

DIRECTORS' REPORT

To,
The Members,
WELSPUN PIPES LIMITED
Mumbai.

Your Directors have pleasure in presenting their 6th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2013.

FINANCIAL RESULTS

As the Company's business activities have not yet started, and as there is no Profit and Loss Account for the year ended on March 31, 2013, there are no financial details available to mention here.

DIVIDEND

Since the Company has no operational income, your Directors do not recommend any dividend for the year ended March 31, 2013.

PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 and Reserve Bank of India Rules, if any. Therefore, no amount on account of principal or interest on public deposit was outstanding on the date of the Balance Sheet.

DIRECTORS

During the period under review, no changes took place in the Board of Directors.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association, Mr. Akhil Jindal, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

AUDITORS

Your Company's Auditors M/s. Sureka Associates, Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves to be re-appointed as the Statutory Auditors of the Company.

AUDITORS' REPORT

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation.


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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**Disclosure of Particulars with respect to Conservation of Energy:**

As the Company's business activities have not yet started, there are no activities involving conservation of energy, technology absorption and foreign exchange earnings.

Foreign Exchange Earnings and Outgo:

For the financial year ended on March 31, 2013, the Company did not have foreign exchange earnings and outgo.

PARTICULARS OF EMPLOYEES

No employee of the Company comes under the purview of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 1988.

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 and loss 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.

ACKNOWLEDGMENTS

Your Directors wish to express their grateful appreciation for the valuable support and cooperation received from lenders, business associates, banks, financial institutions, shareholders, various statutory authorities and society at large.



Place: Mumbai
Date: May 10, 2013


L. T. Hotwani
Director


Akhil Jindal
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun Pipes Limited

Report on the Financial Statements

1. We have audited the accompanying financial statement of **Welspun Pipes Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2013 and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013 and
 - (b) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order;
6. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
 - c. the Balance Sheet and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet and the Cash Flow Statement 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 as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm's Registration Number: 110640W

Suresh Sureka
Partner

Membership Number: FCA 34132
Place : Mumbai
Date : 10th May, 2013



ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in paragraph (5) of our report of even date to the members of Welspun Pipes Limited on the accounts for the year ended 31st March, 2013

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) According to information and explanation given to us, there are no assets apart from Leasehold Land. Hence, question of its verification and material discrepancies does not arise.

(c) In our opinion and according to the information and explanation given to us, a substantial part of the fixed assets has not been disposed of by the Company during the year.
2. The Company did not have any inventories. Hence, the question of physical verification and records thereof does not arise.
3. (a) The Company has not granted any loans, secured or unsecured, to any company, firm or other parties covered in the register maintained under section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest and overdue amounts are not applicable.


(b) The Company has not taken any secured / unsecured loans from any company, firm or other parties covered in the register maintained under Section 301 of the Act. As such, the requirements regarding the quantum of amount of loan, rate of interest, repayment of principal and interest are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, no major weaknesses were noticed in the internal control system in respect of above areas.
5. According to the information and explanation given to us, there is no contract or arrangement the particulars of which are required to be entered into the register in pursuance of section 301 of the Act.
6. The Company has not accepted any deposit from the Public.
7. The Company is not a listed or other company having a paid-up capital and reserves exceeding Rs 50 lacs as at the commencement of the financial year or having an average annual turnover exceeding Rs 5 Crores for a period of three consecutive financial year immediately preceding the financial year concerned. Therefore the Company is exempt from the requirement of an internal audit system.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the company.
9. (a) According to the records of the Company, the Company has been regular in depositing undisputed statutory dues with the appropriate authorities.

(b) Based on our audit procedures and according to the information and explanations given to us, there are no undisputed arrears of statutory dues which has remained outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.



