

**WELSPUN INVESTMENTS AND COMMERCIALS LIMITED**

**3<sup>rd</sup>  
Annual Report  
2010-11**



## WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

### CORPORATE INFORMATION

|  |   |
|--|---|
| <b>BOARD OF DIRECTORS</b>                                    | B.K. Goenka<br>Arun Todarwal<br>Shailesh Vaidya<br>Raj Kumar Jain   |
| <b>AUDIT COMMITTEE</b>                                       | Raj Kumar Jain<br>Arun Todarwal<br>Shailesh Vaidya  |
| <b>SHAREHOLDERS'/<br/>INVESTORS' GRIEVANCE<br/>COMMITTEE</b> | B.K. Goenka<br>Arun Todarwal<br>Shailesh Vaidya   |
| <b>COMPANY SECRETARY</b>                                     | Jeevan Mondkar  |
| <b>STATUTORY AUDITORS</b>                                    | Suresh Surana & Associates,<br>Chartered Accountants  |
| <b>REGISTERED OFFICE</b>                                     | Welspun City,<br>Village Versamedi,<br>Tal : Anjar,<br>Dist. Kutch,<br>Gujarat – 370 110<br>Tel: +91-2836- 661111<br>Fax : +91-2836-279010                    |
| <b>CORPORATE OFFICE</b>                                      | Welspun House,<br>7th Floor,<br>Kamala City,<br>Senapati Bapat Marg,<br>Lower Parel,<br>Mumbai – 400 013.<br>Tel : +91-22- 66136000<br>Fax : + 91-22-24908020 |
| <b>REGISTRAR AND<br/>TRANSFER AGENTS</b>                     | Link Intime India Private Limited<br>C-13, Pannalal Silk Mills Compound,<br>L.B.S. Marg, Bhandup (West)<br>Mumbai – 400 078.                                  |
| <b>BANKERS:</b>  | Punjab National Bank<br>IndusInd Bank Limited<br>IDBI Bank Limited  |
| <b>WEBSITE:</b>  | <a href="http://www.welspuninvestments.com">www.welspuninvestments.com</a>  |
| <b>LISTED AT:</b>  | Bombay Stock Exchange Limited<br>National Stock Exchange of India Limited   |

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## **NOTICE**

NOTICE is hereby given that the 3<sup>rd</sup> Annual General Meeting of Welspun Investments and Commercials Limited will be held on Thursday, September 29, 2011 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal :Anjar, Dist. Kutch, Gujarat – 370 110 at 11 a.m. to transact the following business:

### **Ordinary Business:**

- 1] To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2] To appoint a director in place of Mr. Raj Kumar Jain, who retires by rotation, and being eligible offers himself for re-appointment.
- 3] To appoint M/s. Suresh Surana & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### **Special Business:**

- 4.] To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in supersession of the resolution passed by the Members of the Company at the Annual General Meeting held on 11<sup>th</sup> June 2009 concerning mortgaging/charging of the properties of the Company and pursuant to the provisions of section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) or any amendment, modification thereof, consent of the Company be and is hereby accorded in terms of section 293(1)(a) and other applicable provisions, if any, of the Act, to mortgaging and/or charging by the Board of Directors of the Company of all or any of the immovable and/or movable properties of the Company, wheresoever situated, both present and future, or the whole or substantially the whole of the undertaking or undertakings of the Company on such terms, in such form and in such manner as the Board of Directors may think fit, together with power to take over the management of the business and concern of the Company in certain events in favour of Banks, Financial Institutions, other investing agencies and trustees for the holders of Debentures / other instruments, for securing, inter alia, any loans (both rupee loans as well as foreign currency loans) and/or advances already obtained or debts already incurred or that may hereafter be obtained or incurred from any of the lenders and/or to secure any debentures issued/that may be issued, and/or any financial obligations/ commitment hereinafter collectively referred to as the “Loans”) and all interest, compound/ additional interest, commitment charges, Trustees’ remuneration, costs, charges expenses and all other monies payable by the Company to the concerned Lenders, and/or Agents and Trustees for debentures provided that the amount of loans (other than temporary loans (including working capital facilities) obtained from the Company’s bankers in the ordinary course of business) shall not exceed Rs.100 Crores.”(Rupees One Hundred Crore only)

- 5.] To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in supersession of the resolution passed in that behalf by the Company at its Annual General Meeting held on 11<sup>th</sup> June 2009 and pursuant to the provisions of Section 293 (1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 or any amendment, modification thereof, the Board of Directors of the Company be and is hereby authorised to borrow in any manner from time to time all such sums of money as they may deem necessary for the purpose of business of the Company notwithstanding that moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans (including working capital facilities) obtained from the Company’s bankers in the ordinary course of business) (hereinafter referred to as the “Borrowings”) from Financial Institutions, Company’s bankers and/or from any person or persons, firms, bodies corporate whether by way of loans, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured shall exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose provided that the total amount of the Borrowings by the Board of Directors shall not exceed Rs. 100 crores (Rupees One Hundred Crores Only).”

Place: Mumbai  
Date: May 30, 2011

By Order of the Board of Directors

**Jeevan Mondkar**  
*Company Secretary*

1. The Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of special businesses under item No. 4 to 5 above are annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Transfer Books of the Company will be closed from Thursday, September 22, 2011 to Thursday, September 29, 2011 (both days inclusive) for the purpose of Annual General Meeting.
4. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of the Board resolution/Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
5. Members are requested to notify change in address, signature or bank particulars for their shares held in electronic mode to their respective depository participant and for physical holding to the Registrar and Share Transfer Agents of the Company. i.e. M/s Link Intime Private Limited.
6. Members are requested to bring their copy of the Annual Report at the Meeting.
7. Members/Proxies should bring their attendance slips duly completed for attending the Meeting.
8. To support the Green Initiative in Corporate Governance taken by the Ministry of Corporate Affairs by allowing paperless compliances and stating that service of notices/documents including Annual Reports can be effected by sending the same through electronic mode to the registered email addresses of the shareholders. Notices /documents including the Annual Report are now being sent by electronic mode to the shareholders whose email addresses have been registered with the Company. Members who would like to receive such notices/documents in electronic mode in lieu of physical copy and who have not registered their email addresses so far are requested to register their email addresses:  
  
In respect of electronic shareholding holding- through their respective Depository Participant.  
  
In respect of physical shareholding- by sending a request to the Company's Registrar and Share Transfer Agent, mentioning therein folio number and email address.

#### **ANNEXURE TO THE NOTICE**

#### **BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT AND EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.**

##### **ITEM NO. 2 :**

As regards re-appointment of Raj Kumar Jain referred to in item no. 2 of the notice, following necessary disclosures are made for the information of the shareholders:

Mr. Raj Kumar Jain, aged 55 years, is a non-executive and an independent director. Mr. Jain is a qualified chartered accountant registered with the Institute of Chartered Accountants of India. He has over 31 years of experience in the field of finance and accounts and has been providing advice to the Company in matters relating to accounts.

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

##### **Directorship:**

- i) Welspun Syntex Limited, ii) Welspun Corp Limited, iii) Altius Finserv Private Limited, iv) Arihant Medical Services Private Limited.

##### **Membership / Chairmanship of Committees:**

He is the Chairman of Audit Committee of Welspun Corp Limited and Welspun Syntex Limited.

He does not hold any equity shares in the Company.

