

WELSPUN



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Enhance the Present
to
Craft the Future



WELSPUN Projects Ltd.

20th Annual Report 2013-14

WELSPUN Projects Ltd.

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Forward looking statement

In this Annual Report we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. We have tried, wherever possible, to identify such statements by using words as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of the future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

Board of Directors	
Mr. B. K. Goenka - Chairman	Mr. A. K. Dasgupta
Mr. R. R. Mandawewala	Mr. Atul Desai
Mr. Sandeep Garg - Managing Director	Mr. M. K. Tandon
	Mrs. Mala Tadarwal

Audit Committee	
Mr. Lalit Jain - Chief Financial Officer	Mr. M. K. Tandon - Chairman
Mr. Nilesh Javker - Company Secretary	Mr. A. K. Dasgupta
	Mr. Atul Desai
Statutory Auditor	
Chandrakant & Sevantilal & J.K. Shah & Co.	

Shareholder/Investor Grievance Committee	Remuneration Committee
Mr. Atul Desai - Chairman	Mr. A. K. Dasgupta - Chairman
Mr. B. K. Goenka	Mr. Atul Desai
Mr. Mohan Tandon	Mr. Mohan Tandon
	Mr. B. K. Goenka

Registered Office	Corporate Office
Welspun City, Village Versamedi	Welspun House,
Taluka Anjar, Dist Kutch	Kamala City,
Gujarat-370110	Senapati Bapat Marg,
Tel : 0283 627 9071/74/41/44	Lower Parel (W), Mumbai 400013
Fax. : 0283 627 9060	Tel.: 022-66136000 Fax: 022-24908020

Stock Exchanges where the Company's securities are listed	
Bombay Stock Exchange Ltd.	Vadodara Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street,	3rd Floor, Fortune Tower,
Mumbai - 400 051	Sayajigunj, Vadodara - 390005.
National Stock Exchange of India Ltd.	
Exchange Plaza, Bandra Kurla Complex,	
Bandra (E), Mumbai - 400 051	

Registrar and Transfer Agent	Bankers	
Purva Sharegistry (India) Pvt. Ltd.	Corporation Bank	State Bank of Travancore
Unit No. 9, Shivshakti Industrial Estate,	IDBI BANK	State Bank of Bikaner & Jaipur
J.R Boricha Marg, Opp Kasturba Hospital Lane,	State Bank of India	
Lower Parel (E) Mumbai 400 011	Dena Bank	
	IDFC	
	Punjab National Bank	

KEY MANAGEMENT TEAM



B. K. Goenka
*Chairman



Sandeep Garg
Managing Director,
Welspun Projects Ltd.



Mr. Akhil Jindal
Director
Group Finance & Strategy



Deepak Chauhan
Director, Legal,
Welspun Group

** Non-Executive Member of the Board of Directors*

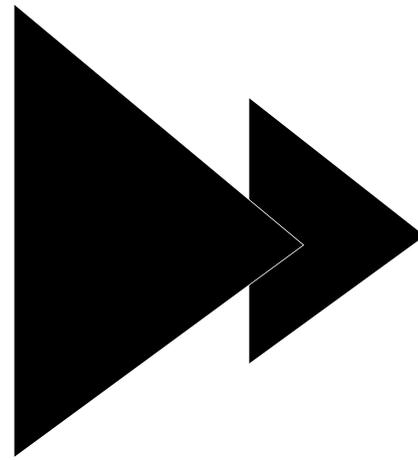


B. K. Goenka
Chairman, Welspun Group

My dear fellow stakeholders,

India's recent growth and development has been one of the most significant achievements of our times. With 1.2 billion people and the world's fourth-largest economy, India has transformed into a growing voice on the international stage commensurate to its enormous size and potential. However, we still have a long way to go if we want to achieve our full potential. Massive investments will be needed to create jobs, housing, and infrastructure to meet soaring aspirations and make towns and cities more livable and green.

As has been pointed out many a times, the biggest constraint to our growth remains our poor infrastructure. In our country, one in three rural people still lack access to an all-weather road, and only one in five national highways is four-lane. Ports and airports have inadequate capacity, and



trains and trucks move much slower the global average. An estimated 300 million people are not connected to the national electrical grid, and those who are connected, face frequent disruptions. More than 97 million people lack access to safe drinking water while 65% of the population do not have access to sanitation facilities. Thus there is an urgent need to push reforms in infrastructure, if our goal of strong but inclusive growth is to be achieved.

Various governments have realised the importance of improving our country's infrastructure. However, the government's huge resource crunch, high deficits and limited capability of borrowing resulted in constraints on public spending on infrastructure, in the last decade. This has resulted in higher emphasis on attracting private investments in this sector. The Planning Commission has set a target to achieve 50 per cent private and PPP funding in total infrastructure investment in the Twelfth plan, compared to a little more than 30 per cent in the Eleventh Plan. While the intent of increased private participation in infrastructure is commendable, there are some major challenges which need to be overcome before these plans bear fruition. Some of the key challenges facing the industry relate to land acquisitions, regulatory clearances, funding and labour availability.

With the formation of a new stable government at the centre, there is increased expectation that various reform measures will be undertaken to overcome some of these hurdles. The new government has listed infrastructure as one of its key focus areas and is expected to take measures which would improve private participation.

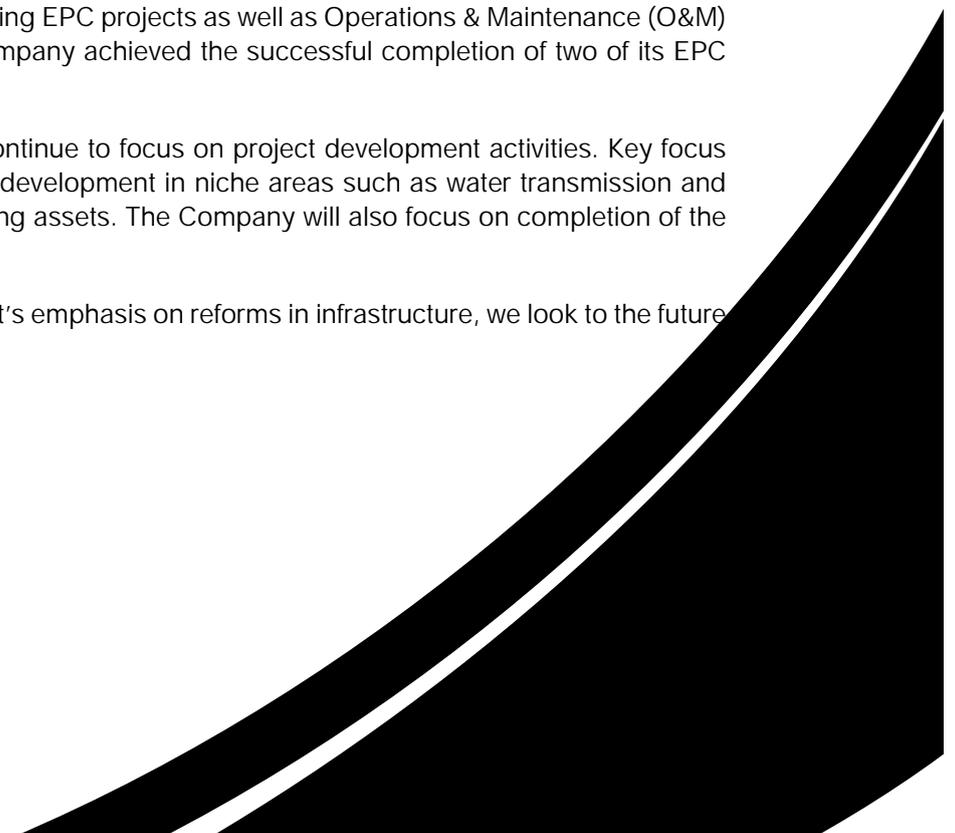
For Welspun Projects, FY13-14 was a year of re-organisation and consolidation. The Company sold its equity stake in Leighton Welspun Contractors Private Limited during the year for a cash consideration of Rs. 810 mn, as part of its value unlocking strategy. Post this transaction, the company's exposure to the EPC business is considerably lower. During the year, the Company focussed on execution of the remaining EPC projects as well as Operations & Maintenance (O&M) of its BOT project portfolio. The Company achieved the successful completion of two of its EPC projects.

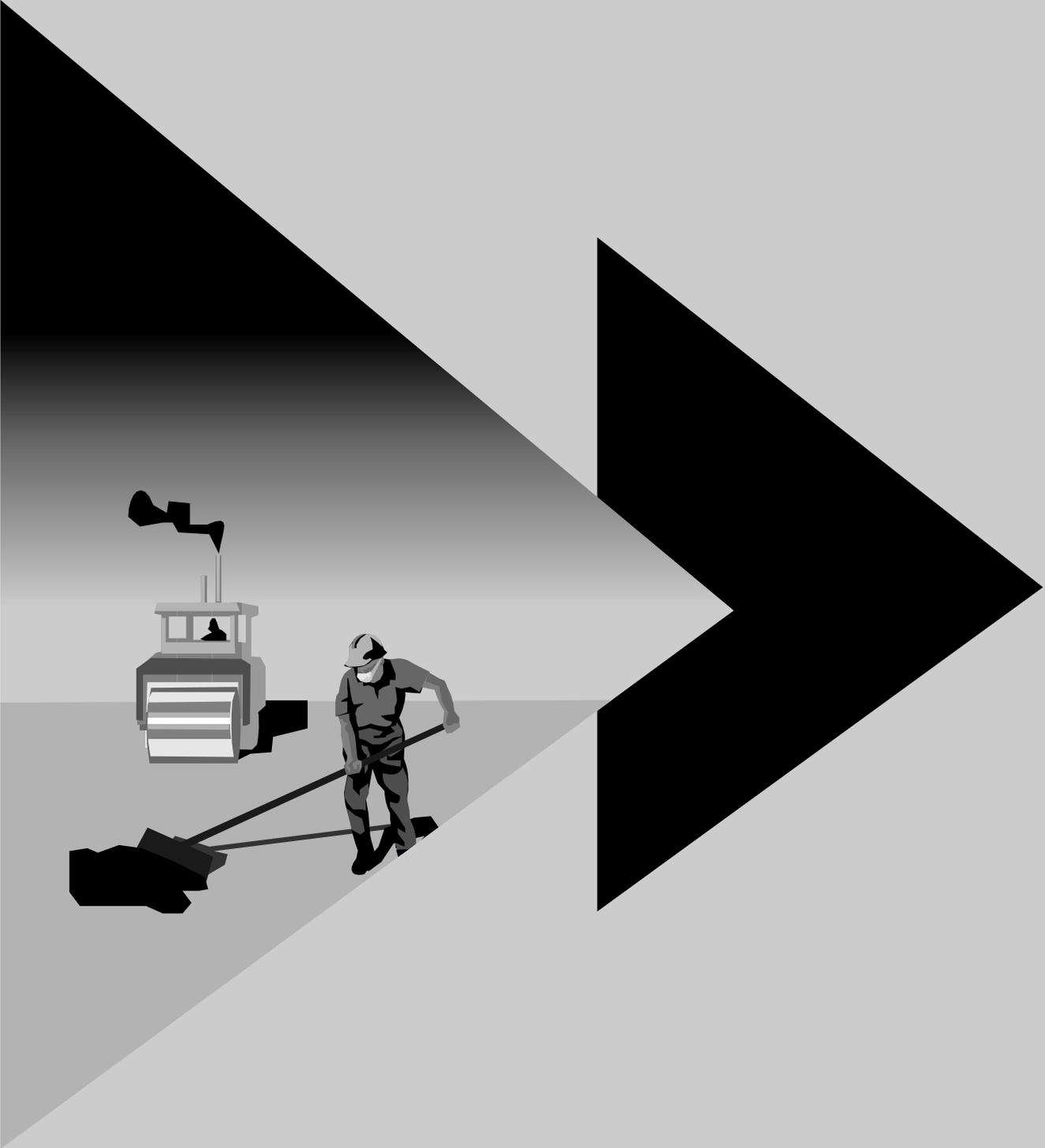
Going forward, the Company will continue to focus on project development activities. Key focus areas for WPL will be infrastructure development in niche areas such as water transmission and processing as well as O&M of existing assets. The Company will also focus on completion of the remaining EPC order book.

Keeping in view the new government's emphasis on reforms in infrastructure, we look to the future with cautious optimism.

Many thanks,

B. K. Goenka







BHARUCH - DAHEJ ROAD PROJECT
- Gujarat

Widening to 6 lane of Bharuch Dahej Road (SH-6) from km 200 to
km 225, including construction of ROB approaches and PUP.

WELSPUN Projects Ltd.

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the 20th Annual Report together with the Audited Financial Statement along with the Report of the Auditors for the year ended on March 31, 2014.

1. Financial Performance

(Rs. in Lakh)

Particulars	FY 2013-14 Consolidated	FY 2013-14 Standalone	FY 2012-13 Consolidated	FY 2012-13 Standalone
Contract Receipts & Other Operating Income	16,946.65	17,066.64	34,337.22	34,489.36
Toll Collection	7,398.09	3,231.32	7,289.58	3,027.08
Other Income	3,194.74	3,311.81	1,432.34	1,493.00
Change in Work in Progress	(1,907.53)	(1,907.53)	250.45	250.45
Total Income	25,631.95	21,702.24	43,309.59	39,259.89
Total Expenditure	28,998.06	24,873.44	43,021.96	38,802.71
Profit Before Tax	(3,366.10)	(3,171.20)	287.63	457.18
Exceptional Items	(3,406.82)	(3,406.82)	-	-
Less : Provision for Tax	(672.36)	754.58	(301.38)	89.14
Profit After Tax	(6,100.56)	(5,823.44)	589.01	546.33
Balance Carried to Balance Sheet	-	(5,823.44)	589.01	546.33
Earning Per Share (Rs.)	(15.25)	-	1.47	-

The order book position as on March 31, 2014 is approx Rs. 193 crores. During the year under report your company executed orders worth Rs. 185 crores.

During the year under report, the Company sold its 7.5% equity shareholding in Leighton Welspun Contractors Pvt. Ltd through its associates to Leighton International Limited for aggregate consideration of Rs. 81 crores.

2. Dividend

In view of loss during Financial Year 2013-14, your directors do not recommend any dividend on equity shares of the Company for the year ended March 31, 2014.

3. Directors

Since the last report, Mr. Nirmal Gangwal, Independent Director, resigned as director of the Company with effect from August 05, 2013. and Mrs. Mala Todarwal was appointed as an Independent Director of the Company with effect from August 05, 2014. In accordance with the requirements of the Companies Act, 2013 and Article 150 of the Articles of Association of the Company, Mr. Rajesh Mandawewala, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

In terms of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder it is proposed to appoint Mr. Mohan Tandon, Mr. AK Dasgupta, Mr. Atul Desai for a term of consecutive period of 5 (Five) years upto March 31, 2019, Mrs. Mala Todarwal, as independent directors of the Company for a period of 2 (Two) years for a term up to August 04, 2016.

The details of these directors are provided in the Notice of the ensuing Annual General Meeting being sent to shareholders along with Annual Report.



4. Deposits

During the financial year 2013-14, the Company did not accept any public deposits as per Section 58A of the Companies Act, 1956 and rules made there under. No amount on account of principal or interest on public deposit was outstanding on the date of the Balance Sheet.

5. Auditors

The Company's Statutory Auditors, M/s Chandrakant & Sevantilal & J. K. Shah & Company, Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received written consent from the Auditor for their reappointment and certificate to effect that the appointment, if made shall be in accordance with provisions of Section 139(1) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

6. Auditors' Report

The Auditors observation read with Notes to Account are self explanatory and therefore do not call for any comments.

7. Cost Audit Report

The Company has appointed M/s Kiran J Mehta and Co., (FRN- 000025) Cost Accountants for conducting Cost Audit for the Company for the financial year 2014-15. The Cost Audit Report for financial year 2013-14 is approved by the Board of Directors and the report is e-filed with the Ministry of Corporate Affairs, Government of India.

8. Internal Control Systems:

The Company has an adequate system of Internal Control to ensure compliance with policies and procedures. Internal Audits are regularly carried out to review the internal control systems. The Internal Audit Reports along with recommendations contained therein are reviewed by the Audit Committee of the Board.

9. Subsidiaries:-

As on March 31, 2014 the following companies, were subsidiaries of the Company viz. (1) MSK Projects (Himmatnagar Bypass) Private Limited (2) MSK Projects (Kim Mandvi Corridor) Private Limited (3) Anjar Road Private Limited

The Ministry of Corporate Affairs vide its General Circular No. 2/ 2011 dated February 08, 2011 granted general exemption to the companies from attaching a copy of Balance Sheet, the Profit and Loss Account and other documents of subsidiary companies as required to be attached under Section 212 of the Companies Act, 1956 to the Balance Sheet of the Company subject to fulfillment of conditions stipulated in the circular.

Therefore, the said documents of the aforesaid subsidiary companies will not be attached to the Annual Report. However, the aforesaid documents relating to the subsidiary companies and related detailed information will be made available upon request by any member or investor of the Company. Further, the Annual Report of the subsidiary companies are kept open for inspection by a member or an investor at the Registered Office of the Company.

As required under the exemption, a statement containing the requisite information for each subsidiary is attached with this report.

10. Particulars of Employees

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to Directors' Report. However, as per provisions 219(1)(b) of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to Company Secretary at the registered office of the Company.

11. Directors' Responsibility Statement:
Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:
- that in the preparation of the accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
 - that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 or loss of the Company for the year under review;
 - that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - that the Directors have prepared the accounts for the financial year ended March 31, 2014 on a 'going concern' basis.
12. Corporate Governance
- Your Company believes that Corporate Governance is a voluntary code of self-discipline. Your Company continuously endeavors to follow healthy Corporate Governance practices to nurture interest of all stakeholders in the Company.
- A separate report on Corporate Governance is annexed hereto as a part of this report. A certificate from a practicing company secretary regarding compliance of conditions of Corporate Governance as prescribed under Clause 49 of the Listing Agreement is attached to this report. Management Discussion and Analysis Report is separately given in the Annual Report.
13. Listing with Stock Exchange
- The Company's equity shares are listed on Bombay Stock Exchange (BSE), National Stock Exchange of India Limited (NSE) and Vadodara Stock Exchange Limited (VSE). Annual listing fee for the year 2014-15 have been paid to BSE, NSE and VSE
14. Conservation of energy, technology absorptions and Foreign Exchange Earnings and Outgo:
- The operations of the Company are not energy intensive and therefore there is nothing to report in respect of information on Conservation of Energy and Technology Absorptions as required under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in report of the Board of Directors) Rules, 1988. Within the limited scope available for saving energy in construction contracts, every effort is being made for conserving and reducing its consumptions.
- Foreign Exchange Earnings and Outgo
Foreign Exchange Earnings – NIL
Foreign Exchange Outgo – NIL
15. Consolidated Financial Statement
- As stipulated by clause 32 of the Listing Agreement with the Stock Exchanges and Circular No. 2/2011 dated February 08, 2011 issued by Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards issued by ICAI. The Audited Consolidated Financial Statements together with Auditors' Report thereon forms a part of the Report.



16. Acknowledgement:

Your directors take this opportunity to express gratitude towards the suppliers, clients, bankers, government authorities and all other stakeholders for their continuous support and co-operation. Your directors also thank the employees of the Company for their efforts towards achieving the Company's goals and support in making the Company face the challenges.

Your directors acknowledge the support received from you as Shareholders of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 05/08/2014

B K Goenka
Chairman





MOHALI WATER SUPPLY PROJECT
Mohali, Punjab
Water Supply Scheme of SAS Nagar (Phase V & VI) from Kajauli
Head Works to Water Works SAS Nagar

WELSPUN Projects Ltd.

REPORT ON CORPORATE GOVERNANCE

1. PHILOSOPHY ON CODE OF GOVERNANCE

The Board of Directors of the Company ("the Board") acts as a trustee and assumes fiduciary responsibility of protecting the interests of the shareholders and other stakeholders of the Company. The Board supports the broad principles of Corporate Governance. In order to attain the highest level of good Corporate Governance practice, the Board lays strong emphasis on transparency, accountability and integrity. Corporate Governance is a mechanism by which the Company can achieve sustainable growth. It combines positive attributes of system centric approach as well as individual excellence for the benefit of common good.

2. BOARD OF DIRECTORS

As on March 31, 2014 the Board comprises of six Directors (five of them are non executive directors), of which three directors were Independent Directors. Mr. B. K. Goenka, a Non-Executive Director is the Chairman of the Company.

Composition and category of directors; attendance of directors at board meetings and the last AGM, number of other companies on the Board or Committees of which, a director is a member or chairperson as on March 31, 2014 is as under:

Name of the Director and Category	Category	Number of Board Meetings attended during the financial year 13 - 14	No. of other Directorships@	Number of other Board Committees		Attendance in Last AGM
				Chairman @@	Member @@	
Mr. B. K. Goenka - Chairman	Promoter	4	13	Nil	5	No
M. Rajesh Mandawewala	Promoter	5	12	1	8	No
Mr. Sandeep Garg – Managing Director	Executive	6	2	Nil	2	No
Mr. Mohan Tandon	Independent	6	3	3	Nil	No
Mr. Nirmal Gangwal*	Independent	1	-	-	-	No
Mr. Apurba Kumar Dasgupta	Independent	5	2	2	3	No
Mr. Atul Desai	Independent	5	9	4	6	Yes

@ Only Directorships held in Indian Public Limited Companies are considered.

@@ Only Chairmanship/membership of Audit Committee and Shareholders' Grievance Committee are considered (includes Chairmanship/membership held in Welspun Projects Limited).

* Resigned w.e.f. August 05, 2013

The Board periodically reviews reports on compliance of all laws applicable to the Company.

6 meetings of the Board of Directors were held during the financial year 2013-14 on the following dates: May 18, 2013, August 05, 2013, October 28, 2013, November 28, 2013, December 24, 2013 and February 12, 2014.



Profile of directors:

I. Mr. Balkrishan Goenka (DIN 00270175):

Balkrishan Goenka (also known as BKG) is amongst India's most dynamic businessmen and the Chairman of Welspun Group – the \$3 billion multinational conglomerate. Under his astute leadership and exceptional flair for entrepreneurship, BKG has built one of the most resilient conglomerates under the banner of Welspun. Every company of the Group is growing at a dynamic pace and has emerged as a market leader, with most clients being amongst the Fortune 100 Companies. Today, Welspun Group as a whole captures a presence in more than 50 countries, employs over 24,000 people and has as many as 100,000+ shareholders.

II. Mr. Rajesh Mandawewala (DIN 00007179):

Mr. Rajesh Mandawewala is Managing Director of Welspun India Limited. A qualified Chartered Accountant (ICAI); he is in-charge of operations of the textile business and has enabled Welspun to develop a global reach in over 50 Countries. He has over 25 years of experience in industries varying from Textiles to SAW pipes. Today, WIL is the largest producer of Terry Towels in Asia and the second largest home textile company in the world. Mr. Mandawewala is a prolific speaker and is associated with leading business councils such as (CII), FICCI, IMC, BCC, Texprocil and FIEO.

III. Mr. Sandeep Garg (DIN 00036419)

Mr. Garg is B.E. (Electrical) and a scholar of Harvard Business School. Mr. Garg is Prominent figure in the industry with long and varied experience of over three decades. He has worked with the companies involved in engineering and construction of infrastructure in road, elevated roads, power, irrigation, railways, buildings and oil & gas pipelines.

IV. Mr. Mohan Tandon (DIN 00026460)

Mr. Tandon is M.Com, LL.B., and comes with Insurance Industry background, he is a former Managing Director of GIC of India, and Chairman & M.D., National Insurance Co. Ltd. He is expert in Organization Restructuring, designing Productivity-oriented Incentive Scheme for the chief executives.

V. Mr. Apurba Kumar Dasgupta (DIN 00043075)

Mr. Dasgupta is Post Graduate in Civil Engineering and is having expert knowledge and experience in multi-disciplined project planning and execution in India and third world countries for the last 50 years.

VI. Mr. Atul Desai (DIN 00019443)

Mr. Desai is B. Sc, LLB, Attorney at Law. He is a partner of M/s. Kanga & Co., leading Law firm. Mr. Desai has attended large number of matters relating to mergers, amalgamations, litigations and arbitrations involving commercial disputes.

VII. Mrs. Mala Tadarwal (DIN 06933515)

Mrs. Mala Tadarwal, aged 29 years, a qualified Chartered Accountant with over 5 years post qualification experience of practice in CA profession as a partner of M/s. Tadarwal & Tadarwal, Chartered Accountants. Mrs. Tadarwal has experience in: (i) Audit Assurance (ii) Due Dilligence (iii) Corporate Restructuring and Transaction Advisory.

