

**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

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Welspun Infra Projects Private Limited**

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of **Welspun Infra Projects Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of corporate Affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
  - (b) in the case of the Statement of Profit and Loss, of loss for the year ended on that date; and
  - (c) 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ;
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of  
**SUREKA ASSOCIATES**  
Chartered Accountants  
Firm's Registration No. 110640W



**Suresh Sureka**  
Partner

Membership No. 34132  
Place : Mumbai  
Date : 21.05.2014



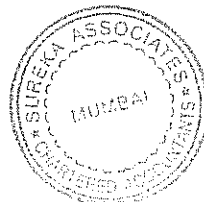
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**ANNEXURE TO THE AUDITORS' REPORT**

**Statement referred to in paragraph (5) of our report of even date to the members of Welspun Infra Projects Private Limited on the accounts for the year ended 31<sup>st</sup> March, 2014**

1. (a) The Company has no Fixed Assets. Hence, sub clause (b) & (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 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 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. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
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 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
10. In our opinion and according to the information and explanation given to us the Company's accumulated losses at the end of the year are not more than fifty percent of its net worth and company has not incurred cash losses in financial year covered by audit and in immediately preceding financial year.
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 No. 110640W



**Suresh Sureka**  
Partner

Membership No. 34132  
Place : Mumbai  
Date 21.05.2014



**Welspun Infra Projects Private Limited**  
Balance Sheet as at March 31st, 2014

All amounts in Indian Rupees

Particulars	Notes	March 31, 2014	March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	10,06,00,000	10,06,00,000
(b) Reserves and Surplus	2	2,27,09,32,173	2,41,20,00,000
<b>Non-Current Liabilities</b>			
Long Term Borrowing	3	-	2,81,60,00,000
<b>Current Liabilities</b>			
a) Other Current Liabilities	4	4,21,192	53,61,342
b) Short Term Provisions	4	84,77,141	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,38,04,30,506</b>	<b>5,33,39,61,342</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Capital Work-in-Progress	5	-	52,61,05,963
(b) Non Current Investments	6	100	4,78,78,04,994
<b>Current Assets</b>			
(a) Current Investments	7	2,32,05,91,089	-
(b) Cash and Cash Equivalents	8	5,88,39,844	2,00,50,385
(d) Other Current assets	9	9,99,473	-
<b>TOTAL ASSETS</b>		<b>2,38,04,30,506</b>	<b>5,33,39,61,342</b>

Significant Accounting Policies


A

The accompanying notes are an integral part of the financial statements

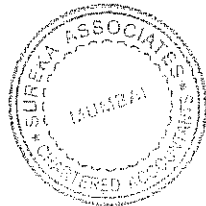
As per our report of even date

**For Sureka Associates**  
Chartered Accountants  
Firm Registration No.: 110640W


**For Welspun Infra Projects Pvt Ltd.**  
**For and on behalf of the Board of Directors**



**Suresh Sureka**  
Partner  
Membership No.: 34132



Date: 21.05.2014  
Place: MUMBAI



Director



Director

Date: 21.05.2014  
Place: MUMBAI

**Welspun Infra Projects Private Limited**  
**Statement of Profit and Loss for the year ended March 31st, 2014**

All amounts in Indian Rupees

Particulars		Notes	March 31, 2014	March 31, 2013
I.	Other Income	10	62,49,90,746	-
	<b>Total Revenue</b>		62,49,90,746	-
II.	<u>Expenses:</u>			
	Financial Costs	11	23,08,85,142	-
	Preoperative expenses written off	5	52,61,05,963	-
	Other Expenses	12	15,67,468	-
	<b>Total Expenses</b>		75,85,58,573	-
III.	Profit/(loss) before tax (I - II)		(13,35,67,827)	-
IV.	Tax expense:			
	(1) Current tax		75,00,000	-
	(2) Deferred tax		-	-
V.	Profit/(Loss) for the period (III-IV)		(14,10,67,827)	-
VI.	Net Profit/(Loss) Carried to B/Sheet		(14,10,67,827)	-
VII.	Earning per equity share:			
	(1) Basic		(14.02)	-
	(2) Diluted		(14.02)	-

