

**NOTICE**

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Tuesday, 24th day of September 2013 at 11.30 a.m. at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110 to transact the following business:

Ordinary Business:

1. To consider, approve and adopt the Balance Sheet as on 31st March, 2013 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint M/s Chandrakant & Sevantilal & J K Shah & Co., Chartered Accountants, as Statutory Auditors of the Company and hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.
3. To appoint a director in place of Mr. B K Goenka who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment
4. To appoint a director in place of Mr. Mohan Tondan who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself, for reappointment.

**By Order of the Board
For Welspun Projects Limited**

Place : Mumbai
Date : 18/05/2013

**Rajendra Sawant
Company Secretary**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING (FORM ATTACHED HERewith)**
2. Members are requested to notify immediately their change of address, if any to their Depository participants (DP's).
3. The Register of Members and Share Transfer books of the Company will be closed from Thursday, September 19, 2013 to Tuesday, September 24, 2013 (both days

inclusive).

4. Members/Proxies should bring the Attendance Slips duly filled in for attending the meeting.
5. Members are requested to bring their copy of Annual Report to the Annual General Meeting.
6. Members desirous of seeking any information/clarification on the accounts or operations of the Company are requested to forward his/ her query to the Company Secretary so as to reach at least seven working days prior to the AGM, so that the required information can be made available at the meeting.
7. Members, who hold shares in dematerialized form, are requested to bring their depository account number (Client ID No.) for easy identification and recording of attendance at the meeting.
8. Members are requested to encash their past dividend, since dividend which remains unpaid or unclaimed for a period of seven years from the date they became due for payment will be transferred by the Company to IEPF.
9. Members who wish to make nomination for the shares held in the Company may kindly send the details in the form 2B as prescribed under the Companies Act, 1956 which is available with the Registrar and Share Transfer Agents of the Company, on request.
10. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agent, M/s. Purva Sharegistry (India) Private Limited, immediately of:
 - a) Change in their Residential status on return to India for permanent settlement.
 - b) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, Code Number if not furnished earlier.

**By Order of the Board
For Welspun Projects Limited**

Place : Mumbai
Date : 18/05/2013

**Rajendra Sawant
Company Secretary**



Annexure 'A'
[Pursuant to clause 49 of Listing Agreement]

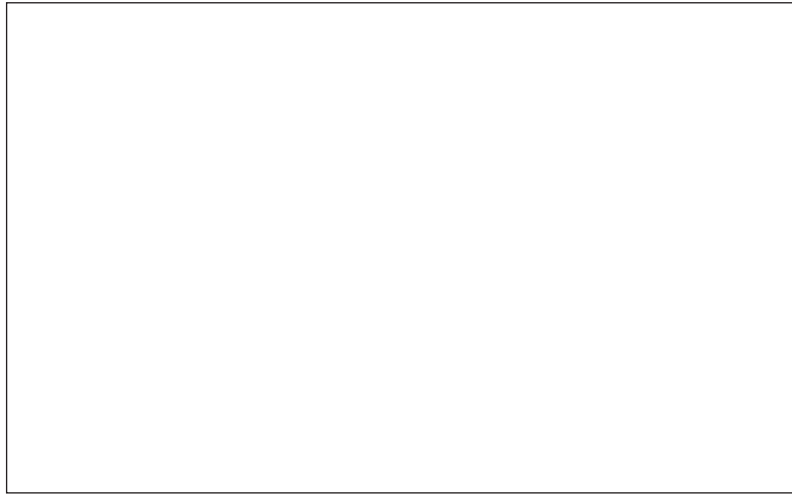
Details of Directors seeking appointment or reappointment at the ensuing Annual General Meeting

Particulars	Mr. B K Goenka	Mr. Mohan Tondan
Director Identification Number	00270175	00026460
Date of Birth	15.08.1966	28.09.1941
Date of Appointment	27.04.2010	31.01.2012
Expertise in specific areas	Industrialist with wide business experience	Comes with Insurance Industry background, he is a former Managing Director of GIC of India, and Chairman & Managing Director of National Insurance Co. Ltd. He is expert in Organization Restructuring; designing Productivity-oriented Incentive Scheme for the Chief Executive.
Qualification	B.Com	M. Com., LLB.
Directorship held in other public companies (excluding foreign and section 25 companies)	Welspun Corp Limited, Welspun Energy Limited, Adani Exploration Limited, Welspun India Limited, Welspun Logistics Limited, Welspun Maxsteel Limited, Welspun Urja India Limited, Welspun Steel Limited, Welspun Syntex Limited, Welspun Energy Madhya Pradesh Limited, Welspun Retail Limited, Leighton Welspun Contractors Private Limited	Sabero Organics Gujarat Limited, Welspun Syntex Limited, GIC Housing Finance Limited, Liberty Phosphates Ltd
Membership / Chairmanships of committees of other public companies (includes only Audit Committee & Shareholders' / Investors' Grievance Committee)	Audit Committee: Welspun Steel Ltd., Welspun Infratech Limited*, Welspun Maxsteel Limited, Welspun Energy Limited Shareholders / Investors Grievance Committee: Welspun Corp Ltd, Welspun India Ltd, Welspun Syntex Ltd, Welspun Projects Limited	Audit Committee: GIC Housing Finance Ltd*, Sabero Organics Gujarat Limited*, Liberty Phosphates Ltd* Shareholders / Investors Grievance Committee: GIC Housing Finance Ltd
Number of shares held in the Company	Nil	Nil
Relationship between directors inter-se	None	None

* Chairman of the Committee

BOOK-POST

To,



If undelivered, please return to:

Purva Sharegistry (India) Pvt. Ltd.
Unit No. 9, Shiv Shakti Ind. Estate,
J. R. Boricha Marg,
Opp. Kasturba Hospital Lane,
Lower Parel (East), Mumbai - 400 011.

WELSPUN



Dare to Commit

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WELSPUN Projects Ltd.



Constructing Today & Tomorrow



WELSPUN Projects Ltd.

19th Annual Report 2012-13

WELSPUN Projects Ltd.

19th Annual Report 2012-13

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Forward looking statement

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

CORPORATE INFORMATION

Board of Directors	
Mr. B. K. Goenka	Mr. A. K. Dasgupta
Mr. R. R. Mandawewala	Mr. Atul Desai
Mr. Sandeep Garg	Mr. M. K. Tandon
Mr. Nirmal Gangwal	

Company Secretary	Audit Committee
Mr. Rajendra Sawant	Mr. A. K. Dasgupta
	Mr. Atul Desai
	Mr. M. K. Tandon
Statutory Auditor	
Chandrakant & Sevantilal & J.K. Shah & Co.	

Shareholder/Investor Grievance Committee	Remuneration Committee
Mr. B. K. Goenka	Mr. Nirmal Gangwal
Mr. Mohan Tandon	Mr. Shailesh Vaidya
Mr. Atul Desai	Mr. A. K. Dasgupta

Registered Office	Corporate Office
Welspun City, Village Versamedi	Welspun House,
Taluka Anjar, Dist Kutch	4th Floor, Kamala City,
Gujarat-370110	Senapati Bapat Marg,
Tel : 0283 627 9071/74/41/44	Lower Parel (W), Mumbai 400013
Fax. : 0283 627 9060	Tel.: 022-66136000 Fax: 022-24908020

Stock Exchanges where the Company's securities are listed	
Bombay Stock Exchange Ltd.	Vadodara Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street,	3rd Floor, Fortune Tower,
Mumbai - 400 051	Sayajigunj, Vadodara - 390005.
National Stock Exchange of India Ltd.	
Exchange Plaza, Bandra Kurla Complex,	
Bandra (E), Mumbai - 400 051	

Registrar and Transfer Agent	Bankers	
Purva Sharegistry (India) Pvt. Ltd.	Bank of Baroda	State Bank of India
Unit No. 9, Shivshakti Industrial Estate,	Bank of India	IDFC
J.R Boricha Marg, Opp Kasturba Hospital Lane,	Corporation Bank	Dena Bank
Lower Parel (E) Mumbai 400 011	HDFC Bank Limited	Axis Bank
	IDBI BANK	Punjab National Bank
	Kotak Mahindra Bank	

KEY MANAGEMENT TEAM



B. K. Goenka
*Chairman



Sandeep Garg
Managing Director,
Welspun Projects Ltd.



Mr. B. R. Jaju
Chief Financial Officer,
Welspun Corp Ltd.



Deepak Chauhan
**Director, Legal,
Welspun Group

**Non Executive Member of the Board of Directors*
***Not a member of the Board of Directors*



Mr. B. K. Goenka
Chairman, Welspun Group

My dear fellow stakeholders,

Infrastructure is key to the development of any economy. For India, the fast growth of the economy in recent years has placed increasing stress on physical infrastructure such as electricity, railways, roads, ports, airports, all of which already suffer from a substantial deficit. A significant improvement in infrastructure is essential for India, if it is to maintain its high growth trajectory. The XII Five Year Plan recognises adequate investment in the development of infrastructure is a prerequisite for higher growth. Accordingly, an investment of Rs. 51.46 trillion has been projected for the XII Plan. The XII plan envisages investment which is more than twice the investment during the XI Plan. This indicates that there is huge potential in Infrastructure and presents a huge opportunity for infra firms, on the construction side as well as the on the investment side, provided the plans bear fruition.

Unfortunately, in recent years, the infra industry along with the Indian economy has been going through a lean phase. For the 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. In spite of the slowdown in the industry, Welspun Projects Limited continued its stable performance. WPL successfully completed some key construction projects in the Financial Year 2012-2013 namely Anjar Township, Bhilai Township and Umergam Water Distribution. Apart from this, the Company also won projects in the year which include Bus Rapid Transit System at Surat, Gujarat – Packages II & III; L-SAW Coating Plant, Anjar and Spinning Plant, Anjar. These achievements were possible only because of our project management expertise and pedigree in the industry. Notwithstanding the regulatory uncertainties, policy issues, execution challenges and eroding confidence amongst the business community, your company remained focused on risk management and responded well to the emerging challenges and opportunities with the right combination of caution and agility.

The other key development in the year was the sale of significant portion of the EPC business. As part of the restructuring of Welspun Group's investment in infrastructure, a substantial part of EPC business of WPL has been transferred to Leighton Welspun Contractors Private Limited (LWIN). LWIN is a Joint Venture Company of Leighton Holdings of Australia and the Welspun Group, which executes complex construction projects across sectors like Oil and Gas, Roads, Railways and Buildings. This is part of the Group's strategy to focus on high-value, high-complexity, high-margin construction projects through LWIN, and exit the high-competition, low-value segment of construction in which WPL was operative. The Transfer was successfully completed on March 28th, 2013, in return for which 7.5% shares of LWIN were issued to WPL.

Going forward, WPL will continue to focus on project development activities. Key focus areas for us will be development of assets, O&M of existing assets and value creation through synergies of investment in LWIN. Some EPC projects which were close to completion have not been transferred to LWIN and these projects are expected to be completed in the Financial Year 2013-2014.

In light of macroeconomic constraints and unfinished reforms, we need to look to the future with cautious optimism in realising India's huge potential.

Many thanks



B. K. Goenka





**UMERGAM WATER DISTRIBUTION
- Valsad, Gujarat**

Augmentation of Water Supply Scheme at Umargam, District
Valsad, Gujarat

WELSPUN Projects Ltd.

Directors' Report

Dear Members,

Your directors have pleasure in presenting the 19th Annual Report together with the Audited Financial Statement along with the Report of the Auditors for the year ended on March 31, 2013.

1. Financial Performance

(Rs. in Lacs)

Particulars	FY 2012-13	FY 2011-12
Contract Receipts & Other Operating Income	34,337.22	26,759.41
Toll Collection	7,289.58	6,938.11
Other Income	1,432.34	2,162.39
Change in Work in Progress	250.45	(2,219.55)
Total Income	43,309.59	33,640.36
Total Expenditure	43,021.96	33,270.87
Profit Before Tax	287.63	369.49
Less : Provision for Tax	(301.38)	37.27
Profit After Tax	589.01	332.22
Balance Carried to Balance Sheet	589.01	332.22
Earning Per Share (Rs.)	1.47	0.83

The above financial performance is based on the consolidated financial statement of the Company for year ended March 31, 2013

The order book position as on March 31, 2013 is approx Rs.203 crores. During the year under review your company excelled in clinching various important contracts, including Anjar Coating Plant, Anjar Spinning Plant, Vapi Coal Handling Structure, BRTS Surat Package –II and BRTS Surat Package – III.

During the year under review the Company has subscribed to 11,503,485 equity shares of Rs. 10 each comprising of 7.5% of the issued share capital (post issue) of Leighton Welspun Contractors Private Limited (LWIN), in consideration for transfer of 70% of EPC order book of the Company to LWIN. The value of the purchase being issued in the nature of equity shares for the purpose of the transfer of the aforesaid EPC order book is Rs.115,03,48,500/-

2. Dividend

To augment cash resources for future developmental activities and growth of the Company, your directors do not recommend any dividend on equity shares of the Company for the year ended March 31, 2013.

3. Directors

Since the last report, the following changes took place in the Board of Directors:

1. Mr. Sandeep Garg has been appointed as the Managing Director and Chief Executive Officer of the Company w.e.f. July 16, 2012
2. Mr. Rajesh Mandawewala has been appointed as Promoter Director w.e.f. July 06, 2012
3. Mr. Atul Desai has been appointed as Independent Director w.e.f. August 13, 2012
4. Mr. Shailesh Vaidya has resigned as Independent Director w.e.f. August 13, 2012



In accordance with the requirements of the Companies Act, 1956 and Article 150 of the Articles of Association of the Company, Mr. B K Goenka and Mr. Mohan Tandon, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

4. Deposits

During the financial year 2012-13, the Company did not accept any public deposits as per Section 58A of the Companies Act, 1956 and rules made there under.

5. Auditors

The Company's Statutory Auditors, M/s Chandrakant & Sevantilal & J. K. Shah & Company, Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment. The Auditors confirmed that, if appointed, their appointment will be within the limits as laid down under section 224(1B) of the Companies Act, 1956.

6. Auditors' Report

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

7. Internal Control Systems

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

8. Subsidiaries

As on March 31, 2013 the following companies, were subsidiaries of the Company viz. (1) MSK Projects (Himmatnagar Bypass) Private Limited (2) MSK Projects (Kim Mandvi Corridor) Private Limited (3) Welspun BOT Projects Private Limited (4) Anjar Road Private Limited

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

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

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

9. Particulars of Employees

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

10. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 your directors confirm that :

- a. in the preparation of annual accounts for the financial year ended on March 31, 2013, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b. they have 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 the profit of the Company for the year under review;
- c. they have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d. they have prepared the accounts for the financial year ended on March 31, 2013 on a going concern basis.

11. Employees Stock Option Plan

The Company had introduced Welspun Managing Director Stock Option Plan – 2012. During the year under review, the Company has granted 12,00,000 Stock Options to Mr. Sandeep Garg, Managing Director and Chief Executive Officer, subject to approval of Central Government.

12. Corporate Governance

A separate section on Corporate Governance and a certificate from the practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges form part of this Report.

13. Listing with Stock Exchange

The Company's equity shares are listed on Bombay Stock Exchange (BSE), National Stock Exchange of India Limited (NSE) and Vadodara Stock Exchange Limited (VSE). Annual listing fee for the year 2013-14 is paid to BSE, NSE and VSE

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

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

Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings – NIL

Foreign Exchange Outgo – NIL

15. Consolidated Financial Statement

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

16. Acknowledgement

Your directors take this opportunity to put forward their feelings of gratitude towards the suppliers, clients, bankers,



government authorities and all other stakeholders for their continuous support and co-operation. Your directors also thank the employees of the Company for their tremendous efforts towards achieving the Company's goals and unshakable support in making the Company – what it is today.

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 18/05/2013

B K Goenka
Chairman





BHILAI TOWNSHIP
- Bilai, Chhattisgarh

- Residential Building Project Package 1 & 2 at NSPCL, Bilai
- Township consists of Ground+2 Floor houses
- Total 298 Flats – 33 buildings + 1 Bungalow

WELSPUN Projects Ltd.

Report On Corporate Governance

1. Philosophy on Code of Governance

The Board of Directors of the Company acts as a trustee and assumes fiduciary responsibility of protecting the interest of the shareholders and other stakeholders of the Company. The Board supports the broad principles of Corporate Governance. In order to attain highest level Corporate Governance practice, Board lays strong emphasis on transparency, accountability and integrity.

2. Board of Directors

As on March 31, 2013 the Board comprises of seven Directors (six of them are non executive directors), of which four directors are Independent Directors. Mr. B. K. Goenka, a Non-Executive Director is the Chairman of the Company.

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

Name of the Director and Category	Category	Number of Board Meetings attended during the financial year 12-13	No. of other Directorships@	Number of other Board Committees		Attendance in Last AGM
				Chairman@@	Member@@	
Mr. B. K. Goenka - Chairman	Promoter	4	13	1	7	No
Mr. Sandeep Garg* – Managing Director & CEO	Executive	4	2	Nil	Nil	No
Mr. Mohan Tandon	Independent	6	4	4	1	Yes
Mr. Nirmal Gangwal	Independent	4	5	Nil	2	No
Mr. A. K. Dasgupta	Independent	6	3	1	3	No
Mr. Rajesh Mandawewala**	Promoter	4	13	Nil	5	No
Mr. Atul Desai***	Independent	4	9	5	7	No

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

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

* appointed as Managing Director (subject to approval of Central Government) w.e.f. July 16, 2012

** appointed as director w.e.f. July 06, 2012

*** appointed as director w.e.f. August 13, 2012

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

6 meetings of the Board of Directors were held during the financial year 2012-13 on the following dates: May 28, 2012, July 06, 2012, August 13, 2012, September 18, 2012, November 09, 2012 and February 11, 2013.

3. Audit Committee

a) Terms of Reference

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

b) Composition

The Audit Committee comprises of 3 independent directors. The present composition of the Audit Committee as

under;

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

4 meetings of the Audit Committee were held during the financial year 2012 – 13 on following dates May 28, 2012, August 13, 2012, November 09, 2012 and February 11, 2013

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

4. Remuneration Committee

a) Terms of Reference

The Company has duly constituted Remuneration Committee consisting of Independent Directors. The Remuneration Committee recommends the appointment, re-appointment and remuneration payable to executive directors.

b) Composition of Remuneration Committee

The present composition of Remuneration Committee is as under;

Name of the Member	Designation
Mr. A K Dasgupta	Chairman
Mr. Nirmal Gangwal	Member
Mr. Mohan Tandon	Member

The Remuneration Committee meeting was held on July 06, 2012 which was attended by all the committee members.

c) Remuneration Policy

The independent directors are not paid any other remuneration except sitting fees for attending meeting of Board of Directors and Committee Meetings. The sitting fee for attending the board meeting is Rs. 15,000 and for attending committee meeting is Rs. 5000. The Company policy for remuneration of executive directors is to fix remuneration in form of fixed salary alongwith ESOP, considering the suitability of the candidate with reference to qualification, explanation and achievement of target performance.

d) The Remuneration paid to Non Executive Directors during the financial year 2012-13 is as under:

Name of Non Executive Director	Sitting Fees for Board Meetings (in Rs.)	Sitting Fees for Committee Meetings(in Rs.)	Total (in Rs.)
Mr. Atul Desai*	60000	15000	75000
Mr. Shailesh Vaidya**	15000	-	15000
Mr. Mohan Tandon	90000	25000	115000
Mr. Nirmal Gangwal	60000	-	80000
Mr. A. K. Dasgupta	90000	25000	115000

*Appointed as director w.e.f. August 13, 2012

**Ceased to be director w.e.f. August 13, 2012

e) Managing Directors' compensation

The Managing Director is paid salary and perquisites as per the contract between the Company and Managing Director. The details of remuneration paid to Managing Directors during the financial year 2012 -13 is as under:

Name of Managing Director	Salary + Perquisites
Mr. Sunil Shinde*	Rs. 15,22,011/-
Mr. Sandeep Garg**	Rs. 1,30,23,460/-

* ceased to be Managing Director w.e.f. May 19, 2012.

** appointed as Managing Director (subject to approval of Central Government) w.e.f. July 16, 2012

5. Shareholders' And Investors' Grievance Committee:

a) Terms of Reference:

The Shareholders' and Investors' Grievances Committee looks into the redressal of shareholders' complaints like non-receipt of Annual Report, non-receipt of dividends, revalidation of dividend warrants etc. The complaints are reported to the Board on quarterly basis and the status of the complaints pending at the beginning of the quarter, received during the quarter and resolved or pending at the end of the quarter, are published along with the Quarterly Financial Results of the Company as a note thereto. None of the complaints were pending at the end of the financial year.

b) Composition

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

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

c) Meetings and Attendance during the financial year 2012-13

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

Name of the Member	Designation	Number of Meetings attended
Mr. Atul Desai*	Member	2
Mr. B K Goenka	Member	2
Mr. Mohan Tandon	Member	4

* appointed w.e.f. July 06, 2012

6. General Body Meetings

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

Annual General Meeting	18th Annual General Meeting	17th Annual General Meeting	16th Annual General Meeting
Day & Date	Friday, September 28, 2012	Tuesday, August 29, 2011	Tuesday, November 30, 2010
Time	11.00 a.m.	9.30 a.m.	11.00 a.m.
Venue	Welspun City, Village Versamedi, Taluka Anjar, Dist Kutch, Gujarat 370 110	Vanijya Bhavan, Race Course, Vadodara	Vanijya Bhavan, Race Course, Vadodara
Special Resolution Passed in AGM	1) Section 269 - Appointment of Mr. Sandeep Garg as Managing Director 2) Section 81(1A) - Grant of ESOP to Mr. Sandeep Garg, Managing Director	NIL	1)Sec. 31 Alteration of Articles of Association 2)Sec. 21 Change of Name of the Company 3)Sec. 269 Appointment of Manager

Postal Ballot

During the year ended March 31, 2013, the Company sought the approval of its members, through postal ballot, "to sell or dispose off or transfer, wholly or partly, the Engineering, Procurement and Construction division of the Company, on a "going concern basis" to Leighton Welspun Contractors Private Limited (LWIN) whether for cash or consideration other than cash including shares of LWIN". Mr. Devesh A Pathak, a company secretary in practice was appointed by the Board of Directors as Scrutinizer for the voting process. The Company announced the result of postal ballot on March



16, 2013. A summary of the same is given below:

Sr. No	Particulars	Resolution No. 1 (Ordinary)		
		No. of Ballots	No. of Votes	%
1	Ballots Received	19	25525530	
2	Less : Invalid Ballots	5	433	
3	Valid Ballots	14	25525097	100.00
4	Ballots in Favour	12	25516564	99.97
5	Ballots Against	2	8533	0.03
	Total Valid Ballots	14	25525097	100.00

7. MANAGEMENT

a) Management Discussion and Analysis

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

b) Disclosures by Management to the Board

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

8. DISCLOSURES

a) Related Party Transaction

For related party transactions, refer Note no.37 of Notes to Accounts annexed to Balance Sheet and Profit & Loss Account.

b) Non Compliance

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

c) Whistle Blower Policy

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

d) Code of Conduct

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

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

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

B K Goenka
Chairman

e) Certification by Chief Finance Officer:

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

f) Secretarial Audit

A qualified practicing company secretary carried out the Secretarial Audit on quarterly basis to reconcile the share capital with National Securities Depository Services Ltd (NSDL) and Central Depository Services Ltd (CDSL) and the total

issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with total number of shares in physical forms and total number of demat shares held with NSDL and CDSL.

