

WELSPUN



Dare to Commit

WELSPUN ENTERPRISES LIMITED

Registered Office: Welspun City, Village Versamedi, Tal : Anjar, Dist. Kutch, Gujarat -370 110.

Tel: +91 2836 662222 **Fax:** +91 2836 279010

E-mail: companysecretary_wepl@welspun.com

Website: www.welspunenterprises.com

Contact Person: Mr. Rajendra Sawant, Company Secretary & Compliance Officer

Welspun Enterprises Limited was originally incorporated as “Welspun Infra Enterprises Private Limited” on 5th November, 2012 under the Companies Act, 1956. Subsequently the Company was converted into a public company and the name of the Company was changed to “Welspun Infra Enterprises Limited” w.e.f. 9th April, 2013. Subsequently the name of the Company was changed to “Welspun Enterprises Ltd” w.e.f. 11th June, 2013. The main object of the Company was changed to enable the Company to do trading in commodities, metal products including steel and other goods used in industrial and other commercial activities, as its main business w.e.f. 22nd January, 2014.

The Hon’ble High Court of Gujarat at Ahmedabad by its order dated 10th January, 2014 has approved the Scheme of Arrangement between Welspun Corp Limited and the Company and their respective members and creditors, pursuant to which, inter alia, the Other Business Division of Welspun Corp Ltd was transferred to the Company and in consideration thereof, 1 (One) equity share of the Company was issued for every 20 (twenty) equity shares of Rs.5 each of Welspun Corp Ltd held on the Record Date fixed for the purpose and accordingly, 1,31,47,415 equity shares of Rs.10/- each were allotted to the shareholders of Welspun Corp Ltd.

INFORMATION MEMORANDUM FOR LISTING OF 1,31,47,415 EQUITY SHARES OF RS.10/- EACH.

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM.

General Risks:

Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Welspun Enterprises Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Welspun Enterprises Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

Absolute Responsibility of Welspun Enterprises Limited:

Welspun Enterprises Limited, having made all reasonable enquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to Welspun Enterprises Limited, which is material in the context of the issue of shares pursuant to the scheme, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Listing:

The equity shares of the Company are proposed to be listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on the Company's website viz. www.welspunenterprises.com. The Information Memorandum would also be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).

Address for Correspondence:

Company Secretary and Compliance Officer:
Welspun Enterprises Limited
Corp. Office:
Welspun House, 7th Floor,
Kamala Mills Compound,
Lower Parel,
Mumbai – 400 013, India.

Registrar to the Issue:

Link Intime India Pvt Ltd.

**C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West)
Mumbai – 400 078**

Email : rnt.helpdesk@linkintime.co.in

Tel : 022- 25946970 Fax : 022-25946969

TABLE OF CONTENTS

S.No	Particulars	Page No.
1.	Definitions, Abbreviations & Industry related terms	3
2.	Forward Looking Statements	6
3.	Risk Factors	7
4.	Industry and Business Overview	10

5.	General Information	14
6.	Capital Structure	16
7.	Scheme of Arrangement of Demerger	17
8.	Statement of Tax Benefits	23
9.	About Welspun Enterprises Limited	29
10.	Management	30
11.	Promoters	34
12.	Financial Information	37
13.	Group Companies – Financial and Other Information	59
14.	Outstanding Litigations and Material Developments	70
15.	Government Approvals	79
16.	Regulatory and Statutory Disclosures	79
17.	Other Information	82
18.	Declaration	82

Company/ Issue/Industry related terms:

Term	Description
Act / Companies Act	The Companies Act, 1956 and The Companies Act, 2013 as applicable and as amended from time to time including Rules made thereunder.
Articles/Articles of Association	Articles of Association of the Company
Appointed Date	Appointed Date as defined in the Scheme i.e. April 1, 2012
AS	Accounting Standards, as issued by the Institute of Chartered Accountants of India
ALC	Assistant Labour Commissioner
Auditor	Auditor refers to M/s. MGB & Co.
BKG	Balkrishan Goenka
Board / Board of Directors	Board of Directors of the Company
BSE Limited	The Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Demerged Company	Welspun Corp Limited
Designated Stock Exchange	The designated stock exchange for the Issue shall be National Stock Exchange of India Limited
Depositories Act	The Depositories Act, 1996 and amendments thereto
DEPB	Duty Entitlement Passbook Scheme
DP	Depository Participant
DRI	Department of Revenue Intelligence
EGM	Extraordinary General Meeting
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 and Rules made thereunder.

Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GOI	Government of India
IT Act	The Income Tax Act, 1961 and amendments thereto and Rules made thereunder.
IDA	Industrial Dispute Act, 1947 and amendments thereto and Rules made thereunder
KTL	Krishiraj Trading Limited
LC	Labour Commissioner
Memorandum/Memorandum of Association	Memorandum of Association of the Company
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Order	Order as defined in the Section "Scheme of Arrangement"
Observation Letters	Letter of National Stock Exchange Limited dated August 14, 2013 bearing reference no. NSE/LIST/213262-L and Letter of BSE Limited dated 19 th August, 2013 bearing reference no. DCS/AMAL/BS/24(f)/198/2013-14
Record Date	February 20, 2014
ROC	Registrar of Companies, Gujarat at Ahmedabad
Scheme	Scheme as defined in Section "Scheme of Arrangement"
SEBI (SACP)	Securities & Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2014 and as may be amended from time to time
SEBI (SAST)	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and further amended from time to time
SEBI (PIT)	Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and further amended from time to time
SCA	Special Civil Application
SCN	Show Cause Notice
SEBI	Securities and Exchange Board of India
SEBI Circulars	Circular bearing Ref. No. CIR/CFD/DIL/5/2013 dated 4 th February, 2013, and Circular bearing Ref No. CIR/CFD/DIL/8/2013 dated 21 st May, 2013, both issued by SEBI.
Stock Exchange(s)	BSE and NSE
WFTL	Welspun Fintrade Private Limited
WIL	Welspun India Limited
WInFL	Welspun Infratech Limited
WMSL	Welspun Maxsteel Limited

WPL	Welspun Projects Limited
WPPL	Welspun Plastics Private Limited
WNRL	Welspun Natural Resources Private Limited
WSL	Welspun Syntex Limited
We/our/ourselves/us	Welspun Enterprises Limited and its subsidiaries/Welspun Energy Ltd
WEPL/The Company/the Resulting Company	Welspun Enterprises Limited
WCL/Demerged Company	Welspun Corp Limited
WWL	Welspun Wintex Limited

FORWARD LOOKING STATEMENTS:

We have included statements in this Information Memorandum which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward looking statements”. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements, actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- General economic and business conditions in India and other countries;
- Regulatory changes and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion plans;
- Technological changes;
- Exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments;
- Monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates of prices, the performance of the financial markets in India and globally;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” of this Information Memorandum. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialise.

RISK FACTORS:

1. We face competition from domestic and international players that may adversely affect our competitive position and our profitability.

2. Our business is directly linked to health of economic conditions prevailing in the market and therefore recession/slowdown in major consuming places can adversely hit the demand as well as price realization.

3. Our subsidiary/ investee companies' businesses viz. DRI, Infrastructure, Energy, Oil & Gas Exploration, and EPC have risks peculiar to the respective businesses.

4. Our business is dependent on maintaining a continuing relationship with our customers. Any inability on our part to maintain the same could adversely impact our operations and profitability.

5. Our future profitability is difficult to predict. Any unfavorable changes in the factors affecting our trading activity may adversely affect our operations and profitability.

6. Our business and results of operations may be adversely affected by, among other factors, the following:

- extended sales cycle for commodities traded in by the Company;
- timing and integration of acquired businesses, if any;
- economic downturns or stagnant economies and global markets;
- a decrease in international demand /prices for commodities traded in by the Company;
- adverse changes in purchasing practices of our customers;
- the ability to raise the finance required for business; and/or an increase in interest rates at which we can raise debt financing;
- changes in government policies, including introduction of adverse changes in tariff or non-tariff barriers, affecting the industries in relation to which trading activity is done globally;
- the time required to recruit /train new employees in order to use their skills effectively to achieve orders and maintain relationship with the intermediaries/customers.