Significant Accounting Policies

A

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Sureka Associates**

Chartered Accountants

Firm Registration No.: 110640W

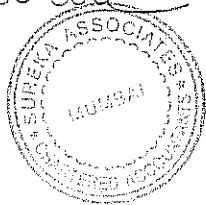
**For and on behalf of the Board of Directors**



**Suresh Sureka**

Partner

Membership No.: 34132




Date: 21.05.2014

Place: MUMBAI



Director



Director

Date: 21.05.2014

Place: MUMBAI

**Welspun Infra Projects Private Limited**  
**Cash Flow Statement**  
 Annexed to the balance sheet for the year ended March 31, 2014


All amount in Indian Rupees

Particulars	Year Ended 31.03.2014	Previous Year Ended 31.03.2013
<b>A Cash Flow From Operating Activities</b>		
Net Profit before tax	(13,35,67,827)	-
Adjustments for:		
Dividend Income	(70,14,233)	-
(Profit) / Loss on Sale of Intercorporate Shares	(59,61,73,406)	-
(Profit) / Loss on Sale of Bond	(17,34,433)	-
(Profit) / Loss on Sale of Mutual Fund	(11,479)	-
Pre Operative Expenses	52,61,05,963	-
Interest Expenses	23,08,85,142	-
Interest Income	(2,00,57,195)	-
<b>Operating Profit before Working Capital changes</b>	<b>(15,67,468)</b>	<b>-</b>
Changes in working capital :		
Adjustments for Increase/(Decrease) in operating liabilities		
Other current Liabilities	(52,40,250)	-
Short term provisions	9,77,141	-
<b>Cash (used in) / generated from Operations</b>	<b>(58,30,577)</b>	<b>-</b>
Income Taxes paid (including taxes deducted at source)	(32,473)	-
<b>Net Cash (used in) / generated from Operating Activities</b>	<b>(58,63,050)</b>	<b>-</b>
<b>B Cash Flow from Investing Activities</b>		
(Increase)/ Decrease in Capital Work in Progress	-	(33,09,13,959)
Dividend received	70,14,233	-
Indemnity Received	-	2,29,35,571
Proceeds from sale of Investment	6,19,39,78,400	-
Purchase of Investment	(81,00,00,000)	-
Profit on sale of Mutual Fund	11,479	-
Investment in Bonds	(2,24,58,73,656)	-
Interest Income	2,00,57,195	-
<b>Net Cash (used in) Investing Activities</b>	<b>3,16,51,87,651</b>	<b>(30,79,78,388)</b>
<b>C Cash Flow from Financing Activities</b>		
Loans repaid during the year	(2,25,00,00,000)	-
Debenture repaid during the year	(56,60,00,000)	-
Proceeds from Share Application Money	-	30,90,54,031
Finance charges	(23,08,85,142)	-
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>(3,04,68,85,142)</b>	<b>30,90,54,031</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>11,24,39,459</b>	<b>10,75,643</b>
Cash & Cash Equivalents at the beginning of the year (See note 1)	2,00,50,385	1,89,74,742
<b>Cash &amp; Cash Equivalents at the end of the year ( See note 1)</b>	<b>13,24,89,844</b>	<b>2,00,50,385</b>

Notes:		
(1)Cash & Cash Equivalents Reconciliation	2013-14	2012-13
Cash on hand and balance with banks		
Cash on hand	-	-
Cheques on hand	-	-
Balances with scheduled banks in :		
- Current account	5,88,39,844	2,00,50,385
- Deposit account	-	-
Less: Book overdraft	-	-
Short Term Investments (mutual fund)	7,36,50,000	-
<b>Cash &amp; Cash Equivalents</b>	<b>13,24,89,844</b>	<b>2,00,50,385</b>
(2) The above Cash Flow Statement has been prepared under the 'Indirect Method', as set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under Companies (Accounting Standard) Rules.		
(3) Cash and Cash Equivalents represent cash and bank balances and short term investments in Mutual Funds which are highly liquid and have an insignificant risk of change in value.		