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

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

h) Accounting Standards

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

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

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

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

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

9. MEANS OF COMMUNICATION

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

10. GENERAL SHAREHOLDER'S INFORMATION

a) Annual General Meeting

The Nineteenth Annual General Meeting of the Company will be held on Tuesday, 24th September 2013, at 11.30 a.m. at Welspun City, Village Versamedi, Tal. Anjar, Dist. Kutch, Gujarat- 370110

b) Financial Year

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

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

II Qtr Results (Jul- Sep)	Upto November 14, 2013
III Qtr Results (Oct-Dec)	Upto February 14, 2014
IV Qtr Audited Results	Upto May 30, 2014
I Qtr Results (13-14)(Apr-June)	Upto August 14, 2014

c) Date of Book Closure

The Company's Register of members and Share Transfer Books will remain closed from Thursday, 19th September 2013 to Tuesday, 24th September 2013 (both days inclusive).

d) Dividend Payment Date

The Board has not recommended any dividend.

e) Listing on Stock Exchanges

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

National Stock Exchange of India Limited (NSE)

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

Bombay Stock Exchange Limited (BSE)

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

Vadodara Stock Exchange Limited (VSE)

Fortune Tower, Sayajigunj,
Vadodara - 390005

Security Codes :

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

NSE : WELPROJ
BSE : 532553
ISIN of the Equity Shares of the Company : INE625G01013

f) Market Price Data

High and Low price of the Equity Shares of the Company on BSE and NSE during the financial year 2012-13 is as under:

Month	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April 2012	33.70	28.00	33.45	28.50
May 2012	35.00	23.85	35.40	23.10
June 2012	31.00	27.00	31.30	23.35
July 2012	31.75	27.50	31.95	26.85
August 2012	29.00	19.00	28.80	18.75
September 2012	23.50	19.00	23.60	19.00
October 2012	28.95	23.00	29.30	23.00
November 2012	25.00	20.65	25.00	19.45
December 2012	25.05	21.50	26.00	21.00
January 2013	25.00	19.50	25.00	19.50
February 2013	22.40	11.50	22.00	11.50
March 2013	13.90	9.84	13.55	9.65

Source: respective websites of BSE and NSE.

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

Month	BSE Index	Closing Price of Share (Rs)	NSE Nifty	Closing Price of Share (Rs)
April 2012	17,318.81	29.00	5,248.15	28.55
May 2012	16,218.53	30.85	4,924.25	30.55
June 2012	17,429.98	29.90	5,278.90	29.95
July 2012	17,236.18	28.00	5,229.00	28.65
August 2012	17,429.56	19.40	5,258.50	19.80
September 2012	18,762.74	22.80	5,703.30	23.15
October 2012	18,505.38	24.15	5,619.70	24.00
November 2012	19,339.90	22.50	5,879.85	23.10
December 2012	19,426.71	22.05	5,905.10	21.85
January 2013	19,894.98	19.70	6,034.75	19.80
February 2013	18,861.54	11.75	5,693.05	11.65
March 2013	18,835.77	12.41	5,682.55	12.25

g) Registrar & Share Transfer Agent

The Company has appointed Registrar and Transfer Agent to handle the share transfer work and to resolve the complaints of shareholders. Name, address, telephone number of Registrar & Share Transfer Agent is given hereunder: M/s. Purva Sharegistry (India) Pvt. Ltd.

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel (East), Mumbai

Phone: 022-2301 6761/8281 Fax: 022-2301 2517 E-mail: busicomp@vsnl.com

h) Share Transfer System and Dematerialization

Our Registrar and Transfer Agent registers transfer of shares in physical form within 15 days from the receipt of the documents. The Company's shares held in dematerialised form are transferable in electronic mode. As on March 31, 2013, 680 equity shares were in physical form being 0.001% of the total Equity Shares.

i) Distribution of Shareholding as on March 31, 2013

Nominal Value	Number of Shareholders	% of Total Shareholders	Value in Rs.	% of total Value
Upto 5,000	7506	83.96	10599470	2.65
5,001-10,000	678	7.58	5704660	1.43
10,001-20,000	302	3.38	4763120	1.19
20,001-30,000	146	1.63	3758030	0.94
30,001-40,000	65	0.73	2329760	0.58
40,001-50,000	48	0.54	2269480	0.57
50,001-100,000	94	1.05	7068950	1.77
1,00,001 and above	101	1.13	363506530	90.88
Total	8940	100.00	400000000	100.00

j) Shareholding Pattern as on March 31, 2013

Sr. No.	Category	No. of Shares	Percentage of holding
1	Promoter Group	24448445	61.12%
2	Resident Bodies Corporates	8525008	21.31%
3	FII/Mutual Funds	468306	1.17%
4	Foreign Body Corporates	--	--
5	Public	6485376	16.21%
6	Others(including NRIs)	72865	0.18%
	Total	40000000	100.00

k) Site Locations

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

l) Address for Correspondence

Shareholders correspondence may be directed to the Company's Registrar and Share Transfer Agent at the following address:

M/s. Purva Sharegistry (India) Pvt. Ltd.

9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel (East), Mumbai

Phone: 022-2301 6761/8281 Fax: 022-2301 2517 E-mail: busicomp@vsnl.com

Compliance Officer:

Mr. Rajendra Sawant, Company Secretary

Welspun House, 7th Floor,

Kamala City, Senapati Bapat Marg,

Lower Parel, Mumbai – 400 013

email: rajendra_sawant@welspun.com

**CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE REPORT**

To The Members of
Welspun Projects Limited

I have examined the compliance conditions of Corporate Governance by Welspun Projects Limited, for the year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

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

In my opinion and to the best of our information and according to 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 investors grievances remaining unattended/pending 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 efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 18.05.2013

CS Manasi Damania
Practicing Company Secretary

Certificate of Practice No. 8120



WELSPUN Projects Ltd.



BHARUCH - DAHEJ ROAD PROJECT

- Gujarat

**Widening to 6 lane of Bharuch Dahej Road (SH-6) from km 200 to
km 225, including construction of ROB approaches and PUP.**

WELSPUN Projects Ltd.

Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Financial Statements of Welspun Projects Ltd ("WPL" or the "The Company"), and the notes thereto for the year ended 31st March 2013. This MD&A covers WPL's financial position and operations for the year ended 31st March 2013. Amounts are stated in Indian Rupees unless otherwise indicated. The numbers used in the analysis are on a consolidated basis; the corresponding number for the previous year has been regrouped and reclassified, wherever necessary.

Forward-Looking Statements

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



“This year was a challenging one for the infrastructure sector. As part of our strategy to exit the low value construction segment and concentrate on the high value segment, we transferred significant part of WPL's EPC business to Leighton Welspun Contractors Private Limited (LWIN), in return for an equity stake in LWIN. Going forward, WPL will continue to focus on development activities.”

- Sandeep Garg,
Managing Director, Welspun Projects Limited.

BUSINESS OVERVIEW

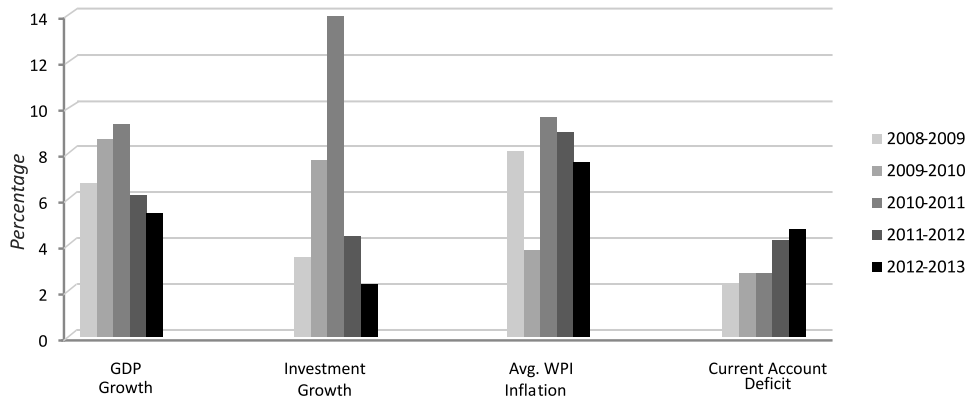
WPL (earlier MSK Projects) has a long history in the infrastructure space in India. The Company has a rich experience of executing EPC contracts and PPP projects in various sectors like roads, water, and urban infrastructure. In the highway sector alone, the Company has successfully completed six BOT (Toll) Road projects with a total length of over 500 km and a capital expenditure of over US \$ 200 million. In fact, it was one of the first developers to complete a NHAI BOT project in India.

FY13 has been a transitional year for the Company. As part of the restructuring of Welspun Group's Investment in Infrastructure, significant part of WPL's EPC business has been transferred to Leighton Welspun Contractors Private Limited (LWIN). LWIN is a Joint Venture Company of Leighton Holdings of Australia and the Welspun Group, which executes complex construction projects across sectors like Oil and Gas, Roads, Railways and Buildings. The Transfer of WPL's water business and other EPC contracts was successfully completed on March 28th, 2013, in return for 7.5% equity stake in LWIN.

Macro-Economic Environment

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 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 at an 11-year low of 6.6 percent. 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 1) 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.

Figure 1 Key Financial Indicators - India



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.

Indian Infrastructure Sector

Infrastructure is key to the development of any economy. For India, the fast growth of the economy in recent years has placed increasing stress on physical infrastructure such as electricity, railways, roads, ports, airports, irrigation, urban and rural water supply and sanitation, all of which already suffer from a substantial deficit. A significant improvement in infrastructure is essential for India, if it is to maintain its high growth trajectory.

The XII Five Year Plan recognises adequate investment in the development of infrastructure is a prerequisite for higher growth. Accordingly, an investment of Rs. 51.46 trillion has been projected for the XII Plan. In the XI Five-year plan (between fiscal years 2007-08 and 2011-12), Rs. 19.45 trillion was invested in Indian infrastructure, 95 per cent of the projected Rs. 20.56 trillion. Therefore, the XII plan envisages investment which is more than twice the investment during the Eleventh Plan.

Figure 2 Investment during XI Plan

Sector	Projected Investment (₹ in trillion)	Actual Investment (₹ in trillion)	Actual Investment as Proportion of Projected Investment (in per cent)
Electricity	6.66	6.35	95
Roads	3.14	3.62	115
Telecommunications	2.58	3.36	130
Railways	2.62	1.95	75
Ports	0.88	0.35	40
Airports	0.31	0.29	95
Others*	4.37	3.53	81
Total	20.56	19.45	95

Source: High Level Committee on Financing Infrastructure (2012).

Note: *Others include irrigation, water supply and sanitation, storage, and oil and gas pipelines.

Figure 3 Investment projected in XII Plan

Sector	Projected Investment (₹ in trillion)	Project Investment as proportion of Total Investment (in per cent)
Electricity	18.48	36
Roads	9.20	18
Telecommunications	8.84	17
Railways	4.57	9
Ports	1.61	3
Airports	0.71	1
Others*	8.05	16
Total	51.46	100

Source: High Level Committee on Financing Infrastructure (2012)

Note: *Others include Mass Rapid Transit System (MRTS), irrigation, water and sanitation, storage, and oil and gas pipelines.

This indicates that there is huge potential in Infrastructure and presents a huge opportunity for infra firms, on the construction side as well as the on the investment side, provided the plans bear fruition.

PPP in Infrastructure

The ambitious target for investment in infrastructure is constrained by the limited budgetary allocations, especially in view of the renewed emphasis on social sectors. As a result, the role of private investment in funding infrastructure projects assumes greater significance in delivering the Twelfth Plan targets. The Twelfth Plan projects a share of 48 per cent of private investment against 37 per cent anticipated in the Eleventh Plan.

The investment strategy of the Government primarily relies on promoting investment through a combination of public investment, private participation through Public Private Partnerships (PPPs) and stand-alone private investment. Since private investment would not be sustainable in financially unviable projects in rural infrastructure, irrigation and water resources management, inland waterways and in the economically or situationally disadvantaged regions, they would continue to be funded by public investment. For projects which are financially viable, PPPs are increasingly becoming the preferred mode of project implementation, especially in sectors such as highways, airports, ports, railways and urban transit systems. However as seen by past experiences the BOT investments are fraught with risks of uncertainty and policy changes.

Over the 10th and 11th five year plans, the Government of India has taken several initiatives to accommodate and accelerate private investments in the infrastructure sector. These include:

- Constitution of the Public Private Partnership Appraisal Committee (PPPAC) with a view to streamlining and simplifying the appraisal and approval process for PPP projects. The project proposals are appraised by the Planning Commission and approved by the PPPAC.
- India Infrastructure Finance Company Limited (IIFCL) was set up as a non-banking company for providing long-term loans for financing infrastructure projects that typically involve long gestation periods. The IIFCL lends up to 20 per cent of the project costs and one-half of its lending can also be in the form of subordinated debt, which often serves as quasi-equity.
- Viability Gap Funding (VGF) scheme was notified in 2006 to enhance the financial viability of competitively bid infrastructure projects which are justified by economic returns, but do not pass the standard thresholds of financial returns. Under the scheme, grant assistance of up to 40 per cent of capital costs of infrastructure projects is provided by the Central Government and the sponsoring authority, put together, to PPP projects
- The adoption of standardized documents such as model concession agreements and bidding documents for award of PPP projects have streamlined and accelerated decision-making by agencies in a manner that is fair, transparent and competitive. This approach has contributed significantly to the recent strides in rolling out a large number of PPP projects in different sectors.
- Providing incentives and tax holidays to attract private investments including allowing infra finance firms to issue tax / tax-exempt bonds
- Permission of 100% FDI in the infrastructure sector

These initiatives have resulted in the award of a large number of PPP concessions in national highways and ports. In the airport sector, while metro airports at Bangalore, Hyderabad and Delhi have been developed, the airport at Mumbai is being developed and operated by private entity through PPP concession. In railways, concessions for the operation of container trains have been awarded to a number of competing entities. In the State sector, several concessions in roads, ports and urban infrastructure have been awarded on PPP mode.

According to a World Bank Report on Private Participation in Infrastructure, India has been the top recipient of Private Participation in Infrastructure (PPI) activity since 2006. The Report maintained that India remained the largest market for PPI in the developing world.

Hurdles and Roadblocks

In spite of the tremendous potential, the Indian infrastructure sector has not been to deliver over the last two years. The slowdown which impacted the sector in FY12 continued into FY13.

The key issues affecting development of Infrastructure, especially where Private Participation is involved are:

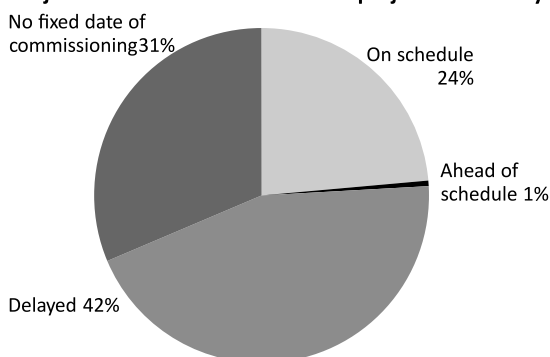
1. Land acquisition

Land acquisition has been the biggest challenge for infrastructure development in India. This arises mainly from inadequate compensation and poorly-planned rehabilitation packages to the displaced. To address this issue, the government has proposed a new bill called the Land Acquisition and Rehabilitation & Resettlement Bill (LARR). The bill, in its current form, includes improved provisions for compensation and rehabilitation, and is expected to streamline the land acquisition process and reduce the amount of litigation related to the acquisition of land for public use. However, the draft bill is still under discussions and will need more time before a political consensus is reached. For instance, one of the major problems with the Bill is the ambiguity over the term “public purpose,” which may hinder acquisition of land by the government in the case of infrastructure or Public Private Partnership (PPP) projects. Beyond compensation through LARR, this is an area where stronger and more comprehensive efforts in stakeholder outreach during the planning phase of infrastructure investments could be tremendously helpful in building consensus and better anticipating local reactions.

2. Multiplicity of regulatory approvals and environmental clearances

Multiple agencies are involved and various approvals are required across the different stages of a project cycle. Studies have shown that the complexity and level of detail required in approval processes, as well as the sheer number of approvals required, are among the major difficulties in the successful realization of projects. For instance, under the Foreign Investment Promotion Board (FIPB) route, projects involving foreign investment with estimated project costs of up to US\$ 120 million are approved at the level of the Commerce and Industry Minister. Investments beyond US\$ 120 million are considered by the Cabinet Committee on Economic Affairs (CCEA). Once a typical infrastructure project is approved by these authorities, it has to go through at least nine or ten further approvals, from the Registrar of Companies to the Pollution Board at the Union government level. Additionally, state governments have become increasingly important actors in promoting – or inhibiting – significant infrastructure projects.

Figure 4 Project status of 564 infrastructure projects as on May 2012



Source: The Planning Commission of India (www.planningcommission.nic.in)

In order to fast-track approvals for infra projects, the Government has constituted the Cabinet Committee on Investment in January 2013 under the chairmanship of the Prime Minister. The key functions of the Committee include

- to identify key projects involving investments of Rs. 10 billion or more or any other critical projects required to be implemented on a time-bound basis in infrastructure, manufacturing etc.
- to prescribe time limits for requisite approvals and clearances by concerned Ministries/Departments
- monitor the progress of identified projects

- to review implementation of projects delayed beyond stipulated timeframe
- to review procedures followed by Ministries/Departments to grant/refuse approvals and clearances
- to take decision on grant/refusal of approvals/clearance of unduly delayed specific projects
- to decide measures for expeditiously granting/refusing approvals/clearance in identified sectors including simplification of rules/procedures followed by respective Ministries/Departments
- require statutory authorities to discharge functions and exercise powers for promoting investment and economic growth.

The CCI though, in its current form, will not have the power to clear projects directly. Individual ministries will still have to approve all projects, including those worth Rs. 10 billion or more. However, where there are delays, the CCI will have the authority to intervene. The Committee will also not have the power to overturn any decisions made by the Ministry of Environment & Forests.

This is a dilution from the powers earlier envisaged for CCI, which included the power to overrule other ministries. Nevertheless, it's an important step in creating a single window system to grant the necessary clearances from the government for infrastructure projects.

The Supreme Court judgment of March 2013 on delinking the environment from forest clearances for highway projects should come as a welcome relief to the sector. The Union Budget 2013-14 has also announced the setting up of a regulatory authority for the roads sector.

3. **Funding**

Funding is another roadblock that the private sector is facing in financing, developing and maintaining infrastructure projects. Infra projects are still not seen as favorable by the capital markets due to myriad regulatory requirements. Additionally, most of the current players in India do not have the credibility or balance sheets necessary to fund the needed expansion of infrastructure. It is likely that equity markets will not fund or support new entrants until they are convinced of the soundness of project economics and the stability of the regulatory environment. Companies are too dependent on banks for debt funding of infrastructure as the corporate debt markets in India are still not well-developed. Also, insurance and pension firms cannot invest in infra projects due to their poor credit rating.

In order to encourage long-term financing for the sector, the government has encouraged setting up of Infrastructure Debt Funds (IDF). These funds will raise resources and, through take-out finance, credit enhancement and other innovative means, provide long-term low-cost debt for infrastructure projects. Four IDFs have been registered with SEBI so far and two of them were launched in the month of February, 2013.

India Infrastructure Finance Corporation Ltd (IIFCL), in partnership with the Asian Development Bank, will offer credit enhancement to infrastructure companies that wish to access the bond market to tap long term funds. The Government of India recently decided that pension and insurance funds should be allowed to invest in the infrastructure sector via Infrastructure Debt Funds, which would use credit-enhancement mechanisms to ensure the highest rating, as required by investment rules. In the last two years, a number of institutions were allowed to issue tax free bonds; which helped raise Rs. 300 billion in 2011-12 and Rs. 250 billion in 2012-13. For 2013-14, the Finance Ministry has approved issue of tax free bonds in upto a total sum of Rs. 500 billion. The Reserve Bank, on its part, has recently relaxed the norms for external commercial borrowing for infrastructure finance companies and has eased the norms for treating bank loans to public private partnership (PPP) projects as secured finance subject to conditions.

These initiatives are the first steps in the right direction but there is a long way to go before the financing issues are mitigated.

4. **Non-availability of manpower**

Another emerging challenge relates to the capacity of the private sector itself to execute infrastructure projects. Lack of skilled manpower is a big issue faced by the sector, as labour has alternate schemes available for employment.



WELSPUN PROJECTS LIMITED (WPL): FY13 in review

In spite of the slowdown in the industry, Welspun Projects continued its stable performance. WPL successfully completed some key construction projects in the Financial Year 2012-2013:

1. **Anjar Township:** The Project, consisting of four Housing Clusters for Welspun Group Employees at Anjar, Gujarat was successfully completed and handed over to the Client.
2. **Bhilai Township:** The Project, consisting of almost 300 flats across 33 buildings at NSCPL, Bhilai was successfully completed and handed over to the Client.
3. **Umerngam Water Distribution:** The Project involving augmentation of Water Supply Scheme at Umerngam town, Valsad District, Gujarat was successfully completed and commissioned.

The Company won the following projects in the financial year 2012-13:

- Bus Rapid Transit System at Surat, Gujarat – Packages II & III
- L-SAW Coating Plant, Anjar
- Spinning Plant, Anjar

SALE OF EPC BUSINESS:

As a part of the strategy to focus on high-value, high-complexity, high-margin construction projects and exit the high-competition, low-value segment in which WPL was operative, the Company has transferred significant part of its EPC Business to Leighton Welspun Contractors Private Limited (LWIN). LWIN is a joint venture company of Leighton Holdings of Australia and the Welspun Group, which executes complex construction projects across sectors like Oil and Gas, Roads, Railways and Buildings. The Transfer of WPL's water business and other EPC contracts was successfully completed on March 28th, 2013. In return, WPL received 7.5% equity stake in LWIN.

WPL will be completing a few construction projects which were not transferred to LWIN; the completion of these projects is expected to happen in the financial year 2013-14.

WAY FORWARD

Going forward, WPL will continue to focus on development activities.

Key focus areas for WPL will be:

- Infrastructure development
- O&M of existing assets
- Value creation through synergies of investment in Leighton Welspun

RISKS AND CONCERNS

- Uncertain economic environment
- Delay in Regulatory approvals
- Inadequate availability of skilled manpower
- High interest rates

HUMAN RESOURCES POLICY

In past one year, the HR team at Welspun has re-organized itself as a combination of centralized and decentralized structure. The major focus was to bring synergy within the HR team and focus on bringing uniformity in process / policies across the Group.

Based on the feedback received from the GPTW (Great Place to Work Survey) 2011 and to serve the need for synergy and uniformity, organizational re-structuring of the existing HR team was done and specific action areas were identified. Accordingly, based on the importance of the Program Management Activities, six focus areas were identified globally which would help in developing the Company's most important and invaluable asset "Human Resources".

- HR Operations
- Performance Management System, Industrial Relations and Corporate Social Responsibilities
- Talent Management
- Employee Development
- Talent Acquisition
- Employee Engagement

Key Highlights

The key initiatives taken in HR are as listed below:

HR Policies and Practices: To bring uniformity in the HR processes, Group HR Manual comprising of standardized group level policies and procedures with a flavor of location level policies was introduced. A process of introduction of “Group Induction Manual” and “Employee Handbook” to facilitate employee's awareness regarding the policies and procedures governing them has also been set up.

Talent Management: To bring objectivity in the process of identification of HiPo(High Potential)employees across the Group, Personality Assessment tests were conducted and Individual development plan was drawn and implemented.

Performance Management System: Goal Setting exercise for entire Group & performance review were the key activities. Sessions on PMS process were organized at all locations to make employees understand the nitty-gritties of the PMS process & also align the individual goals with the Business objectives.

Talent Acquisition: Internal Job Portal was launched to provide platform for all the employees to internally channelize their career aspirations and facilitate the hiring activities. Other sources like head hunting and employee referrals were mostly used which resulted in bringing down the recruitment cost by 94%.

Employee Engagement: Launch of Tablet – an employee engagement committee was the major initiative. Few sub-committees were formed under Tablet like Fun Tab, Whiztab, Sport Tab and E – Tab. Monthly fun events, practice sessions for Sports Tournament, nominations in Mumbai Marathon and monthly newsletters were the key activities of Tablet.