##### **ITEM NO. 4**

The Members of the Company at the Annual General Meeting held on June 11, 2009 have accorded their consent for mortgaging and/or charging by the Board of Directors of the Company of all the movable and immovable properties of the Company and its undertakings in favour of the Banks, Financial institutions etc, for borrowing(s) upto a sum of Rs. 50 Crores (Rupees Fifty Crores only)

In view of the growth in the operations of the Company and also keeping in view of expansion plans which the Company is likely to take up in the foreseeable future, it is considered necessary to pass an enabling resolution to mortgage and /or

charge the properties of the Company in favour of the Banks, Financial Institutions, etc.. for securing the requisite finance upto a maximum of Rs.100 crores only.

As per the provisions of Section 293(1) (a) of the Companies Act, 1956, the Board of Directors of the Company shall not except with the consent of the Company in General Meeting create mortgage and/or charge on all or any of the immovable and/or movable properties of the Company, both present and future, or of the whole or substantially the whole of the undertaking or undertakings of the Company.

Therefore it is proposed to authorise the Board of Directors of the Company to mortgage/create charge on immovable and/or movable properties of the Company, both present and future, for securing loan upto Rs.100 crores for the purpose of the business of the Company.

Members approval is sought by way of ordinary resolution proposed under Item no 4.

None of the directors of the Company are concerned or interested in the resolution.

**ITEM NO.5:**

As per the provisions of Section 293(1) (d) of the Companies Act, 1956, the Board of Directors of the Company shall not except with the consent of the Company in General Meeting borrow moneys, together with the moneys already borrowed by the Company, in excess of the paid-up capital and free reserves of the Company.

In view of expanding operations and considering the expansion plans of the Company to diversify in to new area of activities, its increased size of business and the need to infuse the funds in the new area of activities of the Company it is expected that the current limit of Rs. 50 crores is not sufficient. The Board of Directors seek members consent for sanctioning borrowing limits upto Rs. 100 Crores only.

Members approval is sought by way of ordinary resolution proposed under Item no. 5.

None of the directors of the Company are concerned or interested in the resolution

By Order of the Board of Directors

Place: Mumbai

Date: May 30, 2011

**Jeevan Mondkar**  
*Company Secretary*

**DIRECTORS' REPORT**

Dear Members,  
**WELSPUN INVESTMENTS AND COMMERCIALS LIMITED.**

The Directors of your Company are pleased to present their 3<sup>rd</sup> Annual Report together with Audited Statement of Accounts for the year ended March 31, 2011.

**1. WORKING RESULTS:**

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

|                                    | <b>2010-11<br/>(Rs.)</b> | <b>2009-10<br/>(Rs.)</b> |
|------------------------------------|--------------------------|--------------------------|
| Income                             | <b>28,893,572</b>        | 51,440,576               |
| Expenditure                        | <b>17, 281,336</b>       | 32,725,567               |
| Profit before taxation             | <b>11,612,236</b>        | 18,715,009               |
| Provision for current taxation     | <b>(562,009)</b>         | (4,369,901)              |
| Profit after Taxation              | <b>11,050,227</b>        | 14,345,108               |
| Profit available for appropriation | <b>11,050,227</b>        | 14,345,108               |
| Balance b/f for Previous Year      | <b>14,270,982</b>        | (74,126)                 |
| Balance Carried to Balance Sheet   | <b>25,321,209</b>        | 14,270,982               |

**2. DIVIDEND**

With a view to conserve resources for consolidating financial position of the Company and to achieve long term growth, your directors do not recommend any dividend for the period ended March 31, 2011. The directors submit that this will increase shareholders' value in the long term.

**3. LISTING OF EQUITY SHARES**

During the year the Company's equity shares got listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited after getting relaxation from Securities and Exchange Board of India (SEBI) from the applicability of Rule 19 (2) (b) under the Securities Contract (Regulations) Rules, 1957. As apprised in the last annual report these equity shares were allotted pursuant to the Composite Scheme of Arrangement in the nature of Demerger for transfer of Investment and Treasury Division of Welspun India Limited (WIL) to Welspun Investments and Commercials Limited (formerly Welspun Investments Limited)

**4. DIRECTOR**

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Raj Kumar Jain, Director retire by rotation at the forthcoming Annual general Meeting, and being eligible, offer himself for re-appointment. For your perusal, a brief resume of Mr. Raj Kumar Jain and other relevant details are given in the Explanatory Statement to the Notice convening the Annual General Meeting. The Board of Directors recommends his appointment for approval of the shareholders of the Company.

**5. MANAGEMENT DISCUSSION AND ANALYSIS**

**a. Industry Structure and Developments**

Indian economy has grown at an impressive rate India's GDP registered a growth of 8.6% during 2010-11, contributed mainly by manufacturing and services sectors. GDP growth estimates for 2011-12 provided by the Finance ministry indicated that the economy will better its performance and touch the 9% mark. India's rapid economic growth in recent years and the prospects of building further on this momentum in the medium to long term has led it to command a new respect in the world. According to the recent studies India is expected to be the third largest economy by 2050. Some studies indicate a near tripling of household disposable incomes and a burgeoning middle class which will comprises around 40 % of India's population. But the main cause of worry is inflation. Overall inflation rate for 2010-11 stood at 9.4% while Industrial production trend showed some weakness, registering a growth of 7.8% in 2010-11 against a growth of 10% seen during 2009-10. Core sectors recorded an overall growth

of 5.7% during 2010-11 which is better than 5.4% growth seen in 2009-10. Exports grew by 35% during the year, which was the fastest growth since independence, while imports too showed an increase of 21.2%. FDI flows in 2010-11 have seen a slowdown from the previous year, possibly due to environment sensitive policies being pursued with regards to the mining sector and township projects, which seem to have affected investors' sentiments. Strong tax revenues, 3G/BWA spectrum windfall and moderation in growth of overall expenditure have helped the Government rein in fiscal deficit in 2010-11

Exports growth is expected to moderate underpinned by high base, uncertain external demand and volatile currency. Imports are expected to soften mainly on account of high base.

**b. Business Overview**

The Company deals in commodities in the domestic as well as international market. Welspun Group has a very strong presence globally which can fetch viable business opportunities in the Company's business segment. The Company area of activities also comprises of the Investments activities predominantly in Welspun Group Companies. Since majority of Investments of the Company is in the form of strategic investment in Welspun Group Company, the source of income for the Company is in the form of dividend as declared by the investee Company. The profitability of the Company is linked to the performance of the investee companies as well as the fluctuations in the quotations of the stock markets. The financial year under review saw the economy doing well. The performance of the investee company is expected to improve which might result in higher dividend yield in the coming year. The Company other source of Income are through its investments in group companies and interest on Investments in bonds and mutual funds in India. The general strategy of investments is to generate long-term capital appreciation coupled with safety and liquidity.

**c. Outlook**

Global industrial production is stabilizing and appears set to grow, coupled with public sector expenditure should enable the major economies to post positive GDP numbers, marking the end of the global recession and reducing deflationary risks. The performance of your company has been sustainably improving as a result of increased activities from investment and trading operations. In the emerging economies, like India, rapid rise in inflationary pressures, spurt in commodities prices and potential for boom-bust cycles could eventually result in hard landing in the trading activities.

**d. Opportunity & Threats**

India has averted the effects of the global slumps and continues to grow at a healthy 7-8%. The Improved performance of the capital markets along with robust and stable economic growth has given a push to the new opportunities. However, due to sheer unpredictable nature of markets, it makes investments a risky business.

The cut throat competition in trading activities are the major threats faced by the Company in the trading segment. Higher Inflation is also a major challenge face by Company.

High economic growth in the country would offer considerable opportunities and your company would continuously strive to take advantage of opportunities coming its way. The Company sees abundant prospects in this area.

The Investments business is being carried with own funds, dividend, and shall not be raising any public deposits to carry out the investments activities.

The Company is mainly exposed to market risk in the form of reduction in the value of investments and fall in returns due to dip in performance of the investee company. The Company is also exposed to fluctuation in the economy and industry cycles/downturn in general.