As per our report of even date  
 For Sureka Associates  
 Chartered Accountants  
 Firm Registration No.: 110640W

For and on behalf of the Board of Directors

  
 Suresh Sureka  
 Partner  
 Membership No.: 34132  
 Date: 21.05.2014  
 Place: MUMBAI

  
 Director

  
 Director

Date: 21.05.2014  
 Place: MUMBAI

**Welspun Infra Projects Private Limited**  
Annexed to and forming part of financial statements for the year ended March 31, 2014

**A SIGNIFICANT ACCOUNTING POLICIES**

**i Basis of Accounting**

- a The financial statements have been prepared under the historical cost convention on going concern basis and in accordance with the accounting standards referred to in Section 211(3C) of the Companies Act 1956 ('the Act').
- b Welspun Infra Projects Private Limited (the Company) follows the mercantile system of accounting.

**ii Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principle in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the companies (Accounting standards) Rules, 2006, (as amended) and the relevant provision of the Companies act, 1956 read with general circular 8/2014 Dated 4 April 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under The accounting policies adopted in the preparation of the financial statement are consistent with those of previous year.

**iii Use of Estimates**

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

**iv Fixed Assets**

- a Fixed assets are stated at original cost of acquisition net of accumulated depreciation.
- b All direct expenses attributable to fixed assets are capitalized.
- c Capital Work In Progress includes preoperative expenditure and is stated at the amount incurred up to the date of Balance Sheet.

**v Depreciation**

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Act.

**vi Investments**

- a Investments intended to be held for more than a year, from the date of acquisition, are classified as long term and are carried at cost. Provision for diminution in value of investments is made to recognize a decline other than temporary.
- b The cost includes cost of investment plus charges such as brokerage, fee, duties, and reduced by pre-acquisition dividends.

**vii Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they

**viii Foreign currency translation**

*Foreign currency transactions and balances*

**a Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**c Exchange Difference**

Other than specific requirements of Accounting Standard 11, generally exchange differences are recognised as income or expense in the period in which they arise.





**Welspun Infra Projects Private Limited**  
Annexed to and forming part of financial statements for the year ended March 31, 2014

**B NOTES TO ACCOUNTS**

**1 Share Capital**

	March 31, 2014	December 31, 2013
	Amount	Amount
<b>Authorised:</b> 11,000,000 (Previous Year: 11,000,000) Equity Shares of Rs. 10/- each	11,00,00,000	11,00,00,000
<b>Issued, subscribed and fully paid up:</b> 10,060,000 (Previous Year: 10,060,000) Equity Shares of Rs. 10/- each	10,06,00,000	10,06,00,000
<b>Total Issued, subscribed and fully paid up Share Capital</b>	<b>10,06,00,000</b>	<b>10,06,00,000</b>

**a Terms/rights 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.

**b Reconciliation of shares outstanding at the beginning and at the end of the period**

	March 31, 2014		March 31, 2013	
	No.	Amount	No.	Amount
At the beginning of the period	1,00,60,000	10,06,00,000	1,00,60,000	10,06,00,000
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1,00,60,000</b>	<b>10,06,00,000</b>	<b>1,00,60,000</b>	<b>10,06,00,000</b>

**c Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

	March 31, 2014	December 31, 2013
	Amount	Amount
Welspun Infratech Limited 1,006,0000 (Previous Year: 6,036,000) Equity Shares of Rs. 10/- each fully paid	10,06,00,000	6,03,60,000

**d Details of shareholders holding more than 5% shares in the Company**

	March 31, 2014		March 31, 2013	
	No.	% Holding	No.	% Holding
Welspun Infratech Limited, the holding company	1,00,60,000	100%	60,36,000	100%
Welspun Infra developers Private Limited			40,24,000	40%

**2 Reserves and Surplus**

	March 31, 2014	December 31, 2013
	Amount	Amount
<b>Securities Premium account</b> Balance b/fd	2,41,20,00,000	2,41,20,00,000
<b>Surplus / (Deficit) in Statement of Profit and Loss</b> Opening balance	-	-
Add: Profit / (Loss) for the year	(14,10,67,827)	(19,73,71,947)
Closing balance	(14,10,67,827)	
<b>Total Reserves and Surplus</b>	<b>2,27,09,32,173</b>	<b>2,21,46,28,053</b>



**Welspun Infra Projects Private Limited**  
Annexed to and forming part of financial statements for the year ended March 31, 2014