3. AUDIT COMMITTEE

a) Terms of Reference:

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under clause 49 of the Listing Agreement with the Stock Exchanges and Section 177 of the Companies Act, 2013.

Scope pursuant to Section 177:

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the Company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters

Scope pursuant to Rule 7(2) of the Companies (Meetings of Board and its Powers) Rules, 2014:

- (i) Establish vigil mechanism for the Company's directors and employees to report their genuine concerns or grievances;
- (ii) Oversee the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.

Scope as per the Listing Agreement

- (i) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (iv) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (ix) Discussion with internal auditors any significant findings and follow up there on.



- (x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- (xiii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- (xiv) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- (xv) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
Any other role required to be performed by the Audit Committee pursuant to provisions of the standard listing agreement with the stock exchanges"

b) Composition:

The Audit Committee comprises of 3 independent directors. The Chairman of the Committee is an independent director The present composition of the Audit Committee as under;

Name of the Member	Designation	Number of meetings attended during the year
Shri Mohan Tandon	Chairman	4
Shri Atul Desai	Member	3
Shri A K Dasgupta	Member	3

4 meetings of the Audit Committee were held during the financial year 2013 – 14 on following dates May 18, 2013, August 05, 2013, October 28, 2013 and February 12, 2014

The Company's Internal Auditors and Chief Finance Officer remained present at the Audit Committee meetings the Company Secretary acts as the secretary of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

a) Terms of Reference

The Company has re-constituted Remuneration Committee with the name 'Nomination and Remuneration Committee'. The terms of reference Nomination and Remuneration Committee is as per Listing Agreement and Section 178 of the Companies Act, 2013.

b) Composition of Nomination and Remuneration Committee

The present composition of Nomination and Remuneration Committee is as under;

Name of the Member	Designation
Mr. A K Dasgupta	Chairman
Mr. Atul Desai	Member
Mr. Mohan Tandon	Member
Mr. B K Goenka*	Member

* Appointed w.e.f. 21.05.2014

During financial year 2013-14 no meeting of Nomination and Remuneration Committee was held.

c) Remuneration Policy

As per the Remuneration Policy of the Company the Nomination and Remuneration Committee focus on recommending, persons who may be appointed as directors, KMP and senior management officials, to the Board of Directors. The Committee also scan performance of directors, KMP and senior management and recommend their removal if the performance is found unsatisfactory. The Nomination and Remuneration Committee is required to perform duties as may be mandated by the Board of Directors from time to time.:

d) The Remuneration paid to Non Executive Directors during the financial year 2013-14 is as under:

Non Executive Directors (except Promoter Directors) are sitting fees for the board meeting, audit committee meeting and remuneration committee meeting.

The independent directors are not paid any other remuneration except sitting fees for attending meeting of Board of Directors, General Meeting and Committee Meetings. The revised sitting fee for attending the Board Meeting is Rs. 25,000/-, Audit Committee meeting is Rs.20,000/- Nomination and Remuneration Committee meeting is Rs.10,000/-, Shareholders' and Investors' Grievance Committee meeting is Rs. 20,000/- and General Meeting is Rs. 20,000/-.



Details of sitting fees payable to each director based on meetings attended are as given below:

Name of Non Executive Director	Sitting Fees for Board Meetings (in Rs.)	Sitting Fees for Committee Meetings (in Rs.)	Total(in Rs.)
Mr. Atul Desai	75,000/-	30,000/-	1,05,000/-
Mr. Mohan Tandon	90,000/-	35,000/-	1,25,000/-
Mr. Nirmal Gangwal*	15,000/-	-	15,000/-
Mr. A. K. Dasgupta	75,000/-	25,000/-	1,00,000/-

*Ceased to be director w.e.f. August 05, 2013

The above sitting fees paid to the non-executive directors is within the limits prescribed under the Companies Act, 1956 for payment of sitting fees without approval of the Central Government and hence prior approval of the members as stipulated under Clause 49 (I) (B) is not required.

e) Managing Directors' compensation:

The Managing Director is paid salary and perquisites as per the contract between the Company and Managing Director. The details of remuneration paid to Managing Directors during the financial year 2013 -14 is as under:

Name of Managing Director	Salary + Perquisites
Mr. Sandeep Garg	Rs. 1,83,51,240/-

5. SHARE TRANSFER AND INVESTORS' GRIEVANCE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Share Transfer and Investors' Grievance Committee of the Company was reconstituted with new name Share Transfer and Investor Grievance and Stakeholders Relationship Committee.

a) Terms of Reference:

The terms of reference of the Committee is as per Listing Agreement and Section 178 of the Companies Act, 2013. The Committee looks into the redressal of shareholders' complaints like non-receipt of Annual Report, non-receipt of dividends, revalidation of dividend warrants etc. The complaints are reported to the Board on quarterly basis and the status of the complaints pending at the beginning of the quarter, received during the quarter and resolved or pending at the end of the quarter, are published along with the Quarterly Unaudited Financial Results of the Company as a note thereto. None of the complaints were pending at the end of the financial year.

b) Number of Shareholders complaints received during the year:

During the year under review, no investor complaints were received. None of the complaints were pending at the end of the financial year.

c) Composition

The present composition of the Shareholders' and Investors' Grievances Committee was reconstituted as under :

Name of the Member	Designation
Mr. Atul Desai	Chairman
Mr. B K Goenka	Member
Mr. Mohan Tandon	Member

d) Meetings and Attendance during the financial year 2013-14 :

4 meetings of the Shareholders' and Investors' Grievances Committee were held during the financial year 2013 - 14 on following dates: May 28, 2012, August 13, 2012, November 09, 2012 and February 11, 2013

Name of the Member	Designation	Number of Meetings attended
Mr. Atul Desai	Member	3
Mr. B K Goenka	Member	3
Mr. Mohan Tandon	Member	4

6. GENERAL BODY MEETINGS

The details of Annual General Meeting held during the last three years are given hereunder:

Annual General Meeting	19 th Annual General Meeting	18 th Annual General Meeting	17 th Annual General Meeting
Day & Date	Tuesday, September 24, 2013	Friday, September 28, 2012	Tuesday, August 29, 2011
Time	11.30 a.m.	11.00 a.m.	9.30 a.m.
Venue	Welspun City, Village Versamedi, Taluka Anjar, Dist Kutch, Gujarat 370 110	Welspun City, Village Versamedi, Taluka Anjar, Dist Kutch, Gujarat 370 110	Vanijya Bhavan, Race Course, Vadodara
Special Resolution Passed in AGM	Nil	1) Section 269 -Appointment of Mr. Sandeep Garg as Managing Director 2) Section 81(1A) - Grant of ESOP to Mr. Sandeep Garg, Managing Director	Nil

Postal Ballot

The Company was not required to pass any resolution through postal ballot during the financial year 2013-14.

7. MANAGEMENT

a) Management Discussion and Analysis

Management Discussion and Analysis of business of the Company is separately given in the Annual Report.

b) Disclosures by Management to the Board

All details relating financial and commercial transactions where directors may have pecuniary interest are provided to the Board, and the interested directors neither participate in the discussion, nor do they vote on such matters.

8. DISCLOSURES

a) Related Party Transaction

For related party transactions, refer Note no.38 of Notes to Accounts annexed to Balance Sheet and Profit & Loss Account.



b) Non Compliance

There was no non compliance by the Company during the last three financial years and hence no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years.

c) Whistle Blower Policy

The Company has a Whistle Blower and Vigil Mechanism Policy and no personnel have been denied access to the Audit Committee.

d) Code of Conduct

The Board complies with Code of Conduct for Board members and senior management of the Company. A copy of the Code is also posted on the Company's website for information of all the Board members and senior management of the Company. Compliance of the Code is being affirmed by the Directors and senior management personnel on annual basis every year.

A declaration signed by the Chairman of the Company is given below:

"I hereby confirm that all Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company."

B K Goenka
Chairman

e) Certification by Chief Finance Officer:

A certificate obtained from Chief Finance Officer on the Financial Statements of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board, who took note of it and took same on record.

f) Secretarial Audit

A qualified practicing company secretary carried out the Secretarial Audit on quarterly basis to reconcile the share capital with National Securities Depository Services Ltd (NSDL) and Central Depository Services Ltd (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with total number of shares in physical forms and total number of demat shares held with NSDL and CDSL.

g) Brief resume of director being appointed / re-appointed

A brief resume, nature of expertise in specific functional areas, names of companies in which the person is already holds directorship and membership of committees of the Board and his shareholdings in the Company forms part of the Notice of Annual General Meeting.

h) Accounting Standards

The Accounting Standards laid down by the Institute of Chartered Accountants of India and applicable to the Company were followed by the Company in preparation of accounts and reports of the Company.

i) Details (in aggregate) of shares in the suspense account including freeze on their voting rights

There are no unclaimed shares and hence no suspense account is required to be opened and credited with such shares and there is no freeze on voting rights of any shares.

j) Details of compliance with mandatory requirements and adoption of the non mandatory requirement of the Clause 49 of the Listing Agreement

The Company is in compliance with the mandatory requirement mentioned under the Clause 49(I) to 49(VII) to the extent applicable and in addition, the Company has adopted non-mandatory requirements mentioned at (4) – Remuneration Committee and (8) Whistle Blower Policy of Annexure ID to Clause 49 of the Listing Agreement with the Stock Exchanges.

9. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results of the Company are sent to Stock Exchanges immediately after they are approved by the Board. The Company published its un-audited / audited financial results in Free Press Journal / Business Standard (English edition) and Western Times (Gujarati edition).

10. GENERAL SHAREHOLDER'S INFORMATION:

a) Annual General Meeting:

The Twentieth Annual General Meeting of the Company will be held on Tuesday, September 30, 2014 at 11.30 a.m. at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110.

b) Financial year:

The financial year of the Company is from April 1 to March 31.

Board Meetings for Quarterly Unaudited Financial results: (Tentative and subject to change)

II Qtr Results (Jul- Sep) Upto November 14, 2014

III Qtr Results (Oct-Dec) Upto February 14, 2015

IV Qtr Audited Results Upto May 30, 2015

I Qtr Results (14-15)(Apr-June) Upto August 14, 2015

c) Date of Book Closure

The Company's Register of members and Share Transfer Books will remain closed from Monday, September 29, 2014 to Friday, October 03, 2014 (both days inclusive).

d) Dividend Payment Date

Dividend has not been recommended by the Board.

e) Listing on Stock Exchanges

The Company's Equity Shares are listed on the following Exchanges, listing fees were paid for the Financial Year 2013-14 to all the Stock Exchanges.

National Stock Exchange of India Limited (NSE)

'Exchange Plaza',
Bandra Kurla Complex,
Bandra (East),
Mumbai-400 051.

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001.

Vadodara Stock Exchange Limited (VSE)

Fortune Tower,
Sayajigunj,
Vadodara-390005

Security Codes :

The Stock Codes of the equity shares of the Company are:

NSE : WELPROJ

BSE : 532553

ISIN of the Equity Shares of the Company : INE625G01013



f) Market Price Data

High and Low price of equity shares of Welspun Projects Limited on BSE and NSE during the financial year 2013-14.

Month	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April 2013	15.48	12.16	15.60	12.10
May 2013	17.45	12.85	17.40	13.15
June 2013	18.50	12.70	19.35	13.25
July 2013	16.65	12.70	16.65	12.55
August 2013	14.00	8.50	14.30	8.50
September 2013	9.90	8.56	9.65	8.55
October 2013	9.50	7.81	9.65	7.90
November 2013	9.60	7.95	9.65	7.90
December 2013	13.31	8.05	13.40	8.00
January 2014	14.28	10.30	14.05	10.50
February 2014	12.34	9.04	11.90	9.20
March 2014	11.99	9.50	11.95	9.60

Source: respective websites of BSE and NSE.

Performance in comparison to broad based indices i.e. BSE Sensex and NSE Nifty.

Month	BSE Index	Closing Price of Share (Rs.)	NSE Nifty	Closing Price of Share (Rs.)
April 2013	19,504.18	14.58	5,930.2	14.55
May 2013	19,760.3	13.25	5,985.95	13.20
June 2013	19,395.81	13.75	5,842.2	13.80
July 2013	19,345.7	14.16	5742	14.95
August 2013	18,619.72	9.14	5,471.8	9.05
September 2013	19,379.77	9.13	5,735.3	9.20
October 2013	21,164.52	8.35	6,299.15	8.30
November 2013	20,791.93	8.27	6,176.1	8.40
December 2013	21,170.68	13.31	6,304	13.40
January 2014	20,513.85	11.30	6,089.5	11.35
February 2014	21,120.12	11.30	6,276.95	11.10
March 2014	22,386.27	10.84	6,704.2	10.55

g) Registrar & Share Transfer Agent

The Company has appointed Registrar and Transfer Agent to handle the share transfer work and to resolve the complaints of shareholders. Name, address, telephone number of Registrar & Share Transfer Agent is given hereunder:

M/s. Purva Sharegistry (India) Pvt. Ltd.
 9, Shiv Shakti Industrial Estate,
 J. R. Boricha Marg, Opp. Kasturba Hospital
 Lower Parel (East), Mumbai
 Phone: 022-2301 6761/8281 Fax: 022-2301 2517 E-mail: busicomp@vsnl.com

h) Share Transfer System and Dematerialization:

Our Registrar and Transfer Agent registers transfer of shares in physical form within 15 days from the receipt of

WELSPUN Projects Ltd.

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the documents. The Company's shares held in dematerialised form are transferable in electronic mode. As on March 31, 2013, 680 equity shares were in physical form being 0.001% of the total Equity Shares.

i) Distribution of Shareholding as on March 31, 2014

Nominal Value	Number of Shareholders	% of Total Shareholders	Value in Rs.	% of total Value
Upto 5,000	7139	83.59	10202710	2.55
5,001-10,000	637	7.46	5346340	1.34
10,001-20,000	309	3.62	4846040	1.21
20,001-30,000	144	1.69	3693740	0.92
30,001-40,000	48	0.56	1731390	0.43
40,001-50,000	55	0.64	2603190	0.65
50,001-100,000	99	1.16	7470850	1.87
1,00,001 and above	110	1.29	364105740	91.03
Total	8541	100.00	400000000	100.00

j) Shareholding Pattern as on March 31, 2014

Sr. No.	Category	No. of Shares	Percentage of holding
1	Promoter Group	24448445	61.12%
2	Resident Bodies Corporates	8009400	20.02
3	FII/Mutual Funds	239675	0.60
4	Foreign Body Corporates	342334	0.86
5	Public	5532315	13.84
6	NRIs	88738	0.22
7	Trust	6000	0.02
8	Hindu Undivided Family	1333093	3.33
	Total	40000000	100.00

k) Site Locations:

The Company has presence across the Country and at present, on going projects are at various places in the states like Gujarat, Maharashtra, Madhya Pradesh, Punjab, Rajasthan etc.

l) Address for Correspondence:

Shareholders may contact the Compliance officer for any query related to dividend at the following address:

Compliance Officer:
Mr. Nilesh Javker, Company Secretary
Welspun House, 7th Floor,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
email: companysecretary_wpl@welspun.com



CERTIFICATE OF PRACTISING COMPANY SECRETARY ON REPORT OF CORPORATE GOVERNANCE

To The Members of
Welspun Projects Limited

We have examined the compliance conditions of Corporate Governance by Welspun Projects Limited for the year ended 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Vadodara Stock Exchange Limited.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Manasi Damania
Practising Company Secretary

Certificate of Practice No.8120

Place : Mumbai
Date : 05/08/2014





Bus Rapid Transit System (BRTS) Project
- Package II & III Surat, Gujarat

WELSPUN Projects Ltd.

Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Financial Statement of Welspun Projects Ltd ("WPL" or the "The Company"), and the notes thereto for the year ended 31st March 2014. This MD&A covers WPL's financial position and operations for the year ended 31st March 2014. Amounts are stated in Indian Rupees unless otherwise indicated. The numbers used in the analysis are on a consolidated basis; the corresponding number for the previous year has been regrouped and reclassified, wherever necessary.

Forward-Looking Statements

This report contains forward looking statements, which may be identified by their use of words like plans', expects', will', anticipates', believes', intends', projects', estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement, on the basis of any subsequent developments, information or events.



MD's Quote

"This year continued to be a very challenging year for the infrastructure industry with very few project being awarded. For Welspun Projects, it was a year of re-organisation and consolidation. As part of its value unlocking strategy, the Company sold its equity stake in Leighton Welspun Contractors Private Limited during the year, thereby considerably reducing its exposure to the EPC business. Welspun Projects will continue to focus with caution on development activities."

Mr. Sandeep Garg,
Managing Director, Welspun Projects Ltd.

BUSINESS OVERVIEW

WPL has a rich experience of executing EPC contracts and PPP projects in various sectors like roads, water, and urban infrastructure. WPL's successful execution of projects for the past 35 years has made the company a niche player in the construction industry. It was one of the first developers to complete a NHAI BOT project in India. In the highway sector alone, the Company has successfully completed six BOT (Toll) Road projects with a total length of over 500 km and a capital expenditure of over US \$ 200 million. One of its signature projects is the 142.6 km long Dewas-Bhopal Corridor linking Bhopal and Dewas on SH 18 in the state of Madhya Pradesh on BOT Toll Basis.

Macro-Economic Environment

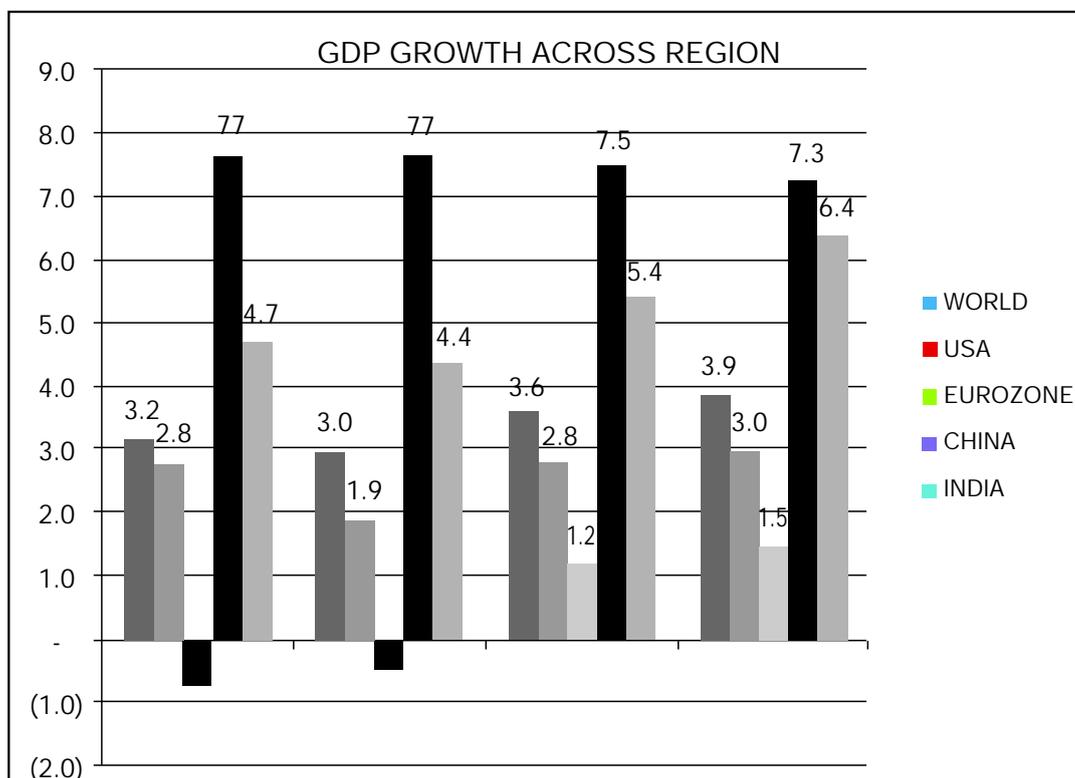
The global economic environment continued to be challenging during the last year. During the course of 2013-14, the global financial markets had to face an extraordinary spell of financial turbulence arising from the US Fed contemplating tapering its large scale asset purchase programme. The tapering heralded the turning of the global interest rate cycle with volatile movements for cross-border capital flows and asset prices. Global growth in CY2013 was reported at 3% levels, almost at the same level as that in CY2012.

For the Indian economy, the slowdown in growth that began in FY12, worsened in FY13 and continued into FY14. India's real GDP growth rate hit decade low levels. While the slowdown was broad-based affecting all major sectors of economic activity, construction and mining were among the worst-hit. The economic growth rate continued to stay around the 5% mark during 2013-14. The turbulence in the global economy only added to the woes of the Indian economy. Like most other emerging



markets, India faced capital outflows and intense exchange rate pressures on fears of the US Fed tapering. This prompted the RBI and the government to take several measures to control inflation and current account deficit.

The outlook, however, appears cautiously optimistic. Global growth, after decelerating for the last three years is poised to improve in CY2014 and CY2015, but risks related to uncertainties in timing of unwinding of unconventional monetary policies and possibility of a renewed deflation in the euro area remain. Economic expansion in the US is gaining firmer footing and will aid recovery in global activity and trade. As far as India is concerned, there is expectation that the pace of reforms will pick up under newly elected National Democratic Alliance (NDA) government which mainly had “Development” as its plank. Thanks to policy measures, India’s current account deficit has come down drastically in recent months reducing the risk of any external shocks to the economy. With inflation showing a downward trend in recent weeks, expectations are that the RBI will pause on the rate hike cycle and probably, initiate a cycle of rate cuts in FY14-15.



Source : IMF Report – April 2014

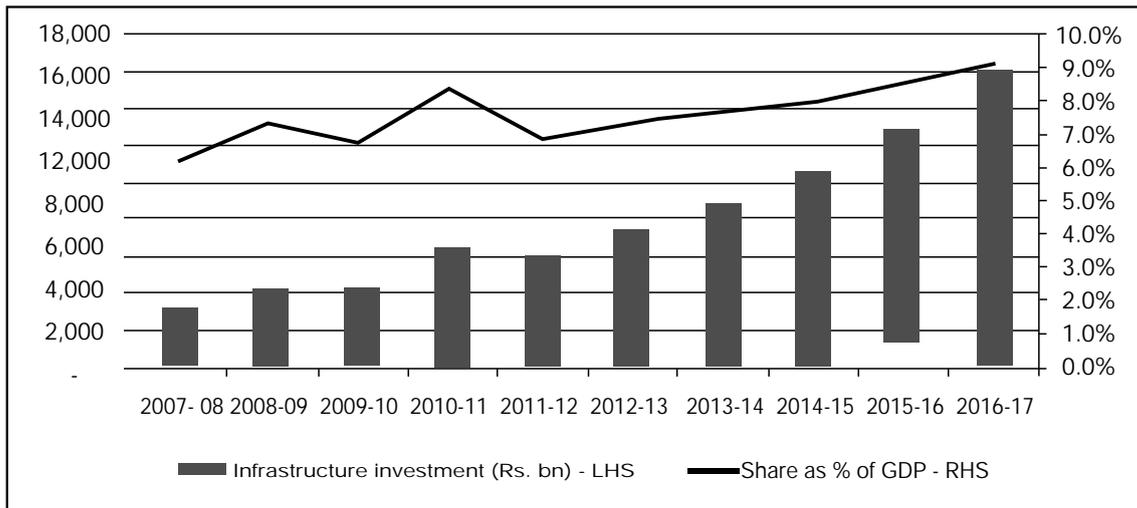
Indian Infrastructure sector

Though India is the fourth largest economy in the world, a key factor obstructing its further growth and development is the lack of world class infrastructure. Physical infrastructure has a direct impact on the growth and overall development of an economy. The goals of inclusive growth and 9 percent growth in GDP can be achieved only if India’s infrastructure deficit is overcome. Infrastructure development will also help create a better investment climate in India.

Infrastructure Development in the Twelfth Five Year Plan

The Twelfth Plan intends to continue increasing the pace of investment in infrastructure as this is critical for sustaining and accelerating growth. The Planning Commission in its Twelfth Five Year Plan Document (2012-17) expects investments in infrastructure projects to be worth US\$1 trillion over the five years of the Plan. Total investment as a percentage of GDP is expected to be in the range of 7-9 per cent .