**e. Internal control systems and their adequacy**

The Company maintains the system of internal controls designed to provide high degree of assurance regarding the effectiveness and efficiency of operations, reliability of financial controls and compliance with laws and regulations. Transactions are authorized, recorded and correctly reported. There are clear demarcation of roles and responsibilities at various levels of operations.

**f. Cautionary Statement**

The Information and opinion expressed in this report may contain certain forward looking statements, which the

management believes are true to the best of its knowledge at the time of its preparation. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements, risks and opportunities could differ materially from those expressed or implied in this report. This should be read in conjunction with the Company's financial statements.

**6. PUBLIC DEPOSITS**

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

**7. AUDITORS**

The Auditors of the Company, M/s Suresh Surana & Associates, Chartered Accountants shall retire at the conclusion of the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re- appointment. They have furnished a certificate regarding their eligibility for re-appointment as Statutory auditors of the Company, pursuant to Section 224(1B) of the Companies Act, 1956.

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

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

**9. PARTICULARS OF EMPLOYEES**

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

**10. DIRECTORS RESPONSIBILITY STATEMENT**

The Directors confirm that they had:

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

**11. ACKNOWLEDGEMENTS**

Your Directors wish to place on record their sincere appreciation for the valuable support and assistance received by your Company from Banks, Government authorities, Regulatory authorities and the stakeholders for their continued co-operation and support to the Company. The Board also thanks the employees at all levels for their dedication, commitment and hard work put in by them for Company's achievements and look forward for their continued support.

For and on behalf of the Board

**B. K. Goenka**  
Chairman

Place: Mumbai  
Date: May 30, 2011



**CORPORATE GOVERNANCE REPORT – 2011**

**I. Philosophy on Corporate Governance:**

Welspun continuously strives to achieve higher level of accountability, transparency, responsibility and fairness in all areas of operations. Welspun Investments and Commercials Limited (“WICL”) is committed to good Corporate Governance. The Company fully realises the rights of the shareholders to information on the performance of the Company. Any corporate strategy needs to be dynamic, vibrant and responsive to the changing economic scenario and flexible too to adopt the environmental and fiscal fluctuations. The basic philosophy of Corporate Governance in the Company is to achieve business excellence, and dedicate itself for increasing long term value, keeping in view the needs and interest of all its stakeholders. Accordingly, timely, accurate disclosure of information regarding the financial position, ownership and governance of the Company form an important part of corporate governance.

**Board of Directors:**

Your Company is managed and controlled by the professional Board of Directors. As on March 31, 2011, the Board of Directors comprises of 4 Directors, of which 1 Director is Non - Executive and 2 are Independent Directors. The Chairman is non-executive and a promoter of the Company. Your Company’s Board consists of eminent persons with considerable professional expertise and experience thereby ensuring the best interest of stakeholders and the Company. The Company is in compliance with the clause 49 of the listing Agreement pertaining to compositions of directors.

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

| Name of Director                                  | Category    | Board Meetings Attended during the Year 2010-11 | Attendance at the Last AGM | No. of Directorships in other Indian Public Limited Companies | No. of Chairmanship(s)/ Membership(s) of Committees in other Public Ltd Cos. @ |             |
|---|-------------|---|----------------------------|---|--|-------------|
|   |             |   |                            |   | Chairmanships  | Memberships |
| Mr. B.K. Goenka – Chairman                        | P, NE, C, S | 4   | No                         | 12  | -  | 5           |
| Mr. Arun Todarwal – Nominee – Dunearn Investments | NE,S        | 4   | No                         | 7   | 1  | 6           |
| Mr. Shailesh Vaidya                               | NE,I        | 4   | No                         | 11  | 1  | 3           |
| Mr.Raj Kumar Jain                                 | NE,I        | 4   | Yes                        | 2   | 2  | -           |

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

Abbreviations:

P = Promoter, E = Executive, NE = Non-Executive, I = Independent, S = Shareholder, C = Chairman.

Four meetings of the Board of Directors were held during the financial year 2010-11 and the gap between two meetings did not exceed four months. The dates of those four meetings were June 04 2010, July 06, 2010, October 29, 2010, and February 14, 2011. The information as required under Annexure IA to Clause 49 of the Listing Agreement is being made available to the Board.

**II. AUDIT COMMITTEE**

**a. TERMS OF REFERENCE:**

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

**b. Composition:**

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

| <b>Name of Member</b> | <b>Member/ Chairman</b> | <b>Category</b>           | <b>No. of meetings attended</b> |
|-----------------------|-------------------------|---------------------------|---------------------------------|
| Mr. Raj Kumar Jain    | Chairman                | Non-Executive Independent | 3                               |
| Mr. Arun Tadarwal     | Member                  | Non-Executive             | 3                               |
| Mr. Shailesh Vaidya   | Member                  | Non-Executive Independent | 3                               |

During the year, the Committee met three times: July 06, 2010, October 29, 2010 and February 14, 2011. The Company Secretary of the Company, Mr. Jeevan Mondkar is the Secretary of the Committee. Finance Head, Accounts Head and Internal Auditors/ Statutory Auditors are the permanent invitees to the meetings as and when held as per the provisions of the Listing Agreements of the Stock Exchanges.

**III. REMUNERATION COMMITTEE:**

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

**b. Composition:**

| <b>Name of Member</b> | <b>Member/ Chairman</b> |
|-----------------------|-------------------------|
| Mr. Shailesh Vaidya   | Chairman                |
| Mr. Arun Tadarwal     | Member                  |
| Mr. Raj Kumar Jain    | Member                  |

**c. Remuneration to Non Executive Directors:**

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

| <b>Name of the Director</b> | <b>Sitting Fees paid(Rs.)</b> |
|-----------------------------|-------------------------------|
| Mr. Shailesh Vaidya         | 21000/-                       |
| Mr. Arun Tadarwal           | 21000/-                       |
| Mr. Raj Kumar Jain          | 21000/-                       |

Non Executive Directors (except Promoter Directors) are entitled for sitting fees of Rs. 3,000/- per meeting for attending Board Meetings and Audit Committee Meetings.

**Directors' shareholding**

As on March 31, 2011, Mr. B.K. Goenka held 2,229 shares. None of the other Directors held any shares in the Company.

**d. Code of Conduct.**

The Company has a Code of Conduct for its Directors and designated senior management personnel. All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct for the financial year 2010-11. A declaration signed by the Chairman to this effect is annexed to this report. The Code of Conduct is available on the website of the Company.

**IV. SHAREHOLDERS' /INVESTORS' GRIEVANCE COMMITTEE**

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

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

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

| <b>Name of Member</b> | <b>Member/ Chairman</b> |
|-----------------------|-------------------------|
| Mr. B. K. Goenka      | Chairman                |
| Mr. Arun Todarwal     | Member                  |
| Mr. Raj Kumar Jain    | Member                  |

b. Number of Shareholders complaints received during the year:

The Company received only 9 shareholders' complaints during the financial year under review, which were of a routine nature and were satisfactorily resolved. There are no outstanding complaints pending as on March 31, 2011.

**V. UNCLAIMED SHARES**

Pursuant to an amendment to the Listing Agreement with the Stock Exchanges, a listed company needs to transfer shares, which have remained unclaimed pursuant to a public issue or any other issue to a demat suspense account with a Depository Participant The Company is in process of assessing the details of the shareholders, whose shares are still unclaimed, issued pursuant to the Scheme of Arrangement in the nature of Demerger for transfer of Investment and Treasury Division of Welspun India Limited to the Company. The Company will start sending reminders to all such shareholders, to the addresses available with its Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited. The Company will commence disclosing the details of the shares transferred to the demat suspense account as applicable, in its future annual reports.