**3 Long Term Borrowing**

	March 31, 2014	December 31, 2013
	Amount	Amount
<u>Secured</u>		
Term Loan from Standard Chartered Bank	-	2,25,00,00,000
<u>Unsecured</u>		
Optionally Convertible Debentures	-	56,60,00,000
Nil (Previous Year: 5660) Optionally Convertible Debentures (OCD) of Rs. 100,000 each		
<b>Total Long Term Borrowing</b>	<b>-</b>	<b>2,81,60,00,000</b>

**Terms of Loan:**

Term loan was taken during the financial year 2011-12 and carries interest @ 12.15% p.a. upto April 2012 and onwards carried interest @ 12.31%. Interest rate reset annually on April 28. The entire loan is repayable in one instalment at maturity after 5 years from date of drawdown.

The loan is secured by first and exclusive charge on all Fixed and Current Assets of the Company, unconditional irrevocable guarantee from Welspun Infra Developers Private Limited, pledge of 30% equity shares of the Company (18% held by Welspun Infratech Limited and 12% by Welspun Infra Developers Private Limited)

**Terms of Optionally Convertible Debentures (OCD)**

The Company has outstanding Rs. 566,000,000 (Previous Year: Rs. Nil) by way of 5,660 (Previous Year: Nil) Optionally Convertible Debentures (OCD) of Rs. 100,000 each. No interest to be paid from the date of allotment till March 31, 2013 and there after for 24 months from April 2013. However, interest @11% p.a. to be payable annually from 25th month onwards until redemption, with redemption premium of 5%. The above OCD is fully subscribed by Welspun Infratech Limited, the holding company. The holding company has the option to convert OCDs into equity shares at any time within 3 years on following basis.

- a) If conversion on before 1<sup>st</sup> anniversary, the equity share shall be issued at a discount of 10% to fair market value (FMV).
- b) If conversion after 1<sup>st</sup> anniversary but on or before 2<sup>nd</sup> anniversary the equity share shall be issued at a discount of 15% to fair market value
- c) If conversion is after 2<sup>nd</sup> anniversary but on before 3<sup>rd</sup> anniversary the equity share shall be issued at a discount of 20% to fair market value
- d) If conversion not opted within 3 years, than the OCDs shall be redeemed at 5<sup>th</sup> anniversary.

The Company may also redeem the OCD, in part or full, before the 5<sup>th</sup> anniversary.

During the year, the Company has redeemed the aforesaid debentures on demand of WITL.

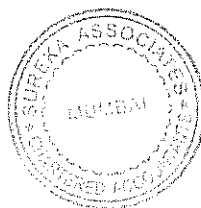
**4 a Other Current Liabilities**

	March 31, 2014	December 31, 2013
	Amount	Amount
Creditor for Expenses	-	47,98,749
TDS payable	1,21,092	22,472
Share Application Money pending allotment (refer note below)	-	19,84,68,346
Other Liability	3,00,100	
<b>Total Other Current Liabilities</b>	<b>4,21,192</b>	<b>20,32,89,567</b>

Note: Shares will be issued against the application money on such terms as may be agreed by the board from time to time

**b Short Term Provisions**

	March 31, 2014	December 31, 2013
	Amount	Amount
Provision for tax	75,00,000	
Other provisions for expenses	9,77,141	47,98,749
	<b>84,77,141</b>	<b>20,32,89,567</b>



**Welspun Infra Projects Private Limited**  
Annexed to and forming part of financial statements for the year ended March 31, 2014

**5 Capital Work-in-Progress (Pre operative expenses)**

	March 31, 2014	December 31, 2013
	Amount	Amount
Opening balance	52,61,05,963	52,61,05,963
Professional Fees	-	-
Registration and Filing Fees	-	-
Interest on Loan	-	-
Demat Charges	-	-
Bank Charges	-	-
Audit Fees	-	-
Miscellaneous Expenses	-	-
<b>Sub total</b>	<b>52,61,05,963</b>	<b>52,61,05,963</b>
<i>Less: Incidental income</i>		
Interest received	-	-
Dividend received on Mutual Fund Investments	-	-
Less :- Charged to Statement of Profit & Loss	52,61,05,963	-
<b>Total Capital Work-in-Progress</b>	<b>-</b>	<b>52,61,05,963</b>