10. The Company has not commenced its commercial operations. As such, the question of losses does not arise.
11. In our opinion and according to the information and explanation given to us, the Company does not have any borrowing from Bank / financial institution. Hence, the question of default does not arise.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi or Mutual Benefit fund/ Society and therefore the requirements pertaining to such class of Company are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. In our opinion, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loans during the year.
17. According to the information and explanation given to us by the management and on an overall examination of the balance sheet of company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. In our opinion and according to the information and explanations given to us, the Company has not issued debentures for which any security or charge needs to be created.
20. The Company has not made any public issues during the year and therefore, the question of disclosing the end use of money does not arise.
21. Based upon the audit procedures performed and according to the information and explanations given and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm's Registration Number: 110640W


Suresh Sureka
Partner



Membership Number: FCA 34132
Place : Mumbai
Date : 10th May, 2013

Welspun Pipes Limited
Balance Sheet as at 31 st March 2013

Particulars	Note No.	Amount in Rupees	
		As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	500,000	500,000
2 Current liabilities			
(a) Trade Payables	3	22,097,361	21,034,724
(b) Other current liabilities	4	606,818,700	606,822,301
(c) Short-term Provisions	5	8,427	8,427
TOTAL		629,424,488	628,365,452
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	6	591,188,622	591,188,622
(ii) Capital Work-in-progress		37,510,629	36,406,305
(b) Long-term loans and advances	7	-	25,000
2 Current assets			
(a) Cash and cash equivalents	8	724,731	745,121
(b) Other Current Assets	9	506	405
TOTAL		629,424,488	628,365,452
Notes Forming Part of Financial Statements	1-9		

As per our Report of even date
For **SUREKA ASSOCIATES**
Chartered Accountants
Firm Registration No:110640W

SURESH SUREKA
Partner

Membership No:34132

Place:Mumbai

Date:

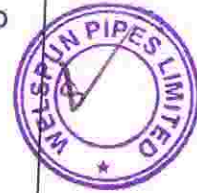
10 MAY 2013



FOR AND ON BEHALF OF THE BOARD


DIRECTOR


DIRECTOR



Notes Forming Part of Financial Statements

Note 2 Share Capital

Particulars	Amount in Rupees	
	As at 31 March 2013	As at 31 March 2012
Authorised		
50,000(Previous Year 50,000) Equity Shares of Rs. 10 each	500,000	500,000
Issued,Subscribed and Paid up		
50,000 (Previous Year 50,000) Equity Shares of Rs. 10 each fully paid up	500,000	500,000
Total	500,000	500,000

(b) Reconciliation of number of shares outstanding as at 1st April 2013 and 31st March 2012

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	Amount in Rupees	Number	Amount in Rupees
Shares outstanding as at the opening of the year	50,000	500,000	50,000	5,000,000
Add:Shares Issued during the year	-	-	-	-
Shares outstanding as at closing of the year	50,000	500,000	50,000	5,000,000

(c) Details in respect of each class in the company held by the holding company and its associates

Name of shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Equity shares held	% of holding	No. of Equity shares held	% of holding
Holding Company				
Welspun Corp Limited	50,000	100	50,000	100
Total	50,000	100	50,000	100

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Welspun Corp Limited	50,000	100	50,000	100
TOTAL	50,000	100	50,000	100

(e) Terms/right attached to Equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting.

In the event of Liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 3 Trade Payables

Particulars	Amount in Rupees	
	As at 31st March 2013	As at 31 March 2012
Sundry Creditors	22,097,361	21,034,724
Total	22,097,361	21,034,724



Note 4 Other Current Liabilities

Amount in Rupees

Particulars	As at 31st March 2013	As at 31 March 2012
TDS Payable	-	3,601
Others Payable	50,176,443	28,176,443
Share Application Money Pending Allotment (Shares will be issued against the application money on such terms as may be agreed by the board from time to time)	556,642,257	578,642,257
Total	606,818,700	606,822,301

Note 5 Short Term Provisions

Amount in Rupees

Particulars	As at 31st March 2013	As at 31 March 2012
Provision for expenses	8,427	8,427
Total	8,427	8,427

Note 7 Long Term Loans and Advances

Amount in Rupees

Particulars	As at 31st March 2013	As at 31 March 2012
Deposits (Unsecured, considered good)	-	25,000
Total	-	25,000

Note 8 Cash and Cash Equivalents

Amount in Rupees

Particulars	As at 31st March 2013	As at 31 March 2012
Balance with Banks		
- In Current Accounts	723,184	710,882
- Cash on Hand	1,547	1,647
- Bank deposits with more than 12 months maturity	-	32,592
Total	724,731	745,121

Note 9 Other Current Assets

Amount in Rupees

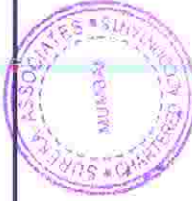
Particulars	As at 31st March 2013	As at 31 March 2012
TDS Receivable	506	405
Total	506	405



WELSPUN PIPES LIMITED

Note 6 Fixed Assets

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS AT 01.04.2012	FOR THE YEAR		AS AT 31.03.2013	AS AT 01.04.2012	FOR THE YEAR	TOTAL 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
		ADDITIONS	DEDUCTIONS						
<u>Tangible Assets</u>									
(i) Leased Land Leased Hold	646,050,138	-	-	646,050,138	54,861,516	-	54,861,516	591,188,622	591,188,622
TOTAL	646,050,138	-	-	646,050,138	54,861,516	-	54,861,516	591,188,622	591,188,622
Previous Year	646,255,281	-	205,143	646,050,138	54,937,223	15,436	54,861,516	591,188,622	591,318,058
Capital Work in Progress Total								37,510,629	36,406,305



Note :1

Significant Accounting Policies and Notes to Accounts – 31st March, 2013

A Significant Accounting Policies

a) Basis of Accounting

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all aspects with the accounting standards notified under section 211 (3c) Companies (Accounting Standards) Rules, 2006, as amended and the other relevant provisions of the Companies Act, 1956.

b) Use of Estimates

The Preparation of the financial statement in accordance with generally accepted accounting principles requires the management to make estimates and assumption that affect the reported assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from those estimates. Any revision of such accounting estimates is recognized prospectively in current and future period.

c) Fixed Assets

- Fixed assets are stated at Original cost of acquisition / Installation net of accumulated depreciation, amortization. The Cost of fixed assets includes cost of acquisition and other incidental expenses related to the acquisition and installation including trial run expense (net of revenue) and borrowing cost incurred during pre-operational period.
- Capital Work in Progress is stated at the amount expended up to the date of Balance sheet including preoperative expenditure.

d) Depreciation

- Depreciation on Fixed assets is provided on Straight Line Method at rate prescribed in Schedule XIV to the Companies Act, 1956

e) Foreign Currency Transactions

- Foreign Currency transactions are recorded at the exchange rate prevailing on the date of such transaction. Monetary assets and liabilities in foreign currency as at the Balance sheet date are translated at the exchange rates prevailing at the date of Balance sheet. Gains and Losses arising on account of difference in foreign exchange rates on settlement/ Translation of monetary assets and liabilities are recognized in the pre-operative expenses



f) Employee Benefits

Payments to defined contribution retirement benefit schemes are charged as expenses as they fall due.

g) Accounting for Taxes on Income

- Current tax is determined as the amount of tax payable in respect of taxable income of the year computed as per Income Tax Act, 1961.
- Deferred tax is recognised subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent period and measured using prevailing enacted or substantively enacted tax rates.

h) Operating Leases

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

B Notes to Accounts

1. Micro, Small and Medium Enterprises

There are no dues to Micro, Small and Medium Enterprises as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2013. This information has been determined to the extent such parties have been identified to the basis of the information available with the Company.

2. Since the Company has not commenced commercial operations, no Statement of Profit & loss has been prepared.

3. Since Statement of Profit & Loss has not been prepared, there is no Deferred Tax Asset / Liability.

4. Segmental Information
Segment information as required by Accounting Standard-17 is not applicable.

5. Operating Lease

The Company has taken lease hold land from Associate Company. However AS 19 excludes lease of lands from its ambit, and therefore no disclosure has been made.

6. Related Party Disclosure:-

As per Accounting Standard 18, the disclosure with related parties as defined in the accounting standard is given below.

a) Key Management Personnel



Shri. Anuj Burakia	Director
Shri. Lal T. Hotwani	Director
Shri. Akhil Jindal	Director

b) Holding Company :- Welspun Corp Ltd

c) Related parties with whom transaction have taken place during the year and balance outstanding as on the last day of the year

Welspun Anjar Sez Ltd
Welspun Corp Ltd,
Welspun Infra Development & Management Pvt. Ltd
Welspun Infra Enterprise Pvt. Ltd.
Welspun Wintex Ltd.
Welspun Fin Trade Pvt Ltd.
Welspun Mercantile Ltd.

Amount in Rs

Particulars	Welspun Corp. Ltd.	Welspun Anjar Sez Ltd	Welspun Infra Development and Management Pvt Ltd	Welspun Infra Enterprises Pvt Ltd	Welspun Wintex Ltd	Welspun Fin Trade Pvt Ltd	Welspun Mercantile Ltd
Actions of the year							
Application Repaid	22,00,00,000						
Application Received	(57,86,42,257)						
Payables		22,00,00,000					
Provision for interest	12,300						
Provision for interest paid on behalf	(6,96,426)						
Asset Sold during the year			1,00,000	1,00,000			
Asset Sold during the year	1,00,000				40,000	30,000	30,000
Net Assets							
Provision for interest	(1,14,002.00)						
Balance							
Application	55,66,42,257						
	(57,86,42,257)						
		5,01,76,443					

Previous year figures are given in brackets

Note: Related Parties are as disclosed by the Management and relied upon by the auditors.



7. Audit Fees :

Particulars	Amount in Rs 2012-13	Amount in Rs 2011-12
Audit Fee	8427	8427

8. Previous year figures have been regrouped/ rearranged/ recasted wherever considered necessary to confirm to this year's classification. Figures in brackets pertain to previous year.

9. Other Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956 are either Nil or not applicable. The Notes referred to above form an integral part of the Accounts.

As per our Report of even date

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



Suresh Sureka
Partner
Membership No:34132



For and on behalf of the Board



Director



Director



Place : Mumbai

Date : 10 MAY 2013

WELSPUN PIPES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	31.03.2013 (RS.)	31.03.2012 (RS.)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and exceptional items		
<i>Adjustments for:</i>		
Depreciation		
Interest income		
Dividend income		
Interest expenses		
Loss on sale of fixed assets		
Operating Profit before working capital changes		
Miscellaneous expenditure		
Trade receivables & other Current Assets	(101)	2,780,768
Inventories		
Trade payables & other current liabilities	1,059,036	2,292,770
	1,058,935	5,073,539
Cash generated from operations		
Taxes paid (net)		
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,058,935	5,073,539
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (Including capital work in progress)	(1,104,324)	(5,371,520)
Dividend received		
Purchase of short term investments		
Other Long term Advances	25,000	
Other Short Term Loans and Advances		
Investment in Subsidiaries		
Sale of short term investments		
Sale of fixed assets	0	0
Share Application Money Received	0	0
NET CASH USED IN INVESTING ACTIVITY	(1,079,324)	(5,371,520)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares (Minority Interest)		
Interest paid		
Dividend paid (including tax on dividend)		
Proceeds from long term borrowings	0	0
Proceeds from short term borrowings		
Repayment of long term borrowings		
Repayment of short term borrowings		
NET CASH FROM FINANCING ACTIVITY	0	0
NET INCREASE IN CASH AND CASH EQUIVALANTS	(20,389)	(297,982)
Cash and cash equivalents Opening balance	745,121	1,043,102
Cash and cash equivalents Closing balance	724,731	745,121

Notes:

1. The cash flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash flow statements issued by the Institute of Chartered Accountants of India.

FOR SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No:110640W

(SURESH SUREKA)
PARTNER
Membership No: 34132
Place : MUMBAI
Date: 10 MAY 2013



FOR AND ON BEHALF OF THE BOARD

DIRECTOR

DIRECTOR

