

WELSPUN PLASTICS PRIVATE LIMITED

DIRECTORS' REPORT

To,
The Members,
Welspun Plastics Private Limited
Mumbai.

Your Directors have pleasure in presenting their 30th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

Sr. No.	Particulars	Amount in Rupees	
		For the Financial Year ended on 31.03.2012	For the Financial Year ended on 31.03.2011
1	Income	--	--
2	Expenditure	2,07,146	16,750
3	Profit (Loss) before tax	(2,07,146)	(16,750)
4	Provision for the tax	--	--
5	Profit (Loss) after tax	(2,07,146)	(16,750)

DIVIDEND

In view of losses incurred by the Company, your Directors do not recommend any dividend for the financial year ended on 31st March, 2012.

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. Hence, no amount on account of principal or interest on public deposit was outstanding on the date of the Balance Sheet.

DIRECTORS

Our company is subsidiary of Welspun Natural Resources Private Limited, which is a subsidiary of a public limited Company viz Welspun Corp Limited, therefore according to the provisions of the Companies Act, 1956, Mr. Mohan Manikkan retires at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment as Director.

AUDITORS

M/s. Sureka Associates, Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.



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WELSPUN PLASTICS PRIVATE LIMITED

AUDITORS' REPORT

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in report of the Board of Directors) Rules 1988 regarding disclosure of Particulars with respect to Conservation of Energy are not applicable to the Company.

PARTICULARS OF EMPLOYEES

As the Company does not have any employees, it does not come 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.

For and on behalf of the Board



L. T. Hotwani
DIRECTOR

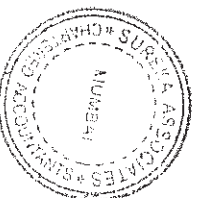


Mohan Manikkan
DIRECTOR

Mumbai
14th May, 2012


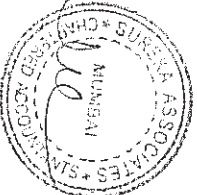
AUDITORS REPORT TO THE SHAREHOLDERS

1. We have audited the attached Balance Sheet of **WELSPUN PLASTICS PRIVATE LIMITED** and also the Profit and Loss account and the Cash Flow statement for the year ended on that annexed thereto as at 31st March 2012. 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 paragraph 3 above, we state 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 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, the Profit and Loss account 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 the Profit & Loss account 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 31st March 2012 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2012 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:



- i. In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2012.
- ii. In the case of the Profit and Loss account, of the loss for the year ended on the date; and
- iii. 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 : 14 May 2012

ANNEXURE TO THE AUDITORS' REPORT


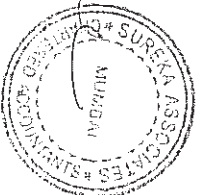
Statement referred to in paragraph (3) of our report of even date to the members of Welspun Plastics Private Ltd. On the accounts for the year ended 31st March, 2012

1. (a) The Company has no Fixed Assets. Hence, Sub-clause (b) and (c) are not applicable.
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. 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 is not a listed or other company having a paid up capital and reserves exceeding Rs 50 lakhs as at the commencement of the Financial year concerned or having an average annual turnover exceeding five cores rupees for a period of three consecutive financial years immediately preceding the financial year concerned. Hence the question of internal audit does not arise.
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 does not have any borrowing from Bank / financial institution. Hence, the question of default does not arise.
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 to parties and Companies covered in the Register maintained under Section 301 of the Act.
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
F.R.N.: 110640W
Membership Number: FCA 34132

Place : Mumbai
Dated : 14 May, 2012

Welspun Plastics Private Limited
Balance Sheet as at 31st March 2012

(Rs.)

Particulars	Note No.	As at March 31st, 2012	As at March 31st, 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	11,287,500	100,000
(b) Reserves and Surplus	3	38,047,977	4,692,623
2 Current liabilities			
(a) Other current liabilities	4	200,698	29,756,618
TOTAL		49,536,175	34,549,241
II. ASSETS			
1 Non-current assets			
(a) Fixed Assets			
(i) Capital Work in Progress		49,359,263	34,359,263
(b) Long-term loans and advances	5	-	6,059
2 Current assets			
(a) Cash and cash equivalents	6	176,912	183,919
TOTAL		49,536,175	34,549,241
Notes Forming Part of Financial Statements	1-10		

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

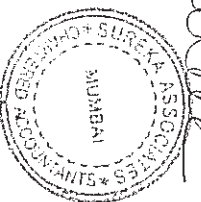
SURESH SUREKA

Partner

Membership No 34132

Place:Mumbai,

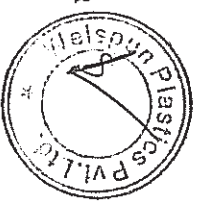
Date: 14 th May, 2012



FOR AND ON BEHALF OF THE BOARD

DIRECTOR

DIRECTOR



Welspun Plastics Private Limited
Statement of Profit and Loss for the year ended 31st March, 2012

(Rs.)