**VI. MANAGEMENT**

**a. Management Discussion and Analysis**

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

**b. Disclosures by Management to the Board**

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

**c. Accounting Policies**

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

**d. Insider Trading**

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

**VII. GENERAL BODY MEETINGS**

**(A) Year 2009**

(i) The 1st Annual General Meeting was held on June 11, 2009 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal : Anjar Dist. Kutch, Gujarat – 370 110 at 3.00 p.m.

(ii) Following Special Resolution was passed in the aforesaid Annual General Meeting:

To alter the Articles of Association by way of substituting with new set of Articles of Association bearing Articles No. 1 to 220.

**(B) Year 2010**

(i) The 2nd Annual General Meeting was held on September 28, 2010 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal : Anjar Dist. Kutch, Gujarat – 370 110 at 12.00 noon

(ii) Following Special resolution was passed in the aforesaid Annual General Meeting:

To alter Article 177 of the Articles of Association of the Company to bring it in line with the current provision of Section 205A of the Companies Act, 1956 with regard to payment of dividend within 30 days from the date of declaration.

No postal Ballot was conducted in the year 2010-11. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

#### **VIII. DISCLOSURE**

##### **a. Details of related party transactions**

Refer Note No.7 of Schedule 8 to the Accounts in the Annual Statement for list of related party transactions.

##### **b. Details of information on appointment of new directors**

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

##### **c. Details of non-compliance**

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

#### **IX. MEANS OF COMMUNICATION**

The financial results are usually published in Western Times, The Free Press Journal and Navshakti.

The financial results are also placed on the Company's website: [www.welspuninvestments.com](http://www.welspuninvestments.com) after its submission to the Stock Exchanges.

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

#### **X. GENERAL SHAREHOLDER INFORMATION**

The 3<sup>rd</sup> Annual General Meeting will be held on Thursday, September 29, 2011 at 11 a.m. at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 100.

As required under Clause 49(IV)(G) (i) of the Listing Agreements with Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given in the Annexure to the Notice of the Annual General Meeting to be held on September 29, 2011.

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

Date of Book Closure: September 22, 2011 to September 29, 2011 (Both days inclusive)

Dividend payment date: Not applicable.

The Company's Equity Shares are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The annual listing fees for the financial year 2011-12 have been paid to both the Stock Exchanges.

The Stock Exchanges code are as under:

Bombay Stock Exchange :533252

National Stock Exchange :WELINV

ISIN : INE389K01018

The market price data of the Company's shares traded in the Bombay Stock Exchange Limited and National Stock Exchange of India Limited since the listing on September 20, 2010

| Month  | Share Prices at BSE |        | Share prices at NSE |       | Sensex   | Nifty   |
|--------|---------------------|--------|---------------------|-------|----------|---------|
|        | High                | Low    | High                | Low   |          |         |
| Sep-10 | 132.1               | 63.65  | 133.65              | 53    | 20069.12 | 6029.95 |
| Oct-10 | 176.8               | 103.85 | 178.2               | 108.4 | 20032.34 | 6017.7  |
| Nov-10 | 160.9               | 102.6  | 164                 | 105   | 19521.25 | 5862.7  |
| Dec-10 | 138.7               | 85.15  | 135.7               | 77.6  | 20509.09 | 6101.85 |
| Jan-11 | 136.45              | 81     | 136.1               | 76.6  | 18327.76 | 5505.9  |
| Feb-11 | 88.5                | 68.5   | 88                  | 67.05 | 17823.4  | 5333.25 |
| Mar-11 | 78                  | 62     | 77.5                | 62.8  | 19445.22 | 5833.75 |

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

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

Contact person: Mr. Joy Verghese.

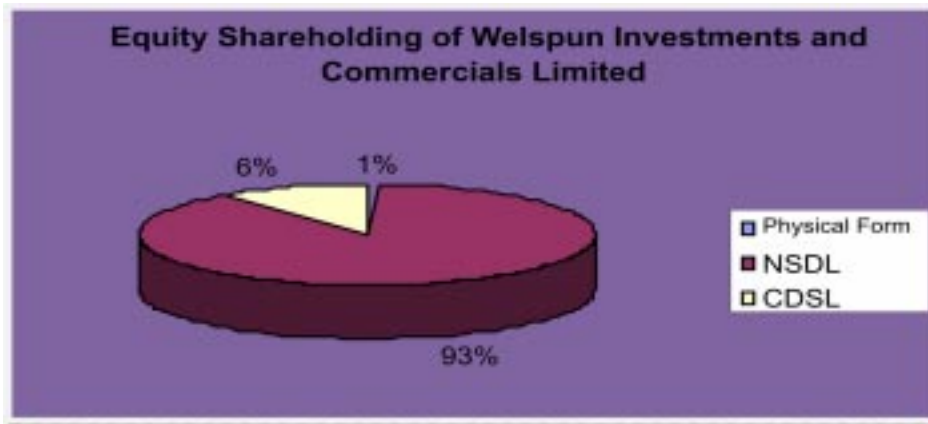
**Share Transfer System:**

The Company's shares being in compulsory demat list, are transferable through depository system. However, share transfers in physical form can be lodged with Link Intime India Private Limited at the above mentioned address. The transfer requests are normally processed within 15-20 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

**Distribution of Shareholding:**

| No. of Equity Shares held | No. of shareholders | Percentage of Shareholders | Total No. of shares held | Percentage of Shares held |
|---------------------------|---------------------|----------------------------|--------------------------|---------------------------|
| Upto-500                  | 25314               | 99.42                      | 325186                   | 8.90                      |
| 501-1000                  | 65                  | 0.26                       | 48236                    | 1.32                      |
| 1001-2000                 | 43                  | 0.17                       | 59494                    | 1.63                      |
| 2001-3000                 | 6                   | 0.02                       | 14263                    | 0.39                      |
| 3001-4000                 | 6                   | 0.02                       | 20841                    | 0.57                      |
| 4001-5000                 | 2                   | 0.00                       | 9150                     | 0.25                      |
| 5001-10000                | 5                   | 0.03                       | 40244                    | 1.10                      |
| 10001- above              | 20                  | 0.08                       | 3137062                  | 85.84                     |
| <b>Total</b>              | <b>25461</b>        | <b>100.00</b>              | <b>3654476</b>           | <b>100.00</b>             |

Dematerialisation of shares and liquidity: Around 99 % of the Company's share capital is dematerialised as on March 31, 2011.



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

**Reconciliation of Share Capital Audit:**

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

There are no Outstanding GDR's/ADR's/Convertible as at March 31, 2011.

**Address for correspondence:**

Company Secretary  
Welspun Investments and Commercials Limited  
Welspun House, 6th Floor,  
Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel, Mumbai 400013  
Tel: +91-22-24908000, +91-22-66136000  
Fax: +91-22-24908020  
E-mail : CompanySecretary\_Winl@welspun.com  
Website: www.welspuninvestments.com

For and on behalf of the Board of Directors

Place : Mumbai  
Date : May 30, 2011

**B.K. Goenka**  
Chairman

**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT**

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

**THE MEMBERS OF WELSPUN INVESTMENTS AND COMMERCIALS LIMITED**

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

For **Welspun Investments and Commercials Limited**

Date :May 30, 2011  
Place : Mumbai

**B.K. Goenka**  
Chairman

**COMPLIANCE CERTIFICATE**

**Practicing Company Secretary's Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement**

**TO THE MEMBERS OF WELSPUN INVESTMENTS AND COMMERCIALS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Welspun Investments and Commercials Limited, for the year ended on 31 March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

The Board of Directors of the Company consists of all non-executive directors. The number of non-executive directors is more than 50 percent of the strength of total directors.

