co-operation and support extended by the Group Companies, Central Government, State Governments, bankers, customers, and the shareholders. The directors also wish to thank all the employees for their contribution, support and continued co-operation throughout the year. It will be always be the Company's endeavor to build and nurture strong relationship for mutual benefits.

For and on behalf of the Board

Place: Mumbai
Date: May 15, 2013

L.T. Hotwani
Chairman

**CORPORATE GOVERNANCE REPORT – 2013****I. Philosophy on Corporate Governance:**

Welspun's Corporate Governance philosophy encompasses not only regulatory and legal requirements but also strives to enhance shareholders' value through good strategic decisions, prudent financial management, ensuring transparency and professionalism relating to the transactions of the Company. The Company is committed to achieve and maintain the highest standards of Corporate Governance. This Governance protects and balances the interest of all stakeholders thereby enhancing shareholder value. The Company is focused on enhancing the long term value creation for all the stakeholders without compromising on integrity, social obligations, environment and regulatory compliances.

Board of Directors:

Your Company is managed and controlled by the professional Board of Directors. As on March 31, 2013, the Board of Directors comprises of 4 Directors, of which 1 Director is Non - Executive and 3 are Independent Directors. The Chairman is non-executive director of the Company. Your Company's Board consists of eminent persons with considerable professional expertise and experience thereby ensuring the best interest of stakeholders and the Company. The Company is in compliance with the clause 49 of the listing Agreement pertaining to compositions of directors.

Composition and category of directors; attendance of each director at the board meetings and the last AGM; number of other companies on the Board or Committees of which, a director is a Director; and number of board meetings, dates on which held, are as under:

Name of Director	Category	Board Meetings Attended during the Year 2012-13	Attendance at the Last AGM	No. of Directorships in other Indian Public Limited Companies	No. of Chairmanship(s) /Membership(s) of Committees in other Public Ltd Cos. @	
					Chairman-ships	Member-ships
Mr. L.T. Hotwani	NE, C,	5	No	8	-	-
Mr. Arun Tadarwal	NE,I	4	No	6	1	6
Mr. Atul Desai#	NE, I	3	No	9	4	5
Mr. Raj Kumar Jain	NE, I	5	Yes	4	3	-
Mr. Shailesh Vaidya*	NE, I	2	N.A.	N.A	N.A.	N.A.

* Resigned w.e.f August 8, 2012

inducted in the Board w.e.f August 8, 2012

@ Only two Committees, namely, Audit Committee and Shareholders' /Investors' Grievance Committee have been considered
Abbreviations:

NE = Non-Executive, I = Independent, C = Chairman.

Five meetings of the Board of Directors were held during the financial year 2012-13 and the gap between two meetings did not exceed four months. The dates of those five meetings were May 25 2012, August 08, 2012, October 1, 2012, November 9, 2012, and February 11, 2013. The information as required under Annexure IA to Clause 49 of the Listing Agreement is being made available to the Board.

II. AUDIT COMMITTEE**A. Terms of Reference:**

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under clause 49 of the Listing Agreement. The Committee acts as a link between the management, external/ internal auditors and the Board of Directors and oversees the financial reporting process.

**B. Composition:**

The Chairman of the Committee is an independent director. The composition of the Committee is given hereunder:

Name of Member	Member/ Chairman	Category	No. of meetings attended
Mr. Raj Kumar Jain	Chairman	Non-Executive Independent	5
Mr. Arun Tadarwal	Member	Non-Executive Independent	4
Mr. Atul Desai*	Member	Non-Executive Independent	3
Mr. Shailesh Vaidya#	Member	Non-Executive Independent	-

*Inducted in the Committee on August 8, 2012

Resigned w.e.f August 8, 2012

During the year, the Committee met five times: May 25, 2012, August 08, 2012, October 1, 2012, November 9, 2012 and February 11, 2013. The Company Secretary of the Company, Mr. Jeevan Mondkar is the Secretary of the Committee. Finance Head, Accounts Head and Internal Auditors/ Statutory Auditors are the permanent invitees to the meetings as and when held as per the provisions of the Listing Agreements of the Stock Exchanges.

III. REMUNERATION COMMITTEE:

a. **Terms of reference:** To evaluate and recommend the composition of Board of Directors, appointment of Managerial Personnel and consider the remuneration payable to them and review thereof from time to time.

b. Composition:

Name of Member	Member/ Chairman
Mr. Atul Desai*	Chairman
Mr. Arun Tadarwal	Member
Mr. Raj Kumar Jain	Member

* Inducted in the committee on August 8, 2012 in place of Mr. Shailesh Vaidya who resigned on same date

c. Remuneration to Non Executive Directors:

The Non Executive Directors are not paid any remuneration except for the sitting fees for attending the Board Meetings/ Committee Meetings which are as under:

Name of the Director	Sitting Fees paid (Rs.)
Mr. Atul Desai	30,000
Mr. Arun Tadarwal	36,000
Mr. Raj Kumar Jain	46,000

Mr. Atul Desai, Mr. Arun Tadarwal and Mr. Raj Kumar Jain are entitled for sitting fees of Rs. 5,000/- per meeting for attending Board Meetings and Audit Committee Meetings.