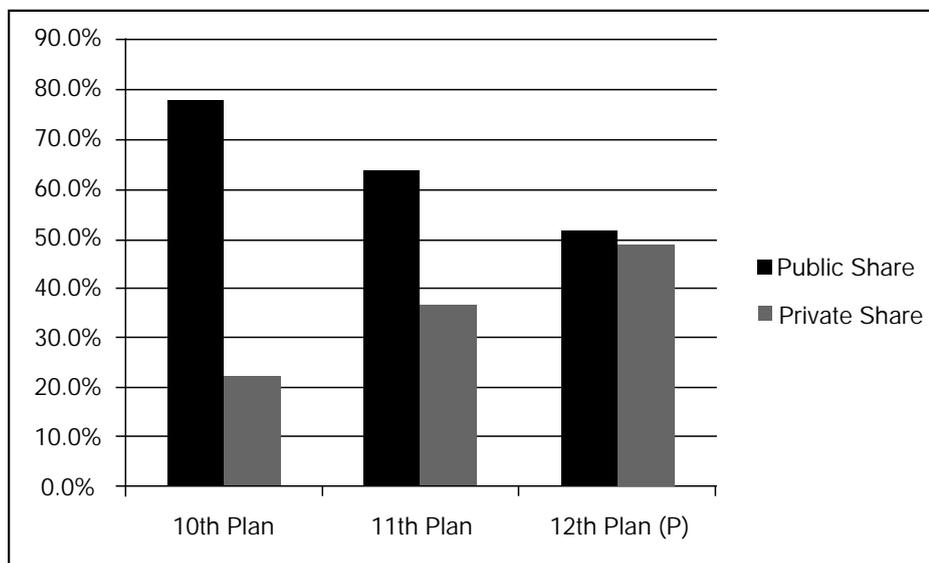
Figure 1: Share of infrastructure in GDP



PPP in infrastructure

While public investments have been the dominant form of infrastructure financing in India, there is higher emphasis on attracting private investments in the last few years. In the last decade, the government's huge resource crunch, high deficits and limited capability of borrowing resulted in constraints on public spending on infrastructure. While public investment continue to finance infrastructure needs in backward and remote areas for improving connectivity and expanding much-needed public services, PPPs are increasingly becoming the preferred mode of project implementation for projects which are financially viable. Private participation has become more prominent especially in sectors such as highways, airports, ports, urban transit systems etc, over the years. The Planning Commission has set a target to achieve 50 per cent private and PPP funding in total infrastructure investment in the Twelfth plan, compared to a little more than 30 per cent in the Eleventh Plan.

Figure 2: Share of private sector in infra spending



While the intent of increased private participation in infrastructure is commendable, there are some major challenges which need to be overcome before these plans bear fruition. Some of the key challenges facing the industry are:

- Limited avenues for raising long-term funding
- Delays in land acquisition
- Inadequate regulatory framework



- Requirement of multiple clearances and associated delays
- Inefficiencies in pricing of infrastructure
- Inadequate availability of skilled manpower
- High interest rates

With the formation of a new stable government at the centre, there is increased expectation that various reform measures will be undertaken to overcome some of these hurdles. The new government has listed infrastructure as one of its key focus areas and is expected to take measures which would improve private participation.

Welspun Projects – Year in review and Way ahead

FY13-14 was a very challenging year for the infrastructure industry. With only a few projects being awarded and interest rates remaining high, the appetite for new bids remained low. For Welspun Projects, it was a year of re-organisation and consolidation. During the year, the Company focussed on execution of the remaining EPC projects as well as Operations & Maintenance (O&M) of its BOT project portfolio.

The Company achieved the successful completion of the following projects during FY13-14:

- a) Bharuch Dahej Road Project - Widening to 6 lane of Bharuch Dahej Road (SH-6) from km 200 to km 225, including construction of ROB approaches
- b) L-Saw Coating Plant Project – Civil works for external & internal coating area, electric substation, cooling tower, open gantry & storage area.

As part of its value unlocking strategy, the Company sold its equity stake in Leighton Welspun Contractors Private Limited (LWIN) during the year. LWIN was a Joint Venture Company of Leighton Holdings of Australia and the Welspun Group, which executes complex construction projects across sectors like Oil and Gas, Roads, Railways and Buildings. Welspun Projects held 11,503,485 equity shares of Rs. 10 each, comprising of 7.5% of issued, subscribed and paid up share capital of LWIN, which was sold for a consideration of Rs. 810 mn. The transaction was closed on 7th February 2014 on receipt of the agreed consideration.

Going forward, the Company will continue to focus with caution on project development activities. Key focus areas for WPL will be infrastructure development in niche areas such as water transmission and processing as well as O&M of existing assets. The Company will also focus on completion of the remaining EPC order book.

HUMAN RESOURCES POLICY

Human resource is the biggest asset of the Company and it remains one of the core focus areas of the Company. The Management of the Company lays special emphasis on the welfare of its employees and training, welfare and safety measures are undertaken on a regular basis. The Company has a well qualified and experienced team of professionals with a dedicated human resource department, which is competent to deliver when needed. The Company aims to provide a congenial work environment that respects individuals and encourages professional growth, innovation and superior performance.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Management of the Company maintains adequate internal control system which is designed to provide reasonable assurance that assets are safeguarded and transactions are rightly executed and recorded in accordance with management authorization and accounting policies.

All the records are adequately maintained for preparation of financial statements and other financial information. Apart from internal controls, the Company also audits the efficiency and security of its operations, its information technologies and data, in accordance with the global standards. The Audit Committee of the Company met four times in FY14 to review internal audit reports as well as the internal control systems and financial disclosures.

DISCUSSION OF FINANCIAL PERFORMANCE

The discussion of the Financial Performance and Analysis below relates to the Consolidated audited financial statements of Welspun Projects Ltd. The discussion should be read in conjunction with the consolidated financial statements and the related 'Notes to the Accounts' for the year ended March 31, 2014

KEY FINANCIAL DATA (Profit and Loss A/C)

(Figures are in Rs. Millions)

Particulars	Year ended March 2013	Year ended March 2014
Contract Receipt (A)	1,688	2,342
Toll Collection (B)	740	729
Other Operating Income (C)	7	1,092
Total Operating Income (A+B+C)	2,434	4,162
EBITDA	415	1,188
EBITDA Margin	17%	29%
Financial Cost	397	474
Depreciation and Amortization expense	354	685
Profit before Taxes (PBT)	(337)	29
Profit after Taxes (PAT)	(610)	59

a. Operating Income

The Company's revenue is primarily generated from civil construction and Toll income. Income from Civil contracts (net of Service Tax) was Rs. 1,688 million in FY14 as compared to Rs. 2,342 million in FY13. The decline was mainly on account of the sale of EPC business in the previous financial year. Toll revenue was Rs. 740 million in FY14, which is only marginally higher as compared to the previous year. This was mainly on account of subdued traffic growth during the year, due to difficult economic environment.

b. EBITDA

The Company's EBITDA in FY14 stands at Rs. 415 million as compared to EBITDA of Rs. 1,188 million in FY13. FY13 figures included an income of Rs. 1,079 million on account of income from transfer of EPC business to LWIN. Adjusted for that, EBITDA grew from Rs. 108 million to Rs. 415 million.

c. Financial Cost

The Company's financial expenses have decreased by 16% to Rs. 397 million in FY14 as compared to Rs. 474 million in FY13 due to reduction in debt level during the year.

d. Depreciation/Amortization expenses

Depreciation/Amortization has decreased by 48% at Rs. 354 million in FY14 as compared to Rs. 685 million in FY13. During FY13, the Company changed its accounting policy retrospectively in respect of cash subsidy received for BOT projects which resulted in a higher depreciation in that year.

e. Profit (Loss) before Tax (PBT)

PBT stands at Rs. (337) million in FY14 as compared to Rs. 29 million in FY13.

f. Profit (Loss) after Tax (PAT)

PAT stands at Rs. (610) million in FY14 as compared to Rs. 59 million in FY13. This includes an exceptional loss of Rs. 341 million related to the sale of stake in LWIN.



TABLE : CONSOLIDATED BALANCE SHEET

(Figures are in Rs. Millions)

	As At 31 st March 2014	As At 31 st March 2013
EQUITY & LIABILITIES		
Share Holders' Funds		
Share Capital	400	400
Reserves & Surplus	4,185	4,807
	4,585	5,207
Non Current Liabilities		
Long Term Borrowings	2547	2,240
Deferred Tax Liabilities (Net)	-	21
Long Term Provisions	19	9
	2,567	2,270
Current Liabilities		
Short Term Borrowings	310	779
Trade Payable	547	821
Other Current Liabilities	591	1,063
Short Term Provisions	12	3
	1,460	2,666
TOTAL (Rs.)	8,611	10,142
ASSETS		
Non Current Assets		
Fixed Assets		
Tangible Assets	292	379
Intangible Assets	5057	5,412
BOT Project Expenditure	257	170
Non Current Investment	4	1,154
Deffered tax asset	95	-
Other Non Current Assets	0.25	0.38
Long term Loans & Advances	342	344
	6,048	7,460
Current Assets		
Current Investment	904	585
Inventories	59	148
Trade Receivable	469	889
Cash and Bank Balances	168	281
Short Term Loans & Advances	746	561
Other Current Assets	217	219
	2,564	2,682
TOTAL (Rs.)	8,611	10,142

NETWORTH

Net worth of the Company stands at Rs. 4,585 million as on March 31, 2014 as compared to Rs. 5,207 million as on March 31, 2013. The net worth decreased due to the losses incurred during the year by the company.

SHARE CAPITAL

The total number of equity shares stands at 40,000,000 shares as at 31st March 2014 which is same as in the previous financial year.

NON CURRENT LIABILITIES

The non-current liabilities of the Company stand at Rs. 2,567 million at the end of FY14 as compared to Rs. 2,270 million at the end of FY13 showing a increase of 13%. The components of non-current liabilities are as follows:

- Long Term Borrowing: The non current portion of long Term Borrowing has increased by Rs. 307 million at Rs. 2,547 million in FY14 as compared to Rs. 2,240 in FY13.
- Long Term Provisions: Long Term Provisions have increased by Rs. 11 million to Rs. 19 million in FY14 as compared to Rs. 9 million in FY13. This increase is due to provision for gratuity for employees.
- Deferred Tax liability: There is a deferred tax asset of Rs. 95 million in FY14 as compared to a deferred tax liability of Rs. 21 million in FY13.

CURRENT LIABILITIES

The current liabilities of the Company stand at Rs. 1,460 million at the end of FY14 as compared to Rs. 2,666 million at the end of FY13. The reduction is mainly due to the sale of the EPC division which has higher working capital requirement compared to the BOT division. The components of current liabilities include:

- Short term borrowings: Short Term Borrowings has overall decreased by Rs. 469 million to Rs. 310 million in FY14 as compared to Rs. 779 million in FY13. This change is mainly due to reduction in working capital loans due to the EPC division sale.
- Trade Payables: Trade Payables has decreased by Rs. 274 million to Rs. 547 million in FY14 from Rs. 821 million in FY13. The trade payable days in FY13 is 82 days as compared to 72 days in FY13.
- Other Current Liabilities: Other Current Liabilities has decreased by Rs. 472 million to Rs. 591 million in FY14 as compared to Rs. 1,063 million in FY13. The other current liabilities includes:
 - Advance from Customers: Advance from customers has decreased to Rs. 63 million in FY14 as compared to Rs. 71 million in FY13.
 - Current portion of Long Term Debt stands at Rs. 388 million in FY14 as compared to Rs. 762 million in FY13.
 - Security Deposits payable has increased by Rs. 26 million in FY14 to Rs. 84 million as compared to Rs. 58 million in FY13.
 - The amount payable under the other payables in FY14 is NIL as compared to Rs. 54 million in FY13.
- Short Term Provisions: Short Term Provisions stands at Rs. 12 million at the end of FY14 as compared to Rs. 3 million at the end of FY13. This was mainly on account of provision for leave benefits for the employees of the Company.

NON CURRENT ASSETS

The total non-current assets stand at Rs. 6,048 million as of 31st March, 2014. The components of non-current assets include:

- Net block of tangible and intangible fixed assets including BOT assets and the intangible assets under development stands at Rs. 5,606 million in FY14 as compared to Rs. 5,961 million in FY13.
- Non-current investment stands at Rs. 4 million in FY14 as compared to Rs. 1,154 million in FY13. The reduction was on account of the sale of the Company's stake in LWIN.
- Long term loans and advances at Rs. 342 million in FY14, was at similar levels as last year.

CURRENT ASSETS

The current assets of the Company stand at Rs. 2,564 million at the end of FY14 as compared to Rs. 2,682 million at the end of FY13. The components of current assets include:



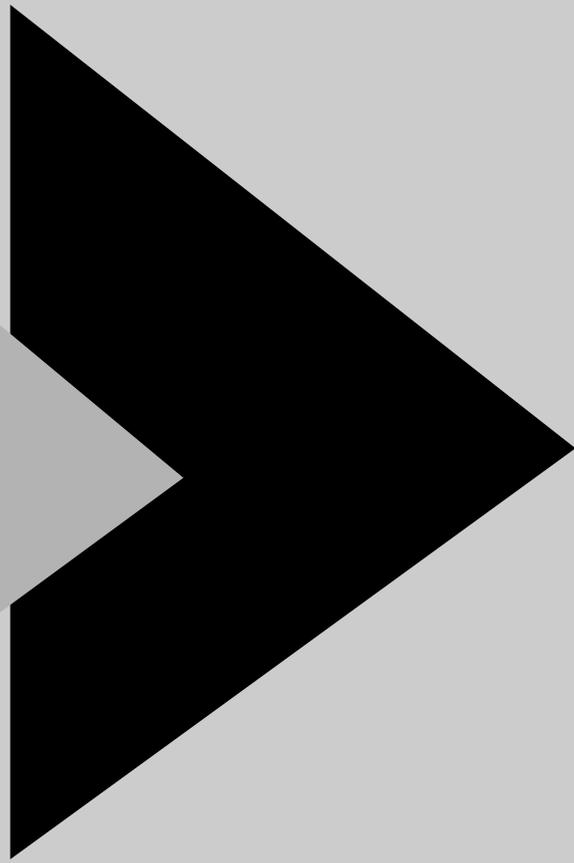
- Current Investment: Current Investment stands at Rs. 904 million in FY14 as compared to Rs. 585 million in FY13. This was due to the investment of the surplus cash received after the LWIN sale.
- Inventories: Inventories has reduced to Rs. 59 million at the end of FY14 from Rs. 148 million at the end of FY13 to decrease in business operations post the EPC division sale.
- Trade Receivables: Trade Receivables has decreased to Rs. 469 million at the end of FY14 from Rs. 889 million at the end of FY13. The company has debtor collection period of 70 days in FY14 as compared to 78 days in FY 13.
- Cash and Bank Balances: The Company has cash and bank balances of Rs. 168 million at the end of FY14 as compared to Rs. 281 million at the end of FY13. It has decreased as the company has used the cash for investing in financial instruments viz mutual funds and bonds.
- Short Term Loans and Advances: Short Term Loans and Advances have increased to Rs. 746 million at the end of FY14 from Rs. 561 million at the end of FY13.

LOAN FUNDS

The Gross Debt as on March 31, 2014 stands at Rs. 3,245 million as against Rs. 3,781 million in FY13. This was mainly due to repayment of a large part of the working capital debt paid during the year.

Cautionary Statement

Some of the statements in this Management Discussions and Analysis, describing the projections, estimates and expectations may be forward looking statements within the meaning of the applicable laws and regulations. Actual results may differ substantially from those expressed or implied. Important developments that could affect Welspun's operations include a shift in the industry structure, significant changes in political and economic environment in India and globally, tax laws, import duties, litigations and labour relations.





CORPORATE SOCIAL RESPONSIBILITY
Changing Lives and Lifestyles with 3 E's:

- Education
- Empowerment
- Environment & Health

WELSPUN Projects Ltd.

Corporate Social Responsibility A Welspun Commitment

“Creating a strong business and building a better world are not conflicting goals – they are both essential ingredients for long-term success.”

- William Clay Ford
Jr. Executive Chairman, Ford Motor Company

At Welspun, we believe that a business can never be successful if the society around them fails. Therefore, it becomes our moral mission to identify and address the needs of our society.

Welspun as a group is committed to building a sustainable and progressive community. Our social mission is enshrined within the 3E's i.e. Education, Empowerment and Environment & Health. A number of projects encompassing the 3E's have been taken up under the banner of the Welspun Foundation for Health and Knowledge (WFHK) that either runs independently powered by Welspun or through nurtured partnership with the local government or non-governmental organizations (NGOs).



EDUCATION – Your Door To The Future

Quality Education Programme in Kutch

The recently enacted 'Right to Education (RTE)' Act, 2009 gives the right to get access to quality education to every child in underprivileged communities. According to the National Education University for Planning and Administration, Anjar has 156 schools in total and almost 80% of these schools are providing primary education. It also states that even though primary school is able to give education to all students and retain them till 8th standard, the dropout rate was 10% at primary level in year 2005 which alarmingly throw challenges in enrolment in secondary level education.

Welspun's CSR approach has initiated a Quality Education Project in Anjar with the Government of Gujarat in 2012 where we worked with 3 government schools i.e. Varsamedi, New Dudhai and Bhadreshwar to make a subtle difference to 28 teachers and 584 students from Std V – VIII. The achievements were measured using pre and post tests.

In 2013 -14, our objective was to reach out to 18 Government Schools from 14 villages (Ajapar, Bhadreshwar, Kumbharia, Shinai, Sinugra, Veera, VidiBaug, Varsamedi, Nagalpar, Vidi, Valadiya, Indraprasth, Kharapasvariya, Khamra), reaching out to 83 Teachers and 3,844 Students.

A Baseline Study was conducted and its observations were as follows:

- In Standard 1 to Standard 8, more than 60% of students did not meet their learning levels in Reading, Writing and Math
- 3% dropout rate noted across Standard 1 to Standard 8 while 8% noted in the migrating community
- 80% of teachers' irregularity observed - teachers report late and leave early
- It was observed that SMCs' (School Monitoring Committee) were not aware of their role in certain schools or not even formed for certain schools
- Non-functional toilets forces students to alternate options such as use open space in the outside areas while girl students prefer going home for the same.

Based on the Baseline Study, deliverables were set and are summarized as below:

	Deliverables Set As Per Baseline Study	List activities planned to achieve the set deliverables	Status as of March '14
1	50% of children to attain 40% learning levels – Reading, Writing, Math	<ul style="list-style-type: none"> • Workbooks were designed from Standard 1 to 5 based on the curriculum for easy and enhanced learning • Personality Development of students by children's camps. Target-800 students • Pretest post tests in all schools 	<ul style="list-style-type: none"> • Workbooks for std.1-5 children prepared and disseminated. 20 film screening done in 14 schools • 5 one day camps conducted in 5 school in Nov, Feb and March reaching out to 750 students • Art, origami ,quiz etc. conducted in all the schools twice • Pre and post tests conducted in all schools and 27.31% increase in learning levels seen across the 18 schools
2	450 children to be enrolled. 30 from each village at the starting at standard 1.	<ul style="list-style-type: none"> • No of children enrolled • Number of irregular students to be identified • 1 on 1 counseling to be conducted to ensure attendance across the 18 schools 	<ul style="list-style-type: none"> • 576 children enrolled • 86 irregular students identified in 10 villagers. • All are attending school regularly • 16 drop out children identified in 5 villages • 5 out of 16 children readmitted to school in villages.
3	Teacher Enhancement	<ul style="list-style-type: none"> • Teacher Training • School timings: 11am-5pm • Teacher Attendance 	<ul style="list-style-type: none"> • Could not be conducted due to DPEO transfer • Monitored by Edu-leaders and all 18 schools functional • Except for few specific incidences in Bhadreshwar and Ajapar, teachers are quite regular. They teach for stipulated hours in the class
4	Formation of SMC's in all 18 schools	<ul style="list-style-type: none"> • No of SMC formed • No. of Training Provided to SMCs' on their Roles & Responsibilities 	<ul style="list-style-type: none"> • 18 SMC formed • 180 SMC members trained out of 216 • Water connection have been installed in 5 schools • RO plant installed in 3 schools out of 12 schools • New toilet blocks have been constructed in 2 schools. • Mid day meal has been regularized in 1 school as per the new menu • In Veera, 4 new rooms has been constructed
5	Edu Leaders empowered with their roles and responsibilities	<ul style="list-style-type: none"> • No of Edu Leaders Selected • No of training conducted 	<ul style="list-style-type: none"> • 18 Edu-leaders selected • All 18 trained in 24 sessions
6	Bal Panchayat to be formed in all 18 schools	<ul style="list-style-type: none"> • No of Bal Panchayat formed 	<ul style="list-style-type: none"> • 18 Bal Panchayats formed • 4 Bal Panchayats trained



Sustainability Approach

A formal presentation was given to the District Primary Education Officer, backed by research and implementation plan. After receiving a written approval, Welspun began to execute its plan in over 18 schools.

At the onset, an orientation programme was conducted wherein we invited all the concerned government officials and local community members and briefed them on the program outline and target objectives for the year.

A local member has been appointed from all the 14 villages as an EDU leader who works in co-ordination with the local Panchayat Bodies to monitor activities. He/ She is a volunteer who is passionate about education and wants to see a change in the schools. More so, a monthly review is conducted to understand gaps and shortfalls in the current plans while we also review the momentum of growth regularly.

This project is planned for a period of 3 years for each village. Each school will be guided for 3 years to bring it to a level of quality study resourcefulness, post which the respective community groups will ensure the functioning.

Welspun Vidya Mandir

At Welspun Vidya Mandir, 2 CBSE schools with classes up till 12th standard have been set up at Anjar, Gujarat and Salav, Maharashtra where they provide quality education to over 2060 students and also focus on an all round development

As a part of the community welfare programme, the school organizes regular community service activities where children get the opportunity to visit old age homes, orphanages and even take part in art & craft exhibitions, where the funds collected from sold items is donated to charity.

Balwadis – The pre-primary education center and adult literacy programme

Welspun runs 4 Balwadis in the worker colonies at Anjar and Vapi, Gujarat and Palghar, Maharashtra where a total of 170 children are benefitting from the basic education given at there. We also run Adult Literacy program for interested women in Anjar.

Career Counseling

This initiative is carried out for children belonging to Welspun employees at the Head office (Mumbai) and for students of Std X to XII at Welspun Vidya Mandir (CBSE Board School) at Anjar and Salav. Psychometric tests are administered and one on one counseling is conducted based on the test results.

Educational and motivational sessions for cancer patients and families

As a part of our Employee Volunteering Initiative, 17 Welspun Employees spend quality time (on working Saturdays) at St. Jude's childcare center, Mumbai in quest of making a qualitative difference to the lives of 38 underprivileged children suffering from cancer and their parents. The group teaches skills like Spoken English, Computer literacy, Art and Craft and also hold motivational sessions/videos; share inspirational stories that help the children and their families cope with distress.

As we empower our future generations with education, we also see the need to empower families so they can sustain themselves in times to come and move towards growth and prosperity. With this drive to provide a sustainable support to the society, we have focused our attention to the development of women - who is a key influencer in the life cycle and thus becomes our 2nd E to empower women!



EMPOWERMENT – Enabling Wings To Fly

A 360 Degree Approach To Women Empowerment

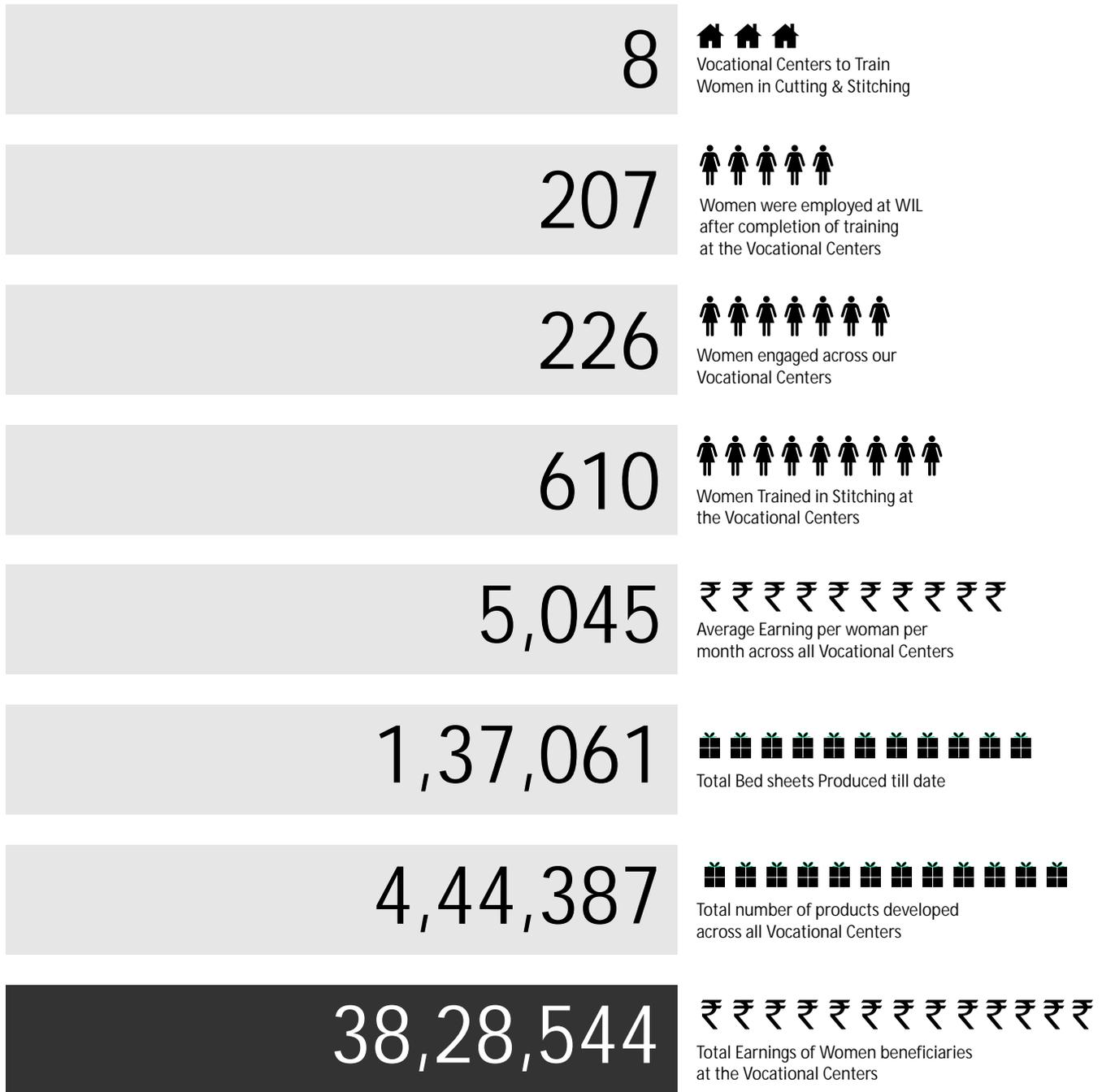
Need Analysis: We conduct surveys in communities surrounding our plants; identify women in need of financial aid who wish to be empowered with an aptitude to learn.