We state that no investor grievance is pending against the Company exceeding one month as per records maintained by the Company, which are presented to the Shareholders / Investors Grievances Committee

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

**For S. S. RISBUD & CO.**  
*Company Secretaries*

**Sanjay S. Risbud**  
*Proprietor*  
C.P. No. 5117

Mumbai, May 30, 2011

**AUDITORS' REPORT**

To,  
The Board of Directors

**WELSPUN INVESTMENTS AND COMMERCIALS LIMITED**

1. We have audited the attached balance sheet of WELSPUN INVESTMENTS AND COMMERCIALS LIMITED ("the Company") as at 31 March 2011, the profit and loss account and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as 'the Order') issued by Central Government of India in terms of section 227(4A) of the Companies Act, 1956, on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanation 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, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors of the Company as on 31 March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes thereon in Schedule 'B', give the information required by the Companies Act 1956, in the manner so required and gives true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2011;
    - ii) in the case of profit and loss account, of the profit of the Company for the year ended on that date; and
    - iii) in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

**FOR SURESH SURANA & ASSOCIATES**

*Chartered Accountants*  
Firm Reg. No.: 121750W

**(Nirmal Jain)**

*PARTNER*

Membership No. 34709  
Mumbai; Dated: 30 May 2011

**ANNEXURE TO THE AUDITORS' REPORT**

**REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

1. The Company does not have any fixed assets. Accordingly, clause 4(i)(a), 4(i)(b) and 4(i)(c) of the Order are not applicable to the Company.
2. In our opinion and according to information and explanations given to us in respect of its inventories:
  - a) The management has conducted physical verification of inventory at reasonable intervals.
  - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory as compared to book records and the same have been properly dealt with in the books of account.



3. According to information and explanations given to us, the Company has not granted / taken any loan, secured or unsecured, to / from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act 1956. Accordingly, the provisions of clause 4(iii) (b), 4(iii) (c), 4(iii) (d), 4(iii) (f) and 4(iii) (g) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and for the sale of goods and services. During the course of our audit, we have neither been informed nor we have observed any major weaknesses in internal control system.
5. According to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under Section 301 of the Act. Accordingly, the provision of clause 4(v) (b) of the Order is not applicable during the year.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
7. The Company has an internal audit system commensurate with its size and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in case of any of the activities of the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection funds, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, service tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
10. As the Company is registered for less than five years, the provision of clause 4(x) of the Order is not applicable to the Company.
11. According to the information and explanations given to us, the Company does not have any borrowings from banks or financial institutions and by way of debentures.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provision of clause 4(xiii) of the Order is not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts with respect to its investments in shares, securities, debenture and other investments. All the shares, securities, debenture and other investments are held in the name of the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loan during the year.
17. According to the information and explanation given to us and based on overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares to the parties or companies covered in the register maintained under Section 301 of the Companies Act 1956 during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such cases by the management.

**FOR SURESH SURANA & ASSOCIATES**

*Chartered Accountants*  
Firm Reg. No.: 121750W

**(Nirmal Jain)**

*PARTNER*

Membership No. 34709

Mumbai; Dated: 30 May 2011

**BALANCE SHEET AS AT 31 MARCH 2011**

| PARTICULARS                                     | Schedule | As at              |                    |
|---|----------|--------------------|--------------------|
|   |          | 31/03/2011         | 31/03/2010         |
|   |          | Rs.                | Rs.                |
| <b>SOURCES OF FUNDS</b>                         |          |                    |                    |
| <b>Shareholders' funds</b>                      |          |                    |                    |
| Share capital                                   | 1        | 36,544,760         | 36,544,760         |
| Reserves and surplus                            | 2        | 222,122,307        | 211,072,080        |
|   |          | <u>258,667,067</u> | <u>247,616,840</u> |
| <b>Loan funds</b>                               |          |                    |                    |
| Unsecured loans                                 | 3        | 212,727,192        | -                  |
| <b>Total funds employed</b>                     |          | <u>471,394,259</u> | <u>247,616,840</u> |
| <b>APPLICATION OF FUNDS</b>                     |          |                    |                    |
| Investments                                     | 4        | 218,049,061        | 131,531,168        |
| Deferred tax assets                             |          | 3,090              | 5,099              |
| <b>Current assets, loans and advances</b>       |          |                    |                    |
| Cash and bank balances                          | 5        | 147,638,325        | 6,466,221          |
| Other current assets                            |          | 587,692            | 52,550             |
| Loans and advances                              |          | 115,128,353        | 113,989,922        |
| <b>Total (A)</b>                                |          | <u>263,354,370</u> | <u>120,508,693</u> |
| <b>Less: Current liabilities and provisions</b> |          |                    |                    |
| Current liabilities                             | 6        | 5,077,262          | 53,120             |
| Provisions                                      |          | 4,935,000          | 4,375,000          |
| <b>Total (B)</b>                                |          | <u>10,012,262</u>  | <u>4,428,120</u>   |
| <b>Net current assets (A-B)</b>                 |          | <u>253,342,108</u> | <u>116,080,573</u> |
| <b>Total funds utilised</b>                     |          | <u>471,394,259</u> | <u>247,616,840</u> |

Accounting policies and notes forming part of the accounts 8

As per our report of even date attached

**FOR SURESH SURANA & ASSOCIATES**

Chartered Accountants

**(Nirmal Jain)**

PARTNER

Membership No.: 34709

Mumbai; Dated:30 May 2011

On behalf of the Board of directors

**B. K. Goenka**

Director

**Raj Kumar Jain**

Director

**Jeevan Mondkar**

Company Secretary

Mumbai; Dated:30 May 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011**

| PARTICULARS                                | Schedule | Current Year<br>2010-11<br>Rs. | Previous Year<br>2009-10<br>Rs. |
|--|----------|--------------------------------|---------------------------------|
| <b>INCOME</b>                              |          |                                |                                 |
| Sales                                      |          | 14,638,634                     | 31,270,864                      |
| Dividend income from investments           |          |                                |                                 |
| Trade, longterm                            |          | 8,066,000                      | 6,049,500                       |
| Non trade, current                         |          | 1,749,224                      | 130,315                         |
| Interest income (net)                      | 7        | 4,439,714                      | 13,989,897                      |
|  |          | <u>28,893,572</u>              | <u>51,440,576</u>               |
| <b>EXPENDITURE</b>                         |          |                                |                                 |
| Purchases                                  |          | 14,618,862                     | 31,227,211                      |
| Auditors remuneration:                     |          |                                |                                 |
| Audit fees                                 |          | 44,120                         | 44,120                          |
| Tax audit fees                             |          | 66,180                         | -                               |
| Other matters                              |          | 24,819                         | 33,090                          |
| Director's sitting fees                    |          | 81,000                         | 9,000                           |
| Rates and taxes                            |          | 34,886                         | 432,095                         |
| Professional fees                          |          | 48,244                         | 4,087                           |
| Printing and stationery                    |          | 257,563                        | 582,783                         |
| Postage and telegram                       |          | 389,285                        | 112,865                         |
| Advertisement expenses                     |          | 1,675,289                      | 2,304                           |
| Bank charges                               |          | 218                            | 1,010                           |
| Demat charges                              |          | 40,379                         | -                               |
| Miscellaneous expenses                     |          | 491                            | -                               |
| Preliminary expenses written off           |          | -                              | 277,002                         |
|  |          | <u>17,281,336</u>              | <u>32,725,567</u>               |
| <b>PROFIT/(LOSS)</b>                       |          |                                |                                 |
| <b>Profit before taxation</b>              |          | 11,612,236                     | 18,715,009                      |
| Provision for taxation:                    |          |                                |                                 |
| - Current tax                              |          | (560,000)                      | (4,375,000)                     |
| - Deferred tax benefit/ (expenses)         |          | (2,009)                        | 5,099                           |
| <b>Profit after taxation</b>               |          | 11,050,227                     | 14,345,108                      |
| Balance brought forward from previous year |          | 14,270,982                     | (74,126)                        |
| <b>Balance carried to balance sheet</b>    |          | <u>25,321,209</u>              | <u>14,270,982</u>               |
| Basic and diluted earnings per share       |          | 3.02                           | 3.93                            |
| Nominal value of equity shares             |          | 10.00                          | 10.00                           |