Directors' shareholding

As on March 31, 2013, none of the Directors held any shares in the Company.

d. Code of Conduct.

The Company has a Code of Conduct for its Directors and designated senior management personnel. All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct for the financial year 2012-13. A declaration signed by the Chairman to this effect is annexed to this report. The Code of Conduct is available on the website of the Company.

IV. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Company has Shareholders'/Investors' Grievance Committee, constituted by the Board of Directors to specifically look into the redressal of Shareholders'/Investors' complaints related to allotment, transfer and transmission of shares, non – receipt of Annual Reports, review the reports submitted by the Registrar and Share Transfer Agents of the Company and to review the functioning of the investors grievance redressal system. In addition to this, the Company continue its existing practice of reporting to the directors at each Board Meeting, the number of complaints received and the status of their resolution. In order to expedite the process, the Board of Directors has also delegated the authority severally to the Chairman and the Company Secretary to approve the transfers/transmission and accordingly the Chairman/Company Secretary approves the transfers/transmission of shares.



Mr. Jeevan Mondkar, Company Secretary is the Compliance Officer of the Company.

a. Constitution of the Shareholders'/Investors' Grievance Committee

Name of Member	Member/ Chairman
Mr. L.T. Hotwani	Chairman
Mr.Arun Todarwal	Member
Mr. Raj Kumar Jain	Member

b. Number of Shareholders complaints received during the year:

The Company received 8 shareholders' complaints during the financial year under review, which were of a routine nature and were satisfactorily resolved. There are no outstanding complaints pending as on March 31, 2013.

Equity shares in the Suspense Account:

In terms of Clause 5A(II) of the Listing Agreement with the Stock Exchanges, the Company was required to send three reminders whose shares were lying un-delivered/un- claimed with the Company. If no response was received, the shares were required to be transferred to an "Un claimed Share Suspense Account". Accordingly, during the previous year, Company sent three reminders to the concerned shareholders followed by opening of the said Suspense Account with IndusInd Bank. After completing the necessary formalities 4,669 equity shares of the Company held by 1035 shareholders were transferred to the said suspense account. The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in Clause 5A of the listing agreement. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

The summary of this account for the year 2012-13 is as follows:

S.no	Particulars	No. of shareholders	Outstanding shares
1.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Share Suspense Account at the beginning of the year i.e 1st April 2012	1035	4669
2.	No. of shareholders who approached the Company for transfer of shares from the Unclaimed Share Suspense Account during the year.	Nil	Nil
3.	No. of shareholders to whom shares were transferred from the Unclaimed Share Suspense Account during the year.	Nil	Nil
4.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e March 31, 2013.	1035	4669

V MANAGEMENT

a. Management Discussion and Analysis

This is given separately in the Directors' Report section of the annual report.

b. Disclosures by Management to the Board

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

c. Accounting Policies

The Company has adopted accounting treatments which are in conformance with those prescribed by the Accounting Standards.

d. Insider Trading

The Company has comprehensive guidelines in accordance with the SEBI Regulations, which advise and caution the directors, management on procedures to be followed while dealing with the securities of the Company. The Company's Insider Trading Code helps in ensuring compliance with these requirements.



VI. GENERAL BODY MEETINGS

(A) Year 2010

- (i) The 2nd Annual General Meeting was held on September 28, 2010 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal : Anjar Dist. Kutch, Gujarat – 370 110 at 12 noon.
- (ii) Following Special resolution was passed in the aforesaid Annual General Meeting:
To alter Article 177 of the Articles of Association of the Company to bring it in line with the current provision of Section 205A of the Companies Act, 1956 with regard to payment of dividend within 30 days from the date of declaration.

