

# WELSPUN PIPES LIMITED

Registered Office: B-9, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.

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## DIRECTORS' REPORT

To,  
The Members,  
**WELSPUN PIPES LIMITED**  
Mumbai.

Your Directors have pleasure in presenting their 4<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

### **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 31<sup>st</sup> March, 2011, 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 31<sup>st</sup> March, 2011.

### **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. As such, 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. Anuj Burakia, 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.

# WELSPUN PIPES LIMITED

Registered Office: B-9, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.

## 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 31<sup>st</sup> March, 2011, the Company has incurred expenditure in foreign currency of Rs. 76.43 lacs during the year. Further, there are no earnings in foreign currency during the year.

## 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. Your Directors also place on record their sincere appreciation of the valued contribution made by the employees at all levels which substantially contributed to bring the Company to the present level.

Place: Mumbai  
Date: 27<sup>th</sup> April, 2011

L. T. Hotwani  
Director

Akhil Jindal  
Director

SUREKA ASSOCIATES  
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,  
MATUNGA ROAD (W), MUMBAI 400 016.  
TEL.: 2430 6150, 2432 7608 FAX: 2432 7608  
EMAIL: surekas@vsnl.com

AUDITORS REPORT TO THE SHAREHOLDERS

1. We have audited the attached Balance Sheet of **WELSPUN PIPES LIMITED** and also the Cash Flow Statement for the year ended on that date annexed thereto as at 31<sup>st</sup> March 2011. 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 the 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, a statement on the matters specified in paragraph 4 and 5 of the said Order is annexed.
4. Further to our comments in the statement referred to in paragraph 3 above:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law, have been kept by the company, so far as appears from our examination of the 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 dealt with by this report complies with the Accounting Standards referred to in Section 211(3c) of the Companies Act, 1956.
  - e. On the basis of the written representations received from the directors of the Company as at 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a director of the Company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



: 2 :

- i. In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2011.
- ii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of  
SUREKA ASSOCIATES  
Chartered Accountants

  
(Suresh Sureka)  
Partner



F.R.N: 110640W  
Membership Number: FCA 34132  
Place : Mumbai  
Dated : 27<sup>th</sup> April, 2011

**SUREKA ASSOCIATES**  
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,  
MATUNGA ROAD (W), MUMBAI 400 016.  
TEL.: 2430 6150, 2432 7608 FAX: 2432 7608  
EMAIL: surekas@vsnl.com

**ANNEXURE TO THE AUDITORS' REPORT**

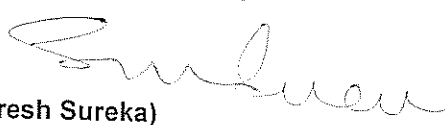
**Statement referred to in paragraph (3) of our report of even date to the members of  
Welspun Pipes Ltd. on the accounts for the year ended 31<sup>st</sup> March, 2011**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
  
(b) As informed to us, all the Fixed Assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No discrepancy has been noticed on such verification.  
  
(c) Substantial part of Fixed Assets has not been disposed off during the year. Hence, the Company continues to be a going concern.
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 secured / unsecured loans to any companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. 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 not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As such, the requirements regarding the quantum 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 the 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 weakness has been noticed in the internal control system.
5. (a) Based on the audit procedures applied by us and according to the information and explanations given to us, particulars of contracts or arrangements referred to in Section 301 of the Act have been so entered in the register required to be maintained under that section.  
  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposit from the Public.
7. The Company does not have an internal audit system. However, as per information and explanations given to us, the Company has adequate internal control commensurate with the size of the Company and nature of its business to ensure independent checking of all transactions at periodic intervals.
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. According to the records of the Company, the Company has been regular in depositing undisputed Income tax and other statutory dues with the appropriate authorities.
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 has not defaulted in repayment of dues to financial institutions / Banks.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, 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. In our opinion, the Company is not in the business of dealing or trading in shares, Securities, Debentures and other investments.
15. During the year, 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.
19. The Company has not issued any debentures.
20. The Company has not made any public issues during the year.
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