Employee Communication: Individual & Group communication forums were launched. At the individual level, process of stay interviews was started to conduct 'health check' of the Organization. At the Group level, communication forums like Monthly Departmental Meeting (MDM) and Town hall were started to share business updates with employees and to address their concerns. Launch of E- Blog, an internal blogging site was another major highlight. Welspun Intranet Portal – “One Welspun” and Welspun Global Helpdesk – HR & Admin Helpdesk were also launched.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

All the records are adequately maintained for preparation of financial statements and other financial information. Apart from internal controls, the Company also audits the efficiency and security of its operations, its information technologies and data, in accordance with the global standards. The Audit Committee of the Company met four times in FY13 to review internal audit reports as well as the internal control systems and financial disclosures.

DISCUSSION OF FINANCIAL PERFORMANCE

The discussion of the Financial Performance and analysis below relates to the consolidated audited financial statements of Welspun Projects Ltd. The discussion should be read in conjunction with the consolidated financial statements and the related 'Notes to the Accounts' for the year ended March 31, 2013

KEY FINANCIAL DATA (Profit and Loss Statement)

(figures in Rs. Million)

Particulars	Year ended March 2013	Year ended March 2012	Change in %
Contract Receipt (A)	2,342	2,669	-13%
Toll Collection (B)	729	694	5%
Other Operating Income (C)	1,092	7	
Total Operating Income (A+B+C)	4,163	3,370	24%
EBITDA	1,188	783	52%
EBITDA Margin	29%	23%	
Financial Cost	474	515	-8%
Depreciation and Amortization expense	685	231	198%
Profit before Taxes (PBT)	29	37	-22%
Profit after Taxes (PAT)	59	33	77%

a. Operating Income

The Company's revenue is primarily generated from the various projects under construction and toll income. Income from civil contracts (net of Service Tax) was Rs. 2,342 million in FY13 as compared to Rs. 2,669 million in FY12. The revenue dipped in FY13 as the EPC business of WPL was transferred to Leighton Welspun Contractor Private Ltd (the EPC arm) during the year. The toll Collection was Rs. 729 million in FY13 which has grown 5% over the previous year. This includes income generated in the form of Toll charges from the various operational BOT Assets during the year. The other operating income of Rs. 1,092 million during the year was on account of income from transfer of EPC business to LWIN and scrap income. The overall revenue has grown by 24% over the previous year.

b. EBITDA

The Company's EBITDA in FY13 stands at Rs. 1,188 million which is higher than corresponding year's EBITDA of Rs. 783 million. EBITDA margin improved to 29% in FY13 as compared to 23% in FY12.

c. Financial Cost

The Company's financial costs has decreased by 8% at Rs. 474 million in FY13 as compared to Rs. 515 million in FY12 due to repayment of some high cost debt during the year and reduction in interest expense as compared to previous year.

d. Depreciation/Amortisation Expenses

Depreciation/Amortisation has increased by 198 % at Rs. 685 million in FY13 as compared to Rs. 231 million in FY12. This increase was mainly on account of amortisation of BOT assets of Rs. 617 million during the year. This was higher on account of retrospective change in accounting policy made in respect of cash subsidy received for BOT projects.

e. Profit (Loss) before Tax (PBT)

PBT stands at Rs. 29 million in FY13 as compared to Rs. 37 million in FY12. PBT has continued to be on the positive side in FY13, in spite of the difficult market.

f. Profit (Loss) after Tax (PAT)

PAT stands at Rs. 59 million in FY13 as compared to Rs. 33 million in FY12.

BALANCE SHEET*(figures in Rs. Million)*

	As At 31st March 2013	As At 31st March 2012
EQUITY & LIABILITIES		
Share Holders' Funds		
Share Capital	400	400
Reserves & Surplus	4,807	4,748
Total	5,207	5,148
Non Current Liabilities		
Long Term Borrowings	2,240	2,949
Deferred Tax Liabilities (Net)	21	68
Long Term Provisions	9	8
Total	2,270	3,025
Current Liabilities		
Short Term Borrowings	779	656
Trade Payable	821	403
Other Current Liabilities	1,063	553
Short Term Provisions	3	5
Total	2,666	1,617
TOTAL	10,142	9,789
ASSETS		
Non Current Assets		
Fixed Assets		
Tangible Assets	379	441
Intangible Assets	5,394	6,023
Intangible Assets under development	189	80
Non Current Investment	1,154	4
Other Non Current Assets	-	1
Long term Loans & Advances	344	309
Total	7,460	6,859
Current Assets		
Current Investment	585	51
Inventories	148	207
Trade Receivable	889	1,220
Cash and Bank Balances	281	634
Short Term Loans & Advances	561	625
Other Current Assets	219	194
Total	2,682	2,931
TOTAL	10,142	9,789



NET WORTH

Net worth of the Company stands at Rs. 5,207 million as at March 31, 2013 as compared to Rs. 5,148 million as at March 31, 2012. Net worth increased due to the profit earned and retained by the company for the financial year ended 31st March 2013.

SHARE CAPITAL

The total number of equity shares stands at 40,000,000 shares as at 31st March 2013 which is same as in the previous financial year.

RESERVES AND SURPLUS

The reserves and surplus of the Company stands at Rs. 4,807 million at the end of FY13 as compared to Rs. 4,748 million at the end of FY12.

- **Capital Reserve:** Capital Reserve as of 31st March, 2013 amounted to Rs. 1,265 million which is the same as in the previous financial year.
- **Security premium reserve:** Securities Premium account reserve stands at Rs. 2,887 million at the end of FY13 which is the same as in the previous financial year.
- **Amalgamation Reserve:** Amalgamation Reserve stands at Rs. 52 million at the end of FY13 which is same as in the previous financial year
- **General Reserve:** General Reserve is unchanged at Rs. 32 million at the end of FY13.
- **Surplus / (deficit) in the statement of Profit & Loss:** The balance retained in Profit and Loss as on 31st March, 2013 has increased by Rs. 59 million. Balance at the end of FY13 is Rs. 571 million.

NON CURRENT LIABILITIES

The non current liabilities of the Company stand at Rs. 2,270 million at the end of FY13 as compared to Rs. 3,025 million at the end of FY12 showing a decrease of 25%. The components of non current liabilities are as follows:

- **Long Term Borrowings:** The non current portion of Long Term Borrowings has decreased by Rs. 709 million at Rs. 2,240 million in FY13 as compared to Rs. 2,949 in FY12. This reduction is due to repayment of debt during the year
- **Long Term Provisions:** Long Term Provisions have increased by Rs. 1 million to Rs. 9 million in FY13 as compared to Rs. 8 million in FY12. This increase of 9% is due to provision for gratuity for employee benefit.
- **Deferred Tax:** Deferred Tax stands at Rs. 21 million in FY13 as compared to Rs. 68 million in FY12.

CURRENT LIABILITIES

The current liabilities of the Company stand at Rs. 2,666 million at the end of FY13 as compared to Rs. 1,617 million at the end of FY12. The components of current liabilities include:

- **Short term Borrowings:** Short Term Borrowings has overall increased by Rs. 123 million to Rs. 779 million in FY13 as compared to Rs. 656 million in FY12.
- **Trade Payables:** Trade Payables has increased by Rs. 418 million to Rs. 821 million in FY13 from Rs. 403 million in FY12. The trade payable days in FY12 is 72 days as compared to 44 days in FY12.
- **Other Current Liabilities:** Other Current Liabilities has increased by Rs. 510 million to Rs. 1,063 million in FY13 as compared to Rs. 552 million in FY12 showing an increase of 92%. The other current liabilities include:
 - Advance from Customers has decreased to Rs. 71 million in FY13 as compared to Rs. 124 million in FY12 showing a decrease of 43%
 - Current portion of Long Term Debt stands at Rs. 762 million in FY13 as compared to Rs. 329 million in FY12.
 - Security Deposits payable has increased by Rs. 13 million in FY13 to Rs. 58 million as compared to Rs. 45 million in FY12.
 - The amount payable under the other payables of Rs. 41 million in FY13 represents amount payable to third parties in respect of their fixed deposits against which the Company has taken loan from one of the Bank. The said fixed deposit has been encashed by the bank by crediting loan account.
- **Short Term Provisions:** Short Term Provisions stands at Rs. 3 million at the end of FY13 as compared to Rs. 5 million at the end of FY12. This was mainly on account of provision for leave benefits for the employees of the Company.

NON CURRENT ASSETS

The total non-current assets stands at Rs. 7,460 million assets as of 31st March, 2013. The components of non-current assets include:

- The net block of tangible and intangible fixed assets including BOT assets and the intangible assets under development stands at Rs. 5,961 million in FY13 as compared to Rs. 6,545 million in FY12.

- Non current investment stands at Rs. 1,154 million in FY13 as compared to Rs. 4 million in FY12. This was due to increase in long term investment in Equity Shares of LWIN of Rs. 1,150 million for 11.50 million shares of Rs 10 each. This was towards the transfer of WPL's EPC business to LWIN at the end of the FY13.
- Long term loans and advances have increased to Rs. 344 million in FY13 as compared to Rs. 309 million in FY12. This was due to increase in loan & advances paid to the joint ventures and subsidiaries and advances paid to the Government authorities towards advance tax during the year.

CURRENT ASSETS

Current assets of the Company stand at Rs. 2,682 million at the end of FY13 as compared to Rs. 2,931 million at the end of FY12. The components of current assets include:

- **Current Investment:** Current Investment stands at Rs. 585 million in FY13 as compared to Rs. 51 million in FY12. The increase was due to higher investments in Bonds and securities during FY13.
- **Inventories:** The inventories has reduced to Rs. 148 million at the end of FY13 from Rs. 207 million at the end of FY12 showing a decrease of 28%.
- **Trade Receivables:** Trade Receivables has decreased to Rs. 889 million at the end of FY13 from Rs. 1,220 million at the end of FY12 showing a decrease of 28%. The company has debtor collection period of 78 days in FY13 as compared to 132 days in FY 12.
- **Cash and Bank Balances:** The Company has cash and bank balance of Rs. 281 million at the end of FY13 as compared to Rs. 634 million at the end of FY12. It has decreased by 56% as the company has used the cash for investing in financial instruments viz mutual funds and bonds.
- **Short Term Loans and Advances:** Short Term Loans and Advances have decreased to Rs. 561 million at the end of FY13 from Rs. 625 million at the end of FY12.

LOAN FUNDS

Gross Debt as on March 31, 2013 stands at Rs. 3,781 million as against Rs. 3,935 million in FY12. This was due to repayment of high cost debt paid during the year. The gross debt comprises of following items:

- **Long Term Borrowing:** The non current portion of Long Term Borrowing has decreased by Rs. 709 million at Rs. 2,240 million in FY13 from Rs. 2,949 million in FY12.
- **Short Term Borrowing:** Short Term Borrowings has increased by Rs. 123 million to Rs. 779 million in FY13 as compared to Rs. 656 million in FY12.
- **Current portion of Long Term Debt** stands at Rs. 762 million in FY13 as compared to Rs. 329 million in FY12.

CASH FLOWS

The table below summarizes our cash flow for the periods indicated:

(Figures are in Rs. Millions)

Particulars	March 31,2013	March 31,2012
Opening balance cash and cash equivalents	634	491
Net cash flow from operating activities	2,176	(228)
Net cash flow from investing activities	(1,779)	1,268
Net cash flow from financing activities	(750)	(897)
Closing balance cash and cash equivalents	281	634

a) Operating Activities

Net cash inflow from operating activities was Rs. 2,176 million in FY13. This primarily includes operating profit before working capital changes of Rs. 1,364 million, taxes of Rs. (30) million, adjustments in trade and other receivables of Rs. 181 million, adjustment in inventories of Rs. 34 million and adjustments in trade payable & Provisions of Rs. 567 million.

Net cash inflow from operating activities was Rs. (228) million in FY12. This primarily includes operating profit before working capital changes of Rs. 777 million, taxes paid of Rs. 63 million, adjustments in trade and other receivables of Rs. (715) million, adjustment in inventories of Rs. 156 million and adjustments in trade payable & Provisions of Rs. (384) million.

b) Investing Activities

Net cash outflow from investing activities was Rs. 1,779 million in FY13. This primarily includes Net outflow of Rs. 5 million for fixed assets, Rs. 1,679 million for investments and Rs. 95 million as BOT expenditure.



Net cash inflow from investing activities was Rs. 1,268 million in FY12. This primarily includes Net outflow of Rs. 8 million for fixed assets and Rs. 122 million for BOT expenditure; and inflow of Rs. 1,399 million from investments.

c) Financing Activities

Net cash outflow from financing activities was Rs. 750 million in FY13 which primarily includes payment of Rs. 474 million of interest and borrowings of Rs. 276 million.

Net cash outflow from financing activities was Rs. 897 million in FY12 which primarily includes payment of Rs. 515 million of interest and borrowings of Rs. 381 million.

Cautionary Statement

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





CORPORATE SOCIAL RESPONSIBILITY
Changing Lives and Lifestyles with 3 E's:

- Education
- Empowerment
- Environment & Health

WELSPUN Projects Ltd.

Corporate Social Responsibility - A Welspun Commitment

In the past 26 years, Welspun has established itself as one of the fastest growing Indian conglomerates with presence across five business verticals. Wherever we start our facilities, our commitment is to reach out to the nearby communities.

We at Welspun find ourselves proficient to address the various needs of the communities, under three distinct domains that have become the guiding principles of our CSR initiatives. Hence the Group's social vision has been enshrined in the **3 E's**.

- **Education**
- **Empowerment**
- **Environment and Health**

A brief overview of the activities that we undertake as part of our CSR initiatives is best presented under each of the 3 guiding principles.



EDUCATION

The future of our country is in our young population. Welspun promotes and supports the Right to Education and is dedicated to improving and enhancing the quality of education.

Quality Education Program

- In 2012-2013 At Anjar, Welspun initiated a Quality Education Project with the Government of Gujarat in association with Light of Life Trust (NGO). The Welspun Quality Education project aims to reach out to all the **123** government schools in Kutch in the next 5 years.
- Currently as a pilot project, we are reaching out to three government schools viz, Varsamedi, New Dudhai and Bhadreshwar to make a subtle difference to 28 teachers and 584 students from Std V – VIII.
- At Salav, Maharashtra, to improve the access to education for the Katakari tribals (locals of Salav), we have tied up with the Light of Life trust to impart **quality education at the secondary school level**. This project now reaches out to **100 tribal children** and aims at arming these children with superior social and vocational skills.
- With the objective of helping teachers to stay at par with the various developments in the education field & upgrading their teaching skills, **Teacher training programs** have been conducted in Kotma (Anuppur, MP), Vijayaraghavgarh (Katni MP) & in Neemuch (MP). A total of **93 teachers** have attended these training programs.



Balwadis (Pre-primary Education Centers) and Adult Literacy

- Welspun runs **3 Balwadis** in the workers colonies in Anjar and Vapi, Gujarat. A total of **158 children** are benefitting from the basic education imparted at these Balwadis.

Computer Training

- We initiated **Jeevan Asha Computer Training Centre** at Salav where children are being provided computer and soft skills training. Jeevan Asha Training Centre has covered **60 students** with basic computer training. We aim to cover over 200 students under the Jeevan Asha computer project in Salav by June 2013.

Career Counseling

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

Educational, Recreational and Motivational Sessions for Cancer Patients and their Families

- As a part of our Employee Volunteering Initiative, 17 Welspunites spend quality time (on working Saturdays) at St. Jude's childcare center, Mumbai in quest of making a qualitative difference to the lives of **38 underprivileged children** suffering from cancer and their parents. The group teaches skills like Spoken English, Computer literacy, Dance, Art and Craft.



EMPOWERMENT

As we secure our future generations in terms of education, we also see the need to empower families so that they can sustain themselves in the near term and move towards growth and prosperity. And what is better than to focus on empowering women!

Women Empowerment

- We run **five vocational centers** for women in (names of the places) that provide guidance and training for cut and sew operations. Till now **264 women** have benefitted from these centers and 184 have been absorbed in Welspun India Ltd.
- Inspired by the success of this endeavor, we have also **replicated this initiative at Welspun Gram, Vapi**. We aspire to start a women empowerment initiative at Palghar and Rakholi based on the local area needs and skill set.
- **Similarly, 4 tailoring & stitching centers** have been started and are operating in the villages of Umarda & Chhatai in Anuppur district and Dokariya and Bhujbhujia in Katni districts (of MP). The women undergo training and on successful completion, Usha International awards them a certificate. A total of **232 women** have successfully completed the course.

Youth Empowerment

- To provide employment opportunities to the village youth, a number of job fairs have been organized at various locations in Madhya Pradesh & Rajasthan. Around **415 youth** received offer letters with the job fairs organized till date.
- To empower our youth and encourage them to take on vocational skill courses, we have adopted the **Industrial Training Institute (ITI)** at Vansda, Navsari District under the Central Government Scheme of ITI up gradation through the Public-Private partnership route. Simultaneously, we have also tied up with MPSTME College, Sirpur and Vapi where we provide a six-month practical training to students.



ENVIRONMENT & HEALTH

We realize the importance of conservation of natural resources and nature for sustainable future growth. Health is wealth! With this adage in mind, we follow a unique system of providing health and empowerment together.

Primary Health Care Services

Mobile Health Vans Mumbai

- In Mumbai, for the underprivileged section of the society Welspun aims to provide free access to Primary Health Care Services hence, we have launched our Mobile Health Van in Association with Wockhardt Foundation. This initiative has covered 15532 people in the year 2011-12 from six communities. The mobile van is equipped with medicines, a doctor and a paramedic.

Regular & Special Medical Camps

- We have organized 124 medical camps at our various locations in Katni, Anuppur & Nimach (MP) & Jodhpur (Rajasthan).
- Through our various Medical & Health intervention programs at Katni, Neemuch, Anuppur (Madhya Pradesh) & Jodhpur (Rajasthan), we have been able to reach out to 47,412 villagers.

Anti- Tobacco Program

- Welspun initiated Anti tobacco Life Skill Project with 33 secondary schools from Alibaug partnering with Salaam Bombay Foundation (NGO). This project covered approximately **10000 students, 100 teachers and 50 Anganwadi Workers**.

Waste Water Recovery Plant

- As an example of our effort to grow through a sustainability focus, we have set up a state-of-art **Waste Water Recovery Plant having capacity of 10MLD (million Liters Daily) at Anjar Campus**,



which takes care of both Textile as well as Pipe plant effluent.

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

Nisargruna Biogas Plant

- Our focus on renewable energy both for business and environment has been instrumental in our installing a centralized '**Nisargruna Biogas plant**' at WIL, Anjar to handle and process the biodegradable waste materials generated from kitchen, canteen, garden and other biological sludge of Welspun City and Gram, Anjar.
- Presently 2-2.5 MT of biodegradable waste is feed into the Nisargruna Plant, which generates fuel gas equivalent to 40kg of LPG, which in turn is used for cooking in plant canteen.

Tree Plantation

- We have planted a total of 6,32,000 trees, shrubs and hedge in Anjar and plan to plant additional 50,000 trees in 2013
- More than 3335 plants have been planted during the various drives at various locations in Katni, Anuppur & Nimach in Madhya Pradesh & in Jodhpur in Rajasthan. Saplings have also been distributed to the villagers to be grown in their own surroundings.

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

Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Members of **Welspun Projects Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Welspun Projects Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. 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 aforesaid 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, 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 Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
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 section 211(3C) of the Act;
 - e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1) (g) of the Act.

FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Chartered Accountants
Firm Registration No. 101676W

PALCE: VADODARA
DATE: 18-05-2013

H.B. SHAH - PARTNER
Membership No. 016642

ANNEXURE TO INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M/S. WELSPUN PROJECTS LIMITED, ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.

(Referred to in paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)

- 1)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
 - b) Major portion of fixed assets has been physically verified during the year by the management in accordance with a programme of verification, which, in our opinion provides for physical verification of all the fixed assets at reasonable interval having regards to size of the Company and nature of its business. According to the information and explanations given to us the discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
 - c) No disposal of a substantial part of fixed assets of the Company has taken place during the year.
- 2)
 - a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) As the Company has not maintained quantitative records of stock, It is not possible to find out discrepancies between the physical stock and book records.
- 3)
 - a) The Company has granted unsecured loan to six Companies covered in the register maintained u/s 301 of the Companies Act' 1956. The maximum amount involved during the year was Rs. 21,37,11,521/- and the year end balance of loans granted to these Companies was Rs.19,92,68,348/-including interest free loan of Rs.3,01,25,818/- The Company has taken interest free unsecured loan from one Company covered in the registered maintained u/s 301 of the Companies act' 1956. The maximum amount involved during the year was Rs.7,75,66,967/- and year end balance of loan taken from such Company was Rs. 7,74,96,243/-
 - b) In our opinion, the rate of interest, where applicable and other terms and conditions on which loan have been taken from / granted to the Companies listed in the register maintained us 301 of the Companies act, 1956 are not prima-facie, prejudicial to the interest of the Company.
 - c) The Companies to whom advance in the nature of loan is granted there is no stipulation for repayment there of. As per the information and explanations given to us the said loan is repayable on demand. The Company is regular in repaying the principle amount wherever stipulated,
- 4) In our opinion and according to the information and explanations given to us, there are , adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the receipts of Civil Contracts. During the course of our audit, we have not observed any major weakness in the internal controls.
- 5)
 - a) To the best of our knowledge and belief, and according to information and explanations given to us, the transactions that needed to be entered in to the register in pursuance of Section 301 of the Companies Act, 1956, have been so entered.
 - b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lacs 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 where such market prices are available.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, Accordingly the provisions of clause (vi) of the Companies (Auditor's Report) order 2003 are not applicable to the Company.
- 7) The Company has appointed a partnership firm of Chartered Accountants, to carry out its internal audit function. In our opinion, the internal audit system commensurate with the size and nature of its business,
- 8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rule 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made detailed examination of the cost records with a view to determine whether they are accurate or complete.



- 9) a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2012 for a period of more than six months from the day they become payable except Sales Tax liability of Rs.12,95,874/- and Service Tax of Rs.1,05,34,752/-
- c) The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under.

