



WELSPUN INVESTMENTS AND COMMERCIALS LIMITED



**4th
ANNUAL REPORT
2011-12**



WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

CORPORATE INFORMATION (As on August 8, 2012)

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

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NOTICE

NOTICE is hereby given that the 4th Annual General Meeting of Welspun Investments and Commercials Limited will be held on Tuesday, September 18, 2012 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal : Anjar, Dist. Kutch, Gujarat – 370 110 at 11 a. m. to transact the following business:

Ordinary Business:

- 1] To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 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] **Appointment of Mr. L. T. Hotwani as a Director of the Company.**

To Consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. L. T. Hotwani, who was appointed as an Additional Director pursuant to the provision of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director be and is hereby appointed as director of the company liable to retire by rotation.”

- 5] **Appointment of Mr. Atul Desai as a Director of the Company.**

To Consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Atul Desai, who was appointed as an Additional Director pursuant to the provision of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director be and is hereby appointed as director of the company liable to retire by rotation.”

By Order of the Board of Directors

Jeevan Mondkar
Company Secretary

Place: Mumbai
Date: August 08, 2012

1. An Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of item No. 4 and 5 of the Notice as set above, is 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 Tuesday, September 11, 2012 to Tuesday, September 18, 2012 (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

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.4

The Board of Directors of the Company ("Board") appointed pursuant to the provisions of Section 260 of the Companies Act 1956("Act") Mr. L. T. Hotwani, as an additional director of the company with effect from November 8, 2011.

In terms of the provision of Section 260 of the Act, Mr. L. T. Hotwani, will hold office until the conclusion of the forthcoming Annual General Meeting of the Company and is eligible for appointment as director.

The company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. L. T. Hotwani for the office of director of the company under provision of Section 257 of the Act.

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

Except Mr. L. T. Hotwani, none of the directors of the Company is, in any way concerned or interested in the said resolution.

ITEM NO. 5

The Board of Directors of the Company ("Board") appointed pursuant to the provisions of Section 260 of the Companies Act 1956 ("Act") Mr. Atul Desai, as an additional director of the company with effect from August 8, 2012.

In terms of the provision of Section 260 of the Act, Mr. Atul Desai, will hold office until the conclusion of the forthcoming Annual General Meeting of the Company and is eligible for appointment as director.

The company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Atul Desai for the office of director of the company under provision of Section 257 of the Act.

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

Except Mr. Atul Desai, none of the directors of the Company is, in any way concerned or interested in the said resolution.

By Order of the Board of Directors

Jeevan Mondkar
Company Secretary

Place: Mumbai
Date: August 08, 2012

Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting:

Particulars	Mr. L. T. Hotwani	Mr. Atul Desai	Mr. Raj Kumar Jain
Date of Birth	05.05.1953	27.01.1950	19.07.1956
Date of Appointment	08.11.2011	08.08.2012	16.12.2009
Expertise in specific area	Supply Chain, accounts, finance, taxation	Wide experience in law	Wide experience in accounts
Directorships held in other public limited companies (excluding foreign and Section 25 companies)	Mertz Securities Ltd. Krishiraj Trading Ltd. Goodvalue Polyplast Ltd. Welspun Marine Logistics (Raigad) Ltd. Vipuna Trading Ltd. Welspun Finance Ltd. Welspun Pipes Ltd. Welspun Tradings Ltd. Alspun Infrastructure Ltd. Welspun Mercantile Ltd.	TCFC Finance Ltd. Jindal South West Holding Ltd. Welspun Syntex Ltd. Akar Tools Ltd. Remi Metals Gujarat Ltd. Welspun Global Brands Ltd. Auchtel Products Ltd.	Welspun Corp Ltd. Welspun Syntex Ltd. Bharat Wire Ropes Ltd.
No of shares held	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Members,

WELSPUN INVESTMENTS AND COMMERCIALS LIMITED.

The Directors of your Company are pleased to present their 4th Annual Report together with Audited Statement of Accounts for the year ended March 31, 2012.