Set Up Stitching Center: We set up a vocational training center for cutting and stitching in their community, which is run like a professional enterprise by our CSR Team. Efficiency is monitored and daily guidance is provided to the women.

Ensure Sustainable Growth: After training them completely for a month, we provide them consistent work orders which ensure these women have enough jobs to get sustainable earnings. We also offer employment to these women at our Textile plant.

Our Mission & Way Forward: We aim to annually increase the number of beneficiaries as well as the individual earnings of the existing beneficiaries. We are in the process of starting one more Vocational Training Center in Sinugra Village, Anjar.

Results Achieved: The chart below quantifies our initiative.



This project has encouraged women who have never stepped out of their homes to venture out to learn a new skill and be an equal partner in the family's financial transactions.

Papad Making Workshops

We have also started a women empowerment initiative of Papad making at Palghar, Gujarat based on the local area needs and skill set.



ENVIRONMENT & HEALTH – For A Better Tomorrow

We realize the importance of conservation of natural resources and environment for a sustainable growth of mankind. As the saying goes, Health is Wealth! and with this in mind, we have started the following Initiatives:

Drinking Water Purification

In a survey done in villages near Vapi, Gujarat, it was observed that safe and clean drinking water was a dire need. Most of the water sources were highly polluted with very high PH value, which as per World Health Organization (WHO) standards was beyond permissible.

Therefore, our long-term vision is to provide purified drinking water to the community around our facilities. We have made a beginning by installing a 500LPH RO Plant in Kunta, Vapi which has made potable drinking water available to 6,200 people in the neighboring regions. We intend to further install RO plants post conducting the feasibility studies. At present the study is under progress for 15 locations.

Mobile Health Vans Mumbai

In Mumbai, for the underprivileged section of the society, Welspun aims to provide free access to Primary Health Care Services. To cater to this growing need, we have launched our Mobile Health Van in Association with Wockhardt Foundation. The mobile van is equipped with medicines, a doctor and a paramedic. This project has developed in phases.

- Phase 1: This initiative has covered 15532 people in the year 2011-2012 from six communities
- Phase 2: In 2012-2013, this initiative listed 25797 beneficiaries from six communities, where we gave more emphasis on Preventive Health Care and various health aspects like mother and child health care, immunization, cardiovascular diseases and other seasonal diseases
- Phase 3: In 2013- 2014, our Approach is to outreach to 12 new communities to increase the number of beneficiaries to approximately 50,000

We also plan to start the Mobile Health Van services in Anjar, providing free Primary Health Care services to rural & slum areas in the 10 km radius of Welspun City, Anjar Gujarat. The target for 3 years is to cover all the communities in the 10 km radius.

Anti- Tobacco Program

To create awareness on the ill effects of Tobacco and to make children instrumental in bringing about this change in their neighborhood and families, Welspun has initiated an Anti tobacco Life Skill Project with 33 secondary schools from Alibaug partnering with Salaam Bombay Foundation (NGO). This project covered approximately 10000 students, 100 teachers and 50 Anganwadi Workers.



We have held teachers training workshop, student's capacity building program and culmination event and other workshops were carried out in the year 2011-2012. All these schools continue to implement the life skill anti tobacco activities even today.

Waste Water Recovery Plant

As an example of our effort to grow through a sustainability focus, we have set up a state-of-art, Waste Water Recovery Plant with a capacity of 10 MLD (Million Liters Daily) at Anjar Campus, which takes care of both our Textile and Pipe plant.

It is one of the largest Waste Water Recovery plant in textile industry at a single location having series of treatment stages leading to its designed capacity of 90% recovery. This set-up recycles 100% of our water and we re-use 85% of water during our processing thereby conserving water in our already water-starved location of Anjar.

Nisargruna Biogas Plant

To enhance renewable source of energy at both business and environmental level is vital and with this thought playing an instrumental for our societies wellbeing, Welspun has installed a centralized 'Nisargruna Biogas plant' at WIL, Anjar to handle and process the biodegradable waste materials generated from kitchen, canteen, garden and other biological sludge of Welspun City and Gram, Anjar.

Presently, 2-2.5 MT of biodegradable waste is feed into the Nisargruna Plant, which generates fuel gas equivalent to 40kg of LPG, which in turn is used for cooking in plant canteen.

Tree Plantation

Our current tree plantation campaign deliverables are as follows:

Three years' targets, along with Activities

- 2012 - 2013 landscaping development—10,000 Sq. Meters
- 2013 - 2014 landscaping development—12000 Sq. Meters
- 2014 - 2015 landscaping development—10,000 Sq. Meters

Total number of Saplings planted so far 2,19,994 and actual survived is 1,94,832.

Tree Plantation Target for next 3 years:

- 2012-13: 8000 Trees
- 2013-14: 8000 Trees
- 2014-15: 8000 Trees

Plantation of Jatropha: Under our initiative to convert the desert area of Anjar into a lush and more serene environment, we have undertaken an afforestation drive at Welspun City by planting thousands of saplings of the Jatropha tree. The Jatropha seed oil can be combusted as fuel for simple diesel engines.

Sanitation

As we envision community development in all 3E's (Education, Environment & health, Empowerment), we have a long-term target of having 100% sanitation in all the communities we work in.

We have initiated the process this year by conducting a baseline need assessment in the 15 communities in Gujarat, where we are working on the Quality Education Program.

Miscellaneous

In addition to all these efforts, we also carry out various activities at HO in Mumbai like NGO Exhibition Stalls, Blood Donation Camps, Celebrations of World Environment Day, World No Tobacco Day, Donation Drives, Relief operations for victims of natural calamities.

These little steps in our journey towards sustainable growth are aimed at providing a socio-economic growth to the society which has given us so much in terms of business.

"We make a living by what we get, but we make a life by what we give."

- Sir Winston Churchill

WELSPUN Projects Ltd.

20th Annual Report 2013-14

Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Projects Limited

Report on the Financial Statements.

We have audited the accompanying financial statements of Welspun Projects Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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

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 principles generally accepted in India including Accounting Standards referred to in Section 211(3C) 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.

Auditors' Responsibility

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 requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. 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 judgement, 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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 the 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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. 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 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 those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, 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 Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;

FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Chartered Accountants
Firm Registration No. 101676W

PLACE: VADODARA
DATE: 21-05-2014

H.B. SHAH - PARTNER
Membership No. 016642

ANNEXURE TO INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M/S. WELSPUN PROJECTS LIMITED, ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014.

(Referred to in paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date)

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
b) Major portion of fixed assets has been physically verified during the year by the management in accordance with a programme of verification, which, in our opinion provides for physical verification of all the fixed assets at reasonable interval having regards to size of the Company and nature of its business. According to the information and explanations given to us the discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
c) No disposal of a substantial part of fixed assets of the Company has taken place during the year.
- 2 a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) As the Company has not maintained quantitative records of stock, It is not possible to find out discrepancies between the physical stock and book records.
- 3 a) The Company has granted unsecured loan to eight Companies covered in the register maintained u/s 301 of the Companies Act' 1956. The maximum amount involved during the year was Rs. 42,68,23,012/- and the year end balance of loans granted to these Companies was Rs. 42,67,18,484/- including interest free loan of Rs. 12,94,87,432/- The Company has taken interest free unsecured loan from one Company covered in the register maintained u/s 301 of the Companies act' 1956. The maximum amount involved during the year was Rs.8,05,80,570/- and year end balance of loan taken from such Company was Rs. Nil.
b) In our opinion, the rate of interest, where applicable and other terms and conditions on which loan have been taken from / granted to the Companies listed in the register maintained u/s 301 of the Companies act, 1956 are not prima-facie, prejudicial to the interest of the Company, except interest free Loan as stated in para 3 (a).
c) The Companies to whom advance in the nature of loan is granted there is no stipulation for repayment there of. As per the information and explanations given to us the said loan is repayable on demand. The Company is regular in repaying the principle amount wherever stipulated,
- 4 In our opinion and according to the information and explanations given to us, there are , adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the receipts of Civil Contracts. During the course of our audit, we have not observed any major weakness in the internal controls.
- 5 a) To the best of our knowledge and belief, and according to information and explanations given to us, the transactions that needed to be entered in to the register in pursuance of Section 301 of the Companies Act, 1956, have been so entered.
b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- 6 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, Accordingly the provisions of clause (vi) of the Companies (Auditor's Report) order 2003 are not applicable to the Company.
- 7 The Company has appointed a partnership firm of Chartered Accountants, to carry out its internal audit function. In our opinion, the internal audit system commensurate with the size and nature of its business.
- 8 We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rule 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 9 a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2014 for a period of more than six months from the day they become payable except Sales Tax liability of Rs. 12,95,874/- and Service Tax of Rs. 1,05,34,752/-
c) The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under.



Sr. No.	Nature of the Status	Nature of the due	Amount	Period to which the amount relate	Forum where dispute is Pending
1.	Building & Other Construction Workers Welfare Cess	Labour Cess	Rs. 1,06,52,334/-	Various Years	M.P. High court Jalabalpur Bench
2.	M.P. minor Minerals Rules 1996	Royalty.	Rs. 3,00,000/-	Various years	District Magistrate M.P
3.	Punjab Municipal corporation	House Tax Ludhiana	Rs. 1,21,11,727/-	Various Years	Supreme Court of India
4.	Punjab Municipal corporation	House Tax Jalandhar	Rs. 1,39,51,602/-	Various Years	Supreme Court of India
5.	Income Tax Act ' 1961	Income Tax	Rs.45,48,16,121/-	A.Y. 2008-09	Commissioner (Appeal)- Baroda
6.	Service Tax Act	Service Tax	Rs. 3,47,76,000/-	Various Years	Commissioner (Appeal)- Baroda

- 10) The Company does not have accumulated losses at the end of the financial year. The Company has incurred cash losses during the financial year covered by the audit and the Company has not incurred cash losses during the immediately preceding financial year.
- 11) The Company has not defaulted in repayment of dues to any financial institution or Banks.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13) The provisions of any Special Statue applicable to Chit Funds, Nidhis or Mutual Benefit Funds/Societies are not applicable to the Company.
- 14) The Company is not dealing in or trading in shares, securities, debentures, or other investments and hence, requirements of paragraph 4(xiv) are not applicable to the Company.
- 15) In our opinion and according to information and explanations given to us the term and condition on which the Company has given guarantee for loan taken by others from Bank / Financial Institution are not prejudicial to the interest of the Company.
- 16) In our opinion, the term loans have been applied for the purpose for which they were raised.
- 17) According to the Cash Flow Statement and other records examined by us and on the basis of information and explanations given to us, on an overall basis, funds raised on Short Term basis have, prima facie, not being used during the year for Long Term investment and vice versa.
- 18) During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained U/s 301 of the Act.
- 19) Since the Company does not have any debentures, the question of creation of securities for debentures does not arise.
- 20) The Company has not raised money by public issue during the year.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Firm Registration No. 101676W
Chartered Accountants

PLACE : VADODARA.
DATE : 21-05-2014

(H.B. SHAH) PARTNER
MEMBERSHIP NO. 016642



STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31ST MARCH 2014

	Notes	As At 31-03-2014 (Amount in `)	As At 31-03-2013 (Amount in `)
Revenue from Operation	20	2,02,97,96,229	3,75,16,44,404
Other Income	21	33,11,81,262	14,93,00,553
Total Revenue (I)		<u>2,36,09,77,491</u>	<u>3,90,09,44,958</u>
<u>Expenditure</u>			
Cost of Raw Material consumed	22	67,57,68,241	1,54,96,70,513
Purchase of Traded Goods	23	2,02,02,208	14,51,21,704
Changes in the Work in Progress	24	19,07,53,360	(2,50,45,421)
Employee Benefits Expense	25	26,23,74,508	31,25,18,668
Finance Cost	26	12,73,59,556	20,37,53,244
Depreciation and Amortisation expense	27	27,51,87,524	59,69,50,874
Other Expenses	28	1,12,64,52,823	1,07,22,56,584
Total Expenses (II)		<u>2,67,80,98,221</u>	<u>3,85,52,26,165</u>
Profit / (Loss) before Tax		(31,71,20,730)	4,57,18,792
Exceptional Item		34,06,82,111	-
Tax Expense			
Current Tax (MAT)		-	79,00,000
Earlier year Tax	4,68,28,630		1,52,47,190
Deferred Tax (assets) / Liabilities	(12,22,87,400)		(2,41,62,000)
MAT entitlement		-	(79,00,000)
		(7,54,58,770)	(89,14,810)
Profit / (Loss) for the year from continuing operation		<u>(58,23,44,071)</u>	<u>5,46,33,602</u>
Earnings per equity share of face value of Rs. 10/- each.			
Basic & Diluted		(14.56)	1.37
Significant Accounting Policies & Notes on Financial Statements	1 TO 47		

As per our report of even date
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Firm registration number: 101676W
CHARTERED ACCOUNTANTS

For & On Behalf Of The Board of
WELSPUN PROJECTS LIMITED

(H. B. Shah) - Partner
Membership No. 16642

(B. K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Nilesh Javker)
Company Secretary

Place: Vadodara
Date : 21-05-2014

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 REVENUE RECOGNITION ON CONTRACTS

- a). All revenues and expenses are accounted on accrual basis except to the extent stated otherwise.
- b). The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date taking in to account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and profit so determined has been accounted for proportionate to the percentage of the actual work done.

In case of lump-sum contract revenue is recognized on the completion of milestone as specified in the contract or as identified by the management. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.

- c). Amount due in respect of the price escalation claim and/or variation in contract work approved by the customers are recognized as revenue only when there are conditions stipulated in the contracts for such claims or variations and/or the same are evidenced inter alia by way of confirmation or the same are accepted by the customers.
- d). Disputed amount under the contract works are recognized as revenue when the same are settled and amounts are received.
- e). Liquidated damages payable, if any, as per the terms of the contract, for the delays, if any, are accounted only when such delay is attributable to the Company.

1.2 EXPENDITURE IN RESPECT OF BUILD, OPERATE & TRANSFER PROJECTS:

Expenditure incurred on construction or reconstruction (net of corresponding interest income earned on deployment or other wise of fund attributable to the project) of Build, Operate and Transfer (BOT) Project which does not represent Company's own assets is classified as "BOT PROJECT EXPENDITURE" (Toll Collection right) and shown under the head 'Intangible Assets'.

1.3 ADVANCES AND PROGRESS PAYMENTS AND RETENTION

- a). Advances received from customers in respect of contracts are treated as liability.
- b). Progress payments received are adjusted against receivables from customers in respect of the contract work performed.
- c). Amount(s) retained by the customers until the satisfactory completion of the contract are recognized in the final statement as receivables. Where such retention has been released by the customers against submission of bank guarantee the amount so released is adjusted against receivables from the customers and value of Bank guarantees is disclosed as contingent liability under bank guarantees outstanding.

1.3 FIXED ASSETS

1). Tangible Assets:

Fixed assets are stated at cost (net of recoverable taxes) and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any. All cost, including financing cost, till commencement of commercial production, net changes on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

2). Intangible Assets:

Intangible Assets are stated at Cost of acquisition net of recoverable taxes less accumulated amortization / depreciation. All cost including financing costs, till commencement of commercial production, net changes on foreign contracts and adjustments arising from exchange rate variation attributable to the intangible assets are capitalized.



1.4 DEPRECIATION / AMORTISATION.

- a. Depreciation is provided on written down value basis as per the rates and method prescribed under Schedule – XIV to the Companies Act, 1956.
- b. Intangible Assets i.e. BOT Cost (Toll Collection right) is amortized over the period of concession, using revenue based amortization. Under this methodology, the Carrying value is amortized in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets' economic benefits will be consumed. At each Balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortization of toll collection rights is changed prospectively to reflect any change in the estimates.

1.5 BORROWING COST

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalized as part of the cost of the assets, up to the date the assets are put to use. Other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

1.6 VALUATION OF INVENTORIES

- a. Raw Materials are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.
- b. Unbilled Cost are carried as Construction Work in Progress which is valued considering the stage of completion and foreseeable losses in accordance with the Accounting Standard – 7
- c. Stores and spares are written off in the year of purchase.

1.7 INVESTMENTS

Current Investment are carried at lower of cost and quoted / fair value, computed category wise. Long term investment are stated at cost. Provision for diminution in the long term investment is made only if such a decline is other than temporary .

1.8 PROVISION FOR DOUBTFUL DEBTS / ADVANCES:

Provision is made in accounts for doubtful debts / advances which in the opinion of the management are considered doubtful of recovery.

1.9 CLAIMS, DEMANDS AND CONTINGENCIES

Disputed and / or contingent liabilities are either provided for / or disclosed depending on management's judgement of the outcome.

1.10 RETIREMENT BENEFITS

a. Short Term Employee benefits:

Short Term Employee Benefits are recognized in the period during which the services have been rendered.

b. Long Term Employee benefits:

i. Provident Fund, Family Pension fund

As Per Provident Fund Act 1952 all employees of the Company are entitled to receive benefits under the provident fund and family pension fund which is defined contribution plan. These contributions are made to the plan administered and managed by Government of India.

The Company's contribution to these scheme are recognized as expense in the profit and loss account during the year in which the employee renders the related service, The Company has no further obligation under these plans beyond its monthly contribution

c. Leave encashment:

Liability for leave encashment is determined based on the number of days of encashable leave to the credit of each employees as on the balance sheet date and provided in accounts on accrual basis.

d. Gratuity:

For Liabilities in respect of staff gratuity, the Company had entered in to agreement with the Life Insurance corporation Of India (LIC) under group gratuity scheme and the periodical payment towards the premium on the policy is charged to the profit & loss account. The additional liability if any in respect of the above arising on retirement and not covered not funded are paid / provided and accordingly charged to the profit & loss statement in the year of retirement / payment or otherwise.

1.11 PROVISION FOR CURRENT AND DEFERRED TAX

- a) Provision for current tax is made based on taxable income for the current accounting year and in accordance with the provisions of the Income tax Act, 1961.
- b). Deferred tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be adjusted in future.
- c). Minimum Alternate Tax (MAT) credit is recognized as an assets only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period.

1.12 FOREIGN CURRENCY TRANSACTION

Transaction in foreign currency is recorded at the exchange rate prevailing on the date of the transaction, exchange rate differences resulting from foreign exchange transaction settled during the period including year end transaction of current assets and liabilities are recognized in the profit & loss accounts. Exchange rates differences arising in relation to liabilities incurred for acquisition of fixed assets are adjusted to the carrying value of the fixed assets.

In respect of forward exchange contract, except in case of fixed assets, the difference between forward rate and the exchange rate at the inception of the forward exchange contract is recognized as income / expenses over the life of the contract.

1.13 LEASE

a). OPERATING LEASE

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

b). FINANCE LEASE

Assets acquired under leases where Company has substantially all the risk and rewards of ownership are classified as finance lease. Assets acquired under finance are capitalized and corresponding lease liability is recorded at an amount equal to the fair value of the leased assets at the inception of the lease. Initial costs incurred in connection with the specific leasing activities directly attributable to activities performed by the Company are included as part of the amount recognized as an asset under the lease.

1.14 IMPAIRMENT OF ASSET

If internal / external indications suggest that an asset of the Company may be impaired, the recoverable amount of asset / cash generating asset is determined on the Balance – Sheet date and if it is less than its carrying amount of the asset / cash generating unit the carrying amount of asset is reduced to the said recoverable amount. The recoverable amount



is measured as the higher of net selling price and value in use of such asset / cash generating unit, which is determined by the present value of carrying amount of the estimated future cash flow.

1.15 USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumption to be made that affect the reported amount of the assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the period in which the results are known / materialized.

1.16 GRANT / SUBSIDY RECEIVED:

Grant / Subsidy received during the construction period which is in the nature of promoter's contribution are credited to capital reserve under the head Reserve & Surplus in Balance sheet.