**6 Non Current Investments**

	March 31, 2014	December 31, 2013
	Amount	Amount
<b><u>Trade Investments</u></b>		
<b><u>Unquoted Equity Instruments</u></b>		
<i>Investment in subsidiaries</i>		
Welspun Energy Transportation Private Limited Nil (Previous Year: 10,000) Equity Shares of Rs. 10/- each fully paid up	-	-
Welspun Water Infrastructure Private Limited Nil (Previous Year: 10,000) Equity Shares of Rs. 10/- each fully paid up	-	-
ARSS Bus Terminus Pvt Ltd 10(NIL) Equity shares of Rs. 10 each fully paid	100	-
<i>Investment in joint venture</i>		
Leighton Welspun Contractors Private Limited (formerly Leighton Contractors (India) Private Limited) Nil (Previous Year: 49,656,709) Equity Shares of Rs. 10/- each fully paid up	-	4,78,76,04,994
<b>Total Non Current Investments</b>	<b>100</b>	<b>4,80,80,84,951</b>



**Welspun Infra Projects Private Limited**  
Annexed to and forming part of financial statements for the year ended March 31, 2014

**7 Current Investments**

	March 31, 2014	December 31, 2013
	Amount	Amount
Other current investments (At lower of cost and fair value, unless otherwise stated):		
<b>Investment In Mutual Funds</b>		
(388,552.038 Units - ICICI Prudential Liquid Regular plan - Growth - Market value is Rs 73751451 )	7,36,50,000	2,04,79,957
<b>Investment in Bonds (fully paid up)</b>		
10.25% Rajasthan State Tran.Corp 15(Nil) Bonds of Rs 10,00,000 each	1,50,00,000	
11.90% Neelachal Ispat Nigam Ltd 50(Nil) Bonds of Rs.10,00,000 each	5,00,00,000	
7.50% WSPF 09/09/2020 1920 (Nil) Bonds of Rs. 1,00,000 each	19,30,56,000	
7.93% PGC 20/05/2022 50 (Nil) Bonds of Rs. 10,00,000 each	4,95,00,000	
7.93% PGC 20/05/2023 50(Nil) Bonds of Rs.10,00,000 each	4,95,00,000	
8.06% REC 31/05/2023 90(Nil) Bonds of Rs.10,00,000 each	9,00,00,000	
8.80% FCI 22/03/2028 73(Nil) Bonds of Rs.10,00,000 each	7,88,98,400	
8.82% REC 12/04/2023 25(Nil) Bonds of Rs.10,00,000 each	2,41,00,000	
9.18% NPCIL 23/01/2025 - Bond 400(Nil) Bonds of Rs.10,00,000 each	44,26,40,000	
9.18% NPCIL 23/01/2026 - Bond 100(Nil) Bonds of Rs.10,00,000 each	11,06,60,000	
9.18% NPCIL 23/01/2027 200(Nil) Bonds of Rs.10,00,000 each	27,66,50,000	
9.18%NPCIL 23/01/2029 200(Nil) Bonds of Rs.10,00,000 each	22,13,20,000	
9.45% GSPC 01/10/2022 28(Nil) Bonds of Rs.10,00,000 each	2,87,70,000	
9.48% PNB 31/01/2024 21(Nil) Bonds of Rs.10,00,000 each	2,09,28,599	
9.85% Reliance Cap.28/03/2023 200(Nil) Bonds of Rs.10,00,000 each	20,46,60,000	
9.95% FCI 07/03/2022 150(Nil) Bonds of Rs.10,00,000 each	15,23,55,000	
9.85% Andhra Pradesh State Fin .Corp	19,70,00,000	
Accrued interest on bonds	4,19,03,090	
<b>Total Current Investments</b>	<b>2,32,05,91,089</b>	<b>2,04,79,957</b>
Aggregate book value of investments	2,32,05,91,089	
Aggregate market value of investments	2,33,49,46,000	



**Welspun Infra Projects Private Limited**  
Annexed to and forming part of financial statements for the year ended March 31, 2014