1. WORKING RESULTS:

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

	2011-12 (₹)	2010-11 (₹)
Income	66,865,978	31,701,562
Expenditure	57,122,920	20,089,326
Profit Before taxation	9,743,058	11,612,236
Provision for current taxation	(23,234)	(562,009)
Profit After Taxation	9,719,824	11,050,227
Profit available for appropriation	9,719,824	11,050,227
Balance b/f for Previous Year	25,321,209	14,270,982
Balance Carried to Balance Sheet	35,041,033	25,321,209

2. DIVIDEND

In order to conserve resources for the future, your directors do not recommend any dividend for the period ended March 31, 2012. The directors submit that this will increase shareholders' value in the long term.

3. DIRECTORS

The Board of Directors of the Company at its meeting held on November 08, 2011, had appointed Mr. L. T. Hotwani as an additional director of your Company. As per the provisions of Section 260 of the Companies Act, 1956 ("Act") he will hold office until the conclusion of the forthcoming Annual General Meeting of the Company. The Company has received notice under Section 257 of the Act along with requisite deposit in respect of Mr. L. T. Hotwani, proposing his appointment as director of the Company.

Mr. B. K. Goenka in view of his expanded role across the Welspun Group resigned as the Director of the Company. His resignation was accepted by the Board from the close of office hours on November 08, 2011. Your directors place on record their appreciation for the valuable service rendered by Mr. Goenka during his tenure as the director of the Company.

Consequent to the resignation of Mr. B. K. Goenka from the Board of the Company, Mr. L.T. Hotwani is appointed as the Chairman of the Board.

Mr. Shailesh Vaidya, Director, resigned from the Board with effect from August 08, 2012. The Board has placed on record their appreciation for the valuable contribution made to your Company by Mr. Vaidya.

The Board of Directors of the Company at its meeting held on August 08, 2012, had appointed Mr. Atul Desai as an additional director of your Company. As per the provisions of Section 260 of the Act he will hold office until the conclusion of the forthcoming Annual General Meeting of the Company. The Company has received notice under Section 257 of the Act along with requisite deposit in respect of Mr. Atul Desai, proposing his appointment as director of the Company.

In accordance with the provisions of the Act 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. The Board of Directors recommends his appointment for approval of the shareholders of the Company.

Brief details of the Directors proposed to be re-appointed/appointed are provided in the Notice for convening the Annual General Meeting.

4. MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments

The global economic conditions during the fiscal year, European sovereign debt crisis led the volatility in the macro environment. There is divergence of economic conditions across global regions, as well as a divergence of recovery

within some regions. During FY 2012, the Indian GDP grew at 6.9 % as compared to 8.4 % the previous year. With agriculture and services continuing to perform well, India's slowdown can be attributed to the weakening industrial growth. Inflation remained at the higher levels during FY 2012 and led to the tight monetary policy being adopted by the Reserve Bank of India (RBI).

The prevalent governance slowdown remains an area of concern. Fiscal deficit has continued to expand and is estimated to cross 5.9 % of GDP by analyst, contrary to budget estimates of 4.6 %. High inflation, rising interest rates, spiraling oil prices and dampened business sentiments contributed to the slowdown in the economy. While the growth rate of around 7% p.a. would sustain India's position as one of the fastest growing major economies of the world, it is below than the country's potential.

Your Company is an investment holding company having investments predominantly in Welspun Group companies, which are engaged in the business of Pipes, Plates. The profitability of the Company is linked to the performance of the Investee Company as well as fluctuations in the quotations on the Stock Markets. The Company also holds investments in bonds. As the performance of the investee company is on growth path, it is expected that the dividend yield will increase in the years to come.

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. During the year the revenue from operations increased from ₹ 31,701,562 to ₹ 66,794,320. Your Company is capitalizing on the opportunity to build on a strong trading business and at the same time focusing on its investment activities yielding market realistic returns. Your Company's strong in-house capabilities give it a competitive edge in the industry.

c. Outlook

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

d. Opportunity & Threats

IIP growth rate has improved in January and February 2012. Manufacturing inched back to 4 % plus levels and mining also showed first signs of positive growth for the last few months, though on a lower base.