(B) Year 2011

- (i) The 3rd Annual General Meeting was held on September 29, 2011 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal : Anjar Dist. Kutch, Gujarat – 370 110 at 11 a.m.
No special resolution was passed in the aforesaid Annual General Meeting:

(C) Year 2012

- The 4th Annual General Meeting was held on September 18, 2012 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal : Anjar Dist. Kutch, Gujarat – 370 110 at 11 a.m.
- No special resolution was passed in the aforesaid Annual General Meeting.
- No postal ballot was conducted in the year 2012-13. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

VII. DISCLOSURE

a. Details of related party transactions

Refer Note No 18 of notes to the financial statement for list of related party transactions.

b. Details of information on appointment of new directors

Name of the director, nature of expertise in specific functional areas, names of other companies in which the person 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.

c. Details of non-compliance

There was no non compliance by the Company, nor there was any penalty or stricture imposed on the Company by the Stock Exchanges or SEBI or any authority on any matter related to capital markets, since incorporation of the Company on October 7, 2008.

VIII. MEANS OF COMMUNICATION

The approved financial results are forthwith sent to the Stock Exchanges where the shares are listed. The financial results are usually published in Western Times(Gujarati), The Free Press Journal(English).

The financial results are also displayed on the Company's website: www.welspuninvestments.com after its submission to the Stock Exchanges.

The Annual Report containing, inter alia, Audited Accounts Accounts, Directors' Report, Auditors' Report, and other important information is circulated to the members. The Management Discussion Analysis (MDA) forms part of this Annual Report.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web based application designed by NSE for corporates. The shareholding pattern and Quarterly Compliance Report on Corporate Governance are also filed electronically on NEAPS.

BSE Corporate Compliance and Listing Centre: It is a web based facility accessible from anywhere through the company's allotted unique login. Listing Centre of BSE accepts periodical compliance filings from the Companies.

Ministry of Corporate Affairs as a 'Green Initiative in the Corporate Governance' has issued a circular no.17/2011 on April 21, 2011 permitting companies to service delivery of documents electronically on the registered members'/shareholders' email addresses under Section 53 of the Companies Act, 1956. The company is accordingly proposing to send documents such as notices calling general meetings, audited financial statements, directors' report, auditors' report etc. in electronic form at the email ids provided by the shareholders and made available by them to the Company through the depositories.

**IX. GENERAL SHAREHOLDER INFORMATION**

The 5th Annual General Meeting will be held on Friday, August 30, 2013 at 12.15 p.m. at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 100.

As required under Clause 49(IV)(G) (i) of the Listing Agreements with Stock Exchanges, particulars of Director seeking appointment at the forthcoming Annual General Meeting are given in the Annexure to the Notice of the Annual General Meeting to be held on Friday, August 30, 2013 at 12.15 p.m.

Financial Year of the Company is April 1 to March 31.

Date of Book Closure: Friday, August 23, 2013 to Friday, August 30, 2013 (Both days inclusive)

Dividend payment date: Not applicable.

The Company's Equity Shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The annual listing fees for the financial year 2013-14 have been paid to both the Stock Exchanges.

The Stock Exchanges code are as under:

Bombay Stock Exchange :533252

National Stock Exchange :WELINV

ISIN : INE389K01018

The market price data of the Company's shares traded in the Bombay Stock Exchange Limited and National Stock Exchange of India Limited for 2012-13 are:

Month	Share prices at BSE		Share prices at NSE		Sensex	Nifty
	High	Low	High	Low		
Apr-12	33.25	25.65	32.75	24.25	17318.81	5248.15
May-12	27.20	17.85	27.30	17.80	16218.53	4924.25
Jun-12	20.00	16.00	19.50	16.00	17429.98	5278.90
Jul-12	21.70	17.25	21.80	17.40	17236.18	5229.00
Aug-12	20.00	17.50	21.55	17.25	17429.56	5258.50
Sep-12	23.75	18.05	24.15	17.70	18762.72	5703.00
Oct-12	22.40	19.45	24.00	18.50	18505.38	5619.70
Nov-12	25.80	20.00	25.70	19.55	19339.90	5879.85
Dec-12	31.35	20.35	31.00	20.70	19426.71	5905.10
Jan-13	28.90	21.30	26.60	20.45	19894.98	6034.75
Feb-13	27.30	18.90	27.90	17.25	18861.54	5693.05
Mar-13	21.75	16.80	23.50	16.50	18835.77	5682.55

Registrar and Transfer Agent: The Company has appointed Registrar and Transfer agent to handle the share transfer work and to solve the complaints of Shareholders. Name, address and telephone number of Registrar and Transfer Agent is given hereunder:

M/s. Link Intime India Private Limited
Unit: Welspun Investments and Commercials Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400078
Tel : + 91- 22- 25946970
Email : rnt.helpdesk@linkintime.co.in
Contact person: Ms. Sarita Mote.

SEBI Complaints Redress System:

The shareholders complaints are processed through a centralized web- based complaint redressal system by SEBI called 'SCORES'. Through SCORES the shareholders can view online, the actions taken and current status of the complaints.