Accounting policies and notes forming part of the accounts 8

As per our report of even date attached

**FOR SURESH SURANA & ASSOCIATES**  
Chartered Accountants

**(Nirmal Jain)**  
PARTNER  
Membership No.: 34709

On behalf of the Board of directors

**B. K. Goenka**      **Raj Kumar Jain**  
Director              Director

**Jeevan Mondkar**  
Company Secretary

Mumbai; Dated:30 May 2011

Mumbai; Dated:30 May 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011**

| PARTICULARS   | Current Year<br>2010-11 |                     | Previous Year<br>2009-10 |                      |
|---|-------------------------|---------------------|--------------------------|----------------------|
|   | Rs.                     | Rs.                 | Rs.                      | Rs.                  |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                           |                         |                     |                          |                      |
| Profit/ (loss) before taxation  |                         | 11,612,236          |                          | 18,715,009           |
| <b>ADJUSTMENTS FOR:</b>   |                         |                     |                          |                      |
| Preliminary expenses written off  |                         | -                   | 277,002                  |                      |
| Dividend income   | (9,815,224)             |                     | (6,179,815)              |                      |
| Interest income (net)   | (4,439,714)             | (14,254,938)        | (13,989,897)             | (19,892,710)         |
| <b>Operating profit / (loss) before working capital changes</b>         |                         | <b>(2,642,702)</b>  |                          | <b>(1,177,701)</b>   |
| <b>ADJUSTMENTS FOR:</b>   |                         |                     |                          |                      |
| Trade and other receivables   | 27,575                  |                     | (20,102,575)             |                      |
| Trade payables and other liabilities                                    | 5,024,142               | 5,051,717           | 49,965                   | (20,052,610)         |
| Cash generated from/ (used in) operating activities                     |                         | <b>2,409,015</b>    |                          | <b>(21,230,311)</b>  |
| Taxes paid  |                         | <b>(1,166,006)</b>  |                          | <b>(5,087,205)</b>   |
| <b>Net cash from / (used in) operating activities</b>                   |                         | <b>1,243,009</b>    |                          | <b>(26,317,516)</b>  |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                           |                         |                     |                          |                      |
| Purchase of investments (net)   |                         | <b>(86,517,893)</b> |                          | <b>(131,531,168)</b> |
| Interest received   |                         | <b>6,712,562</b>    |                          | <b>13,937,347</b>    |
| Loan given  |                         | -                   |                          | <b>(88,800,142)</b>  |
| Dividend income   |                         | <b>9,815,224</b>    |                          | <b>6,179,815</b>     |
| <b>Net cash from / (used in) investing activities</b>                   |                         | <b>(69,990,107)</b> |                          | <b>(200,214,148)</b> |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                           |                         |                     |                          |                      |
| Loan received   |                         | <b>210,200,000</b>  |                          | -                    |
| Interest Paid   |                         | <b>(280,798)</b>    |                          | -                    |
| <b>Net cash from / (used in) financing activities</b>                   |                         | <b>209,919,202</b>  |                          | -                    |
| <b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>   |                         | <b>141,172,104</b>  |                          | <b>(226,531,664)</b> |
| Cash and cash equivalents - Opening balance                             |                         | <b>6,466,221</b>    |                          | <b>152,027</b>       |
| Cash and cash equivalents on demerger (Refer note 2 of Schedule '8')    |                         | -                   |                          | <b>232,845,858</b>   |
| Cash and cash equivalents - Closing balance                             |                         | <b>147,638,325</b>  |                          | <b>6,466,221</b>     |
| Net increase / (decrease) in Cash and Cash Equivalents                  |                         | <b>141,172,104</b>  |                          | <b>(226,531,664)</b> |
| <b>Components of Cash and Cash Equivalents at the end of the period</b> |                         |                     |                          |                      |
| Cash balance in hand  |                         | <b>43,347</b>       |                          | <b>52,143</b>        |
| Bank balance with schedule banks:                                       |                         |                     |                          |                      |
| Current account   |                         | <b>1,870,578</b>    |                          | <b>6,414,078</b>     |
| Fixed deposit accounts  |                         | <b>145,724,400</b>  |                          | -                    |
|   |                         | <b>147,638,325</b>  |                          | <b>6,466,221</b>     |

**Accounting policies and notes forming part of the accounts Schedule - 8**

Note: Cash and cash equivalents include fixed deposits with original maturities being less than three months

As per our report of even date attached

**FOR SURESH SURANA & ASSOCIATES**  
Chartered Accountants

**(Nirmal Jain)**  
PARTNER  
Membership No.: 34709

Mumbai; Dated:30 May 2011

**On behalf of the Board of directors**

**B. K. Goenka**      **Raj Kumar Jain**  
Director              Director

**Jeevan Mondkar**  
Company Secretary

Mumbai; Dated:30 May 2011

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

| <b>PARTICULARS</b>  | <b>As at<br/>31/03/2011<br/>Rs.</b> | <b>As at<br/>31/03/2010<br/>Rs.</b> |
|---|-------------------------------------|-------------------------------------|
| <b>SCHEDULE - 1</b>   |                                     |                                     |
| <b>SHARE CAPITAL</b>  |                                     |                                     |
| <b>Authorised:</b><br>13,000,000 Equity Shares of Rs.10 each  | <b>130,000,000</b>                  | 130,000,000                         |
| <b>Issued, subscribed and paid up:</b><br>3,654,476 (as at 31 March 2010: 3,654,476) Equity Shares of<br>Rs.10 each fully paid up | <b>36,544,760</b>                   | 36,544,760                          |
|   | <b>36,544,760</b>                   | 36,544,760                          |
| <b>SCHEDULE- 2</b>  |                                     |                                     |
| <b>RESERVES AND SURPLUS</b>   |                                     |                                     |
| <b>Reserve on demerger:</b>   |                                     |                                     |
| Opening balance   | <b>196,801,098</b>                  | -                                   |
| Add: Additions during the year  | -                                   | 196,801,098                         |
|   | <b>196,801,098</b>                  | 196,801,098                         |
| Profit and loss account   | <b>25,321,209</b>                   | 14,270,982                          |
|   | <b>222,122,307</b>                  | 211,072,080                         |
| <b>SCHEDULE- 3</b>  |                                     |                                     |
| <b>UNSECURED LOANS</b>  |                                     |                                     |
| <b>Short term:</b>  |                                     |                                     |
| Loans from Body Corporates  | <b>210,200,000</b>                  | -                                   |
| Interest accrued on above   | <b>2,527,192</b>                    | -                                   |
|   | <b>212,727,192</b>                  | -                                   |
| <b>SCHEDULE- 4</b>  |                                     |                                     |
| <b>INVESTMENTS</b>  |                                     |                                     |
| <b>Long Term (At Cost)</b>  |                                     |                                     |
| Trade and Quoted:   |                                     |                                     |
| 4,033,000 (as at 31 March 2010: 4,033,000) Equity shares of Rs. 5 each<br>fully paid up of Welspun Corp Limited                   | <b>32,031,168</b>                   | 32,031,168                          |
| Non trade and Unquoted:   |                                     |                                     |
| 3,320,000 (as at 31 March 2010: 3,320,000) Equity shares of Rs. 10 each<br>fully paid up of MEP Cotton Limited                    | <b>99,500,000</b>                   | 99,500,000                          |
| 30 (as at 31 March 2010: NIL) 8.57% Central Bank of India 2025<br>(upper Tier -II) bonds of face value of Rs. 10 lacs each        | <b>31,108,660</b>                   | -                                   |
| 50 (as at 31 March 2010: NIL) 9.70% IFCI bonds of face value of Rs. 10 lacs each  | <b>55,409,233</b>                   | -                                   |
|   | <b>218,049,061</b>                  | 131,531,168                         |
| Aggregate value of quoted investments in shares and securities  | <b>32,031,168</b>                   | 32,031,168                          |
| Aggregate value of unquoted investments in shares and securities  | <b>186,017,893</b>                  | 99,500,000                          |
| Market value of quoted investments  | <b>832,411,200</b>                  | 1,102,017,250                       |

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

| PARTICULARS   | As at<br>31/03/2011<br>Rs. | As at<br>31/03/2010<br>Rs. |
|---|----------------------------|----------------------------|
| <b>SCHEDULE - 5</b>   |                            |                            |
| <b>CURRENT ASSETS, LOANS AND ADVANCES</b>   |                            |                            |
| <b>CURRENT ASSETS</b>   |                            |                            |
| Cash and bank balances  |                            |                            |
| Cash balance in hand  | 43,347                     | 52,143                     |
| Bank balance with schedule banks:   |                            |                            |
| Current account   | 1,870,578                  | 6,414,078                  |
| Fixed deposit accounts  | 145,724,400                | -                          |
| <b>(A)</b>  | <b>147,638,325</b>         | <b>6,466,221</b>           |
| <b>Other current assets</b>   |                            |                            |
| Accrued interest on loan, bonds & fixed deposits                                      | 587,692                    | 52,550                     |
| <b>(B)</b>  | <b>587,692</b>             | <b>52,550</b>              |
| <b>LOANS AND ADVANCES</b><br>(unsecured and considered good, unless otherwise stated) |                            |                            |
| Loan to body corporate  | 88,800,142                 | 88,800,142                 |
| Advances recoverable in cash or in kind or for value to be received                   | -                          | 20,077,575                 |
| Share Application Money   | 20,050,000                 | -                          |
| Sales tax deposit   | 25,000                     | 25,000                     |
| Advance tax paid  | 6,253,211                  | 5,087,205                  |
| <b>Total (C)</b>  | <b>115,128,353</b>         | <b>113,989,922</b>         |
| <b>Total (A+B+C)</b>  | <b>263,354,370</b>         | <b>120,508,693</b>         |

**SCHEDULE- 6**

**CURRENT LIABILITIES AND PROVISIONS**

**CURRENT LIABILITIES**

|   |                  |               |
|---|------------------|---------------|
| Sundry creditors for expenses (refer note 10 of Schedule '8') | 103,483          | 53,120        |
| Shareholders payable  | 422,518          | -             |
| Margin money received   | 4,270,462        | -             |
| Other liabilities   | 280,799          | -             |
| <b>Total (A)</b>  | <b>5,077,262</b> | <b>53,120</b> |

**PROVISIONS**

|                        |                   |                  |
|------------------------|-------------------|------------------|
| Provision for taxation | 4,935,000         | 4,375,000        |
| <b>Total (B)</b>       | <b>4,935,000</b>  | <b>4,375,000</b> |
| <b>Total (A+B)</b>     | <b>10,012,262</b> | <b>4,428,120</b> |

**SCHEDULE ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

| PARTICULARS  | Current year<br>2010-11<br>Rs. | Previous year<br>2009-10<br>Rs. |
|--|--------------------------------|---------------------------------|
| <b>SCHEDULE - 7</b>  |                                |                                 |
| <b>INTEREST INCOME (NET)</b>                                 |                                |                                 |
| Interest income  | 7,247,704                      | 13,989,897                      |
| [Tax deducted at source Rs. 666,006 (2009-10: Rs.1,587,205)] |                                |                                 |
| Less: Interest expense                                       | 2,807,990                      | -                               |
|  | <b>4,439,714</b>               | <b>13,989,897</b>               |

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH 2011 AND THE PROFIT AND LOSS FOR THE YEAR ENDED ON THAT DATE**

**SCHEDULE '8'**

**ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS**

**1. Significant accounting policies:**

**a) Basis of preparation of financial statements**

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

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

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

**b) Use of estimates**

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

**c) Investments**

Long term investments are stated at cost less provision, if any, for diminution in value other than temporary. Current investments are carried at the lower of cost and fair value.

**d) Revenue recognition**

Revenue in respect of sale of goods is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customer.

Dividend income is accounted for when the right to receive dividend is established.

Interest income is accounted for on time basis and when the realisation of amount is certain.

**e) Taxation**

**i) Current taxation**

The current tax is determined as the amount of tax payable in respect of taxable income for the year as per the provisions of the Income Tax Act, 1961, of India.

**ii) Deferred taxation**

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current/ substantively enacted rate of tax to the extent that the timing differences are expected to crystallise.

Deferred tax assets arising in situations where there are brought forward losses and unabsorbed depreciation as per the Income Tax Act, 1961, of India, are recognised only when there is a virtual certainty supported by convincing evidence that such assets will be realised.

**f) Provisions and contingent liabilities**

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

**g) Earnings per share**

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

2. The Company's scheme of arrangement in the nature of Demerger and Reconstruction of Capital under Sections 78, 100, 391 to 394 of the Companies Act, 1956 and transfer of Investment and Treasury Division of Welspun India Limited to the Company was approved by the Hon'ble High Court of Gujarat vide its Order dated 8th May'09

Pursuant to the above Order, Assets and Liabilities of the Investment and Treasury Division of Welspun India Ltd were transferred to the Company w.e.f. appointed date (1 April 2009). Upon the transfer, the Company had issued 1 equity share of Rs. 10/- each as fully paid up to the shareholders of Welspun India Ltd for every 20 equity shares held by them in Welspun India Ltd. Further, 50,000 equity shares of Rs. 10 each fully paid up held by Welspun India Limited have been cancelled upon the Scheme becoming effective during the previous year.

3. Amount due from Companies under the same management included in loans and advances are as follows:

| Particulars  | As at 31/03/2011<br>Rs. | As at 31/03/2010<br>Rs. |
|--|-------------------------|-------------------------|
| Welspun India Limited<br>(Maximum balance outstanding during the year<br>Rs.88,800,142; 2009-10: Rs.199,500,000) | 88,800,142              | 88,800,142              |

4. Mutual fund units purchased and sold during the year:

| Name of Mutual fund  | Face value | 2010-11       |                    | 2009-10     |                    |
|--|------------|---------------|--------------------|-------------|--------------------|
|  |            | Quantity      | Purchase value Rs. | Quantity    | Purchase value Rs. |
| Axis liquid fund – Institutional daily dividend reinvestment | 1000       | 124,950.422   | 124,934,000        | —           | —                  |
| LIC Nomura MF floating rate fund- short term plan            | 10         | 555,004.499   | 5,502,590          | —           | —                  |
| LIC Nomura MF liquid fund – Dividend plan                    | 10         | 6,583,517.824 | 72,050,045         | —           | —                  |
| Pramerica liquid fund – Daily dividend option – Reinvestment | 1000       | 226,924.999   | 225,740,766        | —           | —                  |
| SBI Premier liquid fund – Institutional- Daily dividend      | 10         | 1,846,121.724 | 18,500,000         | —           | —                  |
| SBI Debt fund series   | 10         | 1,250,000.000 | 12,500,000         | —           | —                  |
| LIC MF- Floating rate fund – short term- daily dividend plan | 10         | —             | —                  | 603,767.387 | 6,037,674          |