<b>8</b>	<b>Cash and Cash Equivalents</b>	<b>March 31, 2014</b>	<b>December 31, 2013</b>
		<b>Amount</b>	<b>Amount</b>
	Balances with banks:		
	- On current accounts	5,88,39,844	3,26,706
	<b>Total Cash and Cash Equivalents</b>	<b>5,88,39,844</b>	<b>3,26,706</b>
<b>9</b>	<b>Other Current Assets</b>	<b>March 31, 2014</b>	<b>December 31, 2013</b>
		<b>Amount</b>	<b>Amount</b>
	Tds receivable	32,473	-
	Other receivables	9,67,000	
	<b>Total Other Current assets</b>	<b>9,99,473</b>	<b>-</b>
<b>10</b>	<b>Other Income</b>	<b>March 31, 2014</b>	<b>December 31, 2013</b>
		<b>Amount</b>	<b>Amount</b>
	Interest Income - Bond	2,00,57,195	
	Dividend on Mutual Fund	70,14,233	
	Profit on Sale of Bond	17,34,433	
	Profit on Sale of Mutual Fund	11,479	
	Profit on Sale of LWIN Stake (refer note C-1)	59,61,73,406	
	<b>Total Other Income</b>	<b>62,49,90,746</b>	<b>-</b>
<b>11</b>	<b>Finance Costs</b>	<b>March 31, 2014</b>	<b>December 31, 2013</b>
		<b>Amount</b>	<b>Amount</b>
	Interest on SCB - Loan	22,48,29,301	
	Other borrowing cost	60,55,841	
	<b>Total Finance Costs</b>	<b>23,08,85,142</b>	<b>-</b>
<b>12</b>	<b>Other Expenses</b>	<b>March 31, 2014</b>	<b>December 31, 2013</b>
		<b>Amount</b>	<b>Amount</b>
	Demat Charges	11,236	
	Legal Exps.	2,700	
	Audit fees	40,000	
	Professional & Consultancy Fees	15,11,602	
	Registration & Filing Fees	1,930	
	<b>Total Other Expenses</b>	<b>15,67,468</b>	<b>-</b>



**Welspun Infra Projects Private Limited**  
Annexed to and forming part of financial statements for the year ended March 31, 2014

**C Other Notes**

1

The Company has entered into Share Purchase Agreement (SPA) with Leighton International Limited on December 24, 2010 for acquiring 35% equity shares on April 28, 2011 in Leighton Contractors (India) Private Limited ('LCPL'), an Indian unit of Leighton Holdings at a total consideration of Rs. 4,700,000,000/- payable in two tranches of Rs. 4,300,000,000/- at the time of closing and Rs. 400,000,000/- deferred payment upon achievement of EBITDA Target by LCPL. LCPL was subsequently rechristened as Leighton Welspun Contractors Private Limited ('LWIN').

Pursuant to the SPA, LWIN has achieved the EBITDA Target and hence the Company has also paid the second tranche of Rs. 400,000,000/- on August 30, 2011. With this, the total investment by the Acquirer in LWIN stands at Rs. 4,700,000,000/-.

During the previous year, the Company has received Rs 22,935,571/- from Leighton International Limited on March 28, 2013 as indemnity towards customs duty payment pursuant to aforesaid SPA. The same has been reduced from the carrying value of investment as the aforesaid indemnities are in the nature of adjustment towards the acquisition cost of investment in LWIN.

During FY 2013-14, the Company purchased WPL's 7.5% post dilution shareholding in LWIN pursuant to share purchase agreement between Company & WPL for Rs. 81 Crores along with related obligations.

Further, on 7th February 2014, the Company sold its entire 39.88% shareholding in LWIN to Leighton International Limited ("LIL") for an agreed consideration of Rs. 619.38 crore and extinguishing all its rights and replacement obligations under transaction documents. Pursuant to the sale, the Company has made a profit of Rs. 59.62 Crores.