**Share Transfer System:**

The Company's shares being in compulsory demat list, are transferable through depository system. However, share transfers in physical form can be lodged with Link Intime India Private Limited at the above mentioned address. The transfer requests are normally processed within 10-15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

Distribution of Shareholding:

No. of Equity Shares held	No. of shareholders	Percentage of Shareholders	Total No. of shares held	Percentage of Shares held
Upto-500	21558	99.06	300321	8.22
501-1000	82	0.38	60945	1.67
1001-2000	59	0.27	85553	2.34
2001-3000	22	0.10	52186	1.43
3001-4000	9	0.04	31031	0.85
4001-5000	5	0.02	22799	0.62
5001-10000	13	0.06	101025	2.76
10001- above	14	0.07	3000616	82.11
Total	21762	100.00	3654476	100.00

Dematerialisation of shares and liquidity: Around 99 % of the Company's share capital is dematerialised as on March 31, 2013.

The Equity shares of the Company are available under dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company is: INE389K01018.

Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carries out reconciliation of share capital audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid capital is in agreement with the aggregate total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.

There are no Outstanding GDR's/ADR's/Convertible as at March 31, 2013.

Address for correspondence:

Company Secretary
Welspun Investments and Commercials Limited
Welspun House, 7th Floor,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai 400013
Tel: +91-22-24908000, +91-22-66136000
Fax: +91-22-24908020
E-mail : CompanySecretary_Winl@welspun.com
Website: www.welspuninvestments.com

For and on behalf of the Board of Directors

L. T. Hotwani
Chairman

Place : Mumbai
Date : May 15, 2013



DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

As required by Clause 49 of the Listing Agreement, the declaration for the code of conduct is given below:

THE MEMBERS OF WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

This is certify that all the Board members and designated senior management personnel have affirmed to the compliance with the 'Code of Conduct for Directors and Senior Management'.

For Welspun Investments and Commercials Limited

L. T. Hotwani
Chairman

Date : May 15, 2013
Place : Mumbai

CERTIFICATE FROM PRACTISING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Welspun Investments and Commercials Limited

I have examined the compliance of conditions of Corporate Governance by **Welspun Investments and Commercials Limited**, for the year ended on March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchange.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement

I state that in respect of investor grievances received during the year ended March 31, 2013, the Registrars of the Company have certified that as at March 31, 2013, there were no investor grievances remaining unattended / pending for more than 30/15 days as the case may be.

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

CS Mansi Damania
Practising Company Secretary
ACS:22670,COP:8120

Place: Mumbai.
Date : May 15, 2013



INDEPENDENT AUDITOR'S REPORT

To,
The Members,
WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Welspun Investments and Commercials Limited ("the Company"), which comprise the balance sheet as at 31 March 2013, 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"). 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

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. 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 2013;
- (b) in the case of the statement of profit and loss, of the profit 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

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, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the balance sheet, the statement of profit and loss and the cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
 - e. On the basis of written representations received from the directors of the Company as on 31 March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Suresh Surana & Associates
Chartered Accountants
Firm Registration No.: 121750W

(Nirmal Jain)
Partner
Membership No. 34709
Mumbai, Dated: May 15, 2013



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph on report on other legal and regulatory requirements of our report of even date)

- 1) The Company does not have any fixed assets. Accordingly, the provisions of clause 4(i)(a), 4(i)(b) and 4(i)(c) of the Order are not applicable to the Company.
- 2) The Company is maintaining proper records of inventory. According to the information and explanations given to us, the Company has only high sea purchases and sales during the year. Accordingly, the provisions of clause 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the Order relating to physical verification of inventory are not applicable to the Company during the year.
- 3) According to information and explanations given to us, the Company has not granted / taken any loan, secured or unsecured, to / from companies, firms and other parties covered in the Register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(iii) (b), 4(iii) (c), 4(iii) (d), 4(iii) (f) and 4(iii) (g) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and for the sale of goods and services. There are no purchases of fixed assets during the year. During the course of our audit, we have neither been informed nor we have observed any major weaknesses in internal control system.
- 5) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.
(b) According to the information and explanations given to us, in our opinion, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. Five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- 7) The Company has an internal audit system commensurate with its size and nature of its business.
- 8) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Act in case of any of the activities of the Company.
- 9) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection funds, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, service tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
- 10) As the Company is registered for less than five years, the provision of clause 4(x) of the Order is not applicable to the Company.
- 11) According to the information and explanations given to us, the Company does not have any borrowings from banks or financial institutions and by way of debentures.
- 12) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- 13) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provision of clause 4(xiii) of the Order is not applicable to the Company.
- 14) The Company has maintained proper records of the transactions and contracts with respect to its investments in shares, securities, debenture and other investments. All the shares, securities, debenture and other investments are held in the name of the Company.
- 15) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) The Company has not raised any term loan during the year.