Notes on financial statement for the year ended 31st March 2014

	As At 31-03-2014 (Amount in `)	As At 31-03-2013 (Amount in `)
Note No. 2 SHARE CAPITAL		
AUTHORISED		
4,20,00,000 (Previous Year 4,20,00,000) equity Shares of Rs. 10/- each.	42,00,00,000	42,00,00,000
Issued, Subscribed, & Paid up		
4,00,00,000 (Previous year 4,00,00,000) equity Share of Rs. 10/- each fully paid up.	40,00,00,000	40,00,00,000
	<u>40,00,00,000</u>	<u>40,00,00,000</u>
a OUT OF THE ABOVE SHARES:		
1 2353768 Shares are issued on conversion of foreign currency convertible bonds during the year 2007-08		
2 4450000 Shares are issued on preferential basis during the year 2007-08		
3 17178888 Shares are issued on preferential basis during the year 2010-11		
	<u>23982656</u>	

b. TERMS / RIGHT TO EQUITY SHARES

The company has only one class of equity shares of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

c Shares held by holding Company:

Out of equity shares issued by the Company, shares held by its holding Company are as under:

Name	As At 31-03-2014 No. of Shares	As At 31-03-2013 No. of Shares
Welspun Infratech Limited	24448445	24448445
d Details of the share holders holding more than 5% shares in the Company		
Welspun Infratech Limited	24448445 (61.12%)	24448445 (61.12%)

Name	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 3 RESERVES & SURPLUS		
a. Capital Reserves		
Subsidy received from Madhya Pradesh Rajya Setu Nirman Nigam Limited against Build, operate and Transfer Projects. As per the previous year Balance Sheet	82,87,29,840	82,87,29,840
b. Security Premium Reserve		
As per the previous year Balance sheet	2,88,65,99,786	2,88,65,99,786
c. General Reserves		
As per the previous year Balance sheet	3,21,77,549	3,21,77,549
d. Amalgamation Reserves		
As per the previous year Balance sheet	5,21,12,583	5,21,12,583
e. Surplus in the statement of Profit & Loss		
As per the previous year Balance sheet	65,18,80,592	59,72,46,991
Add: Net Profit / (Loss) for the year	<u>(58,23,44,071)</u>	<u>5,46,33,602</u>
	6,95,36,521	65,18,80,593
TOTAL	<u>3,86,91,56,279</u>	<u>4,45,15,00,351</u>



Notes on financial statement for the year ended 31st March 2014

SECURED	As at 31 March-2014		As at 31 March-2013	
	Non Current	Current	Non Current	Current
Note No. 4 LONG TERM BORROWINGS				
Term Loans from :				
1 HDFC Bank Limited Secured by Hypothecation Plant & Machineries, Vehicles and Personal Guarantee of some of Directors	-	-	-	1,21,403
2 Dena Bank Secured by first mortgage and charge on all the Company's capital assets, specific & pertaining to the Hoshangabad - Harda - Khandwa Projects only both present and futures. - A first Charge on all the revenues / receivable of Hoshangabad-Harda - Khandwa project account of the Company - A First charge on all the intangible assets of the Company including but no limited to Goodwill of the Company pertaining to Hoshangabad - Harda - Khandwa Projects - A first charge on Company's bank accounts including without limitation the trust and retention account (RTA) / Escrow Account and Debt Service Reserve Account to be established by the Company. - A First charge/assignment/security on the Company right under the concession agreement, Project documents Contract and all licence permits approvals consents and insurance policies in respect of the projects. (Repayable within 22 Monthly Installment of Rs. 46.25 Lacs bearing rate of Interest: 12.5%)	3,70,11,059	6,29,04,000	9,97,38,775	6,29,04,000
4 Corporation Bank Secured by exclusive first charge by way of hypothecation of entire toll receivable under the Raisen Rahatgarh road Project (Repayable within 60 Monthly Installment of Rs.28 Lacs bearing rate of Interest: 12.50%)	13,37,72,735	3,36,00,000	17,07,59,894	3,36,00,000
5 Punjab National Bank Secured by Ludhiana & Jalandhar Bus Terminal Projects, and Personal guarantee of some of the directors	-	-	-	1,63,28,785
6 Bank of India Secured by specific Plant & Machineries and second charge on current assets of the Company.	-	-	-	4,80,87,071
7 Industrial Development Finance Company Limited Terms of Repayment. 84 Months (Mar-2019) - Secured by by way of mortgage in favour of IDFC of all moveable properties pertaining to the Dewas Water Supply Projects Presents, futures. - a first charge by ways of the hypothecation of the all movables including movables including movable plant machinery, machinery spares, tools, & accessories, furniture & fixture, vehicles and all other movable assets pertaining to the project present & future. - First charge of all the book debts, operating, Cash Flows, revenue, receivables of the Company pertaining to the Dewas Water Supply project, present & Future. - Assignment of all rights, title and Interest of the Company in respect of all the assets of the Dewas Water Supply Projects agreement and Contracts including Concession Agreement. - First Charge over the Escrow Account. Debt Service Reserve Account and other Reserve and any Other reserves and any other banks account the Company wherever maintained. - Personal Guarantee of the Directors of the Company (Repayable within 56 Monthly Installment of Rs.49 Lacs bearing rate of Interest: 10.30%)	48,42,13,484	5,85,00,000	46,91,32,842	4,68,00,000
	<u>65,49,97,278</u>	<u>15,50,04,000</u>	<u>73,96,31,511</u>	<u>20,78,41,259</u>

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Notes on financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 5 DEFERRED TAX LIABILITY (NET)		
Deferred Tax Assets		
Retirement Benefits	69,44,201	10,45,227
Provision for Bad Debts	7,93,83,196	1,75,36,349
Impairment of Assets	-	21,86,336
Unabsorbed Loss	<u>6,27,84,329</u>	<u>5,84,98,917</u>
	14,91,11,726	7,92,66,828
Deferred Tax Liabilities		
Depreciation	8,67,00,326	13,91,42,828
DEFERRED TAX (ASSETS) / LIABILITIES (NET)	<u><u>(6,24,11,400)</u></u>	<u><u>5,98,76,000</u></u>

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No.6 LONG TERM PROVISIONS		
Provision for the Employees Benefits		
Provision for Gratuity	1,93,17,431	88,06,764
	<u>1,93,17,431</u>	<u>88,06,764</u>

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 7 SHORT TERM BORROWINGS		
SECURED		
Working Capital Loan		
1. Corporation Bank	31,01,41,778	41,46,70,543
Secured by hypothecation of the entire stocks & book debts of the Company.		
Bearing rate of interest @12.35%		
2. Idbi Bank Limited	-	25,68,02,827
Secured by hypothecation of the entire stocks & book debts of the Company.		
3. Punjab National bank	-	1,73,07,290
Secured by hypothecation of the entire stocks & book debts of the Company.		
UN-SECURED		
From Holding Company: Welspun Infratech Limited		
	-	7,74,96,246
	<u>31,01,41,778</u>	<u>76,62,76,906</u>



Notes on financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 8 TRADE PAYABLE		
Trade Payable	53,82,31,429	78,07,66,548
	<u>53,82,31,429</u>	<u>78,07,66,548</u>

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 9 OTHER CURRENT LIABILITIES.		
1. Current Maturity of Long Term Debts	15,50,04,000	20,78,41,259
2. Interest Accrued but not dues on long term borrowing	23,26,104	25,38,305
3. Statutory Liabilities	3,42,77,108	5,09,65,423
4. Security Deposits Payable	84026934	5,79,62,686
5. Advance from Customers	6,34,31,365.12	7,10,15,647
6. Other Payable *	-	5,41,46,862
7. Advance received against sale of shares of joint venture	-	5,30,00,000
	<u>33,90,65,512</u>	<u>49,74,70,183</u>

* Represents amount payable to third parties in respect of their fixed deposits against which the Company has taken loan from Corporation Bank. The said fixed deposits encashed by the bank by crediting loan account

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 10 SHORT TERM PROVISIONS.		
Provision for the Employees Benefits		
1. Provision for Leave Benefits	1,19,62,476	31,97,910
	<u>1,19,62,476</u>	<u>31,97,910</u>

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Notes on financial statement for the year ended 31st March 2014

Note no. 11 Fixed Assets

Sr	Fixed Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on 01-04-2013	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 01-04-2013	ADDITION DURING YEAR	DEDUCTION DURING YEAR	AS ON 31-03-2014	AS ON 31-03-2013
Tangible Assets									
1	Free Hold Land *	1,24,31,635	-	-	-	-	-	1,24,31,635	1,24,31,635
2	Building	42,84,109	-	-	13,29,537	1,47,729	14,77,266	28,06,843	29,54,572
3	Plant & Machinerfes **	50,21,29,893	9109115	11,13,73,678	29,50,69,292	2,67,46,610	25,00,99,262	14,97,66,068	20,70,60,601
4	Construction Equipments	23,64,39,456	403946	-	13,02,79,577	1,47,60,788	14,50,40,366	9,18,03,037	10,61,59,879
5	Air-Conditioner	15,69,132	67850	-	9,84,870	86,602	10,71,472	5,65,510	5,84,262
6	Vehicles **	20,51,30,928	705319	6,28,25,741	17,14,87,430	86,26,166	12,54,27,871	1,75,82,636	3,36,43,498
7	Computers	1,26,74,609	254831	-	1,01,72,243	10,39,399	1,12,11,642	17,17,798	25,02,366
8	Office Equipments **	68,42,363	13,49,296	13,200	35,03,408	8,13,915	43,17,322	38,61,137	33,38,956
9	Furniture & Fixtures	59,76,247	2,64,262	-	41,85,243	3,22,476	45,07,719	17,32,790	17,91,004
10	Realisation Value of Impired Assets	8,00,000	-	-	-	-	-	8,00,000	8,00,000
TOTAL - (A)		98,82,78,372	1,21,54,619	17,42,12,619	61,70,11,599	5,25,43,685	54,31,52,920	28,30,67,452	37,12,66,773
Intangible Assets									
11	Good Will	17,01,592	-	17,01,592	-	-	-	-	17,01,592
12	Build operate & Transfer Project	-	-	-	-	-	-	-	-
	Expenditure - Toll Collection right	-	61,07,214	-	55,38,56,585	8,68,73,964	64,07,30,549	33,87,51,929	41,95,18,679
a.	Hoshanagabad-Harda - Khandwa Projects	97,33,75,264	-	-	31,81,56,921	7,35,65,356	39,17,22,277	32,89,79,729	40,21,95,396
b.	Raisen Rahatgarh Projects	72,03,52,317	3,49,689	-	15,23,01,454	3,65,76,235	18,88,77,689	-	3,65,76,235
c.	Jalandhar Bus Terminal Project	18,88,77,689	-	-	11,58,49,112	2,56,28,285	14,14,77,397	5,28,36,059	7,84,64,344
d.	Ludhiana Bus Terminal Project	19,43,13,456	-	-	6,14,99,387	-	-	1,12,94,57,441	1,12,94,57,441
e.	Dewas Water Supply Project	1,19,09,56,828	-	-	1,20,16,63,459	22,26,43,840	1,42,43,07,299	1,85,00,25,158	2,06,79,13,687
TOTAL - (B)		3,26,95,77,146	64,56,903	17,01,592	1,20,16,63,459	22,26,43,840	1,42,43,07,299	1,85,00,25,158	2,06,79,13,687
Intangible Assets under development									
	Build operate & Transfer Project	-	-	-	-	-	-	-	-
	Expenditure - Toll Collection right	-	-	-	-	-	-	-	-
f.	Dewas Water Supply Project	16,83,41,788	8,89,67,859	22,00,140	-	-	-	25,73,09,647	16,83,41,788
g.	Hoshanagabad-Harda - Khandwa Projects	22,00,140	-	-	-	-	-	0	22,00,140
TOTAL - (C)		17,05,41,928	8,89,67,859	22,00,140	-	-	-	25,73,09,647	17,05,41,928
TOTAL - (A+B+C)		4,42,83,97,446	10,75,79,381	17,81,14,351	1,81,86,75,058	27,51,87,525	1,96,74,60,219	2,39,04,02,257	2,60,97,22,388
PREVIOUS YEAR		4,33,05,40,951	12,12,29,889	2,33,73,395	1,23,73,49,495	59,69,50,871	1,56,25,307	1,81,86,75,059	26,09,72,388

*Includes Rs. 27.40 Lacs (Rs. 84.50 Lacs) being plot of land situated in M.P. purchased from ex-directors of the Company in earlier years for which legal documents are yet to be executed.

**Addition to fixed assets includes assets transfer from Leighton Welspun Contractors Private Limited in respect of Mohali projects.



Notes on financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 12 NON CURRENT INVESTMENT		
LONG TERM INVESTMENT		
TRADE, (UNQUOTED)		
Investment in subsidiaries		
242000 (P.Y. 242000) Equity Shares of MSK Projects(Himmatnagar bypass) Pvt Ltd of Rs. 10/- each fully paid up	2,33,00,000	2,33,00,000
6730000 (P.Y. 6730000) Equity shares of MSK Projects (Kim Mandvi Corridor) Private Limited of Rs. 10/- each fully paid up	6,73,00,000	6,73,00,000
-Nil- (P.Y. 10000) equity shares in Welspun Bot Projects Private Limited of Rs.10/- each fully paid up	-	1,00,000
10000 (P.Y. 10000) equity shares in Anjar Road Private Limited of Rs.10/- each fully paid up	1,00,000	1,00,000
Investment in Joint Ventures		
Nil- (P.Y. 50000) Equity shares in Bul MSK Infrastructure (India) Private Limited of Rs.10/- each Fully Paid up	-	2,78,00,150
50000 (P.Y. 50000) Equity shares in Dewas Bhopal Corridor Limited of Rs. 10/- each fully paid up.	51,02,10,900	51,02,10,900
Nil (P.Y. 11503485) Equity shares in Leighton Welspun Contractors Pvt Ltd of Rs. 10/- each fully paid up	-	1,15,03,48,500
NON-TRADE (UNQUOTED)		
1500 (P.Y. 1500) Equity Shares in Sarv Shakti Synthetics Limited of Rs. 10/- each fully Paid up	15,000	15,000
30000 (P.Y. 30000) Equity Shares in Myraj Consultancy Limited of Rs. 10/- each fully paid up	3,00,000	3,00,000
500 (P.Y. 500) Equity shares in MSK Finance Limited of Rs. 100/- each fully paid up	50,000	50,000
48 (P.Y. 48) Equity shares in Nutan Nagrik Sahakari Bank Limited of Rs. 100/- each fully paid up.	4,800	4,800
37652 (P.Y. 37652) Equity shares in Baroda Peoples Co-Op. Bank Limited of Rs.10/- each fully paid up	3,76,521	3,76,521
63 (P.Y. 63) Equity shares in Baroda City Co-Op. Bank Limited of Rs. 50/- each fully paid up	3,150	3,150
1000 (P.Y. 1000) Equity shares in Classic Organisers Private Ltd of Rs. 10/- each fully paid up	10,000	10,000
960 (P.Y. 960) Equity shares in Sindh Mechantile Co-Op. Bank Ltd of Rs.10/- each fully paid up	9,600	9,600
7400 (P.Y. 7400) Equity shares in Minar Trading Services Limited of Rs. 10/- each fully paid up.	74,000	74,000
	<u>601753971</u>	<u>1,78,00,02,621</u>
Less: Provision for diminution in value of investments	74,000	74,000
	<u>60,16,79,971</u>	<u>1,77,99,28,621</u>
Investment in Government Securities		
Indira Vikash Patra	500	500
Three (P.Y. three) Bonds of Rs. 10,00,000/- Sardar Sarovar Narmada Nigam Limited	30,00,000	30,00,000
NON-TRADE (QUOTED)		
1600 (P.Y. 1600) Equity Shares in Corporation Bank Of Rs. 10/- each fully Paid Up	1,28,000	1,28,000
TOTAL	<u><u>60,48,08,471</u></u>	<u><u>1,78,30,57,121</u></u>
Particulars	31-03-2014	31-03-2013
1. Agreegate amount of quoted Investment	1,28,000	1,28,000
2. Agreegate amount of un-quoted Investment	60,47,54,471	1,78,30,03,121
3. Agreegate amount of Market Value of Quoted Investments	4,43,040	6,26,400
4. Agreegate Provision for the diminution in value of investments	74,000	74,000

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Notes on financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in `)		As at 31 March-2013 (Amount in `)
Note No. 13 LONG TERM LOAN & ADVANCES: (unsecured considered good, stated other wise)			
Security Deposits			
Considered Good	92,43,664		2,00,67,297
Considered Doubtful	47,52,410		65,97,112
	<u>1,39,96,074</u>		<u>2,66,64,409</u>
Provision for Doubtful Debts	47,52,410		65,97,112
		92,43,664	2,00,67,297
Loans & Advances to Related Parties		39,19,34,136	18,15,50,294
Tax Deducted At Source / Advance Tax (Net Of Provision)		17,12,80,982	18,28,80,233
MAT Credit Entitlement		79,00,000	79,00,000
TOTAL		<u>58,03,58,782</u>	<u>39,23,97,824</u>
Debts due by Private Companies in which Directors of the the Company is a Director			
Name of the Companies	Amount 31-03-2014	Amount 31-03-2013	
Dewas Bhopal Corridor Pvt Ltd	29,72,31,051	16,91,42,530	
MSK Projects (Kim Madvi Corridor Private Limited	9,46,87,211	12336213	
Welspun Corp. Limited	-	37,390	
Welspun BOT Projects Private Limited	1,530	12,830	
Welspun Natural Resources Pvt. Ltd.	-	300	
Anjar Road Private Limited	1,530	1,530	
Welspun Steel Resources Pvt. Ltd.	-	19,801	
Welspun Steel Ltd	12,814	-	
	<u>39,19,34,136</u>	<u>18,15,50,594</u>	

	As at 31 March-2014 (Amount in `)		As at 31 March-2013 (Amount in `)
Note No. 14 CURRENT INVESTMENTS:			
NON-TRADE (QUOTED)			
Investment in Bonds			
NIL (P.Y. 145I) Bonds of Cholamandalam PP. @12.70% of Rs.1000000/- each fully paid up.	-	-	14,96,55,507
NIL (P.Y. 90I) Bonds of REC 2018 @8.70% of Rs.1000000/- each fully paid up.	-	-	9,00,85,808
NIL (P.Y. 150) Bonds of L&T Finance Ltd @9.80% of Rs.1000000/- each fully paid up.	-	-	15,39,06,575
NIL (P.Y., 1960) Bonds of IFCI Deep Discount Bond of Rs.25000/- each fully paid up.	-	-	19,16,85,000
15% Aike IFMR Capital 2014	1,40,24,193		-
50 (P.Y. Nil) Bonds of India Infrastructure Fin Co. 30/08/2028 @ 8.46% of Rs.1000000/- each fully paid up.	5,19,54,276		-
7(P.Y. Nil) Bonds of Tata Sons Ltd 2024 (13/01/20240 @9.74% of Rs.1000000/- each fully paid up.	70,67,246		-
118 (P.Y. Nil) Bonds of Cholamandalam P.P. 14/12/2012 @ 12.70% of Rs.1000000/- each fully paid up.	12,21,87,868		-
16 (P.Y. Nil) Bonds of L&T Finance Ltd 21/12/2022 @ 9.80% of Rs.1000000/- each fully paid up.	1,64,12,405		-
97(P.Y. Nil) Bonds of REC 31/05/2023 @8.06% of Rs.1000000/- each fully paid up.	10,34,44,246		-
3320 (PY Nil) Bonds of IFCI 05/11/2027 @ 9.90% of Rs.25000/- each fully paid up.	8,73,36,238		-
50 (P.Y. Nil) Bonds of IRFC 26/03/2029 @ 8.63% of Rs.10000000/- each fully paid up.	50,17,36,438		-
TOTAL		<u>90,41,62,912</u>	<u>58,53,32,890</u>



Notes on financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 15. INVENTORIES:		
Raw Material	5,87,72,323	14,81,65,882
TOTAL	<u>5,87,72,323</u>	<u>14,81,65,882</u>

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 16 TRADE RECEIVABLES. (Unsecured, Considered good, stated other wise)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	10,34,59,262	85,69,36,640
Considered doubt ful	22,79,04,224	4,08,52,989
	<u>33,13,63,486</u>	<u>89,77,89,629</u>
Less: Provision for doubt ful debts	<u>22,79,04,224</u>	<u>4,08,52,989</u>
	10,34,59,262	85,69,36,640
Other Receivable:		
Considered good *	36,57,92,343	34,49,81,043.2
Considered doubt ful	1,72,36,210	80,12,746
	<u>38,30,28,553</u>	<u>35,29,93,789.2</u>
Less: Provision for doubtful receivable	<u>1,72,36,210</u>	<u>80,12,746</u>
	36,57,92,343	34,49,81,043
TOTAL	<u>46,92,51,605</u>	<u>1,20,19,17,683</u>

* includes Debts dues by a Private Company in which Directors of the Company is a Director.

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note no. 17. CASH & BANK BALANCES		
Cash on hand	23,80,297	76,11,383
Balance With Bank:		
- In current accounts	7,87,02,772	16,02,79,711
- In fixed deposits accounts *	3,02,08,277	4,61,28,763
TOTAL	<u>11,12,91,347</u>	<u>21,40,19,858</u>

* Includes fixed deposits of Rs.119.39 Lacs pledge with MPRDC Ltd as maintenance deposits

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Notes on financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 18. SHORT TERM LOANS & ADVANCES. (unsecured, considered good, stated other wise))		
Inter Corporate Deposits	504430410	35,63,69,343
Advance to Supplier		
Considered good	81996284	12,02,96,251
Considered doubtful	7010703	26,40,818
	89006987	12,29,37,069
Less: Provision for Doubtful Debt	7010703	26,40,818
	8,19,96,284	12,02,96,251
Interest accrued on fixed deposits	80,83,808	39,07,492
Pre-Paid Expenses	76,44,021	33,89,021
Advance to Staff & Others	23,24,411	35,47,807
Balances with Statutory Authorities	751,46,095	6,61,24,679
Other Advance *	64784348	-
	<u>744409378</u>	<u>55,36,34,593</u>

* Other advance includes advances to Welspun Infratech Limited, Rs. 3.47 Crores & amount due from ex-promoters of the Company Rs. 3.00 Crores

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 19 OTHER CURRENT ASSETS:		
Work In Progress	21,70,03,707	21,92,77,936
TOTAL	<u>21,70,03,707</u>	<u>21,92,77,936</u>

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note no. 20-REVENUE FROM OPERATIONS:		
Revenue from Operations:		
Civil Contracts	1,67,66,25,141	2,16,05,19,499
Sales of Traded Goods	2,78,19,513	24,77,25,488
Consultancy service	3,37,42,025	-
Toll Collection	32,28,34,379	30,27,07,991
Total (a)	<u>2,06,10,21,057</u>	<u>2,71,09,52,978</u>
Other Operating Revenue		
Income from Transfer of Business *		1,07,92,49,055
Sales of Scrap	70,50,437	1,23,45,071
Total (b)	<u>7050437</u>	<u>1,09,15,94,126</u>
Revenue From operations (Gross)	2,06,80,71,494	3,80,25,47,103
Less: Service Tax	3,82,75,266	5,09,02,699
Revenue From Operations - (Net)	<u>2,02,97,96,229</u>	<u>3,75,16,44,404</u>
20.1 Particulars of Sales of traded goods		
Electric Material	1,21,84,974	17,17,64,731
Mechanical Material	1,04,26,628	7,10,10,048
Bare Pipes	52,07,911	24,63,289
Other Materials	-	24,87,420
	<u>2,78,19,513</u>	<u>24,77,25,488</u>



Notes on financial statement for the year ended 31st March 2014

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 21-OTHER INCOME		
Interest		
From Current Investment	2,68,37,078	2,27,40,829
From Long Term Investment	6,93,20,094	9,79,30,054
Dividend		
From Current Investment	1,14,16,082	1,06,87,648
From Long Term Investment	37,600	32,800
Insurance claim received	65,05,415	57,43,958
Unclaim liabilities/Provision written back	2,75,000	50,53,685
Profit on sales of Stake in BUL MSK Infrastructure P Ltd	5,71,91,997	
Profit on sales of Current Investment	21,22,974	57,85,588
Profit on sales of fixed assets	1,94,84,137	-
Interest on Income Tax Refund	35,55,287	-
Amount received on Settlement with ex-Promoters of the Company	8,00,00,000	-
Unpaid Liabilities written back on Settlement with ex-promoters of the Company	5,41,46,862	-
Miscellaneous income	2,88,736	13,25,991
TOTAL	<u>33,11,81,262</u>	<u>14,93,00,553</u>

21.1 Profit on sales of Stake in BUL MSK Infrastructure P Ltd

Pursuant to agreements dated. 03-12-2012, 31-12-2012 and 26-07-2013 entered in to between Welspun Projects Limited, Welspun Infra Projects Private Limited and Bharat Udyog Limited, the Company has sold its 50% Share holding in BUL-MSK Infrastructure Private Limited, (a Joint Venture Company). Gain of Rs. 5,71,91,997/- on sales of the said share holding is shown as Profit on sales Company's stake in BUL MSK Infrastructure Private Limited.

21.2 Amount received on Settlement with ex-Promoters of the Company

On settlement of dispute between Welspun Infra tech Limited, Welspun Projects Limited and ex-promoters of the Welspun Projects Limited (Formerly known as MSK Projects (India) Limited) and pursuant to the consent terms filed before honourable justice during January 2014 claim of Rs. 8,00,00,000/- received / receivable from ex-promoters of the Company has been treated as income and shown as above.

Amount of Rs. 5,41,46,862/- being unpaid liabilities not payable in pursuant to said agreement to third parties in respect of their fixed deposits against which the ex-promoters of the Company has taken loan from Corporation bank has been written back and shown as income and shown as above..

