

INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun Infra Enterprises Limited(Formerly known as Welspun Infra Enterprises Private Limited)

Report on the Financial Statements

1. We have audited the accompanying financial statement of **Welspun Infra Enterprises Limited(Formerly known as Welspun Infra Enterprises Private Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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;
 - (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 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 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: 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 Infra Enterprises Limited (Formerly known as Welspun Infra Enterprises Private Limited) on the accounts for the year ended 31st March, 2013

1. (a) The Company has no fixed assets. Hence Sub-clause (b) and (c) are not applicable
2. (a) 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. During the course of our audit, no major weaknesses were noticed in the internal control system in respect 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: 34132
Place : Mumbai
Date : 10th May, 2013

Welspun Infra Enterprises Limited (Formerly known as Welspun Infra Enterprises Private Limited)
Balance Sheet as at 31st March 2013

Amount in Rupees

Particulars		Note No.	As at 31st March , 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital		2	500,000
2 Current liabilities			
(a) Other current liabilities		3	5,618
TOTAL			505,618
II. ASSETS			
1 Non-current assets			
(a) Other non-current assets		4	30,214
2 Current assets			
(a) Cash and cash equivalents		5	475,404
TOTAL			505,618
See accompanying notes forming part of the financial statements		1-6	

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

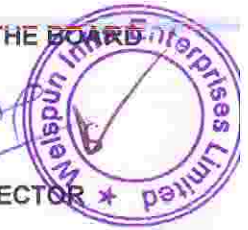
SURESH SUREKA
 Partner
 Membership No: 34132
 Place : Mumbai
 Date: **10 MAY 2013**



FOR AND ON BEHALF OF THE BOARD

DIRECTOR

DIRECTOR



Note 1 Significant Accounting Policies

a The Company was incorporated on 5th November 2012 and hence the accounts are prepared from the date of incorporation

b 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.

c Use of estimates:

The preparation of financial statements in accordance with the generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, disclosures of contingent liabilities as of the date of financial statements. Actual result could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

Note 2 Share Capital

Particulars	Amount in Rupees	
	As at 31st March, 2013	
Authorised		
50,000 Equity Shares of Rs. 10 each		500,000
Issued, Subscribed and Paid up		
50,000 Equity Shares of Rs. 10/- fully paid up		500,000
Total		500,000

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2013	
	Number of shares	Amount in Rupees
Shares outstanding at the beginning of the year	-	-
Add: Shares Issued during the year	50,000	500,000
Shares outstanding at the end of the year	50,000	500,000

(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	
	No. of shares held	% of holding
Holding Company		
Welspun Corp Limited	50,000	100
Total	50,000	100

(d) Details of Shareholders holding more than 5% shares of the aggregate shares in the Company

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

(e) 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 Other Current Liabilities

Particulars	Amount in Rupees
	As at 31st March, 2013
Audit Fees Payable	5,618
Total	5,618

Note 4 Other non-current assets

Particulars	Amount in Rupees
	As at 31st March, 2013
Ancillary Cost Amortization	30,214
Total	30,214

Note 5 Cash and cash equivalents

Particulars	Amount in Rupees
	As at 31st March, 2013
Balance with Banks - In Current Accounts	475,404
Total	475,404

Note 6 Other Significant Notes

1 Since the company has not commenced commercial operation, no statement of profit and loss have been prepared. The expenditure incurred during the year is classified as "Ancillary Cost Amortisation" and would be written off in the year in which commercial operations are commenced.

2 **Related Party Disclosure :**

In terms of AS 18, the Company did not have any transactions with related parties. Hence, no disclosure is made.

3 **Audit Fees :**

Particulars	Amount in Rupees
	2012-13
Audit Fees	5618

4 The company had no transactions during the year with any micro, small and medium enterprise.

5 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 accounts

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

SURESH SUREKA
Partner
Membership No 34132
Place: Mumbai
Date: 10 MAY 2013



FOR AND ON BEHALF OF THE BOARD

[Signature]
DIRECTOR



DIRECTOR

WELSPUN INFRA ENTERPRISES LIMITED
(Formerly known as Welspun Infra Enterprises Private Limited)

CASH FLOW STATEMENT

ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31st March 2013

Particulars	31st March 2013 (RS.)
CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before tax and exceptional items	-
Adjustments for:	
Depreciation	-
Interest income	-
Dividend income	-
Interest expenses	-
Operating Profit before working capital changes	-
Trade and other receivables	-
Inventories	-
Trade and other payables	-
Cash generated from operations	-
Taxes paid (net)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	-
CASH FLOW FROM INVESTING ACTIVITIES	
Ancillary cost	(24,596)
Advances to Others	-
Share Application Money Received	-
NET CASH USED IN INVESTING ACTIVITY	(24,596)
CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of Shares to Holding Company	500,000
NET CASH FROM FINANCING ACTIVITY	500,000
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	475,404
Cash and cash equivalent Opening balance	-
Cash and cash equivalent Closing balance	475,404

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
Firm Registration No 110640W
CHARTERED ACCOUNTANTS


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



FOR AND ON BEHALF OF THE BOARD

 
DIRECTOR DIRECTOR