The cut throat competition in trading activities is the major threat faced by the Company in the trading segment. Higher inflation is also a major challenge faced by the 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 Company is dependent on dividends and distributions from our Investments. Thus, failure of the Investee Companies to be profitable, or inability of any of the Investee Companies to pay us dividend could impact the revenue stream of the Company.

e. Internal control systems and their adequacy

The adequacy of the internal control system is reviewed by the Audit Committee of the Board of Directors. Your Company has taken proper and sufficient care for the maintenance of adequate accounting records as required by various Statutes.

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

f. Cautionary Statement

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

5. PUBLIC DEPOSITS

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

6. AUDITORS

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

7. 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.

8. PARTICULARS OF EMPLOYEES

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

9. 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.

10. ACKNOWLEDGEMENTS

Your Directors wish to acknowledge the co-operation and support extended by the Group Companies, Central Government, State Governments, bankers, customers, and the shareholders. The directors also wish to thank all the employees for their contribution, support and continued co-operation throughout the year.

For and on behalf of the Board

L. T. Hotwani
Chairman

Place: Mumbai
Date: August 08, 2012

CORPORATE GOVERNANCE REPORT – 2012

I. Philosophy on Corporate Governance:

Welspun's Corporate Governance philosophy encompasses not only regulatory and legal requirements but also strives to enhance shareholders' value through good strategic decisions, prudent financial management, ensuring transparency and professionalism relating to the transactions of the Company. The Company is committed to achieve and maintain the highest standards of Corporate Governance. This Governance protects and balances the interest of all stakeholders thereby enhancing shareholder value. The Company believes that all its actions must serve the underlying goal of enhancing shareholder value over a sustained period of time.

Board of Directors:

Your Company is managed and controlled by the professional Board of Directors. As on March 31, 2012, the Board of Directors comprises of 4 Directors, of which 2 Directors are Non - Executive and 2 are Independent Directors. The Chairman is non-executive director of the Company. Your Company's Board consists of eminent persons with considerable professional expertise and experience thereby ensuring the best interest of stakeholders and the Company. The Company is in compliance with the clause 49 of the listing Agreement pertaining to compositions of directors.

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

Name of Director	Category	Board Meetings Attended during the Year 2011-12	Attendance at the Last AGM	No. of Directorships in other Indian Public Limited Companies	No. of Chairmanship(s) /Membership(s) of Committees in other Public Ltd Cos.@	
					Chairman-ships	Member-ships
Mr. B.K. Goenka*	P, NE, C, S	3	No	12	-	5
Mr. Arun Tadarwal – Nominee (Dunearn Investments)	NE,S	4	No	6	1	5
Mr. Shailesh Vaidya	NE, I	3	No	12	1	6
Mr. Raj Kumar Jain	NE, I	4	Yes	3	2	-
Mr. L. T. Hotwani#	NE,C	1	NA	10	-	-

*Resigned w.e.f November 08, 2011.

inducted in the Board w.e.f November 08, 2011.

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

Abbreviations:

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

Four meetings of the Board of Directors were held during the financial year 2011-12 and the gap between two meetings did not exceed four months. The dates of those four meetings were May 30, 2011, August 05, 2011, November 08, 2011, and February 2, 2012. The information as required under Annexure IA to Clause 49 of the Listing Agreement is being made available to the Board.

II. AUDIT COMMITTEE

A. TERMS OF REFERENCE:

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

B. Composition:

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

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

During the year, the Committee met four times: May 30, 2011, August 05, 2011, November 08, 2011 and February 02, 2012. The Company Secretary of the Company, Mr. Jeevan Mondkar is the Secretary of the Committee. Finance Head, Accounts Head and Internal Auditors/ Statutory Auditors are the permanent invitees to the meetings as and when held as per the provisions of the Listing Agreements of the Stock Exchanges.