  
(Suresh Sureka)  
Partner



Membership Number: FCA 34132  
Place : Mumbai  
Dated : 27th April, 2011

**WELSPUN PIPES LIMITED**

**BA LANCE SHEET AS AT 31-March-2011**

PARTICULARS	SCHEDULE	AS AT	AS AT
		31.03.2011	31.03.2010
		Rs.	Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
SHARE CAPITAL	1	500,000	500,000
SHARE APPLICATION MONEY		555,542,257	1,274,800,466
<b>TOTAL</b>		<b>556,042,257</b>	<b>1,275,300,466</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	2	646,255,281	646,255,281
LESS : DEPRECIATION		54,937,222	33,328,277
NET BLOCK		591,318,058	612,927,004
CAPITAL WORK IN PROGRESS		30,885,208	793,432,669
		<b>622,203,266</b>	<b>1,406,359,673</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
CASH & BANK BALANCE	3	1,043,102	5,187,743
LOAN & ADVANCES	4	2,806,173	21,476,608
		3,849,276	26,664,352
LESS: CURRENT LIABILITIES	5	70,030,425	157,743,698
NET CURRENT ASSETS		(66,181,149)	(131,079,347)
<b>MISCELLANEOUS EXPENSES (TO THE EXTENT NOT WRITTEN OFF)</b>			
PRELIMINARY EXPENSES		20,140	20,140
<b>TOTAL</b>		<b>556,042,257</b>	<b>1,275,300,466</b>
		(0)	-

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

6

AS PER OUR REPORT ATTACHED OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

FOR SUREKA ASSOCIATES

CHARTERED ACCOUNTANTS

*(Signature)*

*(Signature)*

*(Signature)*

(SURESH SUREKA)

PARTNER

Membership No. FCA 34132

PLACE : MUMBAI

DATE: 27 APR 2011

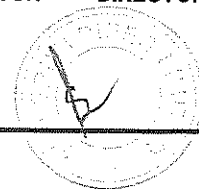
LTH

DIRECTOR

DIRECTOR

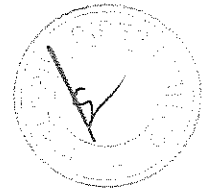
DIRECTOR

AKHIL J



**WELSPUN PIPES LIMITED**
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 March-2011**

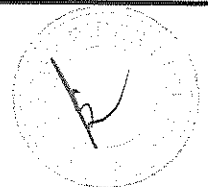
PARTICULARS	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
<b>SCHEDULE -1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
50,000 (50,000) Equity share of Rs.10/- each	500,000	500,000
	<b>500,000</b>	<b>500,000</b>
<b>ISSUED SUBSCRIBED &amp; PAID-UP CAPITAL</b>		
50,000 (50,000) Equity share of Rs.10/- each fully paid-up	500,000	500,000
	<b>500,000</b>	<b>500,000</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>SCHEDULE - 3</b>		
<b>CASH &amp; BANK BALANCE</b>		
CASH IN HAND	1,647	1,647
BANK BALANCE WITH SCHEDULED BANKS		
- Current accounts	1,013,102	5,157,743
- Fixed Deposit Accounts		
Add. Accrued Interest during the year	25,000	
	3,353	
	<b>28,353</b>	<b>28,353</b>
	<b>1,043,102</b>	<b>5,187,743</b>
<b>SCHEDULE -4</b>		
<b>LOANS &amp; ADVANCES</b>		
(UNSECURED, CONSIDERED GOOD)		
ADVANCES (RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED)	2,806,173	21,476,608
	<b>2,806,173</b>	<b>21,476,608</b>
<b>SCHEDULE -5</b>		
<b>CURRENT LIABILITIES</b>		
SUNDRY CREDITORS	69,750,838	121,990,746
CREDITOR FOR EXPENSES	275,960	680,521
PROVISION FOR EXPENSES	3,075	1,225,502
TDS PAYABLE	552	25,348
VAT PAYABLE	-	33,821,582
	<b>70,030,425</b>	<b>157,743,698</b>