Sr. No.	Nature of the Status	Nature of the due	Amount	Period to which the amount relate	Forum where dispute is Pending
1	Punjab Municipal Corporation Act	House Tax – Ludhiana	1,21,11,727	Various years	Supreme Court of India
2	Punjab Municipal Corporation Act	House Tax – Jalandhar	1,39,51,602	Various years	Supreme Court of India
3	Building and Other Construction Workers Welfare Cess Act, 1996.	Labour Cess	1,06,52,334/-	Various years	M.P. High Court Bench Jabalpur
4.	M.P. Minor Minerals Rules 1996	Royalty	30,25,880/-	Various years	District Magistrate M.P.
5.	Income Tax Act ' 1961	Income Tax	1,15,77,742	Various years	Commissioner (Appeal)- Baroda

- 10) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- 11) The Company has not defaulted in repayment of dues to any financial institution or Banks.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13) The provisions of any Special Statute applicable to Chit Funds, Nidhis or Mutual Benefit Funds/Societies are not applicable to the Company.
- 14) The Company is not dealing in or trading in shares, securities, debentures, or other investments and hence, requirement of paragraph 4(xiv) are not applicable to the Company.
- 15) In our opinion and according to information and explanations given to us the term and condition on which the Company has given guarantee for loan taken by others from Bank / Financial Institution are not prejudicial to the interest of the Company.
- 16) In our opinion, the term loans have been applied for the purpose for which they were raised.
- 17) According to the Cash Flow Statement and other records examined by us and on the basis of information and explanations given to us, on an overall basis, funds raised on Short Term basis have, prima facie, not being used during the year for Long Term investment and vice versa.
- 18) During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained U/s 301 of the Act.
- 19) Since the Company does not have any debentures, the question of creation of securities for debentures does not arise.
- 20) The Company has not raised money by public issue during the year.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Chartered Accountants
Firm Registration No. 101676W

PALCE: VADODARA
DATE: 18-05-2013

H.B. SHAH - PARTNER
Membership No. 016642

BALANCE SHEET AS AT 31st MARCH' 2013

	Notes	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
EQUITY & LIABILITIES			
Share Holders' Funds			
Share Capital	2	40,00,00,000	40,00,00,000
Reserves & Surplus	3	4,45,15,00,351	4,39,68,66,749
		4,85,15,00,351	4,79,68,66,749
Non Current Liabilities			
Long Term Borrowings	4	73,96,31,511	92,46,39,882
Deferred Tax Liabilities (Net)	5	5,98,76,000	8,40,38,000
Long Term Provisions	6	88,06,764	81,00,013
		80,83,14,275	1,01,67,77,895
Current Liabilities			
Short Term Borrowings	7	77,91,15,386	65,63,60,729
Trade Payable	8	78,07,66,548	39,36,59,840
Other Current Liabilities	9	48,46,31,703	44,82,23,546
Short Term Provisions	10	31,97,910	49,88,758
		2,04,77,11,547	1,50,32,32,873
	TOTAL (Rs.)	7,70,75,26,173	7,31,68,77,516
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	37,12,66,771	43,29,73,892
Intangible Assets	11	2,05,13,06,436	2,57,97,45,949
Intangible Assets under development	11	18,71,49,179	8,04,71,615
Non Current Investment	12	1,78,30,57,121	63,27,08,621
Long term Loans & Advances	13	39,23,97,824	40,94,09,711
		4,78,51,77,331	4,13,53,09,788
Current Assets			
Current Investments	14	58,53,32,890	5,06,37,629
Inventories	15	14,81,65,882	20,68,33,681
Trade Receivable	16	1,20,19,17,683	1,52,40,31,982
Cash and Bank Balances	17	21,40,19,858	58,24,33,022
Short Term Loans & Advances	18	55,36,34,593	62,33,98,899
Other Current Assets	19	21,92,77,936	19,42,32,515
		2,92,23,48,841	3,18,15,67,727
	TOTAL (Rs.)	7,70,75,26,173	7,31,68,77,516
Significant Accounting Policies & Notes on Financial Statements	1 to 47		

As Per our report of even date
For **CHANDRAKANT & SEVANTILAL & J.K. SHAH & COMPANY**
Chartered Accountants
Registration No. 101676W

For and on Behalf of the Board Of Directors of
WELSPUN PROJECTS LIMITED

H.B. Shah Partner
Membership No. 016642

(B.K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Rajendra Sawant)
Company Secretary

Place: Vadodara
Date: 18 05 2013



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2013

	Notes	For the Year ended 31 3 2013 (Amount in Rs.)	For the Year ended 31 3 2012 (Amount in Rs.)
Revenue from Operation	20	3,75,16,44,404	2,95,43,62,223
Other Income	21	14,93,00,553	21,47,25,980
Total Revenue (I)		<u>3,90,09,44,957</u>	<u>3,16,90,88,203</u>
Expenditure			
Cost of Raw Material consumed	22	1,54,96,70,513	1,06,42,70,718
Purchase of Traded Goods	23	14,51,21,704	25,64,52,145
Changes in the Work in Progress	24	(2,50,45,421)	22,19,54,948
Employee Benefits Expense	25	31,25,18,668	26,95,11,814
Finance Cost	26	20,37,53,244	23,00,33,439
Depreciation and Amortisation expense	27	59,69,50,874	16,39,26,376
Other Expenses	28	1,07,22,56,584	94,55,57,428
Total Expenses (II)		<u>3,85,52,26,166</u>	<u>3,15,17,06,868</u>
Profit before Tax & Prior Period Item		4,57,18,792	1,73,81,334
Prior Period expense			4,37,348
Profit before Tax		4,57,18,792	1,69,43,986
Tax Expense			
Current Tax (MAT)		79,00,000	
Earlier year Tax		1,52,47,190	(24,47,950)
Deferred Tax (assets) / Liabilities		(2,41,62,000)	(20,77,000)
MAT entitlement		(79,00,000)	
		(89,14,810)	(45,24,950)
Profit for the year from continuing operation		<u>5,46,33,602</u>	<u>2,14,68,936</u>
Earnings per equity share of face value of Rs. 10/ each.			
Basic & Diluted		1.37	0.54
Significant Accounting Policies & Notes on Financial Statements	1 TO 47		

As Per our report of even date
For CHANDRAKANT & SEVANTILAL & J.K. SHAH & COMPANY
Chartered Accountants
Registration No. 101676W

For and on Behalf of the Board Of Directors of
WELSPUN PROJECTS LIMITED

H.B. Shah Partner
Membership No. 016642

(B.K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Rajendra Sawant)
Company Secretary

Place: Vadodara
Date: 18 05 2013

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 REVENUE RECOGNITION ON CONTRACTS

- a). All revenues and expenses are accounted on accrual basis except to the extent stated otherwise.
- b). The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date taking in to account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and profit so determined has been accounted for proportionate to the percentage of the actual work done.

In case of lump-sum contract revenue is recognized on the completion of milestone as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

- c). Amount due in respect of the price escalation claim and/or variation in contract work approved by the customers are recognized as revenue only when there are conditions stipulated in the contracts for such claims or variations and/or the same are evidenced inter alia by way of confirmation or the same are accepted by the customers.
- d). Disputed amount under the contract works are recognized as revenue when the same are settled and amounts are received.
- e). Liquidated damages payable, if any, as per the terms of the contract, for the delays, if any, are accounted only when such delay is attributable to the Company.

1.2 EXPENDITURE IN RESPECT OF BUILD, OPERATE & TRANSFER PROJECTS:

Expenditure incurred on construction or reconstruction (net of corresponding interest income earned on deployment or other wise of fund attributable to the project) of Build, Operate and Transfer (BOT) Project which does not represent Company's own assets is classified as "BOT PROJECT EXPENDITURE" (Toll Collection right) and shown under the head 'Intangible Assets'.

1.3 ADVANCES AND PROGRESS PAYMENTS AND RETENTION

- a). Advances received from customers in respect of contracts are treated as liability.
- b). Progress payments received are adjusted against receivables from customers in respect of the contract work performed.
- c). Amount(s) retained by the customers until the satisfactory completion of the contract are recognized in the final statement as receivables. Where such retention has been released by the customers against submission of bank guarantee the amount so released is adjusted against receivables from the customers and value of Bank guarantees is disclosed as contingent liability under bank guarantees outstanding.

1.3 FIXED ASSETS

1). Tangible Assets:

Fixed assets are stated at cost (net of recoverable taxes) and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any. All cost, including financing cost, till commencement of commercial production, net changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

2). Intangible Assets:

Intangible Assets are stated at Cost of acquisition net of recoverable taxes less accumulated amortization / depreciation. All cost including financing costs, till commencement of commercial production, net changes on foreign contracts and adjustments arising from exchange rate variation attributable to the intangible assets are capitalized.

1.4 DEPRECIATION / AMORTISATION.

- a). Depreciation is provided on written down value basis as per the rates and method prescribed under Schedule – XIV to the Companies Act, 1956.
- b). Intangible Assets i.e. BOT Cost (Toll Collection right) is amortized over the period of concession, using revenue based amortization. Under this methodology, the Carrying value is amortized in the proportion of actual toll revenue for the



year to projected revenue for the balance toll period, to reflect the pattern in which the assets' economic benefits will be consumed. At each Balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortization of toll collection rights is changed prospectively to reflect any change in the estimates.

- c. Intangible asset (Goodwill) is not depreciated.

1.5 BORROWING COST

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalized as part of the cost of the assets, up to the date the assets are put to use. Other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

1.6 VALUATION OF INVENTORIES

- a. Raw Materials are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.
- b. Unbilled Cost are carried as Construction Work in Progress which is valued considering the stage of completion and foreseeable losses in accordance with the Accounting Standard – 7
- c. Stores and spares are written off in the year of purchase.

1.7 INVESTMENTS

Current Investment are carried at lower of cost and quoted / fair value, computed category wise. Long term investment are stated at cost. Provision for diminution in the long term investment is made only if such a decline is other than temporary .

1.8 PROVISION FOR DOUBT FUL DEBTS / ADVANCES:

Provision is made in accounts for doubtful debts / advances which in the opinion of the management are considered doubtful of recovery.

1.9 CLAIMS, DEMANDS AND CONTINGENCIES

Disputed and / or contingent liabilities are either provided for / or disclosed depending on management's judgment of the outcome.

1.10 RETIREMENT BENEFITS

a. Short Term Employee benefits:

Short Term Employee Benefits are recognized in the period during which the services have been rendered.

b. Long Term Employee benefits:

- i. Provident Fund, Family Pension fund

As Per Provident Fund Act 1952 all employees of the Company are entitled to receive benefits under the provident fund and family pension fund which is defined contribution plan. These contributions are made to the plan administered and managed by Government of India.

The Company's contribution to these scheme are recognized as expense in the profit and loss account during the year in which the employee renders the related service, The Company has no further obligation under these plans beyond its monthly contribution

c. Leave encashment:

The Company has provided for the liability at year end on account of un-availed earned leave as per the actuarial valuation.

d. Gratuity :

The Company provides for gratuity obligations through a Defined benefits retirement plan ("The Gratuity Plan") covering all employees. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the project unit credit method, which recognizes each period of service as giving rise to additional unit of employees benefits entitlement and measure each unit separately to build up final obligation. The

obligation is measured at the present value of the estimated cash flows. The discount rate used for determining present value of the defined obligation under the defined benefit plan is based on the market yield on Government Securities as at the balance sheet date. Actuarial gains and losses are recognized in Profit and Loss Account as and when determined.

The Company makes annual contribution to LIC for the gratuity plan in respect of all the employees.

1.11 PROVISION FOR CURRENT AND DEFERRED TAX

- a) Provision for current tax is made based on taxable income for the current accounting year and in accordance with the provisions of the Income tax Act, 1961.
- b). Deferred tax resulting from “timing difference” between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be adjusted in future.
- c). Minimum Alternate Tax (MAT) credit is recognized as an assets only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period.

1.12 FOREIGN CURRENCY TRANSACTION

Transaction in foreign currency is recorded at the exchange rate prevailing on the date of the transaction, exchange rate differences resulting from foreign exchange transaction settle during the period including year end transaction of current assets and liabilities are recognized in the profit & loss accounts. Exchange rates differences arising in relation to liabilities incurred for acquisition of fixed assets are adjusted to the carrying value of the fixed assets.

In respect of forward exchange contract, except in case of fixed assets, the difference between forward rate and the exchange rate at the inception of the forward exchange contract is recognized as income / expenses over the life of the contract.

1.13 LEASE

a). OPERATING LEASE

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognized as expenses on accrual basis in accordance with respective lease agreements.

b). FINANCE LEASE

Assets acquired under leases where Company has substantially all the risk and rewards of ownership are classified as finance lease. Assets acquired under finance are capitalized and corresponding lease liability is recorded at an amount equal to the fair value of the leased assets at the inception of the lease. Initial costs incurred in connection with the specific leasing activities directly attributable to activities performed by the Company are included as part of the amount recognized as an asset under the lease.

1.14 IMPAIRMENT OF ASSET

If internal / external indications suggest that an asset of the Company may be impaired, the recoverable amount of asset / cash generating asset is determined on the Balance Sheet date and if it is less than its carrying amount of the asset / cash generating unit the carrying amount of asset is reduced to the said recoverable amount. The recoverable amount is measured as the higher of net selling price and value in use of such asset / cash generating unit, which is determined by the present value of carrying amount of the estimated future cash flow.

1.15 USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumption to be made that affect the reported amount of the assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the period in which the results are known / materialized.

1.16 GRANT / SUBSIDY RECEIVED:

Grant / Subsidy received during the construction period which is in the nature of promoter’s contribution are credited to capital reserve under the head Reserve & Surplus in Balance sheet.



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

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 2 SHARE CAPITAL		
AUTHORISED		
4,20,00,000 (Previous Year 4,20,00,000) equity Shares of Rs/ 10/ each.	42,00,00,000	42,00,00,000
Issued, Subscribed, & Paid up		
4,00,00,000 (Previous year 4,00,00,000) equity Share of Rs. 10/ each fully paid up.	40,00,00,000	40,00,00,000
	<u>40,00,00,000</u>	<u>40,00,00,000</u>

a OUT OF THE ABOVE SHARES:

- 1 23,53,768 Shares are issued on conversion of foregin currency convertible bonds during the year 2007 08
 - 2 44,50,000 Shares are issued on preferential basis during the year 2007 08
 - 3 1,71,78,888 Shares are issued on preferential basis during the year 2010 11
- 2,39,82,656

b. TERMS / RIGHT TO EQUITY SHARES

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

c Shares held by holding Company:

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

Name	As at 31 March 2013 No. of Shares	As at 31 March 2012 No. of Shares
Welspun Infra Tech Limited	2,44,48,445	2,44,48,445
d Details of the share holders holding more than 5% shares in the Company		
Welspun Infra Tech Limited	2,44,48,445 (61.12%)	2,44,48,445 (61.12%)
Subhkam Ventures India Private Limited	27,56,034 (6.89%)	27,56,034 (6.89%)

Name	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
NOTE NO. 3 RESERVES & SURPLUS		
a. Capital Reserves		
Subsidy received from Madhya Pradesh Rajya Setu Nirman Nugam Ltd against Build, operate and Transfer Projects as per the previous year Balance Sheet	82,87,29,840	82,87,29,840
b. Security Premium Reserve		
As per previous year Balance sheet	2,88,65,99,786	2,88,65,99,786
c. General Reserves		
As per previous year Balance sheet	3,21,77,549	3,21,77,549
d. Amalgamation Reserves		
As per previous year Balance sheet	5,21,12,583	5,21,12,583
e. Surplus in the statement of Profit & Loss		
As per previous year Balance sheet	59,72,46,991	57,57,78,054
Add: Net Profit for the year	5,46,33,602	2,14,68,936
	<u>65,18,80,593</u>	<u>59,72,46,991</u>
TOTAL	<u>4,45,15,00,351</u>	<u>4,39,68,66,749</u>

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

SECURED	As at 31 March-2013		As at 31 March-2012	
	Non Current	Current	Non Current	Current
Note No. 4 LONG TERM BORROWINGS				
Term Loans from :				
1. Corporation Bank - Baroda	-	-	-	1,04,37,109
Secured by hypothecation of Plant & Machineries, Vehicles.				
2. Hdfc Bank Limited	-	1,21,403		20,08,750
Secured by Hypothecation Plant & Machineries, Vehicles and Personal Guarantee of some of Directors				
3. Axis Bank Limited	-			7,68,546
Secured by Hypothecation Plant & Machineries, Vehicles and Personal Guarantee of some of Directors				
4. Dena Bank	9,97,38,775	6,29,04,000	16,24,85,657	5,55,00,000
Secured by first mortgage and charge on all the Company's capital assets, specific & pertaining to the Hoshangabad - Harda - Khandwa Projects only both present and futures.				
- A first Charge on all the revenues / receivable of Hoshangabad-Harda - Khandwa project account of the Co.				
- A First charge on all the intangible assets of the Company including but no limited to Goodwill of the Co				
- A first charge on Company's bank accounts including without limitation the trust and retention account (RTA) / Escrow Account and Debt Service Reserve Account to be established by the Company.				
- A First charge/assignment/security on the Company right under the concession agreement, Project documents Contract and all licence permits approvals consents and insurance policies in respect of the projects.				
(Repayable within 25 Monthly Installment of Rs. 46.25 Lacs bearing rate of Interest: 14.50%)				
5. Corporation Bank	17,07,59,894	3,36,00,000	19,91,11,774	3,36,00,000
Secured by first Mortgage & charge on all the movable & immovable properties of the Raisen - Rahatgarh BOT Projects including all receivable both and present and future.				
Assignment of all rights, title and Interest of the Company in respect of all the assets of the projects, all projects agreement and Contracts including Concession Agreement.				
Assignment of contractors guarantees, performance bond and liquidated damages				
(Repayable within 73 Monthly Installment of Rs.28 Lacs bearing rate of Interest: 13.60%)				
6. Punjab National Bank	-	1,63,28,785	1,63,78,830	3,61,80,000
Secured by Ludhiana & Jalandhar Bus Terminal Projects, and Personal guarantee of some of the directors				
(Repayable within 6 Monthly Installment of Rs. 30.15 Lacs bearing rate of Interest: 14%)				
7. Bank of India	-	4,80,87,071	5,50,30,283	5,04,00,000
Secured by specific Plant & Machineries and second charge on current assets of the Company.				
(Repayable within 12 Monthly Installment of Rs. 42 Lacs bearing rate of Interest: 12.50%)				
8. Industrial Development Finance Company Limited	46,91,32,842	4,68,00,000	49,16,33,339	4,05,89,459
Terms of Repayment. 84 Months (Mar-2019)				
- Secured by by way of mortgage in favour of IDFC of all moveble properties pertaining to the Dewas Water Supply Projects Presents, futures.				
- a first charge by ways of the hypothecation of the all movables including movables including movable plant machinery, machinery spares, tools, & accessories, furniture & fixture, vehicles and all other movable assets pertaining to the project present & future.				
- First charge of all the book debts, operating, Cash Flows, revenue, receivables of the Company pertaining to the Dewas Water Supply project, present & Future.				
- Assignment of all rights, title and Interest of the Company in respect of all the assets of the Dewas Water Supply Projects agreement and Contracts including Concession Agreement.				
- First Charge over the Escrow Account. Debt Service Reserve Account and other Reserve and any Other reserves and any other banks account the Company wherever maintained.				
- Personal Guarantee of the Directors of the Company/				
(Repayable within 96 Monthly Installment of Rs.49 Lacs bearing rate of Interest: 10.30%)				
	73,96,31,511	20,78,41,259	92,46,39,882	22,94,83,863



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

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No.5 DEFERRED TAX LIABILITY (NET)		
Deferred Tax Assets		
Retirement Benefits	10,45,227	16,24,707
Provision for Bad Debts	1,75,36,349	1,39,12,555
Impairment of Assets	21,86,336	21,86,336
Unabsorbed Loss	5,84,98,917	
	<u>7,92,66,828</u>	<u>1,77,23,597</u>
Deferred Tax Liabilities		
Depreciation	13,91,42,828	10,17,61,597
DEFERRED TAX LIABILITIES (NET)	<u><u>5,98,76,000</u></u>	<u><u>8,40,38,000</u></u>

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 6 LONG TERM PROVISIONS		
Provision for the Employees Benefits		
Provision for Gratuity	88,06,764	81,00,013
	<u><u>88,06,764</u></u>	<u><u>81,00,013</u></u>

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 7 SHORT TERM BORROWINGS		
SECURED		
Working Capital Loan		
1. Corporation Bank	1,28,38,480	1,29,58,424
Secured by fixed deposits of the Company and third Parties		
2. Corporation Bank	41,46,70,543	55,56,21,326
Secured by hypothecation of the entire stocks & book debts of the Company.		
3. Idbi Bank Limited	25,68,02,827	2,25,45,328
Secured by hypothecation of the entire stocks & book debts of the Company.		
4. Canara Bank		1,65,44,138
Secured by hypothecation of the entire stocks & book debts of the Company.		
5. Punjab National bank	1,73,07,290	
Secured by hypothecation of the entire stocks & book debts of the Company.		
UN SECURED		
From Holding Company:		
Welspun Infratech Limited	7,74,96,246	4,86,91,513
Secured borrowing carries interest from 10% to 12%		
	<u><u>77,91,15,386</u></u>	<u><u>65,63,60,729</u></u>

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

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 8 TRADE PAYABLE		
Trade Payable	78,07,66,548	39,36,59,840
(Including dues to subsidiaries and joint Ventures) refer note no. 3		
	<u>78,07,66,548</u>	<u>39,36,59,840</u>

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 9 OTHER CURRENT LIABILITIES.		
1. Current Maturity of Long Term Debts refer note no. 4	20,78,41,259	22,94,83,863
2. Interest Accrued but not dues on long term borrowing	25,38,305	
3. Statutory Liabilities	5,09,65,423	5,31,92,842
4. Security Deposits Payable	5,79,62,686	4,45,53,736
5. Advance from Cutomers	7,10,15,647	11,84,73,108
6. Other Payable *	4,13,08,382	19,997
7. Advance received against sale of shares of joint venture	5,30,00,000	25,00,000
	<u>48,46,31,703</u>	<u>44,82,23,546</u>

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

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 10 SHORT TERM PROVISIONS.		
Provision for the Employees Benefits		
1. Provision for Leave Benefits (refer note no. 36)	31,97,910	49,88,758
	<u>31,97,910</u>	<u>49,88,758</u>

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

Note No. 11. FIXED ASSETS

SR	FIXED - ASSETS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK		
		AS ON 01-04-2012	ADD TO DURING THE YEAR	DEDUCT ON DURING THE YEAR	AS ON 31-03-2013	ADD TO DURING YEAR	DEDUCT ON DURING YEAR	AS ON 31-03-2013	ADD TO DURING YEAR	DEDUCT ON DURING YEAR
Tangible Assets										
1	Freehold Land *	1,39,01,378	-	14,69,743	1,24,31,635	-	-	-	1,24,31,635	1,39,01,378
2	Buildings	21,84,031	21,00,078	-	42,84,109	1,12,009	1,12,009	13,29,538	29,54,571	9,66,503
3	Plant & Machineries	50,59,61,725	69,11,070	1,07,42,902	50,21,29,893	63,87,484	3,34,10,103	29,50,69,291	20,70,60,602	23,79,15,053
4	Construction Equipments	23,48,02,157	18,13,536	1,76,237	23,64,39,456	94,804	1,70,79,109	13,02,79,578	10,61,59,878	12,16,01,689
5	Air-Conditioners	15,54,180	46,450	31,498	15,69,132	9,00,521	10,455	9,84,870	5,84,262	6,53,659
6	Vehicles	21,17,28,266	11,56,224	77,53,562	20,51,30,928	16,48,75,151	71,27,649	17,14,87,430	3,36,43,498	4,68,53,115
7	Computers	1,31,49,169	2,41,595	7,16,155	1,26,74,609	91,24,271	5,71,502	1,01,72,244	25,02,365	40,24,898
8	Office Equipments	70,17,177	5,86,652	7,61,466	68,42,363	33,46,707	3,65,199	35,03,406	33,38,956	36,70,470
9	Furniture & Fixtures	74,71,101	2,26,977	17,21,831	59,76,247	48,83,972	11,63,018	41,85,244	17,91,003	25,87,129
10	Revaluation Value of Impaired Assets	8,00,000	-	-	8,00,000	-	-	-	8,00,000	8,00,000
	TOTAL - (A)	99,85,69,184	1,30,82,582	2,33,73,395	98,82,78,371	56,55,95,292	6,70,41,615	61,70,11,600	37,12,66,771	43,29,73,892
Intangible Assets										
11	Goodwill	17,01,592	-	-	17,01,592	-	-	-	17,01,592	17,01,592
12	Built operate & Transfer Project Expenditure - To Co. action right	-	-	-	-	-	-	-	-	-
a	Hoshanabad-Harda- Khandwa Projects	97,33,75,264	-	-	97,33,75,264	23,71,51,090	31,67,05,495	55,38,56,585	41,95,18,679	73,62,24,174
b	Raisen Rahatgarh Projects	70,37,45,066	-	-	70,37,45,066	15,48,67,024	16,32,89,897	31,81,56,921	38,55,88,145	54,88,78,042
c	Jalandhar Bus Terminal Project	18,88,77,689	-	-	18,88,77,689	12,43,10,696	2,79,90,758	15,23,01,454	3,65,76,235	6,45,66,993
d	Ludhiana Bus Terminal Project	19,43,13,456	-	-	19,43,13,456	9,39,26,006	2,19,23,106	11,58,49,112	7,84,64,344	10,03,87,450
e	Dewas Water Supply Project	1,18,94,87,085	14,69,743	-	1,19,09,56,828	6,14,99,387	-	6,14,99,387	1,12,94,57,441	1,12,79,87,698
	TOTAL - (B)	3,25,15,00,152	14,69,743	-	3,25,29,69,895	67,17,54,203	52,99,09,256	1,20,16,63,459	2,05,13,06,436	2,57,97,45,949
Intangible Assets under development										
f	Intangible Assets under Development	8,04,71,615	10,66,77,564	-	18,71,49,179	-	-	-	18,71,49,179	8,04,71,615
	TOTAL - (C)	8,04,71,615	10,66,77,564	-	18,71,49,179	-	-	-	18,71,49,179	8,04,71,615
	TOTAL - (A+B+C)	4,33,05,40,951	12,12,29,889	2,33,73,395	4,42,83,97,445	1,23,73,49,495	59,69,50,871	1,81,86,75,059	2,60,97,22,386	3,09,31,91,456
	PREVIOUS YEAR	4,25,12,07,343	9,03,14,241	1,09,80,633	4,33,05,40,951	1,08,09,78,602	16,42,37,481	1,23,73,49,495	3,09,31,91,456	