III. REMUNERATION COMMITTEE:

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

b. **Composition:**

Name of Member	Member/ Chairman
Mr. 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:

Name of the Director	Sitting Fees paid (₹)
Mr. Shailesh Vaidya	18,000
Mr. Arun Tadarwal	24,000
Mr. Raj Kumar Jain	24,000

Mr. Shailesh Vaidya, Mr. Arun Tadarwal and Mr. Raj Kumar Jain 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, 2012, none of the Directors held any shares in the Company.

d. **Code of Conduct.**

The Company has a Code of Conduct for its Directors and designated senior management personnel. All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct for the financial year 2011-12. A declaration signed by the Chairman to this effect is annexed to this report. The Code of Conduct is available on the website of the Company.

IV. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

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

During the year 2011-12, consequent to the changes in the Board of Directors referred in the Directors' Report, the constitution of Shareholders'/Investors' Grievance Committee was also changed. Mr. L.T. Hotwani was appointed as the Chairman in place of Mr. B. K. Goenka.

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

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

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

b. Number of Shareholders complaints received during the year:

The Company received 38 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, 2012.

Equity shares in the Suspense Account:

In terms of Clause 5A(II) of the Listing Agreement the Company was required to send three reminders whose shares were lying un-delivered/un- claimed with the Company. If no response was received, the shares were required to be transferred to an "Unclaimed Share Suspense Account". Accordingly, during the year, the Company has sent three reminders to the concerned shareholders followed by opening of the said Suspense Account with IndusInd Bank. After completing the necessary formalities, 4,669 equity shares of the Company held by 1039 shareholders were transferred to the said suspense account. Since such a transfer was made in May 2012, the disclosure as required under Clause 5A(II) of the Listing Agreement will be made from the year 2012-13.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

V. MANAGEMENT

a. **Management Discussion and Analysis**

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

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

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

c. **Accounting Policies**

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

d. **Insider Trading**

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

VI. GENERAL BODY MEETINGS

a. **Year 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 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 2011-12. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

c. Year 2011

- (i) The 3rd Annual General Meeting was held on September 29, 2011 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal : Anjar Dist. Kutch, Gujarat – 370 110 at 11 a.m.

No special resolution was passed in the aforesaid Annual General Meeting:

VII. DISCLOSURE

a. Details of related party transactions

Refer Point 16 of Notes to the financial statement for list of related party transactions.

b. Details of information on appointment of new directors

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

c. Details of non-compliance

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

VIII. MEANS OF COMMUNICATION

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

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

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

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

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

IX. GENERAL SHAREHOLDER INFORMATION

The 4th Annual General Meeting will be held on Tuesday, September 18, 2012 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 Tuesday, September 18, 2012.

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

Date of Book Closure: September 11, 2012 to September 18, 2012 (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 2012-13 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 on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited for 2011-12 are as follows :

Month	Share Prices at BSE		Share prices at NSE		Sensex	Nifty
	High	Low	High	Low		
Apr-11	83.00	68.10	82.05	68.05	19135.96	5749.50
May-11	86.50	62.15	86.75	67.65	18503.28	5560.15
Jun-11	77.70	58.05	79.00	58.75	18845.87	5647.40
Jul-11	71.95	58.50	70.00	58.00	18197.20	5482.00
Aug-11	68.35	41.05	67.95	42.30	16676.75	5001.00
Sep-11	53.70	41.10	53.80	42.15	16453.76	4943.25
Oct-11	56.40	41.15	53.50	42.30	17705.01	5326.60
Nov-11	51.95	38.15	49.90	37.45	16123.46	4832.05
Dec-11	44.45	31.25	43.60	32.30	15454.92	4624.30
Jan-12	52.45	32.30	48.95	32.05	17193.55	5199.25
Feb-12	51.75	38.20	50.35	37.70	17752.68	5385.20
Mar-12	40.90	32.05	39.00	32.35	17404.20	5295.55

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

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

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	24189	99.32	315589	8.64
501-1000	73	0.30	53373	1.46
1001-2000	46	0.19	64531	1.77
2001-3000	11	0.05	27240	0.75
3001-4000	8	0.03	28224	0.77
4001-5000	2	0.00	9567	0.26
5001-10000	5	0.03	40344	1.10
10001- above	20	0.08	3115608	85.25
Total	24354	100.00	3654476	100.00

Dematerialisation of shares and liquidity:

Around 99 % of the Company's share capital is dematerialised as on March 31, 2012.

