

SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun Infratech Limited

Report on the Financial Statements

1. 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

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 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

5. 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:
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 Number: 34132
Place : Mumbai
Date : 21.05.2014



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.
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's Registration No. 110640W



Suresh Sureka
Partner

Membership No. 34132
Place : Mumbai
Date 21.05.2014



Welspun Infratech Limited
Balance Sheet as at March 31, 2014

All amounts in Indian Rupees

Particulars	Notes	March 31, 2014	March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' 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

B

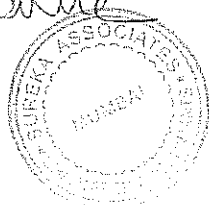
The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For and on behalf of the Board of Directors

Suresh Sureka
Partner
Membership No.: 34132



Director

Director

Date : 21.05.2014
Place : MUMBAI

Date : 21.05.2014
Place : MUMBAI

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

All amounts in Indian Rupees

Particulars		Notes	March 31, 2014	March 31, 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)	-
X	Earning per equity share:			
	(1) Basic		(13.64)	-
	(2) Diluted		(13.64)	-

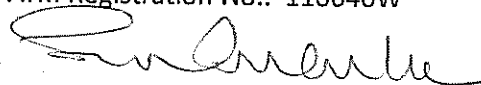
Significant Accounting Policies

B

The accompanying notes are an integral part of the financial statements

As per our report of even date

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



Suresh Sureka
Partner
Membership No.: 34132



Date: 21.05.2014
Place: MUMBAI

For and on behalf of the Board of Directors


Director

Date: 21.05.2014
Place: MUMBAI

Welspun Infratech Limited
Cash Flow Statement
Annexed to the Balance Sheet for the year ended March 31, 2014

	All amount in Indian Rupees	
	March 31, 2014	March 31, 2013
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



Note:

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 the Board of Directors

Suresh Sureka
Partner
Membership No.: 34132

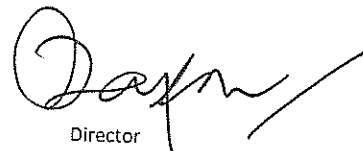
Date: 21.05.2014
Place: MUMBAI

Director



Date: 21.05.2014
Place: MUMBAI

Director



Welspun Infratech Limited

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

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 31, 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

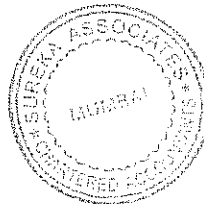
Other than specific requirements of Accounting Standard 11, generally exchange differences are recognised as income or expense in the period in which they arise.

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 31, 2014

All amounts in Indian Rupees

NOTES TO ACCOUNTS

1 Share Capital

	March 31, 2014 Amount	March 31, 2013 Amount
Authorised: 50,000,000 (Previous Year: 50,000,000) Equity Shares of Rs. 10/-	50,00,00,000	50,00,00,000
Issued, subscribed and fully paid up: 48,639,899 (Previous Year: 48,639,899) Equity Shares of Rs. 10/-	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.

b Reconciliation of shares outstanding at the beginning and at the end of the period

	March 31, 2014		March 31, 2013	
	No.	Amount	No.	Amount
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

c Shares held by holding company

	March 31, 2014 Amount	March 31, 2013 Amount
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	-

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

	31-Mar-14		31-Mar-13	
	No.	% Holding	No.	% Holding
Welspun Corp Limited	-	-	4,86,39,899	100%
Welspun Enterprises Limited, the holding company	4,86,39,899	100%	-	-



Welspun Infratech Limited

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

All amounts in Indian Rupees

2 Reserves and Surplus

	March 31, 2014 Amount	March 31, 2013 Amount
Securities Premium account		
Opening balance		
Add: Premium on issue of Shares	1,43,44,51,010	1,43,44,51,010
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

3 Long Term Borrowing

	March 31, 2014 Amount	March 31, 2013 Amount
Unsecured		
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. 4,45,300,000 (Previous Year: Rs. 4,22,900,000) 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, than the OCDs shall be redeemed at 5th anniversary.