All of the above factors may affect our order bookings and therefore have an impact on our results.

7. Our operating expenses include fixed costs mainly sales personnel and other personnel by way of salary that are not dependent upon our order bookings. As a result, any decline in our operating performance may be magnified because we may be unable to reduce expenses

immediately in response to a potential shortfall in order bookings. Our operating expenses also include significant variable costs which may impact on our profitability.

8. Stringent environmental, health and safety laws and regulations or stringent enforcement of existing environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures.

9. We may not be able to implement any proposed acquisition, partnership or alliance as part of our business or growth strategy successfully or timely and may require additional capital to fund such proposed acquisition, partnership or alliance, which would adversely affect our operations and profitability.

10. We are subject to risks associated with product warranty, recall and product liability costs due to defects in the products traded in by us, which could generate adverse publicity or adversely affect our business, results of operations or financial condition.

11. Limits on intellectual property and other statutory/regulatory protection may make us vulnerable to competition from other parties that use similar technology and expertise.

12. We sell products in highly competitive markets. Inability to compete effectively may lead to reduced operating margins, and adversely affect our operations and profitability.

13. Our success significantly depends on our management and operational teams and other skilled professionals. If we fail to retain, motivate and/or attract such personnel, our business may be unable to grow and our revenues could decline, which may decrease the value of our Equity Shares.

14. We may be exposed to foreign exchange fluctuations and other exchange control risks.

15. Our costs could increase if tax and duty benefits applicable to our business and industry are reduced or withdrawn by the applicable statutory/ regulatory authorities.

16. Our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business would adversely affect our operations and profitability.

17. Any unfavorable outcome in legal proceedings initiated by or against us may adversely affect our operations and profitability.

18. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

19. Our operations are subject to high working capital requirements. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.

20. Political instability or changes in the policies formulated by the Government of India from time to time could affect the liberalization of the Indian economy and adversely affect our business, results of operations and financial condition.

21. Natural calamities could have a negative impact on the Indian economy and harm our business.

22. A slowdown in the economic growth in India or in the economy globally could significantly affect our growth rates.

23. There may be less company information available in Indian securities markets than more developed countries.

24. The lack of efficacious judicial remedies in India, and the inability of our Company and/or our shareholders to obtain any favourable order, judgment or decree from a court of competent jurisdiction in India in a timely manner, or at all, may adversely affect their respective rights.

25. Significant differences exist between Indian GAAP and other accounting principles with which investors may be more familiar.

26. Financial instability in other countries, particularly emerging market countries, could adversely impact our business.

27. Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect our Company's business and its profitability.

28. Our ability to raise foreign capital may be constrained by Indian law.

29. Shareholders will bear the risk of fluctuations in the price of the Equity Shares.

30. Fluctuation in the exchange rate between the Rupee and any other currency could have a material adverse effect on the value of the Equity Shares, independent of our operating results.

31. Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

The aforesaid Risk Factors pertain to the Company's direct as well as indirect business conducted through subsidiaries companies and that of the investee company

INDUSTRY AND BUSINESS OVERVIEW:

Business Organization

Welspun Enterprises Limited (WEL), part of the Welspun Group, is a trading/operating Company as well as a holding company. Through the de-merger of Welspun Corp Limited, the DRI/Steel, Infrastructure, Oil & Gas exploration and Energy businesses which were earlier under Welspun Corp Limited's umbrella and conducted by subsidiary and associate company were transferred to Welspun Enterprises Ltd. The "Scheme of Arrangement" for the demerger was sanctioned by the Hon'ble High Court of Gujarat via court order dated 10th January 2014 and came into effect on 24th January 2014.

The Company's key activity is trading of commodities, especially cotton and steel. Apart from that, the company holds equity investments in Welspun Infratech Limited (infrastructure), Welspun Energy Limited (renewable energy), Welspun Maxsteel Ltd (DRI/steel) and Welspun Natural Resources Private Limited (Oil and gas exploration).

Overview of the Indian economy

The global economic environment continued to be challenging during the last year. During the current year, the global financial markets has been facing 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.