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, 2012.

Address for correspondence:

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

For and on behalf of the Board of Directors

L. T. Hotwani
Chairman

Place : Mumbai
Date : May 25, 2012

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

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

THE MEMBERS OF WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

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

For Welspun Investments and Commercials Limited

L. T. Hotwani
Chairman

Date : May 25, 2012
Place : Mumbai

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

To the Shareholders 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 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchange in India.

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

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

Place: - Mumbai.
Date: 25th May 2012

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

AUDITORS' REPORT

- To,
The Members,
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 2012, statement of profit and loss 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 ('the Order') issued by Central Government of India in terms of section 227(4A) of the Companies Act, 1956 ('the Act'), 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - e) On the basis of written representations received from the directors of the Company as on 31 March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act; 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 notes thereon give the information required by the Act, 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 2012;
 - ii) in the case of statement of profit and loss, 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: May 25, 2012

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, the provisions of clause 4(i)(a), 4(i)(b) and 4(i)(c) of the Order are not applicable to the Company.
- 2) The Company is maintaining proper records of inventory. According to the information and explanations given to us, the Company has only high sea purchases and sales during the year. Accordingly, the provisions of clause 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the Order relating to physical verification of inventory are not applicable to the Company during the year.
- 3) According to information and explanations given to us, the Company has not granted / taken any loan, secured or unsecured, to / from companies, firms and other parties covered in the Register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(iii) (b), 4(iii) (c), 4(iii) (d), 4(iii) (f) and 4(iii) (g) of the Order are not applicable to the Company.

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

FOR SURESH SURANA & ASSOCIATES

Chartered Accountants
Firm Reg. No.: 121750W

(Nirmal Jain)

PARTNER

Membership No. 34709

Mumbai; Dated: May 25, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note No.	As at 31.03.2012 ₹	As at 31.03.2011 ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	1	36,544,760	36,544,760
Reserves and surplus	2	231,842,131	222,122,307
		268,386,891	258,667,067
2 Current liabilities			
Short-term borrowings	3	101,200,000	210,200,000
Other current liabilities	4	4,162,494	7,604,454
		105,362,494	217,804,454
TOTAL		373,749,385	476,471,521
II. ASSETS			
1 Non-current assets			
Non-current investments	5	237,756,198	218,049,061
Deferred tax assets (net)	6	1,545	3,090
		237,757,743	218,052,151
2 Current assets			
Cash and cash equivalents	7	50,802,553	147,638,325
Short-term loans and advances	8	80,401,494	110,193,353
Other current assets	9	4,787,595	587,692
		135,991,642	258,419,370
TOTAL		373,749,385	476,471,521

See accompanying notes to the financial statements

As per our report of even date attached

FOR **SURESH SURANA & ASSOCIATES**
Chartered Accountants

(Nirmal Jain)
Partner
Membership No.: 34709

Mumbai; Dated: 25th May, 2012

ON BEHALF OF THE BOARD OF DIRECTORS

L. T. Hotwani
Director

Raj Kumar Jain
Director

Jeevan Mondkar
Company Secretary

Mumbai; Dated: 25th May, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR 31ST MARCH, 2012

PARTICULARS	Note No.	Current Year 2011-2012 ₹	Previous Year 2010-2011 ₹
I. Revenue from operations	10	66,794,320	31,701,562
II. Other income - Interest on income tax refund		71,658	-
III. Total revenue (I + II)		66,865,978	31,701,562
IV. Expenses:			
Purchases of stock-in-trade		40,280,000	14,618,862
Employee benefits expense	11	1,774,902	-
Interest expenses		13,193,358	2,807,990
Other expenses	12	1,874,660	2,662,474
Total expenses		57,122,920	20,089,326
V. Profit before tax (III - IV)		9,743,058	11,612,236
VI. Tax expenses:			
Current tax		-	(560,000)
Deferred tax		(1,545)	(2,009)
Excess/(short) provision for tax in respect of earlier years		(21,689)	-
		(23,234)	(562,009)
VII. Profit for the year (V - VI)		9,719,824	11,050,227
VIII. Earnings per equity share:			
Basic and diluted	17	2.66	3.02
Nominal value of equity share		10.00	10.00