- 17) According to the information and explanation given to us and based on overall examination of the balance sheet of the 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 to the parties or companies covered in the register maintained under Section 301 of the Act during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issue during the year.
- 21) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such cases by the management.

For Suresh Surana & Associates

Chartered Accountants

Firm Registration No.: 121750W

(Nirmal Jain)

Partner

Membership No. 34709

Mumbai, Dated: May 15, 2013

**BALANCE SHEET AS AT 31ST MARCH, 2013**

PARTICULARS	Note No.	As at 31.03.2013 ₹	As at 31.03.2012 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	3	36,544,760	36,544,760
Reserves and surplus	4	<u>237,040,966</u>	<u>231,842,131</u>
		<u>273,585,726</u>	<u>268,386,891</u>
2 Current liabilities			
Short-term borrowings	5	-	101,200,000
Other current liabilities	6	<u>559,272</u>	<u>4,162,494</u>
		<u>559,272</u>	<u>105,362,494</u>
TOTAL		<u>274,144,998</u>	<u>373,749,385</u>
II. ASSETS			
1 Non-current assets			
Non-current investments	7	201,706,198	237,756,198
Deferred tax assets (net)	8	-	1,545
Long term loans and advances	9	<u>1,120,120</u>	<u>-</u>
		<u>202,826,318</u>	<u>237,757,743</u>
2 Current assets			
Cash and cash equivalents	10	71,010,512	50,802,553
Short-term loans and advances	11	288,195	80,401,494
Other current assets	12	<u>19,973</u>	<u>4,787,595</u>
		<u>71,318,680</u>	<u>135,991,642</u>
TOTAL		<u>274,144,998</u>	<u>373,749,385</u>

Significant accounting policies 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

FOR **SURESH SURANA & ASSOCIATES**
Chartered Accountants

(Nirmal Jain)
Partner
Membership No.: 34709

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

L. T. Hotwani
Director

Raj Kumar Jain
Director

Jeevan Mondkar
Company Secretary

Mumbai; Dated: May 15, 2013

Mumbai; Dated: May 15, 2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR 31ST MARCH, 2013**

PARTICULARS	Note No.	Current Year 2012-2013 ₹	Previous Year 2011-2012 ₹
I. Revenue from operations	13	28,999,094	66,794,320
II. Other income - Interest on income tax refund		-	71,658
III. Total revenue (I + II)		28,999,094	66,865,978
IV. Expenses:			
Purchases of stock-in-trade		16,364,139	40,280,000
Employee benefits expense	14	1,844,166	1,774,902
Interest expenses		3,368,244	13,193,358
Other expenses	15	1,969,473	1,874,660
Total expenses		23,546,022	57,122,920
V. Profit before tax (III - IV)		5,453,072	9,743,058
VI. Tax expenses:			
Current tax (MAT)		(496,318)	-
MAT credit entitlement		243,626	-
Deferred tax		(1,545)	(1,545)
Excess/(short) provision for tax in respect of earlier years		-	(21,689)
		(254,237)	(23,234)
VII. Profit for the year (V - VI)		5,198,835	9,719,824
VIII. Earnings per equity share:			
Basic and diluted	19	1.42	2.66
Nominal value of equity share		10.00	10.00

Significant accounting policies 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

FOR **SURESH SURANA & ASSOCIATES**
Chartered Accountants

(Nirmal Jain)
Partner
Membership No.: 34709

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

L. T. Hotwani
Director

Raj Kumar Jain
Director

Jeevan Mondkar
Company Secretary

Mumbai; Dated: May 15, 2013

Mumbai; Dated: May 15, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

PARTICULARS	Current Year 2012-2013 ₹	Previous Year 2011-2012 ₹
A CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	5,453,072	9,743,058
Adjustments for:		
Interest income on investments	(1,402,175)	(5,373,188)
Interest income on loan given	(7,378,891)	(8,700,505)
Interest income on income tax refund	-	(71,658)
Interest expense	3,368,244	13,193,358
Dividend income	(2,887,873)	(11,936,609)
Net gain/loss on sale of investments	(817,775)	(454,018)
Operating profit/(loss) before working capital changes	(3,665,398)	(3,599,562)
Decrease/(increase) in trade and other receivables	2,960	20,054,763
Increase/(decrease) in trade and other payables	(1,913,897)	(2,604,093)
Short term loans received back	79,500,000	9,300,142
Repayment of short term borrowings	(101,200,000)	(109,000,000)
Cash generated from / (used in) operations	(27,276,335)	(85,848,750)
Interest received on loan	9,187,962	6,891,434
Interest paid	(5,057,569)	(14,031,225)
Income taxes paid	(759,513)	420,028
NET CASH FROM OPERATING ACTIVITIES (A)	(23,905,455)	(92,568,513)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non current investments	-	(70,175,030)
Proceeds from sale of non current investments	36,867,775	48,224,514
Interest received	4,360,726	5,751,411
Dividend received	2,887,873	11,936,609
NET CASH USED IN INVESTING ACTIVITIES (B)	44,116,374	(4,262,496)
C CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	20,210,919	(96,831,009)
Cash and cash equivalents at beginning of year	50,382,535	147,213,544
Cash and cash equivalents at end of year	70,593,454	50,382,535
Cash and cash equivalents at end of year as per balance sheet	71,010,512	50,802,553
Less: Earmarked bank balance	417,058	420,018
Cash and cash equivalents at end of year for cash flow statement	70,593,454	50,382,535