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

4

a Other Current Liabilities

	March 31, 2014 Amount	March 31, 2013 Amount
Other Current Liabilities *		
Provision for Expenses	2,46,042	10,10,09,903
Share Application Money pending allotment (refer note below)	19,53,919	6,80,450
Payable to Welspun Projects Limited	89,182	96,930
	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



Welspun Infratech Limited

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

5 Tangible Assets and Intangible Assets

COST	Furniture and Fittings	Office Equipments	Computers and Peripherals	Vehicles	Leasehold Improvements	Total	
						Tangible Assets	Intangible Assets
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
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
DEPRECIATION							
As at April 1, 2013	24,88,889	5,22,277	7,09,698	11,62,544	-	48,83,409	10,785
Charge for the year	9,60,554	3,67,908	3,63,090	5,44,343	-	22,35,896	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
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
As at March 31, 2013	1,26,85,746	77,28,086	15,50,217	45,67,350	1,92,33,758	4,57,45,157	25,666



Welspun Infratech Limited

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

All amounts in Indian Rupees

6 Capital Work-in-Progress (Pre operative expenses)

	March 31, 2014	March 31, 2013
	Amount	Amount
Opening balance	65,88,83,372	52,13,24,111
<i>Add: Expenses incurred during the year</i>		
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 Infrastrucure 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	-	-
Demat Charges	-	39,08,116
Sub total	65,88,83,372	65,93,57,352
<i>Less: Incidental income</i>		
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	65,88,83,372
Total Capital Work-In-Progress	-	-

7 Non Current Investments

	March 31, 2014	March 31, 2013
	Amount	Amount
<u>Trade Investments at cost</u>		
<u>Quoted Equity Instruments</u>		
<u>Investment in subsidiaries</u>		
Welspun Projects Limited		
24,448,445 (Previous Year: 24,448,445) Equity	3,06,41,35,825	3,16,41,35,825
Shares of Rs. 10/- each fully paid up		
(Market Value of Quoted Shares is Rs. 257,931,095/-		
(Previous Year: Rs. 299,493,451/-))		
<u>Unquoted Equity Instruments</u>		
<u>Investment in subsidiaries</u>		
Welspun Road Project Private Limited		
10,000 (Previous Year: 10,000) Equity Shares of Rs.	1,00,000	1,00,000
10/- each fully paid up		
Welspun Infra Projects Private Limited		
10,060,000 (Previous Year: 6,036,000) Equity	2,44,45,60,000	1,50,75,60,000
Shares of Rs. 10/- each fully paid up		
ARSS Bus Terminal Private Limited		
9,127,441 (Previous Year: 9,127,451) Equity Shares	9,12,74,410	9,12,74,510
of Rs. 10/- each fully paid up		
Welspun Infra Projects Private Limited		
Optionally Convertible Debentures		
Nil (Previous Year: 5660) Optionally Convertible	-	56,60,00,000
Debentures (OCD) of Rs. 100,000 each		
Total Non Current Investments	5,60,00,70,235	5,32,90,70,335



Welspun Infratech Limited

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

All amounts in Indian Rupees

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



Welspun Infratech Limited

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

All amounts in Indian Rupees

		March 31, 2014	March 31, 2013
		Amount	Amount
11	Short Term Loans and Advances		
	Advance recoverable in cash or kind Unsecured, considered good		
	(A)	34,853,098	23,096
		<u>34,853,098</u>	<u>23,096</u>
	Loans and advances to related parties Unsecured, considered good		
	(B)	7,232,832	91,099,023
		<u>7,232,832</u>	<u>91,099,023</u>
	Other Loans and advances Unsecured, considered good		
	Advance Tax (net of provision, if any)	1,300,267	1,200,267
	Other Advances	10,957,568	10,497,003
	Cenvat Credit (Service tax) (net)	11,486,595	11,093,864
	(C)		
		<u>23,744,430</u>	<u>22,791,134</u>
	Total Short Term Loans and Advances (A+B+C)	<u>65,830,360</u>	<u>113,913,253</u>
12	Revenue from Operations		
	Advisory Fees		
		1,000,000	-
	Total Revenue from operations	<u>1,000,000</u>	<u>-</u>
13	Other Income		
	Dividend Received		
		893,889	-
	Total Other Income	<u>893,889</u>	<u>-</u>
14	Other Expenses		
	Insurance		
	Bank Charges	48,031	
	Legal Expenses	11,590	
	Rates & Taxes	1,000	
	Share Transfer Exp	8,294	
	Audit fees	10,000	
	Professional Fees- General	160,000	
	Professional Fees - Legal	547,014	
	Travel Expenses	3,307,477	
	Filing Fees (ROC)	80,846	
	Printing & Stationary	1,020	
	Interest on Service Tax	33,788	
	Total Other Expenses	<u>4,235,624</u>	<u>-</u>