For the Indian economy, the slowdown in growth that began in FY12 continued in FY13 and the elapsed portion of FY14. India's real GDP growth rate hit a new decade low of 4.5% in 2012-13. While the slowdown was broad-based affecting all major sectors of economic activity, construction and mining were the worst-hit. The economic growth rate continued to stay below the 5% mark in the first half of 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 brighter. Global growth, after decelerating for the last three years is poised to improve in 2014, 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 with the formation of a new government, post the general elections scheduled in May 2014. 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.

Industry overview

Infrastructure sector

Infrastructure is key to the development of any economy. For India, the fast growth of the economy in recent years has placed increasing stress on physical infrastructure such as electricity, railways, roads, ports, airports, irrigation, urban and rural water supply and sanitation, all of which already suffer from a substantial deficit. A significant improvement in infrastructure is essential for India, if it is to maintain its high growth trajectory.

The Twelfth Five Year Plan recognises that adequate investment in the development of infrastructure is a prerequisite for higher growth. Accordingly, an investment of Rs. 51.46 trillion has been projected for the XII Plan which is more than twice the investment during the Eleventh Plan. This indicates that there is huge potential in Infrastructure and presents a huge opportunity for infra firms, on the construction side as well as the on the investment side.

The ambitious target for investment in infrastructure is constrained by the limited budgetary allocations, especially in view of the renewed emphasis on social sectors. As a result, the role of private investment in funding infrastructure projects assumes greater significance in delivering the Twelfth Plan targets. The Twelfth Plan projects a share of 48 per cent of private investment against 36.6 per cent anticipated in the Eleventh Plan.

In order to accommodate and accelerate private investments in the infrastructure sector, the Government of India has taken several initiatives in the last few years. These include constitution of a Public Private Partnership Appraisal Committee (PPPAC), setting up of India Infrastructure Finance Company Limited (IIFCL), putting in place a Viability Gap Funding (VGF) scheme, adoption of standardized documents such as model concession agreements and bidding documents.

However, there remain certain hurdles and roadblocks which need to be overcome for infrastructure activity to pick up. Some of these are:

- Delays in land acquisition
- Multiplicity of regulatory approvals and environmental clearances
- Limited avenues to raise long-term funding
- Inadequate skilled manpower

DRI/Steel Industry

India is the 4th largest steel producing country in the world behind China, Japan and the US with a crude steel production of 76.7 million tonnes in 2012. Steel production in India has increased at a CAGR of 7.7 per cent over 2005–12 and continues to showcase trends of higher consumption of finished steel. The country continues to be a net importer on account of increased demand for special grades of steel in the country.

With GDP growth weakening in the last two years, the steel industry has also faced a slowdown during this period. Key steel using sectors such as automobile and construction were affected by the slowdown which dragged down the capacity utilisation in the industry below 80%. Apart from this, gas based DRI plants have struggled to receive even a portion of the allocated gas,

due to fall in production of gas in the country. This has forced players to depend on expensive imported gas, pushing up costs and affecting profitability.

However, the outlook is brighter. Strengthening domestic consumption and improving external conditions are expected to help underpin the growth of steel using sectors. Steel industry is highly correlated with GDP and with domestic GDP growth expected to pick up, the steel industry is expected to grow at around 7% in 2014. In the medium term, huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors. In view of the rising demand, large public and private sector players are strengthening their steel production capacity which would make India the second-largest steel producer by 2015. With the government almost doubling gas prices in the country, the availability of gas is also expected to improve significantly. In spite of the domestic gas price increase, the average gas cost of gas-based DRI players will go down if their dependence on imported LNG (which is much more expensive) reduces.

Key Risks and Concerns:

- Demand slowdown in steel consuming industries such as automobiles, construction etc
- Gas availability

Oil and Gas Exploration Industry

Global Upstream oil and gas investment for 2012 was estimated at about US\$ 620 billion - higher by 8% than in 2011 and 20% than in 2008. For 2013, the investment is expected to grow 7% reaching around US\$650 bn. The increased spending reflects a combination of improved returns spurred by higher oil prices and rising costs of current and planned projects. Gas prices also remained high in Asia driven by demand in Japan, China and India.