Significant accounting policies

2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

FOR SURESH SURANA & ASSOCIATES
Chartered Accountants(Nirmal Jain)
Partner
Membership No.: 34709

Mumbai; Dated: May 15, 2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

L. T. Hotwani
Director

Jeevan Mondkar
Company Secretary

Mumbai; Dated: May 15, 2013

Raj Kumar Jain
Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. GENERAL INFORMATION

Welspun Investments and Commercials Limited ("the Company") was incorporated on 07 October 2008 under the Companies Act, 1956 (the 'Act') and has its registered office at Welspun City, Village : Versamedi, Taluka - Anjar, Dist. – Kutch, Gujarat – 370110. The Company is engaged in business of Investment and dealing in shares and securities and trading of textile products and commodities.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting convention:

The financial statements are prepared on the basis of historical cost convention, and on the accounting principle of a going concern.

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

The financial statements have been prepared in compliance with all material aspects of the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, and in accordance with the relevant provisions of the Companies Act, 1956.

(b) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates are recognized in the period in which such revision are made.

(c) Investments:

- i. Long term investments are valued at cost less provision, if any for diminution in value, which is other than temporary.
- ii. Current investments are carried at the lower of the cost and fair value.

(d) Revenue recognition:

- i. Revenue in respect of sale of goods is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customer.
- ii. Dividend income is accounted for when the right to receive dividend is established.
- iii. Interest income is accounted for on time basis and when the realisation of amount is certain.

(e) Accounting for taxes on income:

- i. Provision for income tax is made on the basis of the estimated taxable income for the accounting year in accordance with the Income-tax Act, 1961.
- ii. The deferred tax for timing differences between the book and tax profits for the year are accounted based on tax rates in force and tax laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences, are recognized to the extent there is reasonable / virtual certainty that these would be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(f) Provisions and contingent liabilities:

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made.

(g) Transaction in foreign currencies:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. 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.

(h) Impairment of assets:

The Company assesses, at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(i) Earnings per share:

The basic earnings per share (EPS) is computed by dividing the net profit/(loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year available for equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	As at	As at
	31/03/2013	31/03/2012
	₹	₹
3 SHARE CAPITAL		
Authorised		
13,000,000 (as at 31 March 2012: 13,000,000) equity shares of ₹10 each	130,000,000	130,000,000
Issued, subscribed and paid up shares:		
3,654,476 (as at 31 March 2012: 3,654,476) equity shares of ₹10 each, fully paid up	36,544,760	36,544,760
Total	36,544,760	36,544,760

a. Terms / rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹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, 2013, the Company has not declared / proposed any dividend (31 March 2012: NIL).

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by shareholders.

b. Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31/03/2013		As at 31/03/2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Krishiraj Trading Limited	1,079,509	29.54%	-	0.00%
Welspun Fintrade Limited	646,956	17.70%	646,956	17.70%
Dunearn Investment Mauritius Pte Limited	-	0.00%	453,973	12.42%
Welspun Mercantile Limited	453,054	12.40%	453,054	12.40%
Welspun Wintex Limited	358,978	9.82%	358,978	9.82%
IFCI Limited	-	0.00%	300,859	8.23%

c. During the year, there has been no movement in number of issued, subscribed and paid up equity shares.