	For the Year ended 31.3.2014 (Amount in `)		For the Year ended 31.3.2013 (Amount in `)	
Note No. 22 - COST OF RAW MATERIAL CONSUMED:				
Inventories at the beginning of the year	14,81,65,882		20,68,33,681	
Add: Purchases	58,63,74,682		1,49,10,02,714	
		73,45,40,564		1,69,78,36,395
Less: Inventories at the end of the year.		5,87,72,323		14,81,65,882
TOTAL		<u>67,57,68,241</u>		<u>1,54,96,70,513</u>
22.1 Cost of materials consumed				
Particulars	2013-14	% of Consumption	2012-13	% of Consumption
-Imported	-	-	-	-
-Indigenous	675768241	100%	1549670513	100%

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Notes on financial statement for the year ended 31st March 2014

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 23. PURCHASE OF TRADED GOODS		
Purchases	2,02,02,208	14,51,21,704
Total	<u>2,02,02,208</u>	<u>14,51,21,704</u>
23.1 Particulars of Purchase of traded goods.		
Name of products	Amount 2013-14	Amount 2012-13
Bare Pipes	32,99,527	20,11,602
Electric Material	1,03,98,368	10,63,07,628
Mechanical Material	65,04,313	3,46,60,395
Others		21,42,079
TOTAL	<u>2,02,02,208</u>	<u>14,51,21,704</u>

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 24 CHANGE IN WORK- IN- PROGRESS.		
Opening Stock		
Work in Progress	21,92,77,936	19,42,32,515
Transfer from Leighton Welspun Contractors P Ltd in respect of Mohali Projects	18,84,79,131	-
	40,77,57,067	19,42,32,515
Less: Closing Stock		
Work in Progress	21,70,03,707	21,92,77,936
TOTAL	<u>(19,07,53,360)</u>	<u>2,50,45,421</u>

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 25. EMPLOYEES REMUNERATION & BENEFITS		
Salaries, Wages	23,85,04,301	28,29,25,915
Contribution to Provident Funds & Other Funds	1,72,88,072	2,05,08,689
Staff Welfare Expense	65,82,135	90,84,064
TOTAL	<u>26,23,74,508</u>	<u>31,25,18,668</u>

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 26. FINANCE COST.		
Interest Expense	9,79,24,948	18,47,10,978
Other Borrowing Cost	2,30,34,529	1,78,79,748
Foreign Exchange Loss	64,00,079	11,62,517
TOTAL	<u>12,73,59,556</u>	<u>20,37,53,244</u>

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 27. DEPRECIATION AND AMORTISATION:		
- Depreciation	5,25,43,685	6,70,41,618
- Amortisation of the BOT Assets	22,26,43,840	52,99,09,256
TOTAL	<u>27,51,87,524</u>	<u>59,69,50,874</u>



Notes on financial statement for the year ended 31st March 2014

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 28. OTHER EXPENSE		
Civil Work	7,92,82,741	4,40,17,838
Doors & Windows Work	0	53,61,925
Earth Work	2,69,14,500	4,59,37,414
Fabrication Expense	1,18,33,950	1,24,93,680
Masonry Work	0	1,84,87,538
Payment to Site Workers	6,17,38,771	10,25,95,531
Payment to Sub contractors	31,84,23,708	6,54,97,339
Insurance	75,25,432	1,20,41,237
Intangible Assets Written Off	17,01,592	-
Power & Fuel	1,00,02,695	3,20,58,248
Consultancy Charge	2,70,03,639	4,40,32,122
Project Monitoring Fees	41,71,871	44,17,124
Maintenance Fees	19,35,061	-
Rates & Taxes	6,72,50,649	12,34,91,970
Rent	10281812	1,92,44,710
Security Service charge	86,30,458	84,98,699
Tender Fees	32,64,757	18,17,359
Travelling Expense	1,03,07,389	1,70,17,021
Value of asset discarded	0	5,87,098
Vehicle Hire Charge	48,46,165	76,45,717
Payment to Auditors		
- Audit Fees	12,60,000	12,60,000
- Other Services	1,68,500	2,39,500
<u>Repairs & maintenance for</u>		
Machineries	56,82,925	1,51,20,105
Vehicles and Others	44,63,801	3,26,35,511
Road	5,22,26,666	-
Provision for Bad Debts	19,87,99,882	1,25,41,783
Bad Debts		15,98,95,479
Liquidated Damages	-	77,31,519
Loss on sales of Fixed Assets	11,96,575	8,29,713
Air Conditioning Work	-	38,200
Bituminous Work	-	1,21,66,013
Clearing & Forwarding Charge	-	-
Concrete Work	83,81,548	1,43,39,497
Crash Barrier	-	11,72,145
Donation	2,00,660	4,752
Flooring Work	-	50,81,007
Land Scaping	-	3,42,329
Machineries Hire Charges	63,01,930	1,29,24,277
Miscellaneous Site Work	13,57,71,750	3,61,13,500
Painting Work	14,30,031	3,76,09,362
Penalty Charge	1,000	40,900
Pipe Laying Work	-	7,26,03,375
Pollution control exp	-	1,04,000
Reinforcement Work	-	1,79,22,639
Safety Expense	8,332	46,822
Sanitary Work	29,855	35,330
Shuttering Work	2,57,09,455	3,71,48,247
Toll Expense	18,81,728	16,47,359
Water Harvesting work	-	12420
Water Proofing Work	-	59,05,456
Miscellaneous Expenditure	2,78,22,995	2,15,02,775
TOTAL	<u>1,12,64,52,823</u>	<u>1,07,22,56,584</u>

WELSPUN Projects Ltd.

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Notes on Financial Statements for the year ended 31st March 2014.

29). EARNINGS PER SHARE:

	2013-14	2012-13
A. Net profit / (Loss) after Tax available for equity shareholders.	(582344071)	54633602
B. Weighted average number of Equity Shares of Rs. 10/- each outstanding during the year (Nos. of Shares)	4,00,00,000	4,00,00,000
C. Basic Earnings Per Share (Rs.)	(14.56)	1.37
D. Diluted Earnings Per Share (Rs.)	(14.56)	1.37

30). CONTINGENT LIABILITIES & COMMITMENTS:

I. Contingent Liabilities

	Rs. In Lacs	
	As At 31-03-2014	As At 31-03-2013
a. Claims against the Company / Disputed Liabilities not acknowledged as debts	370.15	499.01
b. Guarantee issued by the bankers on behalf of the Company	4612.48	11141.32
c. Guarantee given by the Company to the bankers for the facilities granted :-		
1. Wholly owned subsidiaries.	3257.19	995.11
2. Joint Ventures	33153.42	36030.45
d. Income Tax demand disputed by the Company	5069.59	1107.31
e. Service Tax demand disputed by the Company	347.76	-

31) Security Deposits and Retention money deducted from contract receipt are subject to confirmation and adjustment, if any, on finalization of account.

32). BUILD, OPERATE & TRANSFER PROJECTS :

The Company obtained a contract on Build, Operate and Transfer (BOT) basis from the Madhya Pradesh State Industrial Development Corporation (MPSIDC) for execution of Dewas Water Supply project.

In terms of contract the ownership of the said property vests in the government immediately. Under the contract the Company is entitled to collect the water supply charge during the concession period of 32 years including the period of construction or reconstruction.

In earlier year the Company finished the construction and obtained the provisional certificate for commissioning and started operations. However the Company could not achieve the optimal capacity and was advised to complete the project to achieve the desired and specified results by MPSIDC as also to expand the capacity and to under take reconstruction and completion

Accordingly the Company has undertaken reconstruction and completion of the project so as to achieve the desired capacity as also increase the capacity for supply of water from BOT Project.

Having, regard to the accounting policies followed by the Company, the entire expenditure incurred thereon (net of revenue for supply of water) is shown as Build, Operate and Transfer project expenditure (Toll collection rights) under the head in tangible assets under development and would be amortized / written off based on the projected toll revenue for the balance toll period.



Notes on Financial Statements for the year ended 31st March 2014.

In the prior financial year(s) the Company had written off, operation and maintenance expenses including interest. However due to reconstruction and completion under taken, the Company has discontinued that practice from the year 2011-12.

33). EXCEPTIONAL ITEM :

Pursuant to agreement for sale Dtd.5th March 2013 entered in to between the Company and Leighton Welspun Contractors Private Limited, the Company has transferred identified EPC division / works of GMADA Mohali Water Division, Chirai Anjar Road Work and Dewas Water Projects aggregate value of Rs. 556 Crores for the composite consideration of Rs. 1,15,03,48,500/- subject to the terms and condition as contained in the said agreement.

As a consideration for the transfer of the above business the Company had received 11503485 equity shares in the Leighton Welspun Contractors Private Limited, of the face value of Rs. 10/- each fully paid up at a premium of Rs. 90/- per share aggregating consideration of Rs. 1150348500/-

Surplus of Rs. 107,92,49,055 arising in respect of the said transfer was shown as 'income from transfer of business' under the head "Other Operating Revenue" in the statement of profit & loss for the year ended 31st March 2013.

As per the Clause 14.4.2 of the said Agreement To Sell (ATS), if the Company is unable to issue Notice to Proceed (NTP) for any of the above projects, it has an obligation to give Replacement Project(s) to LWIN of equivalent contract value.

If NTP is not issued, and Replacement Project(s) are not arranged, the proportionate shareholding based on the value of projects for which NTP is not issued will be extinguished. Due to various circumstances, it became clear that a NTP could not be issued to LWIN for either of the balance projects. Following these developments, the Company obtained an opinion from an external valuator on the cost of the obligation to arrange for Replacement Projects for LWIN ('replacement obligation').

Based on valuation carried out, Welspun Infra Projects Private Limited ("WIPPL") (Group Company) holding 32.38% in LWIN has agreed to purchase the Company's stake in LWIN @ Rs 81 Crores. Loss of Rs. 34,06,82,111/- on sales of the said Company's stake in "LWIN" is shown under the head "Exceptional Item" in the statement of Profit & Loss.

Further as per agreement Mohali Project was assigned back to the Company, by LWIN along with all rights, asset and liabilities pertaining to the said business.

34). The Company has given Inter corporate deposits of Rs. 27.50 Crores to ARSS and Rs. 2.50 Crores to Anil Construction P Ltd, during the year 2012-13 and also charged interest of Rs. 4.15 Crores thereon, which is not received. No interest is charged on the said ICD's during the year 2013-14

The matter is constantly pursued by the company and legal proceeding is also initiated for recovery of the said amount. There is no need to make any provision for the said amount as the Company is hope full for the recovery in near future.

35). The Company is operating in a single segment only during the year i.e. Civil Construction Contract.

36). Disclosure in accordance with Accounting Standard - 7 (Revised).

Particulars	Rs. In Lacs	
	2013-14	2012-13
Contract Revenue	25757.31	75213.51
Contract Cost Incurred	25545.07	68944.84
Recognized Profits / Losses	1217.89	6268.67
Advances Received	348.03	778.71
Retention Money	1199.76	5356.09
Gross Amount due from Customers For Contract Work	1101.30	4667.50

- 37). Disclosures relating to Employee Benefits – As per Revised AS-15:
During the year Company has recognized the following amount in the financial statements

a) DEFINED CONTRIBUTION PLAN: (Rs. In Lacs)

Contribution to Defined Contribution Plan recognized as Expense for the year as under:

Particulars	
Employer Contribution to Provident Fund	162.22
	(178.48)

b) The Company has estimated its liability for the staff gratuity for the current year and made necessary provision in the books of accounts.

- 38) Transaction with related parties (as certified by the management)

A. Holding Companies:

- Welspun Corp Limited (up to 24th Jan 2014)
- Welspun Infratech Limited
- Welspun Enterprise Ltd

B. Subsidiary Companies:

- MSK Projects (Himmatnagar Bypass) Private Limited
- MSK Projects (Kim Mandvi Corridor) Private Limited
- Anjar Road Private Limited

C. Integrated Joint Ventures:

- Dewas Bhopal Corridor Limited
 - a. Associate Concern:
 - Welspun Corp Limited (after 24th Jan 2014)
 - Welspun Max Steel Limited
 - Welspun Steel Limited
 - Welspun India Limited
 - Welspun Retails Limited
 - Welspun Reality Private Limited
 - b. Key Management Personnel:
 - Mr. B.K. Goenka- Chairman
 - Mr. Sandeep Garg - (Managing Director)
 - Mr. R.R. Mandawewala – Director



Rs. In Lacs

Sr	Transaction with Related Parties	Holding Companies	Subsidiary Companies	Integrated Joint Venture	Associate Company	Key-management
1.	Civil Construction Receipt	1368.16 (3529.51)	120.00 (152.18)	- (-)	5591.19 (5511.41)	- (-)
2.	Miscellaneous Income	- (-)	- (-)	350.23 (202.24)	- (115.37)	- (-)
3.	Material Purchase	282.28 (342.54)	- (-)	- (-)	947.24 (1599.87)	- (-)
4.	Reimbursement of expense	11.88 (-)	- (-)	- (-)	64.01 (147.58)	- (-)
5.	Loan Received	387.60 (757.09)	234.86 (-)	- (-)	1.01 (66.92)	- (-)
6.	Repayment of Loan Received	37.30 (469.04)	279.65 (-)	- (-)	0.95 (66.92)	- (-)
7.	Loan Given	(-)	122.87 (153.05)	882.72 (256.06)	150.00 (3300.00)	- (-)
8.	Repayment of Loan Given	- (-)	163.19 (336.53)	87.36 (61.90)	150.00 (3300.00)	- (-)
9.	Guarantee Given	- (-)	3257.19 (995.11)	33154 (38500)	- (-)	- (-)
10.	Sales of Shares	8100.00 (-)	- (-)	- (-)	- (-)	- (-)
11.	Mobilization advance Received	7.73 (-)	- (-)	- (-)	1011.91 (135.00)	- (-)
12.	Mobilization advance repaid	393.11 (174.91)	- (-)	- (-)	673.17 (106.53)	- (-)
13.	Investment in Shares / Application	- (-)	- (-)	- (-)	- (-)	- (-)
14.	Remuneration to the Directors	- (-)	- (-)	- (-)	- (-)	183.51 (145.45)
15.	Receivable at the end of the year	217.58 (800.59)	949.53 (3227.69)	2972.31 (2284.87)	434.26 (1015.87)	- (-)
16.	Payable at the end of the year	23.93 (1775.46)	- (-)	- (-)	376.51 (469.93)	- (-)

- 39). Based on the legal opinion taken by the Company, Subsidy of Rs.82.87 Crores (P.Y. 82.87 Crores) received from Madhya Pradesh Rajya Setu Nirman Nigam Limited, against the Build, Operate & Transfer Project Expenditure is in the nature of promoter contribution and accordingly treated as Capital Reserve in the books of accounts of the Company.
- 40). Confirmations of certain parties for amounts due from them as per accounts of the company are not obtained. Amount due from customers include amounts due/with held on account of various claims. The claims will be verified and necessary adjustments, if any, shall be made in the year of settlement. Subject to this, company is confident of recovering the dues and accordingly they have been classified as "debt considered good" and therefore no provision is considered necessary, there against.
- 41). Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act") which came into force effective from 2nd October, 2006, certain disclosures relating to amounts due to micro, small and medium enterprises and remained unpaid after the appointed date etc. of principal and interest amounts are required to be made. The Company is in the process of compiling the relevant information. As the relevant information is not yet readily available and / or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprise in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.

WELSPUN Projects Ltd.

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In the absence of the necessary information with the Company relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act' 2006, the information required under the said Act could not be compiled and disclosed.

- 42) In the opinion of the Directors, Current Assets, Loans and Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 43) CIF Value of Import Rs. -Nil-
Rs. -Nil-
- 44) Expenditure in Foreign currency Rs. -Nil-
Rs. -Nil-
- 45) Earning in Foreign Exchange Rs. -Nil-
Rs. -Nil-
- 46) Remittance in Foreign Currency Rs. -Nil-
Rs. -Nil-
- 47) The previous year figures are regrouped / rearranged / recast wherever considered necessary.

FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
CHARTERED ACCOUNTANTS

(H.B.SHAH)
PARTNER
MEMBERSHIP NO. 016642

FOR & ON BEHALF OF THE BOARD

CHAIRMAN
(B.K. Goenka)

MANAGING DIRECTOR
(Sandeep Garg)

PLACE: VADODARA
DATE : 21-05-2014

COMPANY SECRETAY
(Nilesh Javker)



CASH FLOW STATEMENT - STANDALONE

	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & prior period items	(31,71,20,730)	4,57,18,792
Depreciation	5,25,43,685	6,70,41,618
Amortisation	22,26,43,840	52,99,09,256
Finance Cost	12,73,59,556	20,37,53,244
Loss Sale of Fixed Assets	11,96,575	(8,29,713)
Provision for Bad-Debts	19,87,99,882	2,02,73,302
Bad Debts	-	15,98,95,479
Profit on Sale of Investments	(21,22,974)	57,85,588
Profit on sales Stake of BUL MSK Infrastructure P Ltd	(5,71,91,997)	-
Profit on Sale of fixed assets	(1,94,84,137)	-
Prov for Leave Encashment & Gratuity	2,25,27,255	31,97,910
unclaimed liabilities written back	5,41,46,862	-
Intangible assets Written Off	17,01,592	-
Dividend received	(37,600)	(32,800)
Operating Profits before Working Capital changes	28,49,61,808	1,03,47,12,675
Adjustment for:		
Inventory &WIP	9,16,67,788	3,36,22,378
Trade & Other Receivables	9,73,73,816	27,04,64,765
Trade Payables& Provisions	(83,91,09,288)	53,94,68,120
	(65,00,67,684)	84,35,52,622
Cash generated from Operations before Tax & Prior period items	(36,51,05,876)	1,87,82,67,938
Less: Direct Taxes	(1,15,99,251)	3,28,28,244
NET CASH GENERATED /(USED) ROM OPERATING ACTIVITIES	(37,67,05,127)	1,84,54,39,694
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,21,54,619)	(1,30,82,582)
Sale of Fixed Assets	6,60,97,817	85,77,799
Investments	57,80,51,488	(1,69,08,29,349)
BOT expenditure during the Year	(9,32,24,622)	(10,81,47,307)
Dividend Received	37,600	32,800
NET CASH USED IN INVESTING ACTIVITIES	53,88,07,664	(1,80,34,48,640)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayments during the Year	(13,74,71,493)	(20,66,50,974)
Interest paid (Net)	(12,73,59,556)	(20,37,53,244)
NET CASH FROM FINANCING ACTIVITIES	(26,48,31,048)	(41,04,04,218)
Net changes on Cash & Cash Equivalents (A+B+C)	(10,27,28,511)	(36,84,13,164)
Cash & Cash Equivalents - Opening Balance	21,40,19,858	58,24,33,022
Cash & Cash Equivalents - Closing Balance	11,12,91,347	21,40,19,858
	(10,27,28,511)	(36,84,13,164)

As per our report of even date
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.

Firm registration number: 101676W
CHARTERED ACCOUNTANTS

(H. B. Shah) - Partner
Membership No. 16642

(B. K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Nilesh Javker)
Company Secretary

For & On Behalf Of The Board of
WELSPUN PROJECTS LIMITED

Place: Vadodara
Date : 21-05-2014

Auditor Report

To
The Board of Directors of
Welspun Projects Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements of Welspun Projects Limited ("the Company"), and its Subsidiaries and Joint Ventures (collectively referred to as the Group), which comprise the consolidated Balance Sheet as at 31st March 2014, the Consolidated Statement of Profit & Loss and the Consolidated 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 principles generally accepted in India including Accounting Standards referred to in Section 211(3C) 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.

Auditors' 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. 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 judgement, including the assessment of the risks of material misstatement of the consolidated 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 presentation of the consolidated financial statements that give a true and fair view. 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 consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on our audit and on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries companies and joint ventures as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the Loss of the group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date.

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 54,38,51,015/- as at 31st March 2014, and total revenue of Rs. 7,14,01,342/- and Net Cash Flow amounting to Rs.(-) 27,57,331/- for the year then ended. These financial statements and other financial information have been audited by other auditors whose report have been furnished to us and our opinion is based solely on the report of the other Auditors.

We have relied on the unaudited financial statement of one joint venture, whose financial statements reflect total assets of Rs. 2,74,86,46,496/- as at 31st March 2014 and total revenue of Rs. 35,81,50,344/- and net Cash Flow amounting to Rs. 4,72,73,396 for the year then ended. These unaudited financial statements as approved by the board of directors of the Company have been furnished to us by the management and our report in so far as its relates to amounts included in respect of the joint Venture is based solely on such approved unaudited financial statements.

For CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.

Chartered Accountants

Firm Registration No. 101676W

PLACE: VADODARA

DATE: 21-05-2014

(H.B. SHAH) PARTNER

Membership No. 016642

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

	Notes		As At 31-03-2014 (Amount in `)	As At 31-03-2013 (Amount in `)
EQUITY & LIABILITIES				
Share Holders' Funds				
Share Capital	2	40,00,00,000	40,00,00,000	
Reserves & Surplus	3	4,18,50,71,100	4,80,67,94,849	5,20,67,94,849
			4,58,50,71,100	
Non Current Liabilities				
Long Term Borrowings	4	2,54,73,12,667	2,23,99,65,936	
Deferred Tax Liabilities (Net)	5	-	2,07,73,257	
Long Term Provisions	6	19317431	88,06,764	
			2,56,66,30,098	2,26,95,45,957
Current Liabilities				
Short Term Borrowings	7	31,01,41,778	77,91,15,386	
Trade Payable	8	54,69,44,627	82,08,06,492	
Other Current Liabilities	9	59,06,70,734	1,06,27,13,351	
Short Term Provisions	10	1,19,62,476	31,97,910	
			1,45,97,19,615	2,66,58,33,140
		TOTAL (Rs.)	8,61,14,20,812	10,14,21,73,946
ASSETS				
Non Current Assets				
Fixed Assets				
Tangible Assets	11	29,16,29,766	37,86,33,436	
Intangible Assets	11	5,05,74,77,170	5,41,20,62,144	
Intangible Assets under development	11	25,73,09,647	17,05,41,928	
Non Current Investment	12	38,97,571	1,15,42,46,071	
Deferred Tax assets (Net)	5	9,49,28,621	-	
Other Non Current Assets	13	2,52,056	3,88,006	
Long term Loans & Advances	14	34,23,83,266	34,39,42,018	
			6,04,78,78,097	7,45,98,13,603
Current Assets				
Current Investments	15	90,41,62,912	58,53,32,890	
Inventories	16	5,87,72,323	14,81,65,882	
Trade Receivable	17	46,89,79,184	88,85,45,852	
Cash and Bank Balances	18	16,84,91,452	28,05,30,337	
Short Term Loans & Advances	19	74,61,33,136	56,05,07,445	
Other Current Assets	20	21,70,03,707	21,92,77,936	
			2,56,35,42,715	2,68,23,60,343
		TOTAL (Rs.)	8,61,14,20,812	10,14,21,73,946
Significant Accounting Policies & Notes on Financial Statements	1 to 43			

As per our report of even date
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Firm registration number: 101676W
CHARTERED ACCOUNTANTS

For & On Behalf Of The Board of
WELSPUN PROJECTS LIMITED

(H. B. Shah) - Partner
Membership No. 16642

(B. K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Nilesh Javker)
Company Secretary

Place: Vadodara
Date : 21-05-2014



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31ST MARCH 2014

	Notes	As At 31-03-2014 (Amount in `)	As At 31-03-2013 (Amount in `)
Revenue from Operation	21	2,43,44,74,447	4,16,26,79,752
Other Income	22	31,94,74,731	14,32,34,305
Total Revenue (I)		<u>2,75,39,49,178</u>	<u>4,30,59,14,057</u>
Expenditure			
Cost of Raw Material consumed	23	67,57,68,241	1,55,12,29,381
Purchase of Traded Goods	24	2,02,02,208	14,51,21,704
Changes in the Work in Progress	25	19,07,53,360	-2,50,45,421
Employee Benefits Expense	26	28,56,97,719	33,12,94,787
Finance Cost	27	39,68,59,366	47,37,70,836
Depreciation and Amortisation expense	28	35,44,86,794	68,50,39,492
Other Expenses	29	1,16,67,91,967	1,11,57,40,065
Total Expenses (II)		<u>3,09,05,59,655</u>	<u>4,27,71,50,843</u>
Profit / (Loss) before Tax		(33,66,10,477)	2,87,63,214
Exceptional Items		<u>(34,06,82,111)</u>	-
Tax Expense			
Current Tax		-	(93,80,133)
Earlier year Tax	(4,70,96,630)		(1,52,47,189)
Deferred Tax assets / (liabilities)	11,43,32,878		4,68,65,500
MAT Entitlement	-		79,00,000
		<u>6,72,36,248</u>	<u>3,01,38,178</u>
Profit / (Loss) for the year from continuing operation		(61,00,56,340)	5,89,01,391
Earnings per equity share of face value of Rs. 10/- each.			
Basic & Diluted		(15.25)	1.47
Significant Accounting Policies & Notes on Financial Statements	1 TO 43		

As per our report of even date
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Firm registration number: 101676W
CHARTERED ACCOUNTANTS

For & On Behalf Of The Board of
WELSPUN PROJECTS LIMITED

(H. B. Shah) - Partner
Membership No. 16642

(B. K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Nilesh Javker)
Company Secretary

Place: Vadodara
Date : 21-05-2014

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014.

1. BASIS OF CONSOLIDATION:

A. Basis of Accounting:

The Consolidated financial statements relate to M/s. Welspun Projects Limited, its subsidiary Companies, and joint ventures Company are drawn up to the same reporting date as of the Company, i.e. year ended 31st March 2014.

B. Principle of Consolidation:

a. The Consolidated Financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard – AS-21 (Consolidated Financial Statements) & Accounting Standard - AS-27 (Financial Reporting of interest in joint ventures) issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements have been prepared on the following basis.

i. The financial statements of the Company and its subsidiary Companies are combined on a line by line basis by adding together the book value of the like item of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profit.

ii. Interest in Joint Ventures has been accounted by using the proportionate consolidation method as per accounting Standard (AS-27) – Financial Reporting of Interest in Joint Ventures.

l iii. The difference between the Company's cost of investments in the subsidiaries over its position of equity at the time of acquisition of the shares is recognized in the consolidated financial statements as goodwill or Capital Reserves as the case may be.

iv. The difference between costs of the Company's interest in jointly controlled entities over its shares of net assets in the jointly controlled entities at the date on which interest is acquired is recognized in the consolidated financial statement as Goodwill or Capital Reserves as the case may be.

v. Good-will recognized in the Consolidated Financial Statement is not amortized.

vi. The Consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and presented to the extent possible, in the financial statements.

b. The subsidiary Companies considered in the consolidated financial statements are :

Name of the Company	Country Of Incorporation	% of Ownership interest as on 31 st Mar' 14
MSK Projects (Kim Mandvi Corridor) Private Ltd	India	100%
MSK Projects (Himmatnagar Bypass) Private Ltd	India	100%
Anjar Road Private Limited	India	100%

b. The significant joint Venture Companies considered in the consolidated financial statements.