India was the fourth largest consumer of crude oil (including the crude used for exporting petroleum products) with a consumption of 172 MMT (3.65 mbpd). This translates to a 5% growth over consumption in 2011 and 4.2% of total world consumption. On the other hand, India's natural gas consumption declined by 11% due to decrease in domestic production despite about 20% increase in LNG import. With an import of 20.5 MMT during 2012, India is now the fourth largest importer of LNG in the world.

For the next decade, India is expected to be one of the fastest growing regions in terms of crude oil as well as natural gas demand. The supply of domestic oil and gas should also increase to reduce our dependence on imports. An essential requirement for this is market-based pricing for the products extracted. While some steps have been taken in this direction based on the recommendations of the Rangarajan committee, there is still a long way to go in this direction.

Key Risks and Concerns:

- Regulatory control on output prices
- Increasing costs of exploration such as rig costs
- Commercial viability of discoveries

Energy sector (Power)

Electricity demand normally traces the growth in GDP and in India electricity demand has been growing at a 9% CAGR over the last decade. However, power supply has not kept pace with the demand, leading to an energy deficit of around 9%.

In the past, the source of energy for generating electricity was predominantly fossil fuel viz. coal, gas and oil, but the focus has shifted to renewable energy in recent years. This is on account of various factors like challenges in thermal sector, India's commitment to reduce carbon emission, availability and affordability of inputs like solar panels, and supporting policy and structural framework. This has resulted in renewable energy capacity growing at a CAGR of 18.4% between FY2007 (10.2 GW) and FY2013 (28.1 GW). It now contributes 12.3% of total generation capacity in the country.

The Ministry of Non- conventional Renewable Energy (MNRE) has estimated an aggregate of over 245 GW of grid connected renewable energy potential in the country. Also, development of National Action Plan on Climate Change has identified solar energy as one of the National Missions. Consequently, the Jawaharlal Nehru National Solar Mission (JNNSM) aims to have 20 GW of solar energy deployed and achieve grid parity by 2022. Policy and structural changes initiated by the government have given the initial boost to the renewable power sector. This has resulted in progressively falling cost of generation, thus moving towards achieving grid parity. Other sources of renewable energy viz. wind, biomass, small hydro, geothermal, tidal etc. are also expected to boost the contribution of renewable in the overall electricity portfolio of India.

Key risks and concerns for the renewable industry:

- Delays in Land acquisition
- Delays in statutory approvals and clearances from the authorities
- Availability and cost of capital - both equity and debt funding
- Evacuation issues
- Rapid changes in technology in solar power
- Weak financial condition of electricity distribution Companies
- Lack of availability of adequately skilled and technical manpower

GENERAL INFORMATION:

Welspun Enterprises Limited

A Public Limited Company under the Companies Act, 1956.

Registered Office

Welspun City,
Village Versamedi, Tal: Anjar, District : Kutch,
Gujarat – 370110.
Telephone No. : +91 2836 662222
Fax No. : + 91 2836 279010

Welspun Enterprises Limited was originally incorporated as “Welspun Infra Enterprises Private Limited” on 5th November, 2012 under the Companies Act, 1956. Subsequently the Company was converted into a public company and the name of the Company was changed to “Welspun Infra Enterprises Limited” w.e.f. 9th April, 2013. Subsequently the name of the Company was changed to “Welspun Enterprises Ltd” w.e.f. 11th June, 2013. The main object of the Company was changed to enable the Company to do trading in commodities as its main business w.e.f. 22nd January, 2014

CIN: U51101GJ2012PLC072578

Board of Directors

Mr. Balkrishan Goenka , Chairman
Mr. Ram Gopal Sharma, Director
Mr. Atul Desai, Director
Mr. AK Dasgupta, Director
Mr. Sandeep Garg, Managing Director

Authority for listing:

The Hon’ble High Court of Gujarat, vide its order dated January 10, 2014 has approved the Scheme of Arrangement between Welspun Corp Limited and Welspun Enterprises Limited and their respective shareholders & creditors. In accordance with the said scheme, the Equity shares of the Company to be issued pursuant to the Scheme shall be listed and admitted to trading on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Such listing and admission for trading is not automatic and will be subject to fulfillment by the Company of listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by the Company seeking listing.