* includes Rs 84.50 Lacs being part of and admeasuring 27.04 acres situated in M.P. purchased from ex-directors of the Company in earlier years for which legal documents are yet to be executed

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

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 12 NON CURRENT INVESTMENT		
LONG TERM INVESTMENT		
TRADE, (UNQUOTED)		
Investment in subsidiaries		
2,42,000 (P.Y. 2,42,000) Equity Shares of MSK Projects (Himmatnagar bypass) Pvt Ltd of Rs. 10/ each fully paid up	2,33,00,000	2,33,00,000
67,30,000 (P.Y. 67,30,000) Equity shares of MSK Projects (Kim Mandvi Corridor) Private Limited of Rs. 10/ each fully paid up	6,73,00,000	6,73,00,000
10,000 (P.Y. 10,000) equity shares in Welspun Bot Projects Private Limited of Rs.10/ each fully paid up	1,00,000	1,00,000
10,000 (P.Y. 10,000) equity shares in Anjar Road Private Limited of Rs.10/ each fully paid up	1,00,000	1,00,000
Investment in Joint Ventures		
50,000 (P.Y. 50,000) Equity shares in Bul MSK Infrastructure (India) Private Limited of Rs.10/ each Fully Paid up	2,78,00,150	2,78,00,150
50,000 (P.Y. 50,000) Equity shares in Dewas Bhopal Corridor Limited of Rs. 10/ each fully paid up.	51,02,10,900	51,02,10,900
1,15,03,485 (P.Y. Nil) Equity shares in Leighton Welspun Contractors Pvt Ltd of Rs. 10/ each fully paid up (Refer note no. 20.2)	1,15,03,48,500	
NON TRADE (UNQUOTED)		
1,500 (P.Y. 1,500) Equity Shares in Sarv Shakti Synthetics Limited of Rs. 10/ each fully Paid up	15,000	15,000
30,000 (P.Y. 30,000) Equity Shares in Myraj Consultancy Limited of Rs. 10/ each fully paid up	3,00,000	3,00,000
500 (P.Y. 500) Equity shares in MSK Finance Limited of Rs. 100/ each fully paid up	50,000	50,000
48 (P.Y. 48) Equity shares in Nutan Nagrik Sahakari Bank Limited of Rs. 100/ each fully paid up.	4,800	4,800
37,652 (P.Y. 37,652) Equity shares in Baroda Peoples Co Op. Bank Limited of Rs.10/ each fully paid up	3,76,521	3,76,521
63 (P.Y. 63) Equity shares in Baroda City Co Op. Bank Limited of Rs. 50/ each fully paid up	3,150	3,150
1,000 (P.Y. 1,000) Equity shares in Classic Organisers Private Ltd of Rs. 10/ each fully paid up	10,000	10,000
960 (P.Y. 960) Equity shares in Sindh Mechandise Co Op. Bank Ltd of Rs.10/ each fully paid up	9,600	9,600
7,400 (P.Y. 7,400) Equity shares in Minar Trading Services Limited of Rs. 10/ each fully paid up.	74,000	74,000
	<u>1,78,00,02,621</u>	<u>62,96,54,121</u>
Less: Provision for diminution in value of investments	74,000	74,000
	<u>1,77,99,28,621</u>	<u>62,95,80,121</u>
Investment in Government Securities		
Indira Vikash Patra	500	500
Three (P.Y. three) Bonds of Rs. 10,00,000/ Sardar Sarovar Narmada Nigam Limited	30,00,000	30,00,000
NON TRADE (QUOTED)		
1,600 (P.Y. 1,600) Equity Shares in Corporation Bank of Rs. 10/ each fully Paid Up	1,28,000	1,28,000
TOTAL	<u><u>1,78,30,57,121</u></u>	<u><u>63,27,08,621</u></u>
1. Aggregate amount of quoted Investment	1,28,000	1,28,000
2. Aggregate amount of un quoted Investment	1,78,30,03,121	63,26,54,621
3. Aggregate amount of Market Value of Quoted Investments	6,26,400.00	6,79,680.00
4. Aggregate Provision for the diminution in value of investments	74,000.00	74,000.00



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

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 13 LONG TERM LOAN & ADVANCES: (unsecured considered good, stated other wise)		
Security Deposits		
Considered Good	2,00,67,297	10,04,06,571
Considered Doubtful	65,97,112	65,97,112
	<u>2,66,64,409</u>	<u>10,70,03,683</u>
Provision for Doubtful Debts	65,97,112	65,97,112
	2,00,67,297	10,04,06,571
Loans & Advances to Related Parties (refer note no. 37) considered good	18,15,50,294	15,10,51,151
Tax Deducted At Source / Advance Tax (Net Of Provision)	18,28,80,233	15,79,51,989
MAT Credit Entitlement	79,00,000	
TOTAL	<u>39,23,97,824</u>	<u>40,94,09,711</u>

Debts due by Private Companies in which Directors of the the Company are Directors.

Name of the Companies	Amount 31 03 2013	Amount 31 03 2012
	Bul MSK Infrastructure P Ltd	
MSK Projects (Himmatnagar Bypass) P Ltd		20,13,476
Dewas Bhopal Corridor Pvt Ltd (Loan)	16,91,42,230	12,70,02,312
MSK Projects (Kim Madvi Corridor Private Limited)	1,23,36,213	2,08,80,566
Welspun Corp. Limited	37,390	3,898
Welspun BOT Projects Private Limited	12,830	
Welspun Natural Resources Pvt. Ltd.	300	
Anjar Road Private Limited	1,530	
Welspun Steel Resources Pvt. Ltd.	19,801	
	<u>18,15,50,294</u>	<u>15,10,51,151</u>

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 14 CURRENT INVESTMENTS:		
NON TRADE (UN QUOTED)		
Investment in Bonds		
145 (P.Y. Nil) Bonds of Cholamandalam P.P. @12.70% of Rs.10,00,000/ each fully paid up.	14,96,55,507	
90 (P.Y. Nil) Bonds of REC 2018 @8.70% of Rs.10,00,000/ each fully paid up.	9,00,85,808	
150(P.Y. Nil) Bonds of L&T Finance Ltd @9.80% of Rs.10,00,000/ each fully paid up.	15,39,06,575	
29,490 (P.Y. Nil) Bonds of IFCI Deep Discounnt Bond of Rs.25,000/ each fully paid up.	19,16,85,000	
Nil (P.Y. 40) Bond of Power Grid Corporation of India 2017 @9.25% of Rs.12,50,000 each fully paid up		5,06,37,629
TOTAL	<u>58,53,32,890</u>	<u>5,06,37,629</u>

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

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 15 INVENTORIES:		
Raw Material	14,81,65,882	20,68,33,681
TOTAL	14,81,65,882	20,68,33,681

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 16 TRADE RECEIVABLES. (Unsecured considered good, stated other wise)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	85,69,36,640	68,47,81,670
Considered doubt ful	4,08,52,989	2,56,33,372
	89,77,89,629	71,04,15,042
Less: Provision for doubt ful debts	4,08,52,989	2,56,33,372
	85,69,36,640	68,47,81,670
Other Receivable:		
Considered good	34,49,81,043	83,92,50,312
considered doubt ful	80,12,746	80,12,746
	35,29,93,789	84,72,63,058
Less: Provision for doubtful receivable	80,12,746	80,12,746
	34,49,81,043	83,92,50,312
TOTAL	1,20,19,17,683	1,52,40,31,982

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note no. 17. CASH & BANK BALANCES		
Cash on hand	76,11,383	49,76,718
Balance With Bank:		
In current accounts	16,02,79,711	49,08,99,243
In fixed deposits accounts	4,61,28,763	8,65,57,061
TOTAL	21,40,19,858	58,24,33,022



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

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 18. SHORT TERM LOANS & ADVANCES. (unsecured, considered good, stated otherwise)		
Inter Corporate Deposits	35,63,69,343	35,00,00,000
Advance to Supplier		
Considered good	12,02,96,251	12,13,08,836
Considered doubtful	26,40,818	26,40,818
	<u>12,29,37,069</u>	<u>12,39,49,654</u>
Less: Provision for Doubtful Debt	26,40,818	26,40,818
	<u>12,02,96,251</u>	<u>12,13,08,836</u>
Interest accrued on fixed deposits	39,07,492	7,57,13,325
Pre Paid Expenses	33,89,021	44,07,886
Advance to Staff & Others	35,47,807	45,86,704
Balances with Statutory Authorities	6,61,24,679	6,73,82,147
	<u>55,36,34,593</u>	<u>62,33,98,899</u>

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 19. OTHER CURRENT ASSETS:		
Work In Progress	21,92,77,936	19,42,32,515
TOTAL	<u>21,92,77,936</u>	<u>19,42,32,515</u>

	For the Year ended 31.3.2013 (Amount in Rs.)	For the Year ended 31.3.2012 (Amount in Rs.)
Note No. 20 REVENUE FROM OPERATIONS:		
Revenue from Operations:		
Civil Contracts	2,14,85,19,499	2,20,49,93,876
Sales of Traded Goods	24,77,25,488	52,17,05,841
Road Maintenance charges received from Subsidiaries	1,20,00,000	
Toll Collection	30,27,07,991	26,32,03,437
	<u>2,71,09,52,977</u>	<u>2,98,99,03,154</u>
Other Operating Revenue		
Income from Transfer of Business *	1,07,92,49,055	
Sales of Scrap	1,23,45,071	67,64,640
Revenue From Operations (Gross)	<u>3,80,25,47,103</u>	<u>2,99,66,67,794</u>
Less: Service Tax	5,09,02,699	4,23,05,571
Revenue From Operations (Net)	<u>3,75,16,44,404</u>	<u>2,95,43,62,223</u>
20.1 Particulars of Sales of traded goods		
Electric Material	17,17,64,731	27,09,89,188
Mechanical Material	7,10,10,048	23,33,08,710
Bare Pipes	24,63,289	81,15,304
Other Materials	24,87,420	92,92,639
	<u>24,77,25,488</u>	<u>52,17,05,841</u>

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

Note No. 20.2 Income from Transfer of Business

Pursuant to agreement for sale Dtd. 5th March 2013 entered in to between the Company and Leighton Welspun Contractors Private Limited, the Company has transferred the following identified EPC division / works of aggregate value of Rs. 556 Crores for the composite consideration of Rs.1,15,03,48,500/ subject to the terms and condition as contained in the said agreement.

Water Division:

EPC Works in relation to the transmission of water from Kaluji, head works by laying of approximately 22 Km of 2200 Millimeter diameter pipe line in Mohali, Punjab awarded by Greater Mohali Area Development Authority as a going concern by way of slump sales along with all rights, assets and liabilities pertaining to the said division.

EPC Works in relation to laying a pipe with a larger diameter in order to increase the supply of water to the industrial units in Dewas, Madhya Pradesh from 23 Million liters, per days to 30 million liter per day emanating out of Dewas Water Supply projects of the Company.

EPC Works:

Chairai EPC Works EPC Works relation to the projects for four laning of approximately 28.853 Km of the Chairai Anjar Road including the Anjar bypass in the state of Gujarat, emanating out of the Build, Operate Transfer project awarded by the Gujarat State Road Development Corporation to the Company.

As a consideration for the transfer of the above business the Company has received 11503485 equity shares in the Leighton Welspun Contractors Private Limited, of the face value of Rs. 10/ each fully paid up at a premium of Rs. 90/ per share aggregating consideration of Rs. 1,15,03,48,500/

Surplus of Rs.1,07,92,49,055 arising in respect of the said transfer has been shown as 'income from transfer of business' under the head "Other Operating Revenue" in the statement of profit & loss and value of 1,15,03,485 equity shares received by the Company has been shown as Investment in shares under the head "Non Current Investment".

The necessary formalities for the transfer of the said business are being complied with.

	For the Year ended 31.3.2013 (Amount in Rs.)	For the Year ended 31.3.2012 (Amount in Rs.)
Note No. 21 OTHER INCOME		
Interest		
On Bonds	2,27,40,829	3,52,20,032
On Fixed Deposits with Banks	1,28,12,221	58,12,972
From ICD	6,16,05,616	12,71,43,438
From Others	2,35,12,217	1,99,15,099
Dividend		
From Current Investment	1,06,87,648	1,28,99,548
From Long Term Investment	32,800	32,000
Insurance claim received	57,43,958	9,60,070
Provision for bad debts written back	50,53,685	29,61,238
Profit on sales of Current Investment	57,85,588	63,88,783
Profit on sales of assets		16,28,862
Foreign Exchange Gain		19,439
Miscellaneous income	13,25,991	17,44,499
TOTAL	14,93,00,553	21,47,25,980

	For the Year ended 31.3.2013 (Amount in Rs.)	For the Year ended 31.3.2012 (Amount in Rs.)
Note No. 22 COST OF RAW MATERIAL CONSUMED:		
Inventories at the begainig of the year	20,68,33,681	14,07,50,668
Add: Purchases	1,49,10,02,714	1,13,03,53,731
	1,69,78,36,395	1,27,11,04,399
Less: Inventories at the end of the year.	14,81,65,882	20,68,33,681
TOTAL	1,54,96,70,513	1,06,42,70,718

22.1 Cost of materials consumed

Particulars	2012 13	% of Consumption	2011 12	% of Consumption
Imported				
Indigenious	1,54,96,70,513	100%	1,06,42,70,718	100%



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

	For the Year ended 31.3.2013 (Amount in Rs.)	For the Year ended 31.3.2012 (Amount in Rs.)
Note No. 23. PURCHASE OF TRADED GOODS		
Purchases	14,51,21,704	25,64,52,145
Total	14,51,21,704	25,64,52,145
23.1 Particulars of Purchase of traded goods.		
Name of products	2012 13 (Amount in Rs.)	2011 12 (Amount in Rs.)
Bare Pipes	20,11,602	81,15,305
Electric Material	10,63,07,628	12,59,33,939
Mechanical Material	3,46,60,395	11,56,38,845
Others	21,42,079	67,64,056
	14,51,21,704	25,64,52,145
Note No. 24. CHANGE IN WORK IN PROGRESS.		
Opening Stock		
Work in Progress	19,42,32,515	41,61,87,464
Less: Closing Stock		
Work in Progress	21,92,77,936	19,42,32,515
TOTAL	(2,50,45,421)	22,19,54,948
Note No. 25. EMPLOYEES BENEFIT EXPENSES		
Salaries, Wages	28,29,25,915	23,93,50,499
Contribution to Provident Funds & Other Funds	2,05,08,689	2,02,36,476
Staff Welfare Expense	90,84,064	99,24,839
	31,25,18,668	26,95,11,814
Note No. 26 FINANCE COST		
Interest Expense	18,47,10,978	20,50,79,763
Other Borrowing Cost	1,78,79,748	2,49,53,676
Foreign Exchange Loss	11,62,517	
	20,37,53,244	23,00,33,439
Note No. 27. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	6,70,41,618	8,08,07,420
Amortisation of the BOT Assets (refer note 33)	52,99,09,256	8,34,30,061
	59,69,50,874	16,42,37,482
Less: Capitalised in respect of Dewas Water supply project		3,11,106
TOTAL	59,69,50,874	16,39,26,376

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

	For the Year ended 31.3.2013 (Amount in Rs.)	For the Year ended 31.3.2012 (Amount in Rs.)
Note No. 28 OTHER EXPENSE		
Power & Fuel	3,20,58,248	3,66,81,311
Insurance	1,20,41,237	45,55,445
Consultancy Charge	4,11,48,348	5,43,22,957
Design and Survey Expenses	28,83,774	42,46,543
Rent	1,92,44,710	70,74,611
Rates & Taxes	12,34,91,970	8,91,44,998
Project Monitoring Fees	44,17,124	41,29,484
Tender Fees	18,17,359	42,19,344
Travelling Expense	1,70,17,021	1,25,00,138
Vehicle Hire Charge	76,45,717	51,23,752
Security Service charge	84,98,699	85,02,506
Value of asset discarded	5,87,098	
Payment to Auditors		
Audit Fees	12,60,000	12,00,000
Other Services	2,39,500	12,113
Repairs & maintainance for		
Machineries	1,51,20,105	1,68,50,607
Vehicles and Others	3,26,35,511	2,70,32,105
Provision for Bad Debts	2,02,73,302	
Bad Debts	15,98,95,479	
Loss on sales of Assets	8,29,713	
Air Conditioning Work	38,200	31,84,679
Bitumanious Work	1,21,66,013	60,10,786
Blasting Work		6,79,159
Bridge Work		23,92,380
Boulder and Laying Work		1,18,165
Civil Work	4,40,17,838	2,05,26,654
Concrete Work	1,43,39,497	2,53,17,439
Clearing & Forwarding Charge		32,87,476
Doors & Windows Work	53,61,925	
Donation	4,752	
Earth Work	4,59,37,414	2,43,52,007
Fabrication Expense	1,24,93,680	3,46,26,165
Flooring Work	50,81,007	1,06,51,640
Pollution control exp	1,04,000	8,41,244
Machineries Hire Charges	1,29,24,277	1,66,30,823
Masonry Work	1,84,87,538	1,33,97,291
Miscellaneous Site Work	3,61,13,500	28,19,35,335
Land Scapping	3,42,329	25,82,774
Painting Work	3,76,09,362	3,71,73,005
Payment to Site Workers	10,25,95,531	7,65,85,699
Pipe Laying Work	7,26,03,375	1,22,38,198
Reinforcement Work	1,79,22,639	1,78,74,974
Road Work	6,54,97,339	2,06,56,298
Safty Expense	46,822	1,05,240
Sanitary Work	35,330	10,78,090
Shuttering Work	3,71,48,247	3,39,82,356
Toll plaza Work	16,47,359	13,33,793
Water Proofing Work	59,05,456	49,13,858
Penalty Charge	40,900	7,61,303
Crash Barrier	11,72,145	
Under Dek Insulation		12,03,238
Water Harvesting work	12,420	
Miscellanious Expenditure	2,15,02,775	1,55,21,444
TOTAL	1,07,22,56,584	94,55,57,428



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

29. EARNING PER SHARES:

	As At 31-03-13	As At 31-03-12
A. Net profit after Tax available for equity shareholders.	5,46,33,602	2,14,68,936
B. Weighted average number of Equity Shares of Rs. 10/- each outstanding during the year (Nos. of Shares)	4,00,00,000	4,00,00,000
C. Basic Earning Per Share (Rs.)	1.37	0.54
D. Diluted Earning Per Share (Rs.)	1.37	0.54

30). CONTINGENT LIABILITIES & COMMITMENTS:

I. Contingent Liabilities

	As At 31-03-13	As At 31-03-12
		Rs. In Lacs
a. Claims against the Company / Disputed Liabilities not acknowledged as debts	499.01	380.88
b. Guarantee issued by the bankers on behalf of the Company	11,141.32	13,580.34
c. Guarantee given by the Company to the bankers for the facilities granted :-		
1. Wholly owned subsidiaries.	995.11	1,131.78
2. Joint Ventures	36,030.45	37,231.88
d. Letter of credit issued by the Company's Bank on behalf of the Company.	3,529.36	322.82
e. Income Tax demand disputed by the Company	1,107.31	-

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

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

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

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

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

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

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

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

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

33). CHANGE OF ACCOUNTING POLICIES OF AMORTIZATION :

Hitherto up to 31st March 2012 expenditure incurred on Build, Operate & Transfer projects, of Hoshanagabd – Harda – Khanadwa and Raisen Rahatgarh Road Project, was amortized / written off after reducing the “Cash Subsidy” received from Madhya Pradesh Rajya Setu Nirman Nigam Limited from the total BOT cost on the basis of projected toll revenue over the period of concession. Based on the legal opinion received by the Company the Company has changed the policy and the said BOT Expenditure is amortized / written off without deducting the Cash Subsidy received from Madhya Pradesh Rajya Setu Nirman Nigam Limited retrospectively,

Had there been no change in the method of amortization, the amount of amortization would have been lower by Rs. 42,20,29,603/- (including Rs. 5,96,44,959/-for the current year). Consequently Profit and reserves and surplus would have been higher to that extent.

34). The Company is operating in a single segment only during the year i.e. Civil Construction Contract.

35). Disclosure in accordance with Accounting Standard - 7 (Revised).

Particulars	Rs. In Lacs	
	2012-13	2011-12
Contract Revenue	75,213.51	64,683.64
Contract Cost Incurred	68,944.84	60,080.10
Recognized Profits / Losses	6,268.67	9,775.78
Advances Received	778.71	1,131.06
Retention Money	5,356.09	5,230.83
Gross Amount due from Customers For Contract Work	4,667.50	6,317.69

36). Disclosures relating to Employee Benefits – As per Revised AS-15:

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

a). DEFINED CONTRIBUTION PLAN

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

Particulars	Rs. In Lacs
	2012-13
Employer Contribution to Provident Fund	178.48 (201.43)

b) DEFINED BENEFIT PLAN

Reconciliation of opening and closing balances of Defined Benefit obligation

Particulars	Gratuity (Funded)	Leave Encashment (Non Funded)
	Defined Benefit obligation at the beginning of the year	81,00,013 (63,47,723)
Current Service Cost	9,76,611 (7,35,842)	17,81,727 (24,05,206)
Interest Cost	6,64,201 (5,52,252)	4,05,603 (1,94,993)
Actuarial (gain)/loss	7,83,170 (22,66,750)	(15,94,811) (1,66,075)
Benefits Paid	9,44,363 (18,02,554)	NIL (NIL)
Defined Benefit obligation at the year end	95,79,632 (81,00,013)	56,00,101 (50,07,152)



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

Reconciliation of opening and closing balances of fair value of plan Assets

Particulars	Gratuity (Funded)
Fair value of plan assets in the beginning of the year	97,13,798 (1,05,08,034)
Expected return on plan assets	7,77,104 (8,40,643)
Actuarial gain/(loss)	3,21,575 (4,75,902)
Employer contribution Paid	44,86,110 (0.00)
Benefits Paid	9,44,363 (18,02,554)
Fair Value of plan assets at the end of the year	1,43,54,224 (90,70,221)

Reconciliation of Fair Value of Plan Assets and Benefit Obligation

Particulars	Gratuity (Funded)	Leave Encashment (Non Funded)
Fair Value of Assets as at 31st March, 2013	1,43,54,224 (90,70,221)	56,00,101 (50,07,152)
Present Value of obligation as at 31st March, 2013	95,79,632 (81,00,013)	56,00,101 (50,07,152)
Amount recognized in Profit & Loss Account	17,52,290 (31,90,000)	5,92,529 (27,66,000)

Expenses recognized during the year (Under the head "Salaries & Bonus" – Refer Schedule 6)

Particulars	Gratuity (Funded)	Leave Encashment (Non Funded)
Current Service Cost	9,76,611 (7,35,842)	17,81,727 (24,05,206)
Interest Cost	6,64,201 (5,52,252)	4,05,603 (1,94,993)
Expected return on Plan Assets	7,77,104 (8,40,643)	NIL (NIL)
Actuarial gain/(loss)	4,61,595 (27,42,652)	-15,94,811 (1,66,075)
Expense Recognized in Profit and Loss Account	17,52,290 (31,90,000)	56,00,101 (50,07,752)

Actuarial Assumptions

Particulars	Gratuity (Funded)	Leave Encashment (Non Funded)
Discount Rate (Per Annum)	8.70% (8.70%)	8.20% (8.70%)
Salary Escalation (Per Annum)	6.00% (6.00%)	6.00% (6.00%)

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

37). Transaction with related parties (as certified by the management)

A. Holding Companies:

- Welspun Corp Limited
- Welspun Infra-tech Limited

B. Subsidiary Companies:

- MSK Projects (Himmatnagar Bypass) Private Limited
- MSK Projects (Kim Mandvi Corridor) Private Limited
- Welspun BOT Projects Private Limited
- Anjar Road Private Limited

C. Integrated Joint Ventures:

- Bul MSK Infrastructure Private Limited
- Dewas Bhopal Corridor Private Limited

a. Associate Concern:

- Welspun Max Steel Limited
- Welspun Steel Limited
- Welspun India Limited
- Welspun Retails Limited
- Welspun Captive Power Generation Limited
- Rami Metal Limited
- Welspun Reality Private Limited

b. Key Management Personnel:

- Mr. B.K. Goenka- Chairman
- Mr. Sunil Shinde - Managing Director & CEO – (Resigned on 19-05-2012)
- Mr. Sandeep Garg - (Managing Director & CEO w.e.f. 16-07-2012)
- Mr. R.R. Mandawewala – Director

						Rs. In Lacs
Sr No.	Transaction with Related Parties	Holding Companies	Subsidiary Companies	Integrated Joint Venture	Associate Company	Key-management
1.	Civil Construction Receipt	3,529.51 (1,969.52)	152.15 (152.18)	- (-)	5,511.41 (11,225.84)	- (-)
2.	Miscellaneous Income	- (-)	- (-)	202.24 (212.44)	115.37 (-)	- (-)
3.	Material Purchase	342.54 (558.32)	- (-)	- (-)	1599.87 (1,155.10)	- (-)
4.	Rent Paid	- (-)	- (-)	- (-)	147.58 (-)	- (-)
5.	Loan Received	757.09 (4,380.25)	- (-)	- (-)	66.92 (-)	- (-)
6.	Repayment of Loan Received	469.04 (3,901.59)	- (-)	- (-)	66.92 (-)	- (-)
7.	Loan Given	- (-)	153.05 (157.48)	256.06 (250.24)	3,300.00 (9.03)	- (-)
8.	Repayment of Loan Given	- (-)	336.53 (645.20)	61.90 (286.32)	3,300.00 (286.32)	- (-)
9.	Guarantee Given	- (-)	- (-)	38500 (38,500)	- (-)	- (-)



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

Rs. In Lacs

Sr No.	Transaction with Related Parties	Holding Companies	Subsidiary Companies	Integrated Joint Venture	Associate Company	Key-management
10.	Mobilization advance Received	- (-)	- (-)	- (-)	135.00 (126.48)	- (-)
11.	Mobilization advance repaid	174.91 (88.67)	- (-)	- (-)	106.53 (657.27)	- (-)
12.	Investment in Shares / Application	- (-)	- (2.00)	- (-)	- (-)	- (-)
13.	Remuneration to the Directors	- (-)	- (-)	- (-)	- (-)	145.45 (130.86)
14.	Receivable at the end of the year	800.59 (156.86)	3,227.69 (3,259.67)	2,284.87 (1,401.49)	1,015.87 (1,438.59)	- (-)
15.	Payable at the end of the year	1775.46 (1,116.80)	- (-)	- (-)	469.93 (40.20)	- (-)

38). Based on the experts's opinion taken by the Company, Subsidy of Rs.82.87 Crores (P.Y. 82.87 Crores) received from Madhya Pradesh Rajya Setu Nirman Nigam Limited, against the Build, Operate & Transfer Project Expenditure is in the nature of promoter contribution and accordingly treated as Capital Reserve in the books of accounts of the Company.