Particulars	As at	As at
	31/03/2013	31/03/2012
	₹	₹
4 RESERVES AND SURPLUS		
Reserve on demerger	196,801,098	196,801,098
	196,801,098	196,801,098
Surplus in the statement of profit and loss		
Opening balance	35,041,033	25,321,209
Add: Net profit for the year	5,198,835	9,719,824
Closing balance	40,239,868	35,041,033
Total	237,040,966	231,842,131

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
5 SHORT TERM BORROWINGS		
Unsecured		
Loans repayable on demand		
From body corporate*	-	101,200,000
Total	<u>-</u>	<u>101,200,000</u>
* The above loan was carrying interest @ 10.20% p.a. till 12 October 2011 and @ 11% p.a. thereafter till the date of repayment.		
6 OTHER CURRENT LIABILITIES		
Interest accrued and due on borrowings	-	1,689,325
Margin money received	-	1,937,370
Amount payable to shareholders	417,058	420,018
Statutory dues payable	2,209	6,539
Other payables	140,005	109,242
Total	<u>559,272</u>	<u>4,162,494</u>
7 NON CURRENT INVESTMENTS		
Trade Investments (At cost)		
Investments in equity instruments (Quoted)		
4,033,000 (as at 31 March 2012: 4,033,000) equity shares of ₹ 5 each fully paid up of Welspun Corps Limited	32,031,168	32,031,168
Other investments (at cost)		
Investments in equity instruments (Unquoted)		
Investment in associate		
3,988,334 (as at 31 March 2012: 3,988,334) equity shares of ₹ 10 each fully paid up of MEP Cotton Limited	119,550,020	119,550,020
Investment in other entities		
5,000,000 (as at 31 March 2012: 5,000,000) equity shares of ₹ 10 each fully paid up of Welspun Steel Limited	50,125,010	50,125,010
Non Trade Investments (At cost)		
Investments in bonds (Unquoted)		
NIL (as at 31 March 2012: 35) 9.70% IFCI bonds of face value of ₹ 10 lacs each	-	36,050,000
Total	<u>201,706,198</u>	<u>237,756,198</u>
Aggregate amount of quoted investments	32,031,168	32,031,168
Aggregate market value of quoted investments	203,061,550	544,051,700
Aggregate amount of unquoted investments	169,675,030	205,725,030
8 DEFERRED TAX ASSETS (NET)		
Deferred tax asset		
Preliminary expenses	-	1,545
Less: Deferred tax liability	-	-
Total	<u>-</u>	<u>1,545</u>

As at 31 March 2013, deferred tax assets arising on unabsorbed business loss of Rs.128,749 (as at 31 March 2012: Rs.679,352) is not recognized as there is no virtual certainty that taxable income will be available in future against which the deferred tax assets can be realised.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	As at 31/03/2013 ₹	As at 31/03/2012 ₹
9 LONG-TERM LOANS AND ADVANCES		
Advance income tax (net)	876,494	-
MAT credit entitlement	243,626	-
Total	1,120,120	-
10 CASH AND CASH EQUIVALENTS		
Balances with banks:		
In current accounts	43,558,297	2,843,485
Earmarked balances	417,058	420,018
Bank deposits	27,000,000	47,500,000
Cash on hand	35,157	39,050
Total	71,010,512	50,802,553
11 SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)		
Loans to body corporate - Welspun India Limited	-	79,500,000
Sales tax deposit	25,000	25,000
Advance income tax (net)	263,195	876,494
Total	288,195	80,401,494
12 OTHER CURRENT ASSETS		
Interest accrued on fixed deposits	19,973	11,387
Interest accrued on investments	-	2,967,137
Interest accrued on loan	-	1,809,071
Total	19,973	4,787,595
Particulars	Current Year 2012-2013 ₹	Previous Year 2011-2012 ₹
13 REVENUE FROM OPERATIONS		
Sale of products	16,512,380	40,330,000
Interest income:		
- Interest on investments	1,402,175	5,373,188
- Interest on loan given	7,378,891	8,700,505
Dividend income	2,887,873	11,936,609
Net gain/loss on sale of investments	817,775	454,018
Total	28,999,094	66,794,320
14 EMPLOYEE BENEFITS EXPENSE		
Salaries	1,843,917	1,774,032
Staff welfare expenses	249	870
Total	1,844,166	1,774,902



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Current Year 2012-2013 ₹	Previous Year 2011-2012 ₹
15 OTHER EXPENSES		
Rent	889,556	748,496
Insurance	4,494	9,376
Rates and taxes	39,893	63,304
Professional fees	212,302	308,616
Printing and stationery	80,296	109,773
Postage and telegram	84,241	203,731
Advertisement expenses	317,445	153,931
Auditor's remuneration:		
As auditor	103,933	103,471
For other services	-	11,030
Director sitting fees	156,922	76,000
Miscellaneous expenses	80,391	86,932
Total	1,969,473	1,874,660

16 DETAILS OF STOCK-IN-TRADE

Particulars	Opening stock ₹	Purchases ₹	Sales ₹	Closing stock ₹
	Current year 2012-2013			
Fabrics	-	16,364,139	16,512,380	-
Total	-	16,364,139	16,512,380	-
	Previous year 2011-2012			
Canadian yellow peas	-	40,280,000	40,330,000	-
Total	-	40,280,000	40,330,000	-

17 SEGMENT REPORTING:

The Company has two business segments viz. Investment and dealing in shares and securities (Finance) and Trading of textile products and related accessories (Trading), which is being considered as the primary segment in accordance with Accounting Standard (AS)-17 "Segment Reporting".