Eligibility Criterion

The Company has submitted its Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their

websites viz. www.bseindia.com and www.nseindia.com. The Company has made the said Information Memorandum available on its website viz. www.welspunenterprises.com. The Company will publish an advertisement in the news papers containing its details in line with the details required as in terms of para 6 of part B of the SEBI Circular dated 4th February 2013 . The advertisement will draw specific reference to the availability of this Information Memorandum on its website.

Auditors:

M/s. MGB & Co.
Chartered Accountants
Peninsula Business Park
Tower B, 19th Floor, Lower Parel, Mumbai-400013
T: +91-22-6124-6124
M: +91-9821-5384-53
W: www.mgbco.com

Bankers to the Company:

ICICI Bank Limited

Compliance Officer:

Mr. Rajendra Sawant
Company Secretary,
Welspun Enterprises Limited
Welspun House, 7th Floor,
Trade World, Kamala Mills Compound,
Lower Parel, Mumbai – 400 013.

E-mail address: companysecretary_wep1@welspun.com

Telephone No. : +91-22-66136000

Fax No. : +91-22-24908020

CAPITAL STRUCTURE:

SHARE CAPITAL:

Consequent to issue and allotment of shares pursuant to the Scheme, the Share Capital of the Company is as follows:

PRE SCHEME OF ARRANGEMENT OF DEMERGER:

PARTICULARS	AMOUNT(Rs.)
Authorised Share Capital	
50,000 Equity Shares of Rs.10 each	5,00,000
Total	5,00,000
Issue , Subscribed and Paid up Share Capital	
50,000 equity shares of Rs.10/- each fully paid	5,00,000
Total	5,00,000

POST SCHEME OF ARRANGEMENT OF DEMERGER:

PARTICULARS	AMOUNT(Rs.)
Authorised Share Capital	
1,50,00,000 equity shares of Rs.10 each	15,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid up Share Capital	
1,31,47,415 equity shares of Rs.10 each fully paid up	13,14,74,150
Total	13,14,74,150

SHARE CAPITAL HISTORY :

Date of allotment	Name of Allottee	No. of shares allotted
Subscription to M& AOA	Welspun Pipes Limited	9,999
Subscription to M&AOA	Devendra Patil (beneficial owner: Welspun Pipes Ltd	1
15.3.2013	Welspun Corp Ltd	39,995
15.3.2013	Pradeep Joshi (beneficial owner Welspun Corp Ltd)	1
15.3.2013	Shashikant Thorat (beneficial owner Welspun Corp Ltd)	1
15.3.2013	Ravindra More (beneficial owner Welspun Corp Ltd)	1
15.3.2013	Rajendra Sawant (beneficial owner Welspun Corp Ltd)	1
15.3.2013	Brijgopal Jaju	1

	(beneficial owner Welspun Corp Ltd)	
24.1.2014	Reduction of share capital pursuant to High Court Order sanctioning the Scheme of Arrangement	-50,000
21.2.2014	Shareholders of Welspun Corp Ltd on the Record Date pursuant to High Court Order sanctioning the Scheme of Arrangement	1,31,47,415
TOTAL		1,31,47,415

SCHEME OF ARRANGEMENT:

The Scheme

The Hon'ble High Court of Gujarat at Ahmedabad pursuant to its order dated January 10, 2014 ("Order") sanctioned the Scheme of Arrangement in the nature of Demerger of the Other Business Division of Welspun Corp Limited to Welspun Enterprises Limited and Reduction of Capital of the company ("Scheme"). The Order was filed with the Registrar of Companies, Gujarat on January 24, 2014 and then the Scheme became effective from January 24, 2014 with appointed date being April 1, 2012.

Rationale for Demerger:

- (i) the Demerged Company is the flagship company of the Welspun group of companies and is engaged in the Line Pipes Business and the Other Businesses which are managed by the Other Businesses Division (as defined hereinafter) and carried on mainly through its subsidiaries;
- (ii) it was considered appropriate that:
 - a) the demerger of the Other Businesses Division would enable the Demerged Company to focus