See accompanying notes to the financial statements

As per our report of even date attached

FOR SURESH SURANA & ASSOCIATES
Chartered Accountants

(Nirmal Jain)
Partner
Membership No.: 34709

ON BEHALF OF THE BOARD OF DIRECTORS

L. T. Hotwani
Director

Raj Kumar Jain
Director

Jeevan Mondkar
Company Secretary

Mumbai; Dated: 25th May, 2012

Mumbai; Dated: 25th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Current Year 2011-.2012 ₹	Previous Year 2010-2011 ₹
A CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	9,743,058	11,612,236
Adjustments for:		
Interest income on investments	(5,373,188)	(598,855)
Interest income on loan given	(8,700,505)	(6,648,849)
Interest income on income tax refund	(71,658)	-
Interest expense	13,193,358	2,807,990
Dividend income	(11,936,609)	(9,815,224)
Net gain/loss on sale of investments	(454,018)	-
Operating profit/(loss) before working capital changes	(3,599,562)	(2,642,702)
Decrease/(increase) in trade and other receivables	20,054,763	(397,206)
Increase/(decrease) in trade and other payables	(2,604,093)	5,024,142
Short term loans received back	9,300,142	-
Proceeds from/(repayment of) short term borrowings	(109,000,000)	210,200,000
Cash generated from / (used in) operations	(85,848,750)	212,184,234
Interest received on loan	6,891,434	6,701,399
Interest paid	(14,031,225)	(280,798)
Income taxes paid	420,028	(1,166,006)
NET CASH FROM OPERATING ACTIVITIES (A)	(92,568,513)	217,438,829
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non current investments	(70,175,030)	(86,517,893)
Proceeds from sale of non current investments	48,224,514	-
Interest received	5,751,411	11,163
Dividend received	11,936,609	9,815,224
NET CASH USED IN INVESTING ACTIVITIES (B)	(4,262,496)	(76,691,506)
C CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(96,831,009)	140,747,323
Cash and cash equivalents at beginning of year	147,213,544	6,466,221
Cash and cash equivalents at end of year	50,382,535	147,213,544
Cash and cash equivalents at end of year as per balance sheet	50,802,553	147,638,325
Less: Earmarked bank balance	420,018	424,781
Cash and cash equivalents at end of year for cash flow statement	50,382,535	147,213,544

See accompanying notes to the financial statements

As per our report of even date attached

(Nirmal Jain)
Partner
Membership No.: 34709

L. T. Hotwani
Director

Raj Kumar Jain
Director

Jeevan Mondkar
Company Secretary

Mumbai; Dated: 25th May, 2012

Mumbai; Dated: 25th May, 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	As at 31/03/2012 ₹	As at 31/03/2011 ₹
1 SHARE CAPITAL		
Authorised		
13,000,000 equity shares of ₹10 each	130,000,000	130,000,000
Issued, subscribed and paid up shares:		
3,654,476 (as at 31 March 2011: 3,654,476) equity shares of ₹10 each, fully paid up	36,544,760	36,544,760
Total	36,544,760	36,544,760

a. Terms / rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The dividend, if any proposed by Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended 31 March, 2012, the Company has not declared any dividend. (31 March 2011: NIL)

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

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

Name of Shareholder	As at 31/03/2012		As at 31/03/2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Welspun Fintrade Limited	646,956	17.70%	646,956	17.70%
Dunearn Investment Mauritius Pte Limited	453,973	12.42%	453,973	12.42%
Welspun Mercantile Limited	453,054	12.40%	453,054	12.40%
Welspun Wintex Limited	358,978	9.82%	358,978	9.82%
IFCI Limited	300,859	8.23%	301,703	8.26%