Name of the Company	Country Of Incorporation	% of Ownership interest as on 31 st Mar' 14
Dewas Bhopal Corridor Limited *	India	50%

* Un-audited accounts (as furnished by the management of the Company) as at 31st March 2014 is taken into consideration for consolidated financial statements.

C). Other Significant Accounting policies:

These are set out under "Significant Accounting Policies" as given in the Company's separate statements



Notes on Consolidated financial statement for the year ended 31st March 2014

	As At 31-03-2014 (Amount in `)	As At 31-03-2013 (Amount in `)
Note No. 2 SHARE CAPITAL		
AUTHORISED		
4,20,00,000 (Previous Year 4,20,00,000) equity Shares of Rs. 10/- each.	42,00,00,000	42,00,00,000
Issued, Subscribed, & Paid up		
4,00,00,000 (Previous year 4,00,00,000) equity Share of Rs. 10/- each fully paid up.	40,00,00,000	40,00,00,000
	<u>40,00,00,000</u>	<u>40,00,00,000</u>
a OUT OF THE ABOVE SHARES:		
1 2353768 Shares are issued on conversion of foreign currency convertible bonds during the year 2007-08		
2 4450000 Shares are issued on preferential basis during the year 2007-08		
3 17178888 Shares are issued on preferential basis during the year 2010-11		
	<u>23982656</u>	
b. TERMS / RIGHT TO EQUITY SHARES		
The company has only one class of equity shares of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.		
c Shares held by holding Company:		
Out of equity shares issued by the Company, shares held by its holding Company are as under:		
	As At 31-03-2014 No. of Shares	As At 31-03-2013 No. of Shares
Welspun Infratech Limited	24448445	24448445
d Details of the share holders holding more than 5% shares in the Company		
Welspun Infratech Limited	24448445 (61.12%)	24448445 (61.12%)
	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 3 RESERVES & SURPLUS		
a. Capital Reserves		
Subsidy received from Madhya Pradesh Rajya Setu Nirman Nigam Limited against Build, Operate and Transfer Projects.		
As per the Previous Year Balance Sheet	1,23,37,29,840	1,23,37,29,840
Subsidy received from Gujarat State Road Development Corporation against Build, Operate and Transfer Projects as per the previous year Balance Sheet		
As per the Previous Year Balance Sheet	3,16,50,000	3,16,50,000
b. Security Premium Reserve		
As per the Previous Year Balance Sheet	2,88,65,99,786	2,88,65,99,786
c. General Reserves		
As per the Previous Year Balance Sheet	3,21,77,549	3,21,77,549
d. Amalgamation Reserves		
As per the Previous Year Balance Sheet	5,21,12,583	5,21,12,583
e. Surplus in the statement of Profit & Loss		
As per the Previous Year Balance Sheet	57,05,25,090	51,16,23,700
Less: Adjustment Pertaning to previous year *	(1,16,67,408)	-
	<u>55,88,57,682</u>	<u>51,16,23,700</u>
Add: Net Profit / (Loss) for the year	(61,00,56,340)	58,90,1391
	<u>(5,11,98,658)</u>	<u>57,05,25,091</u>
	<u>4,18,50,71,100</u>	<u>4,80,67,94,849</u>

* Unaudited accounts of joint ventures e.g. Dewas Bhopal corridor Limited, for the year ended 31st March 2013 was taken in to consideration for consolidated financial statement, difference between the unaudited accounts for the year ended 31st March 2013 which was taken in to consideration for consolidated financial statements and audited accounts for the above year

WELSPUN Projects Ltd.

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Notes on Consolidated financial statement for the year ended 31st March 2014

SECURED	As at 31 March 2014		As at 31 March 2013	
	Non Current	Current	Non Current	Current
Note No. 4 LONG TERM BORROWINGS				
Term Loans from :				
1				
HDFC Bank Limited	-	-	-	1,21,403
Secured by Hypothecation Plant & Machineries, Vehicles and Personal Guarantee of some of Directors				
2				
Dena Bank	3,70,11,059	6,29,04,000	9,97,38,775	6,29,04,000
Secured by first mortgage and charge on all the Company's capital assets, specific & pertaining to the Hoshangabad - Harda - Khandwa Projects only both present and futures.				
- A first Charge on all the revenues / receivable of Hoshangabad-Harda - Khandwa project account of the Company				
- A First charge on all the intangible assets of the Company including but no limited to Goodwill of the Company pertaining to Hoshangabad - Harda - Khandwa Projects				
- A first charge on Company's bank accounts including without limitation the trust and retention account (RTA) / Escrow Account and Debt Service Reserve Account to be established by the Company.				
- A First charge/assignment/security on the Company right under the concession agreement, Project documents Contract and all licence permits approvals consents and insurance policies in respect of the projects.				
(Repayable within 22 Monthly Installment of Rs. 46.25 Lacs bearing rate of Interest: 12.5%)				
3				
Corporation Bank	13,37,72,735	3,36,00,000	17,07,59,894	3,36,00,000
Secured by exclusive first charge by way of hypothecation of entire toll receivable under the Raisen Rahatgarh road Project (Repayable within 60 Monthly Installment of Rs.28 Lacs bearing rate of Interest: 12.50%)				
4				
Punjab National Bank	-	-	-	1,63,28,785
Secured by Ludhiana & Jalandhar Bus Terminal Projects, and Personal guarantee of some of the directors.				
5				
Bank of India	-	-	-	4,80,87,071
Secured by specific Plant & Machineries and second charge on current assets of the Company.				
6				
Industrial Deveopment Finance Company Limited	48,42,13,484	5,85,00,000	46,91,32,842	4,68,00,000
Terms of Repayment. 84 Months (Mar-2019)				
- Secured by by way of mortgage in favour of IDFC of all moveable properties pertaining to the Dewas Water Supply Projects Presents, futures.				
- a first charge by ways of the hypothecationb of the all movables including movables including movable plant machinery, machinery spares, tools, & accessories, furtiture & fixture, vehicles and all other movable assets pertaining to the project present & future.				
- First charge of all the book debts, operating, Cash Flows, revenue, receivables of the Company pertaining to the Dewas Water Supply project, present & Future.				
- Assignment of all rights, title and Interest of the Company in respect of all the assets of the Dewas Water Supply Projects agreement and Contracts including Concession Agreement.				
- First Charge over the Escrow Account. Debt Service Reserve Account and other Reserve and any Other reserves and any other banks account the Company whreever maintained.				
- Personal Guarantee of the Directors of the Company/ (Repayable within 56 Monthly Installment of Rs. 49 Lacs bearing rate of Interest: 10.30%)				
7				
State Bank of India	-	-	-	90,99,324
First Charge on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the Himmatnagar bypass project and on assignement of all receivable / revenue of the projects.				



Notes on Consolidated financial statement for the year ended 31st March 2014

SECURED	As at 31 March-2014		As at 31 March-2013	
	Non Current	Current	Non Current	Current
<p>First charge on Company bank accounts from the Himmatnagar bypass projects including the Trust and Retention account / Escrow Account and Debt Service Reserve Account (Debt Service Reserve account to be maintained in the form either Bank Guarantee of the First Charges / Assignment Security Interest on the Company's right under the concession Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Himmatnagar Bypass Projects)</p> <p>Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Himmatnagar Bypass road Projects noting the interest of the lenders.</p> <p>First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Himmatnagar Bypass Projects.</p> <p>First charge on all the revenue / receivable and projects accounts of the Company.</p>				
<p>8 State Bank of India</p> <p>First Charge over on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the respective projects and on assignment of all the receivable / revenue of the projects.</p> <p>First charge on Company's bank accounts from the Kim Mandvi projects including the Trust and Retention account / Escrow Account and Debt Service Reserve Account /Maintenance Reserve Account or such other account to be opened as directed by the bank.</p> <p>First Charge / Assignment Security Interest on the Company's right under the concession Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Kim Mandvi Projects)</p> <p>Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Kim Mandvi Projects noting the interest of the lenders.</p> <p>First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Kim Mandvi Projects.</p>	29,90,19,385	2,67,00,000	7,72,12,118	1,32,00,000
<p>9 Term Loan for DEWAS BHOPAL CORRIDOR PRIVATE LIMITED</p> <p>* Secured by 1st pari passu charge with other term lenders on All rights (including step in charge) of the project covered by Tri-partite agreement that has been signed by company with MPRDC (Madhya Pradesh Road Development Corporation).</p> <p>First charge on Assignment of Toll Collection rights along with Escrow on Future Toll Collection.</p> <p>Charge on Debt Service Reserve Account proposed to be created Hypothecation of all Movable, tangible & intangible, receivable, cash & investment & monies lying in trust & retention account</p> <p>Further secured by personal guarantee of Directors & Corporate Guarantees of Welspun Projects Limited & Chetak Enterprises Limited.</p> <p>Further secured by pledge of Equity Shares of the company equivalent to 51% of the subscribed and paid up capital of the company for a period up to 36 Months from Commercial Operation Date.</p> <p>Thereafter, and subject to satisfactory performance of the project and also satisfaction of lenders, the pledged shares shall aggregate 30% of the paid up capital of the company until the currency of the loan.</p> <p>FCNRB US \$ 50 MILLION from State Bank of India</p>	1,59,32,96,004	6,43,75,000	1,42,31,22,307	24,23,00,000
<p>14 State Bank of India</p> <p>First Charge over on the assignment of project rights/movable / im-movable property/intangible assets / uncalled capital of the borrower for the respective projects and on assignment of all the receivable / revenue of the projects.</p>				13,61,00,000
				5,71,48,887

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Notes on Consolidated financial statement for the year ended 31st March 2014

SECURED	As at 31 March-2014		As at 31 March-2013	
	Non Current	Current	Non Current	Current
First charge on Company's bank accounts from the Kon Sawle Dand Phata projects including the Trust & Retention account / Escrow Account and Debt Service Reserve Account /Maintenance Reserve Account or such other account to be opened as directed by the bank.				
First Charge / Assignment Security Interest on the Company's right under the concession				
Agreement, Project documents, Contracts and All licences permits, approvals, Consents, and insurance policies in respect of the Kim Mandvi Projects)				
Assignment of contractors guarantee, liquidated damages letter of credit, guarantee or performance bond and insurance policies pertaining to the Kim Mandvi Projects noting the interest of the lenders.				
First charge on all the intangible assets of the Company including but not limited to the Goodwill of the Company pertaining and specific to the Kim Mandvi Projects.				
UN-SECURED				
From Related Parties				
Chetak Enterprises Limited		14,19,37,088		8,80,75,000
Bull MSK Infrastructure P Ltd				81,00,561
	<u>2,54,73,12,667</u>	<u>38,80,16,088</u>	<u>2,23,99,65,936</u>	<u>76,18,65,031</u>

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 5 DEFERRED TAX LIABILITY (NET)		
Deferred Tax Assets		
Retirement Benefits	69,44,201	10,45,227
Provision for Bad Debts	7,93,83,196	1,75,36,349
Shares of Joint Ventures	4,04,97,000	3,91,78,000
Impairment of Assets	-	21,86,336
Carry Forward Losses and absorbed depreciation	9,74,26,970	5,85,94,029
	<u>22,42,51,367</u>	<u>11,85,39,940</u>
Deferred Tax Liabilities		
Depreciation	12,93,85,033	13,92,78,814
Bonus Payable	(62,287)	34,383
	<u>12,93,22,746</u>	<u>13,93,13,197</u>
DEFERRED TAX (ASSETS) / LIABILITIES (NET)	<u>(9,49,28,621)</u>	<u>2,07,73,257</u>
Deferered Tax Assets	11,57,01,878	
Less : Difference between the unaudited and Audited account of Dewas Bhopal Corridor Ltd	13,69,000	
	<u>11,43,32,878</u>	

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No.6 LONG TERM PROVISIONS		
Provision for the Employees Benefits		
Provision for Gratuity	1,93,17,431	88,06,764
	<u>1,93,17,431</u>	<u>88,06,764</u>



Notes on Consolidated financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 7 SHORT TERM BORROWINGS		
SECURED		
Working Capital Loan		
1. Corporation Bank	31,01,41,778	41,46,70,543
Secured by hypothecation of the entire stocks & book debts of the Company.		
Bearing rate of interest @12.35%		
2. Idbi Bank Limited	-	25,68,02,827
Secured by hypothecation of the entire stocks & book debts of the Company.		
3. Punjab National bank	-	1,73,07,290
Secured by hypothecation of the entire stocks & book debts of the Company.		
UN-SECURED		
From Holding Company: Welspun Infratech Limited		
	-	7,74,96,246
	<u>31,01,41,778</u>	<u>77,91,15,386</u>

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 8 TRADE PAYABLE		
Trade Payable	<u>54,69,44,627</u>	<u>82,08,06,492</u>
	<u>54,69,44,627</u>	<u>82,08,06,492</u>

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 9 OTHER CURRENT LIABILITIES.		
1. Current Maturity of Long Term Debts	38,80,16,088	76,18,65,031
2. Interest Accrued but not dues on long term borrowing	1,84,07,055	25,43,78,05
3. Statutory Liabilities	3,67,89,292	5,21,23,800
4. Security Deposits Payable	8,40,26,934	5,79,62,686
5. Advance from Customers	6,34,31,365	7,10,15,647
6. Other Payable *	-	5,41,46,862
7. Advance received against sale of shares of joint venture	-	5,30,00,000
	<u>59,06,70,734</u>	<u>1,06,27,13,351</u>

* Represents amount payable to third parties in respect of their fixed deposits against which the Company has taken loan from Corporation Bank. The said fixed deposits encashed by the bank by crediting loan account

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 10 SHORT TERM PROVISIONS.		
Provision for the Employees Benefits		
1. Provision for Leave Benefits	<u>1,19,62,476</u>	<u>31,97,910</u>
	<u>1,19,62,476</u>	<u>31,97,910</u>

Notes on Consolidated financial statement for the year ended 31st March 2014
 Note no. 11 Fixed Assets

Sr	Fixed Assets	GROSS BLOCK			AS ON 01-04-2013	AS ON 01-04-2013	DEPRECIATION / AMORTISATION			NET BLOCK		
		As on 01-04-2013	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR			AS ON 31-03-2014	ADDITION DURING YEAR	DEDUCTION DURING YEAR	AS ON 31-03-2014	AS ON 31-03-2013	
Tangible Assets												
1	Free hold Land *	14044390	0	0	14044390	0	0	0	0	0	14044390	14044390
2	Buildings	4852609	0	0	4852609	1360537	147729	1508266	3344343	3492072	3344343	3492072
3	Plant & Machineries **	501531903	9767316	112497442	398801777	295320241	26807551	72090277	148764262	206211662	148764262	206211662
4	Construction Equipments	238899234	420169	0	239319403	130300590	14760788	145061378	94258024	108598644	94258024	108598644
5	Air-Conditioners	1569132	67850	0	1636982	984870	86602	1071472	565510	584262	565510	584262
6	Vehicles **	206620399	1364561	62825741	145159219	172315226	8789023	54685726	18740694	34305172	18740694	34305172
7	Computers	14031823	372899	0	14404722	11204290	1177200	12381490	2023232	2827533	2023232	2827533
8	Office Equipments **	9636165	2414674	45551	12005288	3978909	1047629	5026538	6978750	5657256	6978750	5657256
9	Furniture & Fixtures	6350160	326733	0	6676893	4237714	328618	4566332	2110560	2112446	2110560	2112446
10	Realisation Value of Impaired Assets	800000	0	0	800000	0	0	0	800000	800000	800000	800000
	SUB TOTAL - (A)	998335815	14734201	175368734	837701282	619702378	53145140	126776003	291629766	378633437	291629766	378633437
Intangible Assets												
11	Good Will	1701592		1701592								1701592
12	Good Will on Consolidation	264956868			264956868						264956868	264956868
13.	Build operate & Transfer Project Expenditure - (Toll Collection right)											
a.	Hoshanagabad-Harda- Khandwa Projects	970660788	6107214		976768002	553856585	86873964	640730549	336037453	416804203	336037453	416804203
b.	Raisen Rahatgarh Projects	720352316	349689		720702005	318156921	73565356	391722277	328979728	402195395	328979728	402195395
c.	Jalandhar Bus Terminal Project	188877689			188877689	152301454	36576235	188877689	0	36576235	188877689	36576235
d.	Ludhiana Bus Terminal Project	194313456			194313456	115849112	25628285	141477397	52836059	78464344	141477397	78464344
e.	Dewas Water Supply Project	1190956828			1190956828	61499387		61499387	1129457441	1129457441	61499387	1129457441
f.	Himmatnagar Bypass P Ltd	84447460			84447460	41223038	10806105	52029143	32418317	43224422	32418317	43224422
g.	Kim Mandvi Corridor P Ltd	511346287	3150255		514496542	35978011	16431596	52409607	462086935	475368276	462086935	475368276
h.	Dewas Bhopal Road Projects	2721867548			2721867548	219859447	51303733	271163179	2450704369	2502008102	2450704369	2502008102
i.	Bul MSK Projects Ltd	103421865		103421865	0	42116599		42116599	0	61305266	42116599	61305266
	SUB TOTAL - (B)	6952902697	9607158	105123457	6857386398	1540840554	301185273	1799909228	5057477170	5412062144	5057477170	5412062144
Intangible Assets under development												
	Build operate & Transfer Project											
	Expenditure - Toll Collection right			2200140								2200140
f.	Hoshanagad-Harda-Khandwa	2200140										
g.	Dewas Water Supply Project	168341788	88967859		257309647				257309647	168341788	257309647	168341788
	SUB TOTAL - (C)	170541928	88967859	2200140	257309647				257309647	170541928	257309647	170541928
	TOTAL - (A+B+C)	8121780440	113309218	282692331	7952397327	2160542931	354330414	168892602	5606416583	5961237509	5606416583	5961237509
	PREVIOUS YEAR	8036326782	122822359	37368700	8121780441	1491285125	684883113	15625307	5961237509		5961237509	

*Includes Rs. 27.40 Lacs (Rs. 84.50 Lacs) being plot of land situated in M.P. purchased from ex-directors of the Company in earlier years for which legal documents are yet to be executed.

**Addition to fixed assets includes assets transfer from Leighton Welspun Contractors Private Limited in respect of Mohali projects.



Notes on Consolidated financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 12 NON CURRENT INVESTMENT		
LONG TERM INVESTMENT		
TRADE, (UNQUOTED)		
Investment in subsidiaries		
Nil (P.Y. 11503485) Equity shares in Leighton Welspun Contractors Pvt Ltd of Rs. 10/- each fully paid up	-	1,15,03,48,500
NON-TRADE (UNQUOTED)		
1500 (P.Y. 1500) Equity Shares in Sarv Shakti Synthetics Limited of Rs. 10/- each fully Paid up	15,000	15,000
30000 (P.Y. 30000) Equity Shares in Myraj Consultancy Limited of Rs. 10/- each fully paid up	3,00,000	3,00,000
500 (P.Y. 500) Equity shares in MSK Finance Limited of Rs. 100/- each fully paid up	50,000	50,000
48 (P.Y. 48) Equity shares in Nutan Nagrik Sahakari Bank Limited of Rs. 100/- each fully paid up.	4,800	4,800
37652 (P.Y. 37652) Equity shares in Baroda Peoples Co-Op. Bank Limited of Rs.10/- each fully paid up	3,76,521	3,76,521
63 (P.Y. 63) Equity shares in Baroda City Co-Op. Bank Limited of Rs. 50/- each fully paid up	3,150	3,150
1000 (P.Y. 1000) Equity shares in Classic Organisers Private Ltd of Rs. 10/- each fully paid up	10,000	10,000
960 (P.Y. 960) Equity shares in Sindh Mechantile Co-Op. Bank Ltd of Rs.10/- each fully paid up	9,600	9,600
7400 (P.Y. 7400) Equity shares in Minar Trading Services Limited of Rs. 10/- each fully paid up.	74,000	74,000
	<u>8,43,071</u>	<u>1,15,11,91,571</u>
Less: Provision for diminution in value of investments	(74,000)	74,000
	<u>7,69,071</u>	<u>1,15,11,17,571</u>
Investment in Government Securities		
Indira Vikash Patra Three (P.Y. Three) Bonds of Rs. 10,00,000/- Sardar Sarovar Narmada Nigam Limited	500 30,00,000	500 30,00,000
NON-TRADE (QUOTED)		
1600 (P.Y. 1600) Equity Shares in Corporation Bank Of Rs. 10/- each fully Paid Up	1,28,000	1,28,000
TOTAL	<u><u>38,97,571</u></u>	<u><u>1,15,42,46,071</u></u>
Particulars	31-03-2014	31-03-2013
Amount of quoted Investment	1,28,000	1,28,000
Amount of un-quoted Investment	38,43,571	1,15,41,92,071
Amount of Market Value of Quoted Investments	4,43,040	6,26,400
Provision for diminution in value of Investments	(74,000)	74,000

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 13 OTHER CURRENT ASSETS		
UN-AMORTISED EXPENDITURE		
Balance as per last financial year	4,17,961	5,53,911
Less: Deduction During the year	9,525	9,525
	<u>4,08,436</u>	<u>5,44,386</u>
Less: Preliminary Expense Wrt. Off	1,56,380	1,56,380
	<u>1,56,380</u>	<u>1,56,380</u>
	<u>2,52,056</u>	<u>3,88,006</u>
TOTAL	<u><u>2,52,056</u></u>	<u><u>3,88,006</u></u>

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Notes on Consolidated financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 14 LONG TERM LOAN & ADVANCES: (unsecured considered good, stated other wise)		
Security Deposits		
Considered Good	99,68,539	2,08,06,127
Considered Doubtful	47,52,410	65,97,112
	<u>1,47,20,949</u>	<u>2,74,03,239</u>
Provision for Doubtful Debts	47,52,410	65,97,112
	99,68,539	2,08,06,127
Loans & Advances to Related Parties	15,18,59,267	13,25,64,288
Tax Deducted At Source / Advance Tax (Net Of Taxation)	17,26,55,461	18,26,71,603
MAT Credit Entitlement	79,00,000	79,00,000
TOTAL	<u><u>34,23,83,266</u></u>	<u><u>34,39,42,018</u></u>
Debts due by Private Companies in which Directors of the Company is a Director		
Name of the Companies	Amount 31-03-2014	Amount 31-03-2013
BUL MSK Infrastructure P Limited	-	3,51,69,546
Dewas Bhopal Corridor P Ltd	15,18,44,923	8,33,55,000
Welspun Corp. Limited	-	37,390
MSK Projects (Kim Mandvi corridor P Ltd)	-	1,00,42,457
MSK Projects (Himmatnagar Bypass) (P) Limited	-	39,45,735
Welspun BOT Projects (P) Ltd	1,530	12,830
Welspun Natural Resources P Ltd	-	300
Anjar Road Private Limited	-	1,530
Welspun Steel Limited	12,814	-
Welspun Steel Resources P Ltd	-	19,800
	<u><u>15,18,59,267</u></u>	<u><u>13,25,84,588</u></u>

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 15 CURRENT INVESTMENTS:		
NON-TRADE (UN - QUOTED)		
Investment in Bonds		
NIL (P.Y. 145) Bonds of Cholamandalam P.P. @12.70% of Rs.1000000/- each fully paid up.	-	14,96,55,507
NIL (P.Y. 90) Bonds of REC 2018 @8.70% of Rs.1000000/- each fully paid up.	-	9,00,85,808
NIL (P.Y. 150) Bonds of L&T Finance Ltd @9.80% of Rs.1000000/- each fully paid up.	-	15,39,06,575
NIL (P.Y., 1960) Bonds of IFCI Deep Discount Bond of Rs.25000/- each fully paid up.	-	19,16,85,000
15% Alke IFMR Capital 2014	1,40,24,193	-
50 (P.Y. Nil) Bonds of India Infrastructure Fin Co. 30/08/2028 @ 8.46% of Rs.1000000/- each fully paid up.	5,19,54,276	-
7 (P.Y. Nil) Bonds of Tata Sons Ltd 2024 (13/01/20240 @9.74% of Rs.1000000/- each fully paid up.	70,67,246	-
118 (P.Y. Nil) Bonds of Cholamandalam P.P. 14/12/2012 @ 12.70% of Rs.1000000/- each fully paid up.	12,21,87,868	-
16 (P.Y. Nil) Bonds of L&T Finance Ltd 21/12/2022 @ 9.80% of Rs.1000000/- each fully paid up.	1,64,12,405	-
97 (P.Y. Nil) Bonds of REC 31/05/2023 @8.06% of Rs.1000000/- each fully paid up.	10,34,44,246	-
3320 (PY Nil) Bonds of IFCI 05/11/2027 @ 9.90% of Rs.25000/- each fully paid up.	8,73,36,238	-
50 (P.Y. Nil) Bonds of IRFC 26/03/2029 @ 8.63% of Rs.10000000/- each fully paid up.	50,17,36,438	-
TOTAL	<u><u>90,41,62,912</u></u>	<u><u>58,53,32,890</u></u>