39). Confirmations of certain parties for amounts due from them as per accounts of the company are not obtained. Amount due from customers include amounts due/with held on account of various claims. The claims will be verified and necessary adjustments, if any, shall be made in the year of settlement. Subject to this, company is confident of recovering the dues and accordingly they have been classified as "debt considered good" and therefore no provision is considered necessary, there against.

40). Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act") which came into force effective from 2nd October, 2006, certain disclosures relating to amounts due to micro, small and medium enterprises and remained unpaid after the appointed date etc. of principal and interest amounts are required to be made. The Company is in the process of compiling the relevant information. As the relevant information is not yet readily available and / or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprise in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.

In the absence of the necessary information with the Company relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act' 2006, the information required under the said Act could not be compiled and disclosed.

41). In the opinion of the Directors, Current Assets, Loans and Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

42). Remuneration to Directors

	Managing Director	Director
Salaries	1,45,45,471 (1.30.86.281)	-Nil- (-Nil-)
Contribution to P.F.	8,75,548 (6,09,935)	Nil (Nil)
Total	1,54,21,019 (1,36,96,216)	Nil (Nil)

(Figures in brackets indicate corresponding figures of previous year)

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

43). CIF Value of Import	Rs. –Nil-
	Rs. –Nil-
44). Expenditure in Foreign currency	Rs. –Nil-
	Rs. –Nil-
45). Earning in Foreign Exchange	Rs. –Nil-
	Rs. –Nil-
46) Remittance in Foreign Currency	Rs. –Nil-
	Rs. –Nil-

47) The previous year figures are regrouped / rearranged / recast wherever considered necessary.

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

(H.B.SHAH)
PARTNER
MEMBERSHIP NO. 016642

PLACE: VADODARA
Date: 18.5.2013

FOR & ON BEHALF OF THE BOARD

CHAIRMAN
(B.K.GOENKA)

MANAGING DIRECTOR
(SANDEEP GARG)

COMPANY SECRETARY
(RAJENDRA SAWANT)



CASH FLOW STATEMENT - STANDALONE

	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & prior period items	4,57,18,792	1,73,81,334
Depreciation	6,70,41,618	8,08,07,420
Amortisation	52,99,09,256	8,34,30,061
Finance Cost	20,37,53,244	20,50,79,763
Profit on Sale of Fixed Assets	(8,29,713)	(16,28,862)
Provision for Baddebts	2,02,73,302	-
Bad Debts	15,98,95,479	-
Unclaimed liability written back	-	(29,61,238)
Profit on Sale of Investments	57,85,588	-
Prov for Leave Encashment & Gratuity	31,97,910	44,99,750
Dividend received	(32,800)	(32,000)
Operating Profits before Working Capital changes	<u>1,03,47,12,675</u>	<u>38,65,76,229</u>
Adjustment for:		
Inventory &WIP	3,36,22,378	15,58,71,936
Trade & Other Receivables	27,04,64,765	(67,38,82,366)
Trade Payables& Provisions	53,94,68,120	(31,12,50,160)
	<u>84,35,55,262</u>	<u>(82,92,60,590)</u>
Cash generated from Operations before Tax & Prior period items	<u>1,87,82,67,938</u>	<u>(44,26,84,361)</u>
Less: Direct Taxes	3,28,28,244	6,18,47,352
Cash generated from Operations before Prior period items	1,84,54,39,694	(50,45,31,713)
Less: Prior Period items	-	4,37,348
NET CASH GENERATED /(USED) ROM OPERATING ACTIVITIES	<u>1,84,54,39,694</u>	<u>(50,49,69,061)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,30,82,582)	(98,42,626)
Sale of Fixed Assets	85,77,799	47,42,907
Investments	(1,69,08,29,349)	1,39,23,25,145
BOT expenditure during the Year	(10,81,47,307)	(8,04,71,615)
Dividend Received	32,800	32,000
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,80,34,48,640)</u>	<u>1,30,67,85,811</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (Net)	-	4,75,50,813
Repayments during the Year	(20,66,50,975)	(46,22,63,998)
issue of shares on Preferential basis	-	-
Dividend paid (incl Tax thereon)	-	-
Interest paid (Net)	(20,37,53,244)	(20,50,79,763)
NET CASH FROM FINANCING ACTIVITIES	<u>(41,04,04,219)</u>	<u>(61,97,92,948)</u>
Net changes on Cash & Cash Equivalents (A+B+C)	(36,84,13,165)	18,20,23,802
Cash & Cash Equivalents - Opening Balance	58,24,33,022	40,04,09,218
Cash & Cash Equivalents - Closing Balance	21,40,19,858	58,24,33,022

As Per our report of even date
For **CHANDRAKANT & SEVANTILAL & J.K. SHAH & COMPANY**
Chartered Accountants
Registration No. 101676W

For and on Behalf of the Board Of Directors of
WELSPUN PROJECTS LIMITED

H.B. Shah Partner
Membership No. 016642

(B.K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Rajendra Sawant)
Company Secretary

Place: Vadodara
Date: 18 05 2013

AUDITORS' REPORT

To
The Board of Directors of
Welspun Projects Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements of Welspun Projects Limited ("the Company"), and its Subsidiaries and Joint Ventures (collectively referred to as the Group), which comprise the consolidated Balance Sheet as at 31st March 2013, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of Significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on our audit and on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries companies and joint ventures as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the *profit* of the group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 56,99,96,055 as at 31st March 2013, and total revenue of Rs. 6,14,33,527 and Net Cash Flow amounting to Rs. 5,01,34,450/- for the year then ended. These financial statements and other financial information have been audited by other auditors whose report have been furnished to us and our opinion is based solely on the report of the other Auditors.

We have relied on the unaudited financial statement of two subsidiaries, whose financial statements reflects total assets of Rs. 2,20,820/- as at 31st March 2013 and total revenue of Rs. -Nil - and net Cash Flow amounting to Rs. -Nil - for the year then ended. These unaudited financial statements as approved by the respective board of directors of two Companies have been furnished to us by the management and our report in so far as its relates to amounts included in respect of the Subsidiaries is based solely on such approved unaudited financial statements.

We have relied on the unaudited financial statement of one joint venture, whose financial statements reflect total assets of Rs. 576,63,01,348/- as at 31st March 2013 and total revenue of Rs. 65,63,62,920/- and net Cash Flow amounting to Rs. 74,38,10,544/- for the year then ended. These unaudited financial statements as approved by the board of directors of the



Company have been furnished to us by the management and our report in so far as its relates to amounts included in respect of the joint Venture is based solely on such approved unaudited financial statements.

We have relied on the unaudited financial statement of BUL MSK Infrastructure Private Limited, (a joint Venture Company) whose financial statements reflect total assets of Rs. 22,18,36,884/- and total Revenue of Rs.8,10,07,835/- and net cash flow amounting to Rs. 2,02,64,032/- for the year then ended. These unaudited financial statements as not approved / signed by the board of directors of the joint venture Company, has been furnished to us by the management and our report in so far as it relates to amounts included in respect of Joint venture is based solely on such non approved / signed unaudited financial statements,

For CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Chartered Accountants
Firm Registration No. 101676W

PALCE: VADODARA
DATE: 18-05-2013

H.B. SHAH) PARTNER
Membership No. 016642

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2013

	Note	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
EQUITY & LIABILITIES			
Share Holders' Funds			
Share Capital	2	40,00,00,000	40,00,00,000
Reserves & Surplus	3	4,80,67,94,849	4,74,78,93,458
		5,20,67,94,849	5,14,78,93,458
Non Current Liabilities			
Long Term Borrowings	4	2,23,99,65,937	2,94,91,10,696
Deferred Tax Liabilities (Net)	5	2,07,73,257	6,76,38,723
Long Term Provisions	6	88,06,764	81,00,013
		2,26,95,45,958	3,02,48,49,432
Current Liabilities			
Short Term Borrowings	7	77,91,15,386	65,63,60,729
Trade Payable	8	82,08,06,492	40,27,20,013
Other Current Liabilities	9	1,06,27,13,351	55,25,73,146
Short Term Provisions	10	31,97,910	49,88,758
		2,66,58,33,139	1,61,66,42,646
	TOTAL (Rs.)	10,14,21,73,946	9,78,93,85,536
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	37,86,33,436	44,11,53,649
Intangible Assets	11	5,39,39,85,151	6,02,34,16,391
Intangible Assets under development	11	18,86,18,920	8,04,71,615
Non Current Investment	12	1,15,42,46,071	38,97,571
Other Non Current Assets	13	3,88,006	5,53,911
Long term Loans & Advances	14	34,39,42,018	30,93,11,260
		7,45,98,13,602	6,85,88,04,398
Current Assets			
Current Investments	15	58,53,32,890	5,06,37,629
Inventories	16	14,81,65,882	20,68,33,681
Trade Receivable	17	88,85,45,852	1,22,00,15,868
Cash and Bank Balances	18	28,05,30,338	63,43,35,231
Short Term Loans & Advances	19	56,05,07,445	62,45,26,215
Other Current Assets	20	21,92,77,936	19,42,32,515
		2,68,23,60,343	2,93,05,81,138
	TOTAL (Rs.)	10,14,21,73,946	9,78,93,85,536
Significant Accounting Policies & Notes on Financial Statements	1 to 44		

As Per our report of even date
For **CHANDRAKANT & SEVANTILAL & J.K. SHAH & COMPANY**
Chartered Accountants
Registration No. 101676W

For and on Behalf of the Board Of Directors of
WELSPUN PROJECTS LIMITED

H.B. Shah Partner
Membership No. 016642

(B.K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Rajendra Sawant)
Company Secretary

Place: Vadodara
Date: 18 05 2013


CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2013

	Note	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Revenue from Operation	21	4,16,26,79,752	3,36,97,52,627
Other Income	22	14,32,34,305	21,62,38,974
Total Revenue (I)		4,30,59,14,057	3,58,59,91,600
Expenditure			
Cost of Raw Material consumed	23	1,55,12,29,381	1,07,48,86,924
Purchase of Traded Goods	24	14,51,21,704	25,64,52,145
Changes in the Work in Progress	25	(2,50,45,421)	22,19,54,948
Employee Benefits Expense	26	33,12,94,787	28,53,81,483
Finance Cost	27	47,37,70,836	51,54,53,779
Depreciation and Amortisation expense	28	68,50,39,492	23,05,65,330
Other Expenses	29	1,11,57,40,065	97,91,28,501
Total Expenses (II)		4,27,71,50,843	3,56,38,23,111
Material Cost & Other Expenses pertaining to bills raised to subsidiaries			1,52,17,648
		4,27,71,50,843	3,54,86,05,463
Profit before Tax & Prior Period Item		2,87,63,214	3,73,86,138
Prior Period expense			4,37,348
Profit before Tax		2,87,63,214	3,69,48,790
Tax Expense			
Current Tax		(93,80,133)	(56,27,194)
Earlier year Tax		(1,52,47,189)	24,48,700
Deferred Tax assets / (liabilities)		4,68,65,500	(5,48,527)
MAT Credit Entitlement		79,00,000	
		3,01,38,178	(37,27,021)
Profit for the year from continuing operation		5,89,01,391	3,32,21,769
Earnings per equity share of face value of Rs. 10/ each.			
Basic & Diluted		1.47	0.83
Significant Accounting Policies & Notes on Financial Statements	1 to 44		

As Per our report of even date
For **CHANDRAKANT & SEVANTILAL & J.K. SHAH & COMPANY**
Chartered Accountants
Registration No. 101676W

For and on Behalf of the Board Of Directors of
WELSPUN PROJECTS LIMITED

H.B. Shah Partner
Membership No. 016642

(B.K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Rajendra Sawant)
Company Secretary

Place: Vadodara
Date: 18 05 2013

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

1. BASIS OF CONSOLIDATION:

A. Basis of Accounting:

The Consolidated financial statements relate to M/s. Welspun Projects Limited, its subsidiary Companies, and joint ventures Companies are drawn up to the same reporting date as of the Company, i.e. year ended 31st March 2013.

B. Principle of Consolidation:

a. The Consolidated Financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard – 21 (Consolidated Financial Statements & Accounting Standard AS-27 (Financial Reporting of interest in joint ventures) issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements have been prepared on the following basis.

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

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

Name of the Company	Country of Incorporation	% of Ownership interest as on 31st Mar'13
MSK Projects (Kim Mandvi Corridor) Private Ltd	India	100%
MSK Projects (Himmatnagar Bypass) Private Ltd	India	100%
Welspun BOT Projects Private Limited *	India	100%
Anjar Road Private Limited *	India	100%

* Un audited accounts (as furnished by the management of the Company) as at 31st March 2013 is taken into consideration for consolidated financial statements.

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

Name of the Company	Country of Incorporation	% of Ownership interest as on 31st Mar'13
BUL-MSK Infrastructure Private Ltd *	India	50%
Dewas Bhopal Corridor Limited *	India	50%

* Un audited accounts (as furnished by the management of the Company) as at 31st March 2013 is taken into consideration for consolidated financial statements.

C) Other Significant Accounting policies:

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


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

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 2 SHARE CAPITAL		
AUTHORISED		
4,20,00,000 (Previous Year 4,20,00,000) equity Shares of Rs/ 10/ each.	42,00,00,000	42,00,00,000
Issued, Subscribed, & Paid up		
4,00,00,000 (Previous year 4,00,00,000) equity Share of Rs. 10/ each fully paid up.	40,00,00,000	40,00,00,000
	<u>40,00,00,000</u>	<u>40,00,00,000</u>

a OUT OF THE ABOVE SHARES:

- 1 23,53,768 Shares are issued on conversion of foregin currency convertible bonds during the year 2007 08
 - 2 44,50,000 Shares are issued on preferential basis during the year 2007 08
 - 3 1,71,78,888 Shares are issued on preferential basis during the year 2010 11
- 2,39,82,656

b. TERMS / RIGHT TO EQUITY SHARES

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

c Shares held by holding Company:

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

Name	As at 31 March 2013 No. of Shares	As at 31 March 2012 No. of Shares
Welspun Infra Tech Limited	2,44,48,445	2,44,48,445
d Details of the share holders holding more than 5% shares in the Company		
Welspun Infra Tech Limited	2,44,48,445 (61.12%)	2,44,48,445 (61.12%)
Subhkam Ventures India Private Limited	27,56,034 (6.89%)	27,56,034 (6.89%)

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
NOTE NO. 3 RESERVES & SUPRLUS		
a. Capital Reserves		
Subsidy received from Madhya Pradesh Rajya Setu Nirman Nigam Limited against Build, Operate and Transfer Projects As per the Previous year Balance Sheet	1,23,37,29,840	1,23,37,29,840
Subsidy from Gujarat State Road Development Corporation against Build, Operate and Transfer Projects. As per the Previous year Balance Sheet	3,16,50,000	3,16,50,000
b. Security Premium Reserve		
As per previous year Balance sheet	2,88,65,99,786	2,88,65,99,786
c. General Reserves		
As per previous year Balance sheet	3,21,77,549	3,21,77,549
d. Amalgamation Reserves		
As per previous year Balance sheet	5,21,12,583	5,21,12,583
e. Surplus in the statement of Profit & Loss		
As per previous year Balance sheet	51,16,23,700	47,84,01,932
Add: Net Profit for the year	5,89,01,391	3,32,21,768
	<u>57,05,25,091</u>	<u>51,16,23,700</u>
TOTAL	<u>4,80,67,94,849</u>	<u>4,74,78,93,458</u>

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

SECURED	As at 31 March-2013		As at 31 March-2012	
	Non Current	Current	Non Current	Current
Note No. 4 LONG TERM BORROWINGS				
Term Loans from :				
1. Corporation Bank - Baroda Secured by hypothecation of Plant & Machineries, Vehicles.	-	-	-	10,43,710
2. Hdfc Bank Limited Secured by Plant & Machineries, Vehicles and Personal Guarantee of some of Directors	-	1,21,403	-	20,08,750
3. Axis Bank Limited Secured by Hypothecation Plant & Machineries, Vehicles and Personal Guarantee of some of Directors	-	-	-	7,68,546
4. Dena Bank Secured by first mortgage and charge on all the Company's capital assets, specific & pertaining to the Hoshangabad - Harda - Khandwa Projects only both present and futures. - A first Charge on all the revenues / receivable of Hoshangabad-Harda - Khandwa project account of the Co. - A First charge on all the intangible assets of the Company including but no limited to Goodwill of the Co - A first charge on Company's bank accounts including without limitation the trust and retention account (RTA) / Escrow Account and Debt Service Reserve Account to be established by the Company. - A First charge/assignment/security on the Company right under the concession agreement, Project documents Contract and all licence permits approvals consents and insurance policies in respect of the projects. (Repayable within 25 Monthly Installment of Rs. 46.25 Lacs bearing rate of Interest: 14.50%)	9,97,38,775	6,29,04,000	16,24,85,657	5,55,00,000
5. Corporation Bank Secured by first Mortgage & charge on all the movable & immovable properties of the Raisen - Rahathgarh BOT Projects including all receivable both and present and future. Assignment of all rights, title and Interest of the Company in respect of all the assets of the projects, all projects agreement and Contracts including Concession Agreement. Assignment of contractors guarnatees, performance bond and liquidated damages (Repayable within 73 Monthly Installment of Rs.28 Lacs bearing rate of Interest: 13.60%)	17,07,59,894	3,36,00,000	19,91,11,774	3,36,00,000
6. Punjab National Bank Secured by Ludhiana & Jalandhar Bus Terminal Projects, and Personal guarantee of some of the directors (Repayable within 6 Monthly Installment of Rs. 30.15 Lacs bearing rate of Interest: 14%)	-	1,63,28,785	1,63,78,830	3,61,80,000
7. Bank of India Secured by specific Plant & Machineries and second charge on current assets of the Company. (Repayable within 13 Monthly Installment of Rs. 42 Lacs bearing rate of Interest: 12.50%)	-	4,80,87,071	5,50,30,283	5,04,00,000
8. Industrial Deveopment Finance Company Limited Terms of Repayment. 84 Months (Mar-2019) - Secured by by way of mortgage in favour of IDFC of all moveble properties pertaining to the Dewas Water Supply Projects Presents, futures. - a first charge by ways of the hypothecationb of the all movables including movables including movable plant machinery, machinery spares, tools, & accessories, furiture & fixture, vehicles and all other movable assets pertaining to the project present & future. - First charge of all the book debts, operating, Cash Flows, revenue, receivables of the Company pertaining to the Dewas Water Supply project, present & Future. - Assignment of all rights, title and Interest of the Company in respect of all the assets of the Dewas Water Supply Projects agreement and Contracts including Concession Agreement. - First Charge over the Escrow Account. Debt Service Reserve Account and other Reserve and any Other reserves and any other banks account the Company whreever maintained. - Personal Guarantee of the Directors of the Company/ (Repayable within 96 Monthly Installment of Rs. 49 Lacs bearing rate of Interest: 10.30%)	46,91,32,842	4,68,00,000	49,16,33,339	4,31,08,955
9. State Bank of India First Charge on the assignment of project rights/movable / im-movable property/intangible assets /uncalled capital of the borrower for the Himmatnagar bypass project and on assignement of all receivable / revenue of the projects. First charge on Company bank accounts from the Himmatnagar bypass projects including the Trust and Retention account / Escrow Account and Debt Service Reserve Account (Debt Service Reserve account to be maintained in the form either Bank Guaranbtee of ta first class bank or deposit in the Escrow account/Trust and Retention Account to cover six month principle First Charge / Assignment Security Interest on the Company;s right under the concession Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Himmatnagar Bypass Projects) Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Himmatnagar Bypass road Projects noting the interest of the lenders. First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Himmatnagatr Bypass Projects. First charge on all the revenue / receivable and projects accounts of the Company.	-	90,99,324	86,63,135	93,36,000
10. State Bank of India First Charge over on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the respective projects and on assignement of all the receivable / revenue of the projects. First charge on Company's bank accounts from the Kim Mandvi projects including the Trust and Retention account / Escrow Account and Debt Service Reserve Account /Maintenance Reserve Account or such other account to be opened as directed by the bank. First Charge / Assignment Security Interest on the Company's right under the concession Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Kim Mandvi Projects)	7,72,12,118	1,32,00,000	8,86,68,293	65,10,682