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

Particulars	As at 31/03/2012 ₹	As at 31/03/2011 ₹
2 RESERVES AND SURPLUS		
Reserve on demerger	196,801,098	196,801,098
	196,801,098	196,801,098
Surplus		
Opening balance	25,321,209	14,270,982
Add: Net profit for the year	9,719,824	11,050,227
Closing balance	35,041,033	25,321,209
Total	231,842,131	222,122,307

Particulars	As at 31/03/2012 ₹	As at 31/03/2011 ₹
3 SHORT TERM BORROWINGS		
<u>Unsecured</u>		
Loans repayable on demand		
From body corporates*	101,200,000	210,200,000
Total	101,200,000	210,200,000
* The above loan carries interest @ 10.20% p.a. till 12 October 2011 and @ 11% p.a. thereafter.		
4 OTHER CURRENT LIABILITIES		
Interest accrued and due on borrowings	1,689,325	2,527,192
Margin money	1,937,370	4,270,462
Amount payable to shareholders	420,018	422,518
Statutory dues payable	6,539	280,799
Other payables	109,242	103,483
Total	4,162,494	7,604,454
5 NON CURRENT INVESTMENTS		
Trade Investments (At cost)		
Investments in equity instruments (Quoted)		
4,033,000 (as at 31 March 2011: 4,033,000) equity shares of ₹ 5 each fully paid up of Welspun Corp Limited	32,031,168	32,031,168
Other Investments (At cost)		
Investments in equity instruments (Unquoted)		
Investment in associates		
3,988,334 (as at 31 March 2011: 3,320,000) equity shares of ₹ 10 each fully paid up of MEP Cotton Limited	119,550,020	99,500,000
Investment in other entities		
5,000,000 (as at 31 March 2011: NIL) equity shares of ₹ 10 each fully paid up of Welspun Steel Limited	50,125,010	-
Investments in bonds (Unquoted)		
NIL (as at 31 March 2011: 30) 8.57% Central Bank of India 2025 (upper Tier -II) bonds of face value of ₹ 10 lacs each	-	31,108,660
35 (as at 31 March 2011: 50) 9.70% IFCI bonds of face value of ₹ 10 lacs each	36,050,000	55,409,233
Total	237,756,198	218,049,061
Aggregate amount of quoted investments	32,031,168	32,031,168
Aggregate market value of quoted investments	544,051,700	832,411,200
Aggregate amount of unquoted investments	205,725,030	186,017,893
6 DEFERRED TAX ASSETS (NET)		
Deferred tax asset		
Preliminary expenses	1,545	3,090
Less: Deferred tax liability	-	-
Total	1,545	3,090

Particulars	As at 31/03/2012 ₹	As at 31/03/2011 ₹
7 CASH AND CASH EQUIVALENTS		
Balances with banks:		
In current accounts	2,843,485	1,445,797
Earmarked balances	420,018	424,781
Bank deposits	47,500,000	145,724,400
Cash on hand	39,050	43,347
Total	50,802,553	147,638,325
8 SHORT-TERM LOANS AND ADVANCES		
Loans and advances to related parties (Unsecured, considered good)		
Share application money paid to MEP Cotton Ltd.	-	20,050,000
Total (a)	-	20,050,000
Others (Unsecured, considered good)		
Loans to body corporate - Welspun India Limited	79,500,000	88,800,142
Sales tax deposit	25,000	25,000
Advance income tax (net)	876,494	1,318,211
Total (b)	80,401,494	90,143,353
Total (a+b)	80,401,494	110,193,353
9 OTHER CURRENT ASSETS		
Interest accrued on fixed deposits	11,387	18,411
Interest accrued on investments	2,967,137	569,281
Interest accrued on loan	1,809,071	-
Total	4,787,595	587,692
Particulars	Current Year 2011-2012 ₹	Previous Year 2010-2011 ₹
10 REVENUE FROM OPERATIONS		
Sale of products	40,330,000	14,638,634
Interest income:		
- Interest on investments	5,373,188	598,855
- Interest on loan given	8,700,505	6,648,849
Dividend income	11,936,609	9,815,224
Net gain/loss on sale of investments	454,018	-
Total	66,794,320	31,701,562
11 EMPLOYEE BENEFITS EXPENSE		
Salaries	1,774,032	-
Staff welfare expenses	870	-
Total	1,774,902	-