Particulars	Note No.	Year ended 31st	Year ended 31st
		March, 2012	March, 2011
I. Revenue from Operations		-	-
II. Total Revenue		-	-
III. Expenses:			
Financial Cost	7	816	8,918
Other expenses	8	206,330	7,832
Total expenses		207,146	16,750
IV. Profit (Loss) before tax		(207,146)	(16,750)
V. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VI. Profit (Loss) for the period from continuing operations		(207,146)	(16,750)
VII. Profit/(loss) from discontinuing operations		-	-
VIII. Tax expense of discontinuing operations		-	-
IX. Profit/(loss) from Discontinuing operations (after tax)		-	-
X. Profit (Loss) for the period		(207,146)	(16,750)
XI. Earnings per equity share:	9		
Basic and Diluted		(0.18)	(1.58)
Notes Forming Part of Financial Statements	1-10		

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

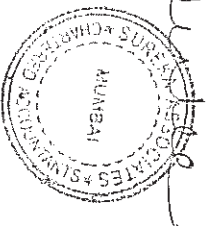
SURESH SUREKA

Partner

Membership No 34132

Place: Mumbai,

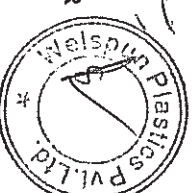
Date: 14 th May, 2012



FOR AND ON BEHALF OF THE BOARD

DIRECTOR

DIRECTOR



WELSPUN PLASTICS PRIVATE LIMITED
CASH FLOW STATEMENT

ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31st March 2012

Particulars	31st March-2012	31st March 2011
	(RS.)	(RS.)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and exceptional items	(207,146)	(16,750)
Adjustments for:		
Depreciation	-	-
Interest income	-	-
Dividend income	-	-
Interest expenses	-	-
Operating Profit before working capital changes	(207,146)	(16,750)
Trade and other receivables	-	-
Inventories	(29,555,920)	3,515
Trade and other payables	(29,555,920)	3,515
Cash generated from operations	(29,763,066)	(13,235)
Taxes paid (net)	-	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	(29,763,066)	(13,235)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (Including capital work in progress)	(15,000,000)	(27,500,000)
Advances to Others	6,059	27,500,000
Share Application Money Received	-	-
NET CASH USED IN INVESTING ACTIVITY	(14,993,941)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares to Holding Company	44,750,000	-
NET CASH FROM FINANCING ACTIVITY	44,750,000	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(7,007)	(13,235)
Cash and cash equivalent Opening balance	183,919	197,154
Cash and cash equivalent Closing balance	176,912	183,919

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. FCA 34132

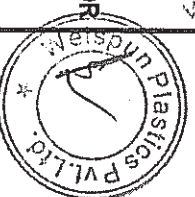
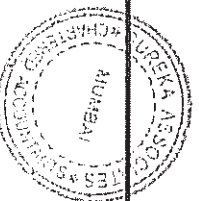
PLACE : MUMBAI

Date: 14 th May, 2012

FOR AND ON BEHALF OF THE BOARD


DIRECTOR

DIRECTOR



Notes Forming Part of Financial Statements

Note 1 Significant Accounting Policies

- 1 The financial statement is prepared under the historical cost convention on going concern basis.
- The company generally follows mercantile system of accounting and recognizes income and expenditure on accrual basis except
- 2 those with significant uncertainties

Note 2 Share Capital

Particulars	(Rs.)	
	As at 31 March 2012	As at 31 March 2011
Share Capital		
Authorized		
12,50,000 (Previous Year 10,000) Equity Shares of Rs. 10 each	12,500,000	100,000
Issued/ Subscribed and Paid up		
11,28,750 (Previous Year 10,000) Equity Shares of Rs. 10 each	11,287,500	100,000
Total	11,287,500	100,000

(b) Reconciliation of number of shares

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number of shares	(Amount in Rs)	Number of shares	(Amount in Rs)
Shares outstanding as at the opening of the year	10,000	100,000	10,000	100,000
Add: Shares issued during the year	1,118,750	11,187,500	-	-
Shares outstanding as at closing of the year	1,128,750	11,287,500	10,000	100,000

(c) Details of Shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Welspun Natural Resources Private Limited (Holding Company)	1,128,750	100	10,000	100
TOTAL	1,128,750	100	10,000	100

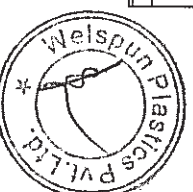
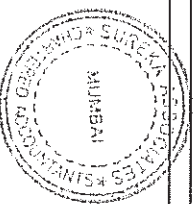
(d) The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