	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 16. INVENTORIES:		
Raw Material	5,87,72,323	14,81,65,882
TOTAL	<u>5,87,72,323</u>	<u>14,81,65,882</u>

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 17 TRADE RECEIVABLES. (Unsecured, Considered good, stated other wise)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	10,34,59,262	86,58,49,758
considered doubt ful	22,79,04,224	4,08,52,989
	<u>33,13,63,486</u>	<u>90,67,02,748</u>
Less: Provision for doubt ful debts	22,79,04,224	4,08,52,989
	<u>10,34,59,262</u>	<u>86,58,49,758</u>
Other Receivable:		
Considered good	36,55,19,922	2,26,96,093
considered doubt ful	1,72,36,210	80,12,746
	<u>38,27,56,132</u>	<u>3,07,08,839</u>
Less: Provision for doubtful receivable	1,72,36,210	80,12,746
(Debts due by related parties refer note no. 36)	<u>36,55,19,922</u>	<u>2,26,96,093</u>
TOTAL	<u>46,89,79,184</u>	<u>88,85,45,852</u>

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note no. 18. CASH & BANK BALANCES		
Cash on hand	1,24,54,991	1,75,12,107
Balance With Bank:		
- In current accounts	9,41,76,740	18,80,14,987
- In fixed deposits accounts *	6,18,59,721	7,50,03,243
TOTAL	<u>16,84,91,452</u>	<u>28,05,30,337</u>

* Includes fixed deposits of Rs.355.80 Lacs pledge with MPRDC Ltd as maintenance deposits

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Notes on Consolidated financial statement for the year ended 31st March 2014

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 19. SHORT TERM LOANS & ADVANCES. (unsecured, considered good, stated other wise))		
Inter Corporate Deposits	50,44,30,410	35,63,69,343
<u>Advance to Supplier</u>		
Considered good	8,28,63,948	12,57,75,534
Considered doubtful	70,10,703	26,40,818
	<u>8,98,74,651</u>	<u>12,84,16,352</u>
Less: Provision for Doubtful Debt	70,10,703	26,40,818
	8,28,63,948	12,57,75,534
Advance for Capital Purchase	51,500	51,500
Interest accrued on fixed deposits	81,65,391	39,89,075
Other Advance *	6,47,84,348	0
Pre-Paid Expenses	78,00,673	46,37,508
Advance to Staff & Others	28,90,767	35,59,807
Balances with Statutory Authorities	7,51,46,095	6,61,24,679
	<u>74,61,33,131</u>	<u>56,05,07,445</u>

* Other advance includes advances to Welspun Infratech Limited, a holding Company Rs. 3.47 Crores & amount due from ex-promoter of the Company Rs. 3.00 Crores

	As at 31 March-2014 (Amount in `)	As at 31 March-2013 (Amount in `)
Note No. 20 OTHER CURRENT ASSETS:		
Work In Progress	21,70,03,707	21,92,77,936
TOTAL	<u>21,70,03,707</u>	<u>21,92,77,936</u>

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 21 REVENUE FROM OPERATIONS:		
Revenue from Operations:		
Civil Contracts	1,66,47,05,713	2,14,53,04,463
Sales of Traded Goods	2,78,19,513	24,77,25,488
Consultancy charges received	3,37,42,025	-
Toll Collection	73,95,12,597	72,89,58,374
Total (a)	<u>2,46,57,79,848</u>	<u>3,12,19,88,325</u>
Other Operating Revenue		
Income from Transfer of Business *	-	1,07,92,49,055
Sales of Scrap	70,50,437	1,23,45,071
Total (b)	<u>7,05,0437</u>	<u>1,09,15,94,126</u>
Revenue From Operations (Gross)	2,47,28,30,285	4,21,35,82,451
Less: Service Tax	3,83,55,838	5,09,02,699
Revenue From Operations (Net)	<u>2,43,44,74,447</u>	<u>4,16,26,79,752</u>
20.1 Particulars of Sales of traded goods		
Electric Material	1,21,84,974	17,17,64,731
Mechanical Material	10426628	7,10,10,048
Bare Pipes	5207911	24,63,289
Other Materials	-	24,87,420
	<u>2,78,19,513</u>	<u>24,77,25,488</u>



Notes on Consolidated financial statement for the year ended 31st March 2014

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 22 OTHER INCOME		
Interest		
From Current Investment	2,68,37,078	2,42,30,726
From Long Term Investment	6,34,76,119	8,77,09,621
Dividend		
From Current Investment - Mutual Fund	1,16,21,322	1,08,17,323
From Long Term Investment	37,600	32,800
Insurance claim received	65,05,415	57,43,958
Unclaim liabilities/Provision written back	2,75,000	5,289,439
Profit on sales of Stake in BUL MSK Infrastructure P Ltd	5,11,24,201	-
Profit on sales of Current Investment	21,22,974	57,85,588
Profit on sales of fixed assets	1,94,84,137	-
Interest on Income Tax Refund	35,55,287	36,24,851
unpaid Liabilities written back on Settlement with ex-promoters of the Company	5,41,46,862	-
Amount received on Settlement with ex-Promoters of the Company	8,00,00,000	-
Miscellaneous income	2,88,736	-
TOTAL	31,94,74,731	14,32,34,305

22.1 Profit on sales of Stake in BUL MSK Infrastructure P Ltd

Pursuant to agreements dated. 03-12-2012, 31-12-2012 and 26-07-2013 entered in to between Welspun Projects Limited, Welspun Infra Projects Private Limited and Bharat Udyog Limited, the Company has sold its 50% Share holding in BUL-MSK Infrastructure Private Limited, (a Joint Venture Company). Gain of Rs. 5,71,91,997/- on sales of the said share holding is shown as Profit on sales Company's stake in BUL MSK Infrastructure Private Limited.

22.2 Amount received on Settlement with ex-Promoters of the Company

On settlement of dispute between Welspun Infra tech Limited, Welspun Projects Limited and ex-promoters of the Welspun Projects Limited (Formerly known as MSK Projects (India) Limited) and pursuant to the consent terms filed before honourable justice during January 2014 claim of Rs. 8,00,00,000/- received / receivable from ex-promoters of the Company has been treated as income and shown as above.

Amount of Rs. 5,41,46,862/- being unpaid liabilities not payable in pursuant to said agreement to third parties in respect of their fixed deposits against which the ex-promoters of the Company has taken loan from Corporation bank has been written back and shown as income and shown as above.

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)		
Note No. 23 - COST OF RAW MATERIAL CONSUMED:				
Inventories at the beginning of the year	14,81,65,882	20,68,33,681		
Add: Purchase	58,63,74,682	1,49,25,61,582		
	73,45,40,564	1,69,93,95,263		
Less: Inventories at the end of the year.	5,87,72,323	14,81,65,882		
TOTAL	67,57,68,241	1,55,12,29,381		
23.1 Cost of materials consumed				
Particulars	2013-14	% of Consumption	2012-13	% of Consumption
-Imported	-	-	-	-
-Indigenous	675768241	100%	1551229381	100%

WELSPUN Projects Ltd.

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Notes on Consolidated financial statement for the year ended 31st March 2014

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 24. PURCHASE OF TRADED GOODS		
Purchases	2,02,02,208	14,51,21,704
Total	<u>2,02,02,208</u>	<u>14,51,21,704</u>
24.1 Particulars of Purchase of traded goods.		
Name of products	Amount 2013-14	Amount 2012-13
Bare Pipes	32,99,527	20,11,602
Electric Material	1,03,98,368	10,63,07,628
Mechanical Material	65,04,313	3,46,60,395
Others		21,42,079
TOTAL	<u>2,02,02,208</u>	<u>14,51,21,704</u>

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 25 CHANGE IN WORK- IN- PROGRESS.		
Opening Stock		
Work in Progress	21,92,77,936	19,42,32,515
Transfer from Leighton Welspun Contractors P Ltd in respect of Mohali Projects	18,84,79,131	-
	<u>40,77,57,067</u>	<u>19,42,32,515</u>
Less: Closing Stock		
Work in Progress	21,70,03,707	21,92,77,936
TOTAL	<u>-19,07,53,360</u>	<u>2,50,45,421</u>

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 26. EMPLOYEES REMUNERATION & BENEFITS		
Salaries, Wages	25,94,39,289	29,89,41,657
Contribution to Provident Funds & Other Funds	1,90,33,637	2,05,08,689
Staff Welfare Expense	72,24,793	1,18,44,441
TOTAL	<u>28,56,97,719</u>	<u>33,12,94,787</u>

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 27. FINANCE COST.		
Interest Expense	35,49,23,402	42,43,34,375
Other Borrowing Cost	3,55,35,885	4,82,73,943
Foreign Exchange Loss	64,00,079	11,62,517
	<u>39,68,59,366</u>	<u>47,37,70,835</u>

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 28. DEPRECIATION AND AMORTISATION:		
- Depreciation	5,31,45,141	6,76,66,788
- Amortization of the BOT Assets	30,11,85,273	61,72,16,325
- Preliminary Expenses Wrt. Off	1,56,380	1,56,380
TOTAL	<u>35,44,86,794</u>	<u>68,50,39,492</u>



Notes on financial statement for the year ended 31st March 2014

	For the Year ended 31.3.2014 (Amount in `)	For the Year ended 31.3.2013 (Amount in `)
Note No. 29. OTHER EXPENSE		
Power & Fuel	1,24,01,783	3,35,18,420
Insurance	88,42,603	1,28,26,074
Rent	1,04,34,312	1,93,26,810
Rates & Taxes	6,73,35,424	12,37,51,389
Consultancy Charge	2,76,97,020	4,47,55,146
Project Monitoring Fees	87,98,428	76,16,924
Project Maintenance Fees	53,90,109	32,48,542
Tender Fees	32,64,757	18,17,359
Travelling Expense	1,10,98,857	1,82,26,588
Vehicle Hire Charge	52,97,023	77,34,667
Security Service charge	87,14,458	89,91,002
Value of asset discarded	17,01,592	5,87,098
Payment to Auditors		
- Audit Fees	16,53,320	14,46,853
- Other Services	1,68,200	2,39,500
Repairs & maintainance for		
Machineries	57,01,319	1,56,96,827
Vehicles and Others	45,90,861	2,79,33,740
Road	6,84,25,809	4,10,65,445
Provision for Bad Debts	19,87,99,882	15,98,95,479
Bad Debts	-	2,02,73,302
Loss on sales of Fixed Assets	12,17,467	8,29,713
Air Conditioning Work	-	38,200
Bituminous Work	-	1,21,66,013
Civil Work	79282741	4,40,17,838
Concrete Work	8381548	1,43,39,497
Doors & Windows Work	-	53,61,925
Donation	303411	4,752
Earth Work	2,69,14,500	4,59,37,414
Fabrication Expense	1,18,33,950	1,24,93,680
Flooring Work	-	50,81,007
Pollution control exp	-	1,04,000
Machineries Hire Charges	68,91,795	1,48,22,593
Masonry Work	-	1,84,87,538
Miscellaneous Site Work	13,58,47,802	3,64,28,291
Land Scaping	-	3,42,329
Painting Work	14,30,031	3,76,09,362
Payment to Site Workers	6,28,98,061	9,16,07,267
Pipe Laying Work	-	7,26,03,375
Reinforcement Work	-	1,79,22,639
Road Work	31,84,23,708	6,54,97,339
Safety Expense	8,332	46,822
Sanitary Work	29,855	35,330
Shuttering Work	2,57,09,455	3,71,48,247
Toll plaza Work	22,42,313	17,03,609
Water Proofing Work	-	59,05,456
Penalty Charge	1,000	40,900
Crash Barrier	-	11,72,145
Water Harvesting work	-	12,420
Miscellaneous Expenditure	35060246	2,50,29,199
TOTAL	<u>1,16,67,91,967</u>	<u>1,11,57,40,065</u>

30). CONTINGENT LIABILITIES AND COMMITMENTS:

Rs. In Lacs

		As At 31-03-14	As At 31-03-13
a.	Claims against the Company / Disputed Liabilities not acknowledged as debts	263.63	505.79
b.	Guarantee issued by the bankers on behalf of the Company	4622.48	11113.92
c.	Guarantee given by the company to bankers for the facilities granted.	36410.61	34212.56
d.	Income tax Demand disputed by the Company	5069.59	1107.31
e.	Service Tax Demand disputed by the Company	463.74	-
f.	Liabilities of stamp duty in respect of joint Venture Company	426.74	426.74
g.	Liability of Labour cess in respect of Joint Venture Company	345.44	477.84

31) Security Deposits and retention money deducted from contract receipt are subject to confirmation and adjustment, if any, on finalization of account.

32) Build, Operate & Transfer Projects (BOT Projects)

The Company obtained a contract on Build, Operate and Transfer (BOT) basis from the Madhya Pradesh State Industrial Development Corporation (MPSIDC) for execution of Dewas Water Supply project.

In terms of contract the ownership of the said property vests in the government immediately. Under the contract the Company is entitled to collect the water supply charge during the concession period of 32 years including the period of construction or reconstruction.

In earlier year the Company finished the construction and obtained the provisional certificate for commissioning and started operations. However the Company could not achieve the optimal capacity and was advised to complete the project to achieve the desired and specified results by MPSIDC as also to expand the capacity and to under take reconstruction and completion

Accordingly the Company has undertaken reconstruction and completion of the project so as to achieve the desired capacity as also increase the capacity for supply of water from BOT Project.

Having regard to the accounting policies followed by the Company, the entire expenditure incurred thereon (net of revenue for supply of water) is shown as Build, Operate and Transfer project expenditure and would be amortized / written off based on the projected toll revenue during the balance concession period.

In the prior financial year(s) the Company had written off, operational and maintenance expenses including interest. However due to reconstruction and completion under taken, the Company has discontinued that practice from the year 2011-12.

33) The Company is operating in a single segment only during the year i.e. Infrastructure Development Contract.

34) Disclosure in accordance with Accounting Standard – 7 (Revised).

Particulars	2013-14	2012-13
Contract Revenue	25757.31	75213.51
Contract Cost Incurred	25545.07	68944.84
Recognized Profits / Losses	1217.89	6268.67
Advances Received	348.03	778.71
Retention Money	1199.76	5356.09
Gross Amount due from Customers For Contract Work	1101.30	4667.50

35) Disclosure relating to Employees Benefits – As per revised AS-15:

During the year Company has recognized the following amount in the financial statements.

a) Contribution to Defined Contribution Plan recognized as Expense for the year as under:

Particulars	
Employer Contribution to Provident Fund	178.48
	(201.43)

b) The Company has estimated its liability for the staff gratuity for the current year and made necessary provision in the books of accounts.



36) Transaction with related parties (as certified by the management)

a. Associate Concern:

- Welspun Max Steel Limited
- Welspun Steel Limited
- Welspun India Limited
- Welspun Retails Limited
- Welspun Captive Power Generation Limited

b. Holding / Indirect Holding Company

- Welspun Corp. Limited (up to 24th Jan 2014)
- Welspun Infratech Limited
- Welspun Enterprise Limited

c. Key Management

Name	Position
B.K. Goenka	Chairman
Sandeep Garg	Managing Director
Rajesh R Mandawewala	Director

Sr	Transaction with Related Parties	Holding Company	Associate Company	Rs. In Lacs
				Key Management
1	Sales / Income from operations	1368.16 (3529.81)	5591.19 (5511.41)	- (-)
2	Other Income	- (-)	- (115.37)	-
2	Material Purchase	282.28 (342.54)	947.24 (1599.87)	- (-)
3	Reimbursement of Expense	11.88 (-)	64.01 (147.58)	- (-)
4	Mobilization Advance Received	7.73 (-)	1011.91 (135.00)	- (-)
5	Mobilization Advance Repayment	393.11 (174.91)	673.17 (106.53)	- (-)
6	Loan given	- (-)	150.00 (3300.00)	- (-)
7	Loan Received	387.60 (757.08)	1.01 (66.92)	- (-)
8	Repayment of Loan Received	37.30 (469.04)	0.95 (66.92)	- (-)
9	Repayment of loan given	- (-)	150.00 (3300.00)	- (-)
10	Sales of Shares.	8100.00 (-)	- (-)	- (-)
11	Remuneration to the Directors	- (-)	- (-)	183.51 (145.45)
12	Receivable at the end of the year	217.58 (800.60)	434.26 (1015.87)	-
13	Payable at the end of the year	23.93 (1775.46)	376.51 (469.93)	-

37) Based on the expert's opinion taken by the Company, subsidy of Rs.126,53,79,840/- (Previous Year Rs.1,26,53,79,840/-) received from Madhya Pradesh Rajya Setu Nirman Nigam Limited, and Gujarat State Road Development Corporation against the Build, Operate and Transfer projects expenditure is in the nature of promoter contribution and accordingly treated as Capital Reserve in the books of account of the Company.

38) Earnings per share:

	2013-14	2012-13
A. Net profit/ (loss) after Tax available for equity shareholders.	(610056340)	5,89,01,391
B. Weighted average number of Equity Shares of Rs. 10/- each outstanding during the year (Nos. of Shares)	40000000	40000000
C. Basic & Diluted Earnings Per Share (Rs.)	(15.25)	1.47

WELSPUN Projects Ltd.

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- 39) Confirmations of certain parties for amounts due from them as per accounts of the company are not obtained. Amount due from customers include amounts due/with held on account of various claims. The claims will be verified and necessary adjustments, if any, shall be made in the year of settlement. Subject to this, company is confident of recovering the dues and accordingly they have been classified as "debt considered good" and therefore no provision is considered necessary, there against.
- 40) Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act") which came into force effective from 2nd October, 2006, certain disclosures relating to amounts due to micro, small and medium enterprises and remained unpaid after the appointed date etc. of principal and interest amounts are required to be made. The Company is in the process of compiling the relevant information. As the relevant information is not yet readily available and / or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may Subsequently become payable to such enterprise in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.
In the absence of the necessary information with the Company relating to the registration status of the suppliers under the Micro, Small and Medium Enterprises Development Act' 2006, the information required under the said Act could not be compiled and disclosed.
- 41) In the opinion of the Directors, Current Assets, Loans and Advances have value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 42) In respect of Joint controlled entities, the Company's Assets, Liabilities, Income and Expenditure of the Joint Venture companies/Company's are as follows.

Sr		31-3-2014 (Amount in Rs.)	31-3-2013 (Amount in Rs.)
I.	EQUITIES AND LIABILITIES		
1.	Shareholders' Funds		
a.	Reserves and Surplus	353188204	351,987,038
2.	Non Current Liabilities		
a.	Long Term borrowings	1593296004	1423122307
b.	Deferred tax liabilities (Net)	-	(39128000)
3.	Current Liabilities		
a.	Trade Payable	3054032	38489324
b.	Other Current Liabilities	222097967	555486886
	TOTAL	2171636207	2329957555
II.	ASSETS:		
1.	NON CURRENT ASSETS		
a.	Fixed Assets		
i.	Tangible Assets	4256592	2812428
ii.	Build, Operate & Transfer Project Expenditure	2715618301	2828270236
	Deferred tax assets (Net)	40497000	-
b.	Long Term Loan & Advances	1807478	38250362
c.	Other Non Current Assets	-	10100
2.	CURRENT ASSETS		
a.	Trade Receivable	-	8913119
b.	Cash & Cash Equivalent	47273396	53726440
c.	Short Loan & Advances	664739	6426886
	TOTAL	2810117506	2938409571
III.	INCOME	358150344	368685377
IV.	EXPENDITURE	341064795	383670308

43) Previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.

FOR & ON BEHALF OF THE BOARD

CHARTERED ACCOUNTANTS

(H.B.SHAH)
PARTNER
MEMBERSHIP NO. 16642

CHAIRMAN
(B.K.GOENKA)

MANAGING DIRECTOR
(SANDEEP GARG)

PLACE: VADODARA
DATE : 21-05-2014

COMPANY SECRETARY
(NILESH JAVKER)



WELSPUN PROJECTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & exceptional items	(34,82,77,885)	2,87,63,214
Depreciation	5,31,45,141	67666788
Preliminary Expense	1,56,380	165905
Amortisation of BOT Cost	30,11,85,273	617216325
Deferred Tax	(13,89,431)	-
Finance Cost	39,68,59,366	473770836
Loss On Sale of Fixed Assets	12,17,467	(829713)
Provision for Bad-Debts	19,87,99,882	20273302
Bad Debts	-	159895479
Profit on Sale of Investments	(21,22,974)	(5785588)
Profit on sale of Stake in BUL MSK Infrastructure P Ltd (Joint Venture)	(5,11,24,201)	-
Profit on Sale of fixed assets	(1,94,84,137)	-
Provision for Leave Encashment & Gratuity	2,25,27,255	3197910
Unclaimed liabilities Written back	(5,44,21,862)	
Intangible Assets Written Off	17,01,592	
Dividend received	(37,600)	(32800)
Operating Profits before Working Capital changes	49,87,34,266	1364301658
Adjustment for:		
Inventory & WIP	9,16,67,788	33622378
Trade & Other Receivables	(2,04,12,926)	180689246
Trade Payables & Provisions	(69,47,34,643)	567128881
	(62,34,79,781)	781440505
Cash generated from Operations before Tax & Exceptional Item	(12,47,45,515)	2145742163
Less: Direct Taxes	(1,00,16,143)	(30138176)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(11,47,29,372)	2175880339
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,47,34,201)	(14675052)
Sale of Fixed Assets	17,92,88,868	10358190
Sales of Investment	81,17,89,363	(1679258173)
Purchase of Investment	(31,88,30,022)	-
BOT expenditure incurred during the Year	(9,63,74,877)	(95932391)
Dividend Received	37,600	32800
NET CASH USED IN INVESTING ACTIVITIES	56,11,76,731	(1779474626)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Loan during the Year	(16,16,26,878)	(276439771)
Interest paid	(39,68,59,366)	(473770,836)
NET CASH FROM FINANCING ACTIVITIES	(55,84,86,244)	(75,02,10,607)
Net changes on Cash & Cash Equivalents (A+B+C)	(11,20,38,885)	(35,38,04,894)
Cash & Cash Equivalents - Opening Balance	28,05,30,337	63,43,35,231
Cash & Cash Equivalents - Closing Balance	16,84,91,452	28,05,30,337
	(11,20,38,885)	(35,38,04,894)

As per our report of even date
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & CO.
Firm registration number: 101676W
CHARTERED ACCOUNTANTS

For & On Behalf Of The Board of
WELSPUN PROJECTS LIMITED

(H. B. Shah) - Partner
Membership No. 16642

(B. K. Goenka)
Chairman

(Sandeep Garg)
Managing Director

(Nilesh Javker)
Company Secretary

Place: Vadodara
Date : 21-05-2014

WELSPUN Projects Ltd.

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STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

Rs. In Lacs

Name of the subsidiary company	MSK Projects (Himmatnagar) Bypass P Ltd	MSK Projects (Kim Mandvi Corridor) Private Ltd	Anjar Road Private Limited
Financial Year of the subsidiary ended on	31-Mar-14	31-Mar-14	31-Mar-14
Share Capital	24.20	673.00	1.00
Reserves & Surplus	382.80	(43.93)	-
Total Assets (Fixed Assets + Investments + Current Assets)	418.43	5,020.08	1.25
Total Liabilities (Debts + Current Liabilities)	11.43	4,391.01	0.31
Investment (excluding investments in subsidiaries)	-	-	-
Turnover	292.46	419.27	-
Profit before Taxation	14.05	(398.67)	-
Provision for Taxation	2.68	-	-
Profit after Taxation	11.37	(398.67)	-
Proposed Dividend	-	-	-

AS PER OUR REPORT OF EVEN DATE
FOR CHANDRAKANT & SEVANTILAL & J.K. SHAH & COMPANY
CHARTERED ACCOUNTANTS
REGISTRATION NO. 101676W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
WELSPUN PROJECTS LIMITED

H.B. SHAH - PARTNER
MEMBERSHIP NO. 016642

B. K. Goenka
Chairman

Sandeep Garg
Managing Director

Nilesh Javker
Company Secretary

WELSPUN



Dare to Commit

WELSPUN Projects Ltd.

www.welspunprojects.com

Welspun House, 4th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (west), Mumbai – 400 013, INDIA.