Particulars	Current Year 2011-2012 ₹	Previous Year 2010-2011 ₹
12 OTHER EXPENSES		
Rent	748,496	-
Insurance	9,376	-
Rates and taxes	63,304	34,886
Professional fees	308,616	48,244
Printing and stationery	109,773	257,563
Postage and telegram	203,731	389,285
Advertisement expenses	153,931	1,675,289
Auditor's remuneration:		
As auditor	103,471	110,300
For other services	11,030	24,819
Miscellaneous expenses	162,932	122,088
Total	1,874,660	2,662,474

13. SIGNIFICANT ACCOUNTING POLICIES
(a) Accounting convention:

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

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

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

(b) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for 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 valued at cost less provision, if any for diminution in value, which is other than temporary.
- Current investments are carried at the lower of the 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) Accounting for taxes on income:

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

(f) Provisions and contingent liabilities:

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not

discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made.

(g) Transaction in foreign currencies:

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

(h) Impairment of assets:

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

(i) Earnings per share:

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

14 DETAILS OF STOCK-IN-TRADE

Particulars	Opening stock ₹	Purchases ₹	Sales ₹	Closing stock ₹
Current year 2011-2012				
Canadian yellow peas	-	40,280,000	40,330,000	-
Total	-	40,280,000	40,330,000	-
Previous year 2010-2011				
Fabrics	-	14,618,862	14,638,634	-
Total	-	14,618,862	14,638,634	-

15 SEGMENT REPORTING:

The Company has two business segments viz. Investment and dealing in shares and securities (Finance) and Trading of products, 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	2011-12	26,464,320	40,330,000	-	66,794,320
	2010-11	17,062,928	14,638,634	-	31,701,562
Segment results	2011-12	13,231,812	50,000	(3,538,754)	9,743,058
	2010-11	14,214,559	19,772	(2,622,095)	11,612,236
Segment assets	2011-12	369,543,793	25,000	3,302,553	372,871,346
	2010-11	473,211,295	25,000	1,913,925	475,150,220
Segment liabilities	2011-12	104,827,472	-	535,022	105,362,494
	2010-11	217,278,453	-	526,001	217,804,454

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

16 Related party Disclosures:

i) Related party relationships:

a) Associates	MEP Cotton Limited
b) Enterprises over which key management personnel or relatives of key management personnel exercise significant influence or control and with whom transactions have taken place during the year	Krishiraj Trading Limited (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 year, except where control exist, in which case the relationships have been mentioned irrespective of transactions with the related party.

ii) Transactions with related parties:

Details of related party transactions are as follows:

Particulars	Current Year 2011-2012 ₹	Previous Year 2010-2011 ₹
Equity shares received (including premium) MEP Cotton Limited	20,050,020	-
Share application money paid MEP Cotton Limited	-	20,050,000

17 EARNINGS PER SHARE:

Particulars	Current Year 2011-2012	Previous Year 2010-2011
Net profit after tax attributable to equity shareholders (₹)	9,719,824	11,050,227
Weighted average number of equity shares outstanding during the year (No.)	3,654,476	3,654,476
Basic earnings per share (₹)	2.66	3.02
Nominal value of share (₹)	10.00	10.00

18 Based on information received by the Company from its suppliers, amounts due to Micro and Small Enterprises as at 31 March 2012 is ₹ Nil (as at 31 March 2011 ₹ Nil).

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

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

As per our report of even date attached

FOR SURESH SURANA & ASSOCIATES
Chartered Accountants

(Nirmal Jain)
Partner
Membership No.: 34709

Mumbai; Dated: 25th May, 2012

ON BEHALF OF THE BOARD OF DIRECTORS

L. T. Hotwani
Director

Raj Kumar Jain
Director

Jeevan Mondkar
Company Secretary

Mumbai; Dated: 25th May, 2012

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
FOURTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, September 18, 2012 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.....2012

Affix
Revenue
Stamp
Rs. 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 FOURTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday,
September 18, 2012 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

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Mumbai 400 078