The disclosure in respect of 'business segment by location of customers' being primary segment is as follows:

Particulars	Year	Finance ₹	Trading ₹	Unallocable ₹	Total ₹
Segment revenue	2012-13	12,486,714	16,512,380	-	28,999,094
	2011-12	26,464,320	40,330,000	-	66,794,320
Segment results	2012-13	9,079,008	148,241	(3,774,177)	5,453,072
	2011-12	13,231,812	50,000	(3,538,754)	9,743,058
Segment assets	2012-13	228,726,171	25,000	44,010,512	272,761,683
	2011-12	369,543,793	25,000	3,302,553	372,871,346
Segment liabilities	2012-13	-	-	559,272	559,272
	2011-12	104,827,472	-	535,022	105,362,494

During the year, all activities of the Company were carried out in India and as such there are no reportable geographical segments.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****18 Related party Disclosures:****i) Related party relationships:**

a) Associates	MEP Cotton Limited
b) Enterprises over which key management personnel or relatives of key management personnel exercise significant influence or control and with whom transactions have taken place during the year	Krishiraj Trading Limited

Notes:

- a) 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.
- b) 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.

ii) Transactions with related parties:**Details of related party transactions are as follows:**

Particulars	Current Year 2012-2013 ₹	Previous Year 2011-2012 ₹
Equity shares received (including premium) MEP Cotton Limited	-	20,050,020
Purchases of goods Krishiraj Trading Ltd.	16,364,139	-

19 EARNINGS PER SHARE:

Particulars	Current Year 2012-2013	Previous Year 2011-2012
Net profit after tax attributable to equity shareholders (₹)	5,198,835	9,719,824
Weighted average number of equity shares outstanding during the year (No.)	3,654,476	3,654,476
Nominal value of share (₹)	10.00	10.00
Basic and diluted earnings per share (₹)	1.42	2.66

20 Based on information received by the Company from its suppliers, amounts due to Micro and Small Enterprises as at 31 March 2013 is ₹. Nil (as at 31 March 2012 ₹ Nil).

21 In the opinion of management, current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably stated.

22 Previous year's figures have been re-grouped / re-classified, wherever necessary to conform to the current year's presentation.

Signature to notes '1 to 22'

As per our report of even date attached

FOR **SURESH SURANA & ASSOCIATES**
Chartered Accountants**(Nirmal Jain)**
Partner
Membership No.: 34709

ON BEHALF OF THE BOARD OF DIRECTORS

L. T. Hotwani
Director**Raj Kumar Jain**
Director**Jeevan Mondkar**
Company Secretary

Mumbai; Dated: May 15, 2013

Mumbai; Dated: May 15, 2013



WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

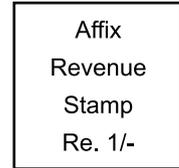
Regd. Office: Welspun City, Village Versamedi, Tal :Anjar, Dist. Kutch, Gujarat – 370 110

DP.ID*	
Client ID*	

PROXY FORM

Regd. Folio	
No.of Shares	

I/We _____
of _____ being a member/s of the above
named Company hereby appoint Shri/Smt. _____
_____ of _____
_____ or failing him, Shri/ Smt _____
of _____ as my/our proxy to vote for me/us and on my/our behalf at the
5th ANNUAL GENERAL MEETING of the Company at Regd. Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch,
Gujarat – 370 110, to be held on Friday, August 30, 2013, at 12.15 p.m. and any adjournment(s) thereof.



Signed this.....day of.....2013

Signature :

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

* Applicable for Shareholder holding shares in electronic form only.

(TEAR HERE)



WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

Regd. Office: Welspun City, Village Versamedi, Tal :Anjar, Dist. Kutch, Gujarat – 370 110

DP.ID*	
Client ID*	

ATTENDANCE SLIP

Regd. Folio	
No. of Shares	

I hereby record my presence at the 5th ANNUAL GENERAL MEETING of the Company at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110, on Friday, August 30, 2013, at 12.15 p.m.

Signature of the Shareholder or Proxy _____

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

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

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

* Applicable for Shareholders holding shares in electronic form only.

BOOK-POST

If undelivered, please return to:

Link Intime India Private Limited
Unit: WELSPUN INVESTMENTS AND COMMERCIALS LIMITED
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400 078