# WELSPUN PIPES LIMITED

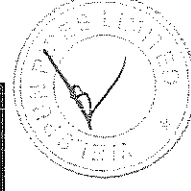
Detail for the year ended on 31.03.11		
	31.03.2011	31.03.2010
<b>Bank Balance</b>		
Punjab National Bank	-	534,883
Bank of Maharashtra	-	211,910
Axis Bank Ltd.	(7,517)	3,114,688
IDBI Bank Ltd.	116,923	494,937
State Bank of Bikaner & Jaipur	298,700	299,250
State Bank of India	401,254	298,334
INDUSTRIAL BANK MUMBAI	203,742	203,742
	<b>1,013,102</b>	<b>5,157,743</b>
<b>LOAN &amp; ADVANCES</b>		
WELSPUN ANJAR SEZ. LTD.	-	2,400,000
PRE-PAID EXPENSES		
INSURANCE	-	691,448
SECURITY DEPOSIT - RENT	-	16,903,915
CUSTOM DUTY CLEARING	2,775,173	1,355,127
DEPOSIT - WITH SALES TAX DEPARTMENT & government authority	25,000	25,000
SERVICE TAX REFUND-ANJAR	-	95,119
CLAIM RECEIVABLE	6,000	6,000
	<b>2,806,173</b>	<b>21,476,608</b>
<b>INVENTORY</b>		
RAW MATERIAL	-	5,000
SCRAP PRODUCTION	-	24,000
OTHERS	-	53,751
PACKING MATERIALS	-	60,537
STORES & SPARES	-	3,628,960
	-	<b>3,772,248</b>
<b>PRELIMINARY EXPENSES</b>		
FILLING FEES FROM NO.1,1A, 18 & 32	1,400	1,400
FILLING FEES MoA, AoA	16,300	16,300
CERTIFICATION	1,000	1,000
FRANKING CHARGES	1,440	1,440
	<b>20,140</b>	<b>20,140</b>
<b>Detail of Preoperative Expenses</b>		
Interest on FDR	-	(1,970)
LOSS / GAIN ON VALUATION OF OWN MATERIAL	(1)	-
Depreciation	21,608,946	21,608,946
Pre Operative Exps	32,782,788	11,175,813
	<b>54,391,733</b>	<b>32,782,788</b>



SCHEDULE -2

FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	AS AT 01.04.2010	FOR THE YEAR		AS AT 01.04.2010	FOR THE YEAR	AS AT 31.03.2011	AS AT 31.03.2010	
		ADDITIONS	DEDUCTIONS					
Land Leased Hold	646,050,138	-	-	33,283,441	21,578,075	591,188,622	612,766,697	
Furniture/Fixtures	20,600			1,785	1,304	17,511	18,815	
Computers	184,543			43,051	29,567	111,925	141,492	
<b>TOTAL</b>	<b>646,255,281</b>	<b>-</b>	<b>-</b>	<b>33,328,277</b>	<b>21,608,946</b>	<b>591,318,058</b>	<b>612,927,004</b>	
Previous Year	-	646,255,281	-	-	33,328,277	612,927,004	-	
<b>Capital Work in Progress</b>								
CWIP - Building						-1,889,837	121,782,787	
CWIP - Plant & Machinery						-30,970,923	578,591,564	
CWIP - Preoperating Expenses						63,745,962	93,058,318	
<b>Total</b>						<b>30,885,202</b>	<b>793,432,669</b>	



# WELSPUN PIPES LIMITED

## BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

### I. REGISTRATION DETAILS

REGISTRATION NO.	U27108MH2007PLC171855	STATE CODE	11
REGISTRATION DATE :	20-Jun-07		
BALANCE SHEET DATE	31.03.11		

### II. CAPITAL RAISED DURING THE PERIOD (Amount in Rs. thousands)

PUBLIC ISSUE	-	RIGHT ISSUE	-
BONUS ISSUE	-	PRIVATE PLACEMENT	-
		FROM CALL IN ARREAR	-

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS ( Amount in Rs. thousands)

TOTAL LIABILITIES	556,042	TOTAL ASSETS	556,042
<u>SOURCES OF FUNDS</u>		<u>APPLICATION OF FUNDS</u>	
PAID UP CAPITAL	500	NET FIXED ASSET	622,203
RESERVES AND SURPLUS	-	(Including Capital Work in progress)	
SHARE APPLICATION MONEY	555,542	INVESTMENTS	-
SECURED LOANS	-	NET CURRENT ASSETS	(66,181)
UNSECURED LOANS	-	MISC. EXPENDITURE	20
	556,042		556,042

### IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands)

TURNOVER AND OTHER INCOME	-	TOTAL EXPENDITURE	-
PROFIT BEFORE TAX	-	PROFIT AFTER TAX	-
EARNING PER SHARE (Rs.)	-	DIVIDEND RATE	NIL

### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)

ITEM CODE NO. (ITC CODE)	NA
PRODUCT DESCRIPTION	NA

**FOR SUREKA ASSOCIATES**

Chartered Accountants



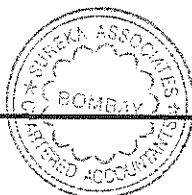
**SURESH SUREKA**

Partner

PLACE : MUMBAI

DATE:

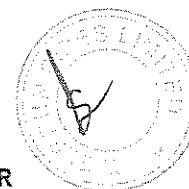
27 APR 2011



**FOR AND ON BEHALF OF THE BOARD**



**DIRECTOR**



**DIRECTOR**

<b>WELSPUN PIPES LIMITED</b>		
<b>CASH FLOW STATEMENT</b>		
<b>ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31.03.2011</b>		
Particulars	31.03.2011 (RS.)	31.03.2010 (RS.)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and exceptional items		
<i>Adjustments for:</i>		
Depreciation		
Unrealised exchange difference		
Employees Stock Option Compensation		
Interest income		
Dividend income		
Interest expenses		
Loss on sale of fixed assets		
Operating Profit before working capital changes		
Miscellaneous expenditure		
Trade and other receivables	18,670,435	0
Inventories		
Trade and other payables	-87,713,273	93,127,535
	-69,042,838	93,127,535
<b>Cash generated from operations</b>	<b>-69,042,838</b>	<b>93,127,535</b>
Taxes paid (net)		
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>-69,042,838</b>	<b>93,127,535</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (Including capital work in progress)	784,156,407	922,490,198
Advances to Subsidiaries		
Other Receivables	0	
Dividend received		
Purchase of short term investments		
Investment in Subsidiaries		
Sale of short term investments		
Sale of fixed assets		
Share Application Money Received	-719,258,209	-249,050,187
<b>NET CASH USED IN INVESTING ACTIVITY</b>	<b>64,898,197</b>	<b>673,440,011</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Shares (Minority Interest)		
Proceeds from long term borrowings		
Proceeds from issue of Shares to Holding Company		
Exchange rate difference realised		
Interest paid		
Dividend paid (including tax on dividend)		
Proceeds from long term borrowings		
Proceeds from short term borrowings	0	-765,235,839
Repayment of long term borrowings		
Repayment of short term borrowings		
<b>NET CASH FROM FINANCING ACTIVITY</b>	<b>0</b>	<b>-765,235,839</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALANTS</b>	<b>-4,144,641</b>	<b>1,331,708</b>
Cash and cash equivalents Opening balance	5,187,744	3,856,036
Cash and cash equivalents Closing balance	1,043,102	5,187,744

**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

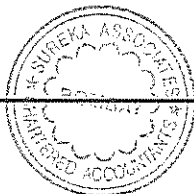
(SURESH SUREKA)  
PARTNER

Membership No. FCA 34132

PLACE : MUMBAI

DATE:

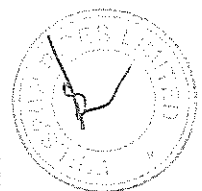
27 APR 2011



FOR AND ON BEHALF OF THE BOARD

DIRECTOR

DIRECTOR



Schedules Forming Part of Accounts as on 31<sup>st</sup> March, 2011

Schedule – 6

Significant Accounting Policies and Notes to Accounts – 31<sup>st</sup> March, 2011

**A Significant Accounting Policies**

**a) Basis of Accounting**

The Financial statement have been prepared under the historical cost convention on accrual basis and in accordance with the accounting standards refereed to in section 211(3) 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 of 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 trail run expense (net of revenue) and borrowing cost incurred during preoperational period.
- Capital Work in Progress is stated at the amount expended up to the date of Balance sheet including preoperative expenditure and advance on capital accounts.

**d) Depreciation**

- Depreciation on Fixed assets is provided on straight line Method at rate prescribed in Schedule XIV to the Companies Act, 1956 except for Lease hold Land which was depreciated on the basis of lease period.

**e) Foreign Currency Transactions**

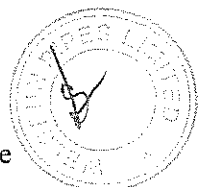
- Foreign Currency transactions are recorded at the exchange rate prevailing on the date of such transaction. Monetary assets and liabilities in foreign currency as at the Balance sheet date are translated at the exchange rates prevailing at the date of Balance sheet .Gains and Losses arising on account 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 on 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**

The Company has not received the required information from Suppliers regarding their status under the Micro, small and Medium Enterprises Development Act, 2006. Hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable, as required, under the Act, have not been made.

2. Since the Company has not commenced commercial operations, no Profit & loss has been prepared.
3. Since Profit & Loss Account has not been prepared, there is no Deferred Tax Asset / Liability.
4. Capital Commitments not provide for Net of advances Rs. Nil lacs (Rs. 75.57 lacs).

#### **5. Segmental Information**

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

#### **6. 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.

#### **7. Related Party Disclosure:-**

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

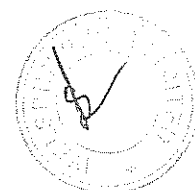
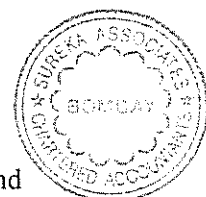
##### **a) Key Management Personnel**

Shri B.K Goenka	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. and Welspun Corp Ltd.



**Transaction with Related Parties**

Rs. In Lacs)

Particulars	Total amount 2010-11	Amount 2009-10	Total amount 2009-10	Amount 2009-10
<b>Sales of Assets &amp; Reimbursement of Expenses</b>	8271.52		10,750.06	
Welspun Corp Ltd. (Pipe Mills)		8271.52		10,745.61
Welspun Corp Ltd (PCMD)		Nil		4.46
<b>Share application money received Outstanding</b>	55,55.42		12,748.00	
Welspun Corp Ltd. (Pipe Mill)		55,55.42		12,748.00
<b>Share application money paid Outstanding</b>	Nil		24.00	
Welspun Anjar SEZ Ltd.		Nil		24.00
<b>Purchases of Goods</b>	Nil		0.43	
Welspun Corp Ltd. (Pipe Mill)		Nil		0.43
<b>Receipt against Security Deposit Refund</b>	-		-	
Welspun Anjar SEZ Ltd.	281.76	-	Nil	Nil-
<b>Lease Rent (including advance )Received</b>	169.04		169.04	
Welspun Anjar SEZ Ltd.		169.04		169.04
<b>Reimbursement of Expenses paid on our behalf</b>	921.52		256.36	
Welspun Corp Ltd (Pipe Mill)		921.52		256.36

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

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.

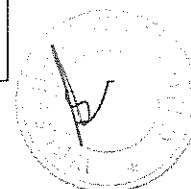
9. Additional information pursuant to the provisions of Part II Schedule VI of the Companies Act, 1956

- Licensed & Installed Capacity - NA
- CIF Value of Imports (Rs. in Cores) - Nil(8.22)
- Expenditure in foreign Currency (Paid or Provided)

(Rs. in Lacs)

Expense Head	31/03/2011	31/03/2010
Job work and other services	76.43	-
Legal Charges	-	2.82
Interest On Fbp / Others	-	93.63
Bank Charges	-	21.06
<b>TOTAL</b>	<b>76.43</b>	<b>117.51</b>


- Earning in Foreign currency if any NIL



**SIGNATURES TO SECHEDULES 1 TO 7**

**As per our Report of even date**

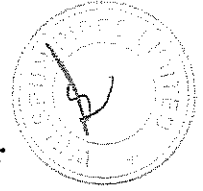
**For Sureka Associates  
Chartered Accountants**

  
**Suresh Sureka  
Partner**

**For and on behalf of the Board**

  
**Director**

**Director**



**Place : Mumbai**

**Date :**

27 APR 2012