Welspun Infratech Limited

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

All amounts in Indian Rupees

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.

4 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 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,



Welspun Infratech Limited

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



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

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	(1,39,89,00,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfer of asset received from subsidiary	(17,64,63,863)	3,47,84,348	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in Equity Share Capital	-	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advance given towards Share Capital	-	(-)	22,01,84,725	(-)	(-)	(-)	(1,35,47,240)	93,70,00,000	(1,72,250)	(57,417)
Conversion of Share application money into Equity shares	(-)	(-)	(30,90,54,031)	(-)	(-)	(-)	(1,14,97,240)	(-)	(-)	(-)
Advance refunded given towards Share Capital	(-)	(-)	(-)	(-)	(-)	(-)	(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	(-)	31,27,857	3,23,103	11,236	11,236	11,236	(-)	(-)	(-)	(-)
Rent Expenses	(-)	(7,57,08,698)	(29,035)	(1,224)	(306)	(1,224)	(-)	(-)	(-)	(-)
Advisory Fees	(-)	8,06,24,103	46,70,042	13,257	15,093	15,093	(-)	16,03,500	(-)	(-)
Recovery of Expenses	(-)	(4,68,77,053)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Recovery of Expenses received	(-)	10,00,000	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
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	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)



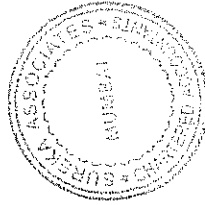
Welspun Infratech Limited
Annexed to and forming part of financial statements for the year ended March 31, 2014

4 (c) Related Party Disclosures

Particulars	WEL*	WPL	WIPPL	WRPPL	WWPPL	WETPL	ARSS	WIDPL	WIL	WCL
Balances outstanding as at year end	48,63,98,990	-	-	-	-	-	-	-	-	-
Equity Share Capital of WIL	(48,63,98,990)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Optionally Convertible Debentures of WIL	4,45,53,00,000	-	-	-	-	-	-	-	-	-
	(4,22,89,00,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in Equity Share Capital	-	3,06,41,35,825	2,44,45,60,000	1,00,000	-	-	9,12,74,410	-	-	-
	(-)	(9,16,41,35,825)	(1,50,75,60,000)	(1,00,000)	-	-	(9,12,74,410)	-	-	(-)
Share Application money received pending allotment	89,182	-	-	-	-	-	-	-	-	-
	(95,930)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment in Optionally Convertible Debentures	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(56,60,00,000)	(-)	(-)	(-)	4,50,000	(-)	(-)	(-)
Advance towards Share Application Money	-	-	(55,196)	-	-	-	(4,50,000)	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Amount Payable	-	3,47,84,348	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	44,18,409	-	1,72,250	14,76,929
Miscellaneous Receivables	-	-	-	-	-	-	(39,37,559)	-	(1,72,250)	(14,76,929)
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Advance given	-	(7,75,23,158)	(45,46,939)	7,15,144	-	(3,857)	-	(16,03,500)	-	-
	(-)	(-)	(-)	(7,03,908)	(2,021)	(-)	(-)	(-)	(-)	(-)

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

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

All amounts in Indian Rupees

- 4 d Transactions with Key Managerial Personnel
Managerial remuneration
Contribution to Provident funds etc

March 31, 2014	March 31, 2013
Amount	Amount
-	6,62,99,260.00
-	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

For and on behalf of the Board of Directors



Suresh Sureka
Partner
Membership No.: 34132

Date: 21.05.2014
Place: MUMBAI



Director

Director

Date: 21.05.2014
Place: MUMBAI