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

SECURED	As at 31 March-2013		As at 31 March-2012	
	Non Current	Current	Non Current	Current
Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Kim Mandvi Projects noting the interest of the lenders. First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Kim Mandvi Projects.				
11. Term Loan for DEWAS BHOPAL				
* Secured by 1st pari passu charge with other term lenders on All rights (including step in charge) of the project covered by Tri-partite agreement that has been signed by company with MPRDC (Madhya Pradesh Road Development Corporation). First charge on Assignment of Toll Collection rights along with Escrow on Future Toll Collection. Charge on Debt Service Reserve Account proposed to be created Hypothecation of all Movable, tangible & intangible, receivable, cash & investment & monies lying in trust & retention account Further secured by personal gurantee of Directors & Corporate Gurantees of Welspun Projects Limited & Chetak Enterprises Limited. Further secured by pledge of Equity Shares of the company equivalent to 51% of the subscribed and paid up capital of the company for a period up to 36 Months from Commercial Operation Date. Thereafter, and subject to satisfactory performance of the project and also satisfaction of lenders, the pledged shares shall aggregate 30% of the paid up capital of the company until the currency of the loan.				
Punjab National Bank	39,37,55,711	7,02,00,000	45,84,50,000	2,29,60,000
Term Loan of Rs. 100 Crores repayable in 126 monthly installments on ballooning basis with first installment to commence from 01/07/2010. Rate of Interest : Rate of Interest @ BLR+TP-1.50% on term Loan and approval for reset of interest option after every three years. Prepayment:-Recovery of pre payment charges @1% instead of applicable 2% in case account is taken over by other bank before reset period. To exercise reset of interest option after every 3 years from date of 1st disbursement (called reset date(s)) and non recovery of prepayment charges in the event of takeover of account by other bank due to non acceptance of reset interest by the company on such reset dates, However the interest rates after Reset shall not be less than that charged by other term lenders of the project.				
State Bank of India & State Bank of Indore	31,65,36,192	8,07,00,000	52,81,18,000	2,64,50,000
Term Loan of Rs. 100 Crores repayable in 126 monthly installments on ballooning basis with first installment to commence from 01/07/2010. Rate of Interest : Rate of Interest 0.75% below SBAR, payable at monthly with first interest reset 3 years after first disbursement and thereafter every 2 years. Interest will be payable at monthly rests, as and when due. Prepayment : If prepayment is done on other than reset dates, due to account/amount of term loan being taken over by another bank, the bank shall charge flat prepayment charges @1% of the outstanding amount of loan. The company shall be given the chance to either accept the reset interest rates after every 3 years from the date of first disbursement or the company may shift to any other bank without prepayment charges if reset interest rates is not acceptable to the company after giving a notice of 30 days. Default : In case of default of more than 30 days in payment of installment of principal, interest and all other monies on their respective due dates, to the Bank or any lender, the company shall pay on total outstanding amounts with the Bank, liquidated damages at the rate of 2% p.a. for the period of default.				
FOREIN CURRENCY DEMAND LOAN:				
FCNRB US \$ 50 MILLION from State Bank of India		13,61,00,000	-	-
State Bank of Bikaner & Jaipur	11,85,26,166	2,10,00,000	13,76,17,500	69,00,000
Term Loan of Rs. 30 Crores repayable in 126 monthly installments on ballooning basis with first installment to commence from 01/07/2010. Rate of Interest : Rate of Interest 1.75% below SBAR, payable at monthly with first interest reset post COD and subsequent interest rate every 2 years thereafter from term loan limit. Prepayment : i. Pre-payment premium @ 1% on the pre-paid amount of the term loan, with a prior written notice of minimum 30 days. ii. Further, no pre-payment penalty will be payable for pre-payments, in part or full under the following circumstances: • The Pre-payment is made pro-rata to all the lenders from the internal accruals of the Company with a prior written notice of minimum 30 days or; • The Pre-payment is made on each interest re-set date, after giving a prior written notice of 30 days.				
Dena Bank	19,74,76,322	3,51,00,000	22,94,58,500	1,15,00,000
Term Loan of Rs. 50 Crores repayable in 126 monthly installments on ballooning basis with first installment to commence from 01/07/2010. Rate of Interest : Rate of Interest @ BLPR+0.50TP-2.25% on term Loan and Optional reset of interest after every three years or as decided by the consortium Prepayment:-Recovery of pre payment charges @1% instead of applicable 2% in case account is taken over by other bank before reset period. To exercise reset of interest option after every 3 years from date of 1st disbursement (called reset date(s)) and non recovery of prepayment charges in the event of takeover of account by other bank due to non acceptance of reset interest by the company on such reset dates, However the interest rates after Reset shall not be less than that charged by other term lenders of the project.				
State Bank of Travancore	19,70,61,003	3,51,00,000	22,87,00,000	1,15,00,000
Term Loan of Rs. 50 Crores repayable in 126 monthly installments on ballooning basis with first installment to commence from 01/07/2010. Rate of Interest : Concession pricing at 0.75% below SBTPLR till COD thereafter at 1.00% below SBTPLR on term Loan and with first interest reset one year post COD and subsequent interest rate every 2 years thereafter from term loan limit.				

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

SECURED	As at 31 March-2013		As at 31 March-2012	
	Non Current	Current	Non Current	Current
<p>Prepayment:- 1.00% p.a. on the prepaid amount of TL for the resedual period of Loan, however no prepayment charges is payable if the prepayment is effected at the instance of the bank or prepayment is made surplus available with the company with a prior notice of minimum or on interest reset date.</p> <p>Default : In case of default of more than 30 days in payment of installment of principal, interest and all other monies on their respective due dates, to the Bank or any lender, the company shall pay on total outstanding amounts with the Bank, liquidated damages at the rate of 2% p.a. for the period of default.</p> <p>IDBI</p> <p>Term Loan of Rs.40 Crores repayable in 138 monthly installments on ballooning basis with first installment to commence from 01/04/2011.</p>	19,97,66,915	2,00,000	19,79,00,000	20,00,000
<p>12. State Bank of India</p> <p>First Charge over on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the respective projects and on assignement of all the receivable / revenue of the projects.</p> <p>First charge on Company's bank accounts from the Kon Sawle Dand Phata projects including the Trust & Retention account / Escrow Account and Debt Service Reserve Account /Maintenance Reserve Account or such other account to be opened as directed by the bank.</p> <p>First Charge / Assignment Security Interest on the Company's right under the concession Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Kim Mandvi Projects)</p> <p>Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Kim Mandvi Projects noting the interest of the lenders.</p> <p>First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Kim Mandvi Projects.</p>	-	5,71,48,887	5,88,20,386	-
<p>UN-SECURED</p> <p>From Related Parties</p> <p>Chetak Enterprises Limited</p> <p>Bul MSK Infrastructure P Ltd</p>	-	8,80,75,000	8,80,75,000	-
	-	81,00,561		
	2,23,99,65,937	76,18,65,031	2,94,91,10,696	32,91,60,041

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No.5 DEFERRED TAX LIABILITY (NET)		
Deferred Tax Assets		
Retirement Benefits	10,45,227	16,24,707
Provision for Bad Debts	1,75,36,349	1,39,12,555
Shares of Joint Ventures	3,91,78,000	1,65,69,612
Impairment of Assets	21,86,336	21,86,336
Carry Forward Losses and unabsorbed depreciation	5,85,94,029	
	11,85,39,940	3,42,93,209
Deferred Tax Liabilities		
Depreciation	13,92,78,814	10,18,97,549
Bonus Payable	34,383	34,383
	13,93,13,197	10,19,31,932
DEFERRED TAX LIABILITIES (NET)	2,07,73,257	6,76,38,723

	As at 31 March 2013 (Amount in Rs.)	As 31 March 2012 (Amount in Rs.)
Note No. 6 LONG TERM PROVISIONS		
Provision for the Employees Benefits		
Provision for Gratuity	88,06,764	81,00,013
	88,06,764	81,00,013



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

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 7 SHORT TERM BORROWINGS		
SECURED		
Working Capital Loan		
1. Corporation Bank	1,28,38,480	1,29,58,424
Secured by fixed deposits of the Company and third Parties		
2. Corporation Bank	41,46,70,543	55,56,21,326
Secured by hypothecation of the entire stocks & book debts of the Company.		
3. IDBI Bank Limited	25,68,02,827	2,25,45,328
Secured by hypothecation of the entire stocks & book debts of the Company.		
4. Canara Bank		1,65,44,138
Secured by hypothecation of the entire stocks & book debts of the Company.		
5. Punjab National bank	1,73,07,290	
Secured by hypothecation of the entire stocks & book debts of the Company.		
UN SECURED		
From Holding Company:		
Welspun Infratech Limited	7,74,96,246	4,86,91,513
Secured borrowings carries interest from 10% to 12%	<u>77,91,15,386</u>	<u>65,63,60,729</u>

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 8 TRADE PAYABLE		
Trade Payable	82,08,06,492	40,27,20,013
	<u>82,08,06,492</u>	<u>40,27,20,013</u>

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 9 OTHER CURRENT LIABILITIES.		
1. Current Maturity of Long Term Debts refer note no. 4.	76,18,65,031	32,91,60,042
2. Interest Accrued but not dues on long term borrowing	2,54,37,805	
3. Statutory Liabilities	5,21,23,800	5,50,38,831
4. Security Deposits Payable	5,79,62,686	4,46,42,663
5. Advance from Customers	7,10,15,647	12,37,31,611
6. Other Payable *	4,13,08,382	
7. Advance received against sale of shares of joint venture	5,30,00,000	
	<u>1,06,27,13,351</u>	<u>55,25,73,146</u>

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

	As at 31 March 2013 (Amount in Rs.)	As 31 March 2012 (Amount in Rs.)
Note No. 10 SHORT TERM PROVISIONS.		
Provision for the Employees Benefits		
1. Provision for Leave Benefits (refer note no. 36)	31,97,910	49,88,758
	<u>31,97,910</u>	<u>49,88,758</u>

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

Note No. 11. FIXED ASSETS

SR	FIXED - ASSETS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
		AS ON 01-04-2012	ADD TON DURING THE YEAR	DEDUCT ON DURING THE YEAR	AS ON 31-03-2013	ADD TON DURING YEAR	DEDUCT ON DURING YEAR	AS ON 31-03-2013	AS ON 31-03-2012
Tangible Assets									
1	Free hold Land *	1,55,14,133	-	14,69,743	1,40,44,390	-	-	1,40,44,390	1,55,14,133
2	Buildings	27,52,531	21,00,078	-	48,52,609	1,12,009	13,60,537	34,92,072	15,04,003
3	Plant & Machineries	50,66,58,345	73,96,849	1,25,23,291	50,15,31,903	3,35,02,233	29,53,20,241	20,62,11,662	23,84,52,853
4	Construction Equipments	23,72,61,935	18,13,536	1,76,237	23,88,99,234	1,70,79,109	-	10,85,98,644	12,40,40,454
5	Air-Conditioners	15,54,180	46,450	31,498	15,69,132	94,804	10,455	5,84,262	6,53,659
6	Vehicles	21,26,46,955	17,27,006	77,53,562	20,66,20,399	1,38,60,776	17,27,649	3,43,05,172	4,70,64,855
7	Computers	1,45,06,383	2,41,595	7,16,155	1,40,31,823	18,49,142	5,71,502	28,27,533	45,79,734
8	Office Equipments	92,81,678	11,15,953	7,61,466	96,36,165	6,96,926	3,65,199	56,57,256	56,34,495
9	Furniture & Fixtures	78,38,407	2,33,585	17,21,831	63,50,160	4,71,789	11,63,018	21,12,446	29,09,464
10	Realisation Value of Impaired Assets	8,00,000	-	-	8,00,000	-	-	8,00,000	8,00,000
	TOTAL - (A)	1,00,88,14,547	1,46,75,052	2,51,53,784	99,83,35,815	6,76,66,788	1,56,25,307	61,97,02,378	44,11,53,650
Intangible Assets									
11	Good Will	17,01,592	-	-	17,01,592	-	-	17,01,592	17,01,592
12	Good Will on Conso lidation	26,49,56,868	-	-	26,49,56,868	-	-	26,49,56,868	26,49,56,868
13	Buid operate & Transfer Project Expenditure - To Co action right	-	-	-	-	-	-	-	-
a	Hoshanagabad-Harda- Khandwa Projects	97,06,60,788	-	-	97,06,60,788	31,67,05,495	55,38,56,585	41,68,04,203	73,35,09,698
b	Raisen Rahatgarh Projects	70,37,45,066	-	-	70,37,45,066	16,32,89,897	31,81,56,921	38,55,88,145	54,88,78,042
c	Jalandhar Bus Terminal Project	18,88,77,689	-	-	18,88,77,689	2,79,90,758	15,23,01,454	3,65,76,235	6,45,66,993
d	Ludhiana Bus Terminal Project	19,43,13,456	-	-	19,43,13,456	2,19,23,106	11,58,49,112	7,84,64,344	10,03,87,450
e	Dewas Water Supply Project	1,18,94,87,085	-	-	1,18,94,87,085	6,14,99,387	6,14,99,387	1,12,79,87,698	1,12,79,87,698
f	Himmatnagar Bypass P Ltd	8,44,47,460	-	-	8,44,47,460	56,78,947	4,12,23,038	4,32,24,422	4,89,03,369
g	Kirm Mandvi Corridor P Ltd	51,13,46,287	-	-	51,13,46,287	1,54,41,129	3,59,78,011	47,53,68,276	49,08,09,405
h	Dewas Bhopa Road Projects	2,72,18,67,548	-	-	2,72,18,67,548	5,91,49,947	21,98,59,447	2,50,20,08,102	2,56,11,58,048
i	Bu MSK Projects Ltd**	11,56,36,781	-	-	10,34,21,865	70,37,046	4,21,16,599	6,13,05,266	8,05,57,228
	TOTAL - (B)	6,94,70,40,620	-	1,22,14,916	6,93,48,25,704	61,72,16,325	-	1,54,08,40,554	6,02,34,16,391
Intangible Assets under development									
f	Intangible Assets under Development	8,04,71,615	10,81,47,307	-	18,86,18,922	-	-	18,86,18,922	8,04,71,615
	TOTAL - (C)	8,04,71,615	10,81,47,307	-	18,86,18,922	-	-	18,86,18,922	8,04,71,615
	TOTAL - (A+B+C)	8,03,63,26,782	12,28,22,359	3,73,68,700	8,12,17,80,441	68,48,83,113	1,56,25,307	2,16,05,42,932	6,54,50,41,656

* Includes Rs 84.50 Lacs being part of and admeasuring 27.04 acres situated in M.P. purchased from ex-directors of the Company in earlier years for which legal documents are yet to be executed
** Being difference in BOT cost between balances as per the previous year and current year as per the unaudited accounts adjusted



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

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 12 NON CURRENT INVESTMENT		
LONG TERM INVESTMENT		
NON TRADE (UNQUOTED)		
1,500 (P.Y. 1,500) Equity Sharess in Sarv Shakti Synthetics Limited of Rs. 10/ each fully Paid up	15,000	15,000
30,000 (P.Y. 30,000) Equity Shares in Myraj Consultancy Limited of Rs. 10/ each fully paid up	3,00,000	3,00,000
500 (P.Y. 500) Equity shares in MSK Finance Limited of Rs. 100/ each fully paid up	50,000	50,000
48 (P.Y. 48) Equity shares in Nutan Nagrik Sahakari Bank Limited of Rs. 100/ each fully paid up.	4,800	4,800
37,652 (P.Y. 37,652) Equity shares in Baroda Peoples Co Op. Bank Limited of Rs.10/ each fully paid up	3,76,521	3,76,521
63 (P.Y. 63) Equity shares in Baroda City Co Op. Bank Limited of Rs. 50/ each fully paid up	3,150	3,150
1,000 (P.Y. 1,000) Equity shares in Classic Organisers Private Ltd of Rs. 10/ each fully paid up	10,000	10,000
960 (P.Y. 960) Equity shares in Sindh Mechantile Co Op. Bank Ltd of Rs.10/ each fully paid up	9,600	9,600
7400 (P.Y. 7,400) Equity shares in Minar Trading Services Limited of Rs. 10/ each fully paid up.	74,000	74,000
1,15,03,485 (P.Y. Nil) Equity shares in Leighton Welspun Contractors Pvt Ltd of Rs. 10/ each fully paid up.	1,15,03,48,500	
	<u>1,15,11,91,571</u>	<u>8,43,071</u>
Less: Provision for dimunition in value of investments	74,000	74,000
	<u>1,15,11,17,571</u>	<u>7,69,071</u>
Investment in Government Securities		
Indira Vikash Patra	500	500
Three (P.Y. Three) Bonds of Rs. 10,00,000/ Sardar Sarovar Narmada Nigam Limited	30,00,000	30,00,000
NON TRADE (QUOTED)		
1,600 (P.Y. 1,600) Equity Shares in Corporation Bank of Rs. 10/ each fully Paid Up	1,28,000	1,28,000
TOTAL	<u><u>1,15,42,46,071</u></u>	<u><u>38,97,571</u></u>
Amount of quoted Investment	1,28,000	1,28,000
Amount of un quoted Investment	1,15,41,92,071	38,43,571
Amount of Market Value of Quoted Investments	6,26,400	6,79,680
Provision for diminition in value of Investments	74,000	74,000

	As at 31 March 2013 (Amount in Rs.)	As 31 March 2012 (Amount in Rs.)
Note No. 13 OTHER NON CURRENT ASSETS		
UN AMORTISED EXPENDITURE		
Balance as per last financial year	5,53,911	7,14,816
Less: adjustment during the year	9,525	
	<u>5,44,386</u>	<u>7,14,816</u>
Less: Preliminary Expense Wrt. Off	1,56,380	1,60,905
	<u>1,56,380</u>	<u>1,60,905</u>
	<u>3,88,006</u>	<u>5,53,911</u>
TOTAL	<u><u>3,88,006</u></u>	<u><u>5,53,911</u></u>

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

	As at 31 March 2013 (Amount in Rs.)	As 31 March 2012 (Amount in Rs.)
Note No. 14 LONG TERM LOAN & ADVANCES: (unsecured, Considered good, stated other wise)		
Security Deposits		
Considered Good	2,08,06,127	10,76,98,638
Considered Doubtful	65,97,112	65,97,112
	<u>2,74,03,239</u>	<u>10,76,98,638</u>
Provision for Doubtful Debts	65,97,112	65,97,112
	<u>2,08,06,127</u>	
Advance for Capital Purchase		10,11,01,526
Loans & Advances to Related Parties (considered good)	13,25,64,288	7,85,546
Tax Deducted At Source / Advance Tax (Net Of Taxation)	18,26,71,603	5,32,15,622
MAT Credit Entitlement	79,00,000	
TOTAL	<u>34,39,42,018</u>	<u>30,93,11,260</u>

Advances in the nature of loan given to subsidiaries, Joint ventures and Associates

Name of the Companies	Amount	Amount
	31 03 2013	31 03 2012
BUL MSK Infrastructure Private Limited	3,51,69,546	1,20,16,913
Dewas Bhopal Corridor Private Limited	8,33,55,000	4,11,94,811
Welspun Corp. Limited	37,390	3,898
Kim mandvi Corridor Pvt Ltd	1,00,42,457	
MSK Projects (Himmatnagar Bypass) P Ltd	39,45,735	
Welspun BOT Projects Private Limited	12,830	
Welspun Natural Resources Pvt. Ltd.	300	
Anjar Road Private Limited	1,530	
Welspun Steel Resources Pvt. Ltd.	19,800	
	<u>13,25,84,588</u>	<u>5,32,15,622</u>

	As at 31 March 2013 (Amount in Rs.)	As 31 March 2012 (Amount in Rs.)
Note No. 15 CURRENT INVESTMENTS:		
NON TRADE (UN QUOTED)		
Investment in Bonds		
Nil (P.Y. 40) Bond of Power Grid Corporation of India 2017 @9.25% of Rs.12,50,000 each fully paid up		5,06,37,629
145 (P.Y. Nil) Bonds of Cholamandalam P.P. @12.70% of Rs.10,00,000/ each fully paid up.	14,96,55,507	
90 (P.Y. Nil) Bonds of REC 2018 @8.70% of Rs.10,00,000/ each fully paid up.	9,00,85,808	
150(P.Y. Nil) Bonds of L&T Finance Ltd @9.80% of Rs.10,00,000/ each fully paid up.	15,39,06,575	
29,490 (P.Y. Nil) Bonds of IFCI Deep Discount Bond of Rs.25,000/ each fully paid up.	19,16,85,000	
TOTAL	<u>58,53,32,890</u>	<u>5,06,37,629</u>



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

	As at 31 March 2013 (Amount in Rs.)	As 31 March 2012 (Amount in Rs.)
Note No. 16 INVENTORIES:		
Raw Material	14,81,65,882	20,68,33,681
TOTAL	14,81,65,882	20,68,33,681

	As at 31 March 2013 (Amount in Rs.)	As 31 March 2012 (Amount in Rs.)
Note No. 17 TRADE RECEIVABLES. (Unsecured considered good, stated other wise)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	86,58,49,758	38,07,65,556
considered doubt ful	4,08,52,989	2,56,33,372
	90,67,02,748	40,63,98,928
Less: Provision for doubt ful debts	4,08,52,989	2,56,33,372
	86,58,49,758	38,07,65,556
Other Receivable:		
Considered good	2,26,96,093	83,92,50,312
considered doubt ful	80,12,746	80,12,746
	3,07,08,839	84,72,63,058
Less: Provision for doubtful receivable (Debts due by related parties refer note no.37)	80,12,746	80,12,746
	2,26,96,093	83,92,50,312
TOTAL	88,85,45,852	1,22,00,15,868

	As at 31 March 2013 (Amount in Rs.)	As 31 March 2012 (Amount in Rs.)
Note no. 18. CASH & BANK BALANCES		
Cash on hand	1,75,12,107	1,29,11,659
Balance With Bank:		
In current accounts	18,20,44,244	50,90,97,324
In fixed deposits accounts	7,50,03,243	10,62,05,061
Other Bank Balance	2,00,000	2,00,000
In Current Accounts	57,70,743	57,70,743
in Fix deposits accounts		1,50,444
TOTAL	28,05,30,338	63,43,35,231

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

	As at 31 March 2013 (Amount in Rs.)	As 31 March 2012 (Amount in Rs.)
Note No. 19. SHORT TERM LOANS & ADVANCES. (unsecured, considered good, stated otherwise)		
Inter Corporate Deposits	35,63,69,343	35,00,00,000
Advance to Supplier		
Considered good	12,57,75,534	12,16,66,046
Considered doubtful	26,40,818	26,40,818
	12,84,16,352	12,43,06,864
Less: Provision for Doubtful Debt	<u>26,40,818</u>	<u>26,40,818</u>
	12,57,75,534	12,16,66,046
Advance for Capital Purchase	51,500	51,500
Interest accrued on fixed deposits	39,89,075	7,57,13,325
Pre Paid Expenses	46,37,508	50,93,387
Advance to Staff & Others	35,59,807	46,19,809
Balances with Statutory Authorities	<u>6,61,24,679</u>	<u>6,73,82,147</u>
	<u>56,05,07,445</u>	<u>62,45,26,215</u>

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note No. 20. OTHER CURRENT ASSETS:		
Work In Progress	21,92,77,936	19,42,32,515
TOTAL	<u>21,92,77,936</u>	<u>19,42,32,515</u>

	As at 31 March 2013 (Amount in Rs.)	As at 31 March 2012 (Amount in Rs.)
Note no. 21 REVENUE FROM OPERATIONS:		
Revenue from Operations:		
Civil Contracts	2,14,53,04,463	2,18,97,76,228
Sales of Traded Goods	24,77,25,488	52,17,05,841
Toll Collection	72,89,58,374	69,38,11,489
Other Operating Revenue		
Income from Transfer of Business *	1,07,92,49,055	
Sales of Scrap	<u>1,23,45,071</u>	<u>67,64,640</u>
Revenue From Operations (Gross)	4,21,35,82,451	3,41,20,58,198
Less: Service Tax	<u>5,09,02,699</u>	<u>4,23,05,571</u>
Revenue From Operations (Net)	<u>4,16,26,79,752</u>	<u>3,36,97,52,627</u>
21.1 Particulars of Sales of traded goods	2012 13	2011 12
Electric Material	17,17,64,731	27,09,89,188
Mechanical Material	7,10,10,048	23,33,08,710
Bare Pipes	24,63,289	81,15,304
Other Materials	<u>24,87,420</u>	<u>92,92,639</u>
	<u>24,77,25,488</u>	<u>52,17,05,841</u>

Note No. 21.2 INCOME FROM TRANSFER OF BUSINESS:

Pursuant to agreement for sale Dtd. 5th March 2013 entered in to between the Company and Leighton Welspun Contractor Private Limited, the Company has transferred the following identified EPC division / works aggregate value of Rs. 556 Crores for the composite consideration of Rs.1,15,03,48,500/



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

subject to the terms and condition as contained in the said agreement.