5. **Segmental reporting**

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

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

| Particulars                      | Year    | Finance     | Trading    | Unallocable | Total       |
|----------------------------------|---------|-------------|------------|-------------|-------------|
| Segment Revenue                  |         |             |            |             |             |
| Sales and income from operations | 2010-11 | 14,254,938  | 14,638,634 | —           | 28,893,572  |
|                                  | 2009-10 | 20,169,712  | 31,270,864 | —           | 51,440,576  |
| Segment results                  | 2010-11 | 14,214,559  | 19,772     | (2,622,095) | 11,612,236  |
|                                  | 2009-10 | 20,169,712  | 43,653     | (1,498,356) | 18,715,009  |
| Segment assets                   | 2010-11 | 473,211,295 | 25,000     | 1,913,925   | 475,150,220 |
|                                  | 2009-10 | 220,411,435 | 20,075,000 | 6,466,221   | 246,952,656 |
| Segment liabilities              | 2010-11 | 217,278,453 | —          | 526,001     | 217,804,454 |
|                                  | 2009-10 | —           | —          | 53,120      | 53,120      |

Note: Figures in brackets are for the previous year.

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

6. Quantitative Information: (As certified by the Management)

Opening Stock, Purchases, Turnover and Closing Stock:

Finished goods (Dyed Fabric) :

| Particulars   | Units | Current Year 2010-11 |            | Previous Year 2009-10 |            |
|---------------|-------|----------------------|------------|-----------------------|------------|
|               |       | Qty.                 | Value Rs.  | Qty.                  | Value Rs.  |
| Opening Stock | Mtr.  | —                    | —          | —                     | —          |
| Purchases     | Mtr.  | 79,085               | 14,618,862 | 174,600               | 31,227,211 |
| Turnover      | Mtr.  | 79,085               | 14,638,634 | 174,600               | 31,270,864 |
| Closing Stock | Mtr.  | —                    | —          | —                     | —          |



7. Related party disclosures

i. Related party relationships:

- a) Associate : MEP Cotton Limited (with effect from 1 February 2010)
- b) Enterprise over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year. : Krishiraj Trading Limited (upto 21 April 2010)

**Notes:**

- a) The related party relationships have been determined by the management on the basis of the requirements of the Accounting Standard (AS) - 18 'Related Party Disclosures' and the same have been relied upon by the auditors.
- b) The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the period, except where control exists.

ii. Transactions with related parties

| Particulars  | Current Year<br>2010-11<br>Rs. | Previous Year<br>2009-10<br>Rs. |
|--|--------------------------------|---------------------------------|
| Krishiraj Trading Limited<br>- Purchase of materials | —                              | 31,227,211                      |
| MEP Cotton Limited<br>- Advance to supplier          | —                              | 20,050,000                      |
| Share application money as at 31 March               | 20,050,000                     | —                               |
| Balance receivable as at 31 March                    | —                              | 20,050,000                      |

8. Deferred tax

Major components of recognised deferred tax assets of the Company arising on account of timing differences are as below:

| Particulars  | As at<br>31/03/2011<br>Rs. | As at<br>31/03/2010<br>Rs. |
|--|----------------------------|----------------------------|
| Deferred tax assets on account of:<br>Preliminary expenses | 3,090                      | 5,099                      |
| Total deferred tax assets                                  | 3,090                      | 5,099                      |

9. Earnings per share

| Particulars  | Current Year<br>2010-11 | Previous Year<br>2009-10 |
|--|-------------------------|--------------------------|
| Net profit after tax available for equity share holders (Rs.)          | 11,050,227              | 14,345,108               |
| Weighted average number of equity shares outstanding during the period | 3,654,476               | 3,654,476                |
| Basic and diluted earnings per share (Rs.)                             | 3.02                    | 3.93                     |
| Nominal value of share (Rs.)   | 10.00                   | 10.00                    |

10. Based on information received by the Company from its suppliers, amounts due to Micro and Small Enterprises as at 31 March 2011 is Rs. Nil (as at 31 March 2010 Rs. Nil).

11. In the opinion of the Directors, current assets and loans and advances are approximately of the value stated, if realised in the ordinary course of business.

12. Previous year's figures have been regrouped or rearranged, wherever considered necessary to confirm to the current year's presentation.

Signatures to schedules '1' to '8'

As per our report of even date attached

**FOR SURESH SURANA & ASSOCIATES**  
Chartered Accountants

**(Nirmal Jain)**  
PARTNER  
Membership No.: 34709

Mumbai; Dated:30 May 2011

**On behalf of the Board of directors**

**B. K. Goenka**      **Raj Kumar Jain**  
Director              Director

**Jeevan Mondkar**  
Company Secretary

Mumbai; Dated:30 May 2011

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

**I. Registration Details**

Registration No. : L52100GJ2008PLC055195 State Code: 04  
Balance Sheet Date : 31 March 2011

**II. Capital raised during the year : (Amount in Rs. Thousands)**

Public Issue : Nil  
Rights Issue : Nil  
Bonus Issue : Nil  
Private Placement : Nil

**III. Position of Mobilisation and Deployment of Funds : (Amount in Rs. Thousands)**

Total Liabilities : 481,407  
Total Assets : 481,407

**Sources of Funds**

Paid-up Capital : 36,545  
Reserves and Surplus : 222,122  
Secured Loans : Nil  
Unsecured Loans : 212,727

**Application of Funds**

Net Fixed Assets : Nil  
Investments : 218,049  
Deferred Tax Assets : 3  
Net Current Assets : 253,342  
Miscellaneous Expenditure : Nil

**IV. Performance of Company : (Amount in Rs. Thousands)**

Turnover : 28,894  
Total Expenditure : 17,282  
Profit before tax : 11,612  
Profit after tax : 11,050  
Earning per share in Rs.  
(Basic / diluted) : 3.02  
Dividend rate : Nil

**V. Generic Names of Three Principal Products/  
Services of the Company : (As per monetary terms)**

Item Code No. : 5514  
(ITC Code)  
Product Description : Dyed Fabrics  
Item Code No. : Not Applicable  
(ITC Code)  
Service Description : Interest, Dividend Income

# WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

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

|            |  |
|------------|--|
| DP.id*     |  |
| Client Id* |  |

## PROXY FORM

|              |  |
|--------------|--|
| Regd. Folio  |  |
| No.of Shares |  |

I/We \_\_\_\_\_ resident/s  
of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/s of the above  
named Company hereby appoint Shri/Smt. \_\_\_\_\_ resident of  
\_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ or failing him, Shri/ Smt \_\_\_\_\_ resident of in the district  
of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the  
THIRD ANNUAL GENERAL MEETING of the Company to be held on Thursday, 29th September, 2011 at the Registered Office of  
the Company at Welspun City, Village Versamedi, Tal :Anjar, Dist. Kutch, Gujarat – 370 110 at 11.00 a.m.

Signed this.....day of.....2011

Affix  
Revenue  
Stamp  
Re. 1/-

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

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

(TEAR HERE)

# WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

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

|            |  |
|------------|--|
| DP.id*     |  |
| Client Id* |  |

## ATTENDANCE SLIP

|              |  |
|--------------|--|
| Regd. Folio  |  |
| No.of Shares |  |

I/We hereby record my/our presence at the THIRD ANNUAL GENERAL MEETING of the Company to be held on Thursday, 29th September, 2011 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal :Anjar, Dist. Kutch, Gujarat – 370 110 at 11.00 a.m.

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

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

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

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

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

## **Book-Post**

*If undelivered, please return to:*

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