2 **Related Party Disclosures**

As per Accounting Standard 18, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

a **Related parties where control exists**

<b>Holding Company</b>	Welspun Infratech Limited ('WITL')
<b>Ultimate Holding Company</b>	Welspun Enterprises Limited ('WEL')
<b>Subsidiaries</b>	Welspun Water Infrastructure Private Limited ('WWIPL') Welspun Energy Transportation Private Limited ('WETPL')
<b>Joint Venture</b>	Leighton Welspun Contractors Private Limited (formerly Leighton Contractors (India) Private Limited) ('LWIN') (ceased to be Joint venture w.e.f. from Feb 7, 2014).

b **Related parties with whom transaction have taken place during the year**

<b>Holding Company</b>	Welspun Infratech Limited ('WITL')
<b>Ultimate Holding Company</b>	Welspun Enterprises Limited ('WEL')
<b>Joint Venture</b>	Leighton Welspun Contractors Private Limited (formerly Leighton Contractors (India) Private Limited) ('LWIN') (ceased to be Joint venture w.e.f. from Feb 7, 2014).
<b>Fellow subsidiaries</b>	Welspun Projects Limited ('WPL')
<b>Associate Company</b>	Welspun Infra Developers Pvt Ltd. ('WIDPL')
<b>Co - Venturer</b>	Leighton International Limited ('LIL')



**Welspun Infra Projects Private Limited**

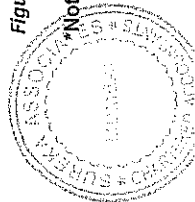
Annexed to and forming part of financial statements for the year ended March 31, 2014

**2 (c) Related Party Disclosures**

Particulars	WEL*	WITL	WIDPL	LWIN	WETPL	WWIPL	WPL	LIL
<i>Transactions during the year</i>								
Proceeds from share application money	-	22,01,84,725	-	-	-	-	-	-
Reimbursement of expenses	(-)	(30,90,54,031)	(-)	(-)	(-)	(-)	(-)	(-)
Payment of Reimbursement of expenses	-	3,23,103	-	-	-	-	-	-
Amount received towards Indemnity	(-)	(29,035)	(-)	(-)	(-)	(-)	(-)	(-)
Conversion of Share application Money into OCD	-	48,70,042	(-)	(-)	(-)	(-)	(-)	(-)
OCD redeemed	(5,58,39,375)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Allotment of Equity Shares (incl. premium)	-	(-)	(-)	(2,29,35,571)	(-)	(-)	(-)	(-)
Share application money refunded	(-)	(56,60,00,000)	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of LWIN 7.5% stake from WPL	-	56,60,00,000	5,00,000	-	-	-	81,00,00,000	-
Sale of Equity shares	(-)	22,02,39,921	(-)	(-)	(-)	(-)	(-)	6,19,37,78,400
<i>Balances outstanding as at year end</i>								
Equity Share Capital of WIPPL	-	1,00,60,000	-	-	-	-	-	-
Share Application money received pending allotment	(-)	(60,36,000)	(40,24,000)	(-)	(-)	(-)	(-)	(-)
Investment in Equity Share Capital	-	(55,196)	(5,00,000)	(-)	(-)	(-)	(-)	(-)
Optionally Convertible Debentures	(-)	(-)	(-)	(4,78,76,04,994)	(1,00,000)	(1,00,000)	(-)	(-)
Creditor for expenses/investment	(-)	(56,60,00,000)	(-)	(-)	(-)	(-)	(-)	(-)
	(-)	100	(-)	(-)	(-)	(-)	(-)	(-)
	(-)	(45,46,939)	(-)	(-)	(-)	(-)	(-)	(-)

Figures in bracket represent previous year numbers

\*Note :- Transactions for PY were shown with Welspun Corp Ltd. However pursuant to court order on scheme of restructuring now the same are transferred to Welspun Enterprises Limited.



**Welspun Infra Projects Private Limited**  
Annexed to and forming part of financial statements for the year ended March 31, 2014

**3 Details of dues to 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 on the basis of the information available with the Company.

**4 Segment Reporting**

The Company is engaged in one business segment i.e. Infrastructure development. The Company is operating in a single geographical segment i.e. India.

**5 Previous Year figures are regrouped, rearranged or recast wherever considered necessary.**

As per our report of even date  
For Sureka Associates  
Chartered Accountants  
Firm Registration No.: 110640W



Suresh Sureka  
Partner  
Membership No.: 34132

Date: 21.05.2014  
Place: MUMBAI



For and on behalf of the Board of Directors



Director



Director

Date: 21.05.2014  
Place: MUMBAI