Note 3 Reserves And Surplus

Particulars	(Rs.)	
	As at 31 March 2012	As at 31 March 2011
Surplus		
Securities Premium Reserve	33,552,500	-
Profit & Loss Account		
Balance as per last Balance Sheet	4,692,623	4,709,373
Add: Net Profit/(Net Loss) For the current period	4,485,477	4,692,623
Total	38,047,977	4,692,623

Note 4 Other Current Liabilities

Particulars	(Rs.)	
	As at 31 March 2012	As at 31 March 2011
Provision for expenses	200,698	6,618
Share Application Money Pending Allotment	-	29,750,000
Total	200,698	29,756,618



Note 5 Long Term Loans and Advances

Particulars	(Rs.)	
	As at 31 March 2012	As at 31 March 2011
(a) Loans and advances to related parties (Unsecured, considered good)	-	6,059
Total	-	6,059

Note 6 Cash and cash equivalents

Particulars	(Rs.)	
	As at 31 March 2012	As at 31 March 2011
Balance with Banks - In Current Accounts	176,912	177,045
Cash on hand	-	6,674
Total	176,912	183,919

Note 7 Finance Costs

Particulars	(Rs.)	
	As at 31 March 2012	As at 31 March 2011
Bank Charges	816	8,918
Total	816	8,918

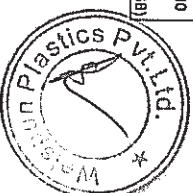
Note 8 Other Expenses

Particulars	(Rs.)	
	As at 31 March 2012	As at 31 March 2011
Professional Fees	276	2,207
Registration & Filing Fees	166,566	110
Stamp duty charges	25,000	-
Investment in Partnership Firm	6,059	-
Written off Audit Fees	8,427	5,515
Total	206,330	7,832

Note 9 Basic and Diluted Earning Per Share

For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered :

Particulars	(Rs.)	
	Year ended 31 March 2012	Year ended 31 March 2011
Basic Earnings Per Share		
Net Profit after tax	(207,146)	(16,750)
Weighted average number of equity shares (Nos.)	(B) 1,128,750	10,000
Basic Earnings Per Share of face value of Rs.10/- each	(A) / (B) (0.18)	(1.68)
Diluted Earnings Per Share		
Amount available for calculation of Diluted EPS	(A) (207,146)	(16,750)
Weighted average number of equity shares (Nos.)	1,128,750	10,000
Number of Shares used for calculating Diluted EPS	(B) 1,128,750	10,000
Diluted Earnings Per Share of face value of Rs.10/- each	(A) / (B) (0.18)	(1.68)



Other Significant Notes

- 1 Previous year's figures are regrouped, rearranged or recast wherever considered necessary. In the opinion of Board the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business
- 2 and Provision for all the known liabilities have been made in the accounts.
- 3 The company has not recognised Deferred Tax Assets in respect of carry forward losses under the laws as the company is not certain to earn sufficient future taxable income against which deferred tax assets can be realized.
- 4 The Joint Venture Company i.e. Adani Welspun Exploration Limited-AWEL has applied to Directorate General of Hydrocarbons for assuming participating interests of Adani Group Companies (55%) and Welspun Plastics Private Limited (35%) in Block-AA-ONN-2004/04 (Assam Block). The process of transfer of participating interest in these exploration blocks is in the final stages of completion. AWEL will have 90% participating interest in the said block after completion of procedure of transfer. The balance 10% interest is with Natlogaz India Pvt Ltd who is an Operator of the said block. The Company viz. Welspun Plastics Private Limited has paid net amount of Rs. 4,93,59,263 till date to Natlogaz India Pvt. Ltd. towards expenditure in respect of said block. Such Expenditure will be transferred to Joint Venture Company AWEL on transfer of participating interest in Assam Block.

5 Related Party Disclosures:-

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

a.) **Key Management Personnel**

- | | |
|-----------------------|----------|
| 1 Shri L.T.Hotwani | Director |
| 2 Shri Mohan Manikhan | Director |

b.) **Holding Company :- Welspun Nature Resources Pvt. Ltd.**

(Rs.)

Particulars	Amount 2011-12	Amount 2010-11
Share application money Received - Outstanding		
Welspun Nature Resources Pvt. Ltd.		29,750,000

7 Audit Fees :

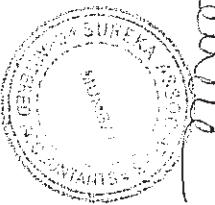
(In Rs.)

Particulars	Amount 2011-12	Amount 2010-11
Audit Fee	8,427	5,515

8 Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956, has not been furnished as the same is either nil or not applicable.

As per our Report of even date
For SUREKA ASSOCIATES
 Firm Registration No 110540W
 Chartered Accountants

SURESH SUREKA
 Partner
 Membership No 34132
 Place: Mumbai
 Date: 14th May, 2012



FOR AND ON BEHALF OF THE BOARD
 DIRECTOR

DIRECTOR