Water Division:

EPC Works in relation to the transmission of water from Kaluji, head works by laying of approximately 22 Km of 2200 Millimeter diameter pipe line in Mohali, Punjab awarded by Greater Mohali Area Development Authority as a going concern by way of slump sales along with all rights, assets and liabilities pertaining to the said division.

EPC Works in relation to laying a pipe with a larger diameter in order to increase the supply of water to the industrial units in Dewas, Madhya Pradesh from 23 Million liters, per days to 30 million liter per day emanating out of Dewas Water Supply projects of the Company.

EPC Works:

Chairai EPC Works EPC Works relation to the projects for four laning of approximately 28.853 Km of the Chirai Anjar Road including the Anjar bypass in the state of Gujarat, emanating out of the Build, Operate Transfer project awarded by the Gujarat State Road Development Corporation to the Company.

As a consideration for the transfer of the above business the Company has received 1,15,03,485 equity shares in the Leighton Welspun Constrator Private Limited, of the face value of Rs. 10/ each fully paid up at a premium of Rs. 90/ per share aggregating consideration of R.s 1,15,03,48,500/

Surplus of Rs.107,92,49,055/ arising in respect of the said transfer has been shown as 'income from transfer of business' under the head "Other Operating Revenue" in the statement of profit & loss and value of 1,15,03,485 equity shares received by the Company has been shown as Investment in shares under the head "Non Current Investment".

The necessary formalities for the transfer of the said business are being compiled with.

	For the Year ended 31.3.2013 (Amount in Rs.)	For the Year ended 31.3.2012 (Amount in Rs.)
Note No. 22 OTHER INCOME		
Interest		
On Bonds	2,42,30,726	16,23,63,470
On fixed deposits with Banks	1,28,12,221	58,12,972
From Inter Corporate Interest	6,16,05,616	
From Others	1,32,91,784	2,13,20,978
Dividend		
From Current Investment	1,08,17,323	1,28,99,548
From Long Term Investment	32,800	32,000
Insurance claim received	57,43,958	9,60,070
Provision for Bad Debts Written Back	52,89,439	30,24,985
Profit on sales of Current Investment	57,85,588	63,88,783
Profit on sales of assets		16,28,862
Foreign Exchange Gain		19,439
Miscellaneous income	36,24,851	17,87,867
TOTAL	14,32,34,305	21,62,38,974

	For the Year ended 31.3.2013 (Amount in Rs.)	For the Year ended 31.3.2012 (Amount in Rs.)
Note No. 23 COST OF RAW MATERIAL CONSUMED:		
Inventories at the begaining of the year	20,68,33,681	14,07,50,668
Add: Purchase	1,49,25,61,582	1,14,09,69,937
	1,69,93,95,263	1,28,17,20,605
Less: Inventories at the end of the year.	14,81,65,882	20,68,33,681
TOTAL	1,55,12,29,381	1,07,48,86,924

21.1 Cost of materials consumed

Particulars	2012 13	% of Consumption	2011 12	% of Consumption
Imported				
Indigenous	1,55,12,29,381	100%	1,07,48,86,924	100%

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

	For the Year ended 31.3.2013 (Amount in Rs.)	For the Year ended 31.3.2012 (Amount in Rs.)
Note No. 24. PURCHASE OF TRADED GOODS		
Purchases	14,51,21,704	25,64,52,145
Total	14,51,21,704	25,64,52,145
21.1 Particulars of Purchase of traded goods.		
Name of products	2012 13 (Amount in Rs.)	2011 12 (Amount in Rs.)
Bare Pipes	20,11,602	81,15,305
Electric Material	10,63,07,628	12,59,33,939
Mechanical Material	3,46,60,395	11,56,38,845
Others	21,42,079	67,64,056
	14,51,21,704	25,64,52,145
Note No. 25 CHANGE IN WORK IN PROGRESS.		
Opening Stock		
Work in Progress	19,42,32,515	41,61,87,464
Less: Closing Stock		
Work in Progress	21,92,77,936	19,42,32,515
TOTAL	(2,50,45,421)	22,19,54,948
Note No. 26. EMPLOYEES REMUNERATION & BENEFITS		
Salaries, Wages	29,89,41,657	25,24,51,144
Contribution to Provident Funds & Other Funds	2,05,08,689	2,02,36,476
Staff Welfare Expense	1,18,44,441	1,26,93,863
	33,12,94,787	28,53,81,483
Note No. 27 FINANCE COST		
Interest Expense	42,43,34,375	48,89,43,398
Other Borrowing Cost	4,82,73,943	2,65,10,381
Foreign Exchange Loss	11,62,517	
	47,37,70,835	51,54,53,779

	FOR THE YEAR ENDED 31 03 2013	FOR THE YEAR ENDED 31 03 2012
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Note No. 28 DEPRECIATION AND AMORTISATION:

Depreciation	6,76,66,788	8,18,79,117
Amortisation of the BOT Assets (refer note no. 33)	61,72,16,325	14,88,38,413
Preliminary Expense Wrt. Off	1,56,380	1,58,905
Less: Capitalised in respect of Dewas Water supply project		3,11,106
TOTAL	68,50,39,492	23,05,65,330



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

	For the Year ended 31.3.2013 (Amount in Rs.)	For the Year ended 31.3.2012 (Amount in Rs.)
Note No. 29 OTHER EXPENSE		
Power & Fuel	3,35,18,420	3,99,65,431
Insurance	1,28,26,074	51,72,172
Consultancy Charge	4,18,58,556	5,50,34,365
Design and Survey Expenses	28,96,590	43,60,843
Rent	1,93,26,810	71,67,811
Rates & Taxes	12,37,51,389	8,92,02,802
Project Monitoring Fees	76,16,924	73,29,284
Project Maintenance Fees	32,48,542	32,75,130
Tender Fees	18,17,359	42,19,344
Travelling Expense	1,82,26,588	1,33,33,252
Vehicle Hire Charge	77,34,667	55,95,311
Security Service charge	89,91,002	92,35,906
Value of asset discarded	5,87,098	
Payment to Auditors		
Audit Fees	14,46,853	15,04,851
Other Services	2,39,500	12,113
Repairs & maintainance for		
Machineries	1,56,96,827	1,69,24,511
Roads	2,79,33,740	1,31,85,795
Vehicles and Others	4,10,65,445	2,73,14,670
Provision for Bad Debts	2,02,73,302	
Bad Debts	15,98,95,479	
Loss on sales of Assets	8,29,713	
Air Conditioning Work	38,200	31,84,679
Bitumanious Work	1,21,66,013	60,10,786
Blasting Work		6,79,159
Bridge Work		23,92,380
Boulder and Laying Work		1,18,165
Civil Work	4,40,17,838	2,05,26,654
Concrete Work	1,43,39,497	2,53,17,439
Doors & Windows Work	53,61,925	32,87,476
Donation	4,752	93,483
Earth Work	4,59,37,414	2,43,52,007
Fabrication Expense	1,24,93,680	3,46,26,165
Flooring Work	50,81,007	1,06,51,640
Pollution control exp	1,04,000	
Machineries Hire Charges	1,48,22,593	1,80,86,856
Masonry Work	1,84,87,538	1,33,97,291
Miscellanious Site Work	3,64,28,291	28,26,61,444
Land Scapping	3,42,329	25,82,774
Painting Work	3,76,09,362	3,71,73,005
Payment to Site Workers	9,16,07,267	7,73,05,489
Pipe Laying Work	7,26,03,375	1,22,38,198
Reinforcement Work	1,79,22,639	1,78,74,974
Road Work	6,54,97,339	2,06,56,298
Safty Expense	46,822	1,05,240
Sanitary Work	35,330	10,78,090.00
Shuttering Work	3,71,48,247	3,39,82,356
Toll plaza Work	17,03,609	21,28,834
Water Proofing Work	59,05,456	49,13,858
Penalty Charge	40,900	7,61,303
under deck insulation		12,03,238
Crash Barrier	11,72,145	
Water Harvesting work	12,420	
Hutmat		8,41,244
Miscellanious Expenditure	2,50,29,199	1,80,64,385
TOTAL	1.11,57,40,065	97,91,28,501

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013**30. CONTINGENT LIABILITIES AND COMMITMENTS:**

	Rs. In Lacs	
	As At 31-03-13	As At 31-03-12
a. Claims against the Company / Disputed Liabilities not acknowledged as debts	505.79	380.88
b. Guarantee issued by the bankers on behalf of the Company	11,113.92	13,590.34
c. Letter of credit issued by the Company's Bank on behalf of the Company.	3,529.36	322.82
d. Income tax Demand disputed by the Company	1,107.31	-
e. Liabilities of stamp duty in respect of joint Venture Company	853.28	853.28
f. Liability of Labour cess in respect of Joint Venture Company	477.84	477.84

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

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

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

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

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

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

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

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

33). CHANGE OF ACCOUNTING POLICIES OF AMORTISATION :

a. Hitherto up to 31st March 2012 expenditure incurred on Build, Operate & Transfer projects, of Hoshanagabd – Harda – Khanadwa and Raisen Rahatgarh Road Project, was amortized / written off after reducing the “Cash Subsidy” received from Madhya Pradesh Rajya Setu Nirman Nigam Limited from the total BOT cost on the basis of projected toll revenue over the period of concession. Based on the expert's opinion received by the Company the Company has changed the policy and the said BOT Expenditure is amortized / written off without deducting the Cash Subsidy received from Madhya Pradesh Rajya Setu Nirman Nigam Limited retrospectively,

Had there been no change in the method of amortization, the amount of amortization would have been lower by Rs. 42,20,29,603/- (including Rs. 5,96,44,959/-for the current year). Consequently Profit and reserves and surplus would have been higher to that extent.

b. Hitherto up to 31st March 2012 expenditure incurred on Build, Operate & Transfer projects, of Kim Mandvi Road Projects, was amortized / written off after reducing the “Cash Subsidy” received from Gujarat state Road Development Corporation from the total BOT cost on the basis of projected toll revenue over the period of concession. Based on the expert's opinion

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

received by the Company the Company has changed the policy and the said BOT Expenditure is amortized / written off without deducting the Cash Subsidy received from Gujarat State Road Development corporation retrospectively,

Had there been no change in the method of amortization, the amount of amortization would have been lower by Rs. 17,80,395/- (including Rs. 6,15,588/-for the current year). Consequently Profit and reserves and surplus would have been higher to that extent.

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

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

Particulars	Rs. In Lacs	
	2012-13	2011-12
Contract Revenue	75,213.51	65,683.64
Contract Cost Incurred	68,944.84	60,080.10
Recognized Profits / Losses	6,268.67	9,775.78
Advances Received	778.71	1,131.06
Retention Money	5,356.09	5,230.83
Gross Amount due from Customers For Contract Work	4,667.50	63,317.69

36). Disclosure relating to Employees Benefits – As per revised AS-15:

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

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

Particulars	Rs. In Lacs
	2012-13
Employer Contribution to Provident Fund	178.48 (201.43)

b) DEFINED BENEFIT PLAN

Reconciliation of opening and closing balances of Defined Benefit obligation

Particulars	Rs. In Lacs	
	Gratuity (Funded)	Leave Encashment (Non Funded)
Defined Benefit obligation at the beginning of the year	81.00 (63.47)	50.07 (22.41)
Current Service Cost	9.77 (7.36)	17.81 (24.05)
Interest Cost	6.64 (5.52)	4.06 (1.94)
Actuarial (gain)/loss	7.83 (22.66)	(15.94) (1.66)
Benefits Paid	9.44 (18.03)	NIL (NIL)
Defined Benefit obligation at the year end	95.80 (81.00)	56.00 (50.47)

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

Reconciliation of opening and closing balances of fair value of plan Assets

Rs. In Lacs

Particulars	Gratuity (Funded)
Fair value of plan assets in the beginning of the year	97.13 (105.08)
Expected return on plan assets	7.77 (8.41)
Actuarial gain/(loss)	3.22 (4.76)
Employer contribution	44.86 (0.00)
Benefits Paid	9.44 (18.02)
Fair Value of plan assets at the end of the year	143.54 (90.70)

Reconciliation of Fair Value of Plan Assets and Benefit Obligation

Rs. In Lacs

Particulars	Gratuity (Funded)	Leave Encashment (Non Funded)
Fair Value of Assets as at 31st March, 2013	143.54 (90.70)	56.00 (50.07)
Present Value of obligation as at 31st March, 2013	95.80 (81.00)	56.00 (50.07)
Amount recognized in Profit & Loss Account	17.52 (31.90)	5.92 (27.66)

Expenses recognized during the year (Under the head "Salaries & Bonus" – Refer Schedule 6)

Rs. In Lacs

Particulars	Gratuity (Funded)	Leave Encashment (Non Funded)
Current Service Cost	9.77 (7.36)	17.82 (24.05)
Interest Cost	6.64 (5.52)	4.05 (1.94)
Expected return on Plan Assets	7.77 (8.40)	NIL (NIL)
Actuarial gain/(loss)	4.62 (27.42)	-15.95 (1.66)
Expense Recognized in Profit and Loss Account	17.52 (31.90)	56.00 (50.07)

Actuarial Assumptions

Particulars	Gratuity (Funded)	Leave Encashment (Non Funded)
Discount Rate (Per Annum)	8.70% (8.70%)	8.20% (8.70%)
Salary Escalation (Per Annum)	6.00% (6.00%)	6.00% (6.00%)

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

37). Transaction with related parties (as certified by the management)

c. Associate Concern:

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

b. Holding / Indirect Holding Company

- Welspun Corp. Limited (Indirect holding)
- Welspun Infra-tech Limited (Holding)

c. Key Management

Name	Position	Name of the Company
B.K. Goenka	Chairman	Welspun Projects Limited
Sunil Shinde	Managing Director Resigned on 19/05/12)	
Sandeep Garg	Managing Director (W.e.f. 16/07/12)	
Rajesh R Mandawewala	Director	

				Rs. In Lacs
Sr No.	Transaction with Related Parties	Holding Company	Associate Company	Key Management
1	Sales / Income from operations	3,529.81 (1,969.52)	5,511.41 (11,225.84)	- (-)
2	Other Income	- (-)	115.37 (-)	
3	Material Purchase	342.54 (558.32)	1,599.87 (11,551.03)	- (-)
4	Rent Paid	- (-)	147.58 (-)	- (-)
5	Mobilization Advance Received	- (-)	135.00 (126.48)	- (-)
6	Mobilization Advance Repayment	174.91 (88.66)	106.53 (657.27)	- (-)
7	Loan given	- (-)	3,300.00 (-)	- (-)
8	Loan Received	757.08 (4,380.25)	66.92 (-)	- (-)
9	Repayment of Loan Received	469.04 (3,901.59)	66.92 (-)	- (-)
10	Repayment of loan given	- (-)	3,300.00 (9.03)	- (-)
11	Advance for purchase of commercial Property.	- (-)	- (-)	- (-)
12	Remuneration to the Directors	- (-)	- (-)	145.45 (130.86)
13	Receivable at the end of the year	800.60 (156.86)	1,015.87 (1,438.59)	-
14	Payable at the end of the year	1,775.46 (1,116.80)	469.93 (731.20)	-

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

38). Based on the expert’s opinion taken by the Company, subsidy of Rs.1,26,53,79,840/- (Previous Year Rs.1,26,53,79,840/-) received from Madhya Pradesh Rajya Setu Nirman Nigam Limited, and Gujarat State Road Development Corporation against the Build, Operate and Transfer projects expenditure is in the nature of promoter contribution and accordingly treated as Capital Reserve in the books of account of the Company.

39). Earning per share:

Particulars	2012-13	2011-12
A. Net profit after Tax available for equity shareholders.	5,89,01,391	3,32,21,768
B. Weighted average number of Equity Shares of Rs.10/- each outstanding during the year (Nos. of Shares)	4,00,00,000	4,00,00,000
C. Basic & Diluted Earning Per Share (Rs.)	1.47	0.83

40). Confirmations of certain parties for amounts due from them as per accounts of the company are not obtained. Amount due from customers include amounts due/with held on account of various claims. The claims will be verified and necessary adjustments, if any, shall be made in the year of settlement. Subject to this, company is confident of recovering the dues and accordingly they have been classified as “debt considered good” and therefore no provision is considered necessary, there against.

41). Under the Micro, Small and Medium Enterprise Development Act, 2006 (“MSMED Act”) which came into force effective from 2nd October, 2006, certain disclosures relating to amounts due to micro, small and medium enterprises and remained unpaid after the appointed date etc. of principal and interest amounts are required to be made. The Company is in the process of compiling the relevant information. As the relevant information is not yet readily available and / or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may Subsequently become payable to such enterprise in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.

In the absence of the necessary information with the Company relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act’ 2006, the information required under the said Act could not be compiled and disclosed.

42). In the opinion of the Directors, Current Assets, Loans and Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

42.a) Unaudited financial statements of BUL – MSK Infrastructure Private Limited (Joint Venture Company) whose financial statements reflect total assets of Rs.22,18,36,884/- as at 31st March 2013 and total revenue of Rs. 8,10,07,835/- for the year then ended are not approved / signed by the Board of Directors of the Joint Venture Company.

The Company has 50% share holding in the said Joint Venture Company. As the Company is under negotiation / finalization with the joint venture partner for sale of its stake and does not have any active participation under the management from the time it was acquired from erstwhile promoters, the above amount stated in un-approved / unsigned financial statement provided by active management has been consolidated.

43. In respect of Joint controlled entities, the Company’s Assets, Liabilities, Income and Expenditure of the Joint Venture companies are as follows.

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

Sr	31-3-2013 (Amount in Rs.)	31-3-2012 (Amount in Rs.)
I. EQUITIES AND LIABILITIES		
1. Shareholders' Funds		
a. Reserves and Surplus	35,19,87,038	40,65,09,838
2. Non Current Liabilities		
a. Long Term borrowings	1,42,31,22,307	1,92,71,39,386
b. Deferred tax liabilities (Net)	(3,91,28,000)	(1,64,24,500)
3. Current Liabilities		
a. Trade Payable	3,84,89,324	66,40,839
b. Other Current Liabilities	55,54,86,886	9,06,78,445
TOTAL	2,32,99,57,555	2,41,45,44,007
II. ASSETS:		
1. NON CURRENT ASSETS		
a. Fixed Assets		
i. Tangible Assets	28,12,428	25,77,045
ii. Build, Operate & Transfer Project Expenditure	2,82,82,70,236	2,64,17,15,276
b. Long Term Loan & Advances	3,82,50,362	(7,45,31,684)
c. Other Non Current Assets	10,100	19,625
2. CURRENT ASSETS		
a. Trade Receivable	89,13,119	15,56,432
b. Cash & Cash Equivalent	5,37,26,440	3,46,58,571
c. Short Loan & Advances	64,26,886	6,92,595
TOTAL	2,93,84,09,571	2,60,66,87,861
III. INCOME	36,86,85,377	36,46,31,468
IV. EXPENDITURE	38,36,70,308	36,70,73,522

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

FOR **CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.**
CHARTERED ACCOUNTANTS

(H.B.SHAH)
PARTNER
MEMBERSHIP NO. 016642

PLACE: VADODARA
Date: 18.5.2013

FOR & ON BEHALF OF THE BOARD

CHAIRMAN
(B.K.GOENKA)

MANAGING DIRECTOR
(SANDEEP GARG)

COMPANY SECRETARY
(RAJENDRA SAWANT)

CASH FLOW STATEMENT

	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & prior period items	2,87,63,214	3,73,86,137
Depreciation	6,76,66,788	8,18,79,117
Preliminary Expenses	1,65,905	1,58,905
Amortisation	61,72,16,325	14,88,38,414
Interest paid (net)	47,37,70,836	51,54,53,779
Profit on Sale of Fixed Assets	(8,29,713)	-
Provision for Bad Debts	2,02,73,302	-
Bad Debts	15,98,95,479	-
Unclaimed liability written back	-	(30,24,985)
Loss on Sale of Investments	-	(16,28,862)
Prov for Leave Encashment & Gratuity	31,97,910	44,99,750
Dividend received	(32,800)	(32,000)
Profit on sales of Investment	(57,85,588)	(63,88,783)
Operating Profits before Working Capital changes	<u>1,36,43,01,656</u>	<u>77,71,41,472</u>
Adjustment for:		
Inventory &WIP	3,36,22,378	15,58,71,936
Trade & Other Receivables	18,06,89,246	(71,45,47,672)
Trade Payables& Provisions	56,71,28,881	(38,40,14,899)
	<u>78,14,40,505</u>	<u>(94,26,90,635)</u>
Cash generated from Operations before Tax & Prior period items	2,14,57,42,161	(16,55,49,163)
Less: Direct Taxes	(3,01,38,178)	6,23,48,462
Less: Prior Period items	-	4,37,348
NET CASH GENERATED /(USED) FROM OPERATING ACTIVITIES	<u>2,17,58,80,339</u>	<u>(22,83,34,973)</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,46,75,052)	(1,28,10,600)
Sale of Fixed Assets	103,58,190	47,42,908
Investments	(1,67,92,58,173)	1,39,85,18,929
BOT expenditure during the Year	(9,59,32,391)	(12,23,33,300)
Dividend Received	32,800	32,000
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,77,94,74,626)</u>	<u>1,26,81,49,937</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (Net)		
Repayments during the Year	(27,64,39,771)	(38,11,69,010)
Interest paid (Net)	(47,37,70,836)	(51,54,53,779)
NET CASH FROM FINANCING ACTIVITIES	<u>(75,02,10,607)</u>	<u>(89,66,22,789)</u>
Net changes on Cash & Cash Equivalents (A+B+C)	(35,38,04,894)	14,31,92,175
Cash & Cash Equivalents - Opening Balance	63,43,35,231	49,11,43,056
Cash & Cash Equivalents - Closing Balance	28,05,30,337	63,43,35,231

As Per our report of even date
For **CHANDRAKANT & SEVANTILAL & J.K. SHAH & COMPANY**
Chartered Accountants
Registration No. 101676W

For and on Behalf of the Board Of Directors of
WELSPUN PROJECTS LIMITED

H.B. Shah Partner
Membership No. 016642

(B.K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Rajendra Sawant)
Company Secretary

Place: Vadodara
Date: 18 05 2013



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

Rs. In Lacs

Name of the subsidiary company	MSK Projects (Himmatnagar) Bypass P Ltd	MSK Projects (Kim Mandvi Corridor) Private Ltd	Welspun BOT Projects Private Limited	Anjar Road Private Limited
Financial Year of the subsidiary ended on	31 Mar 13	31 Mar 13	31 Mar 13	31 Mar 13
Share Capital	24.20	673.00	1.00	1.00
Reserves & Surplus	371.43	354.74		(0.19)
Total Assets (Fixed Assets + Investments + Current Assets)	568.73	5,131.23	1.21	1.00
Total Liabilities (Debts + Current Liabilities)	173.09	3,231.29	0.21	(0.19)
Investment (excluding investments in subsidiaries)			0.00	872.21
Turnover	265.94	348.90		
Profit before Taxation	38.57	(58.28)		
Provision for Taxation	7.35			
Profit after Taxation	31.22	(58.28)		
Proposed Dividend				

As Per our report of even date

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

Chartered Accountants
Registration No. 101676W

For and on Behalf of the Board Of Directors

WELSPUN PROJECTS LIMITED

H.B. Shah Partner
Membership No. 016642(B.K. Goenka)
Chairman(Sandeep Garg)
Managing Director(Rajendra Sawant)
Company SecretaryPlace: Vadodara
Date: 18 05 2013

WELSPUN



Dare to Commit

WELSPUN Projects Ltd.

www.welspunprojects.com

Welspun House, 4th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (west), Mumbai – 400 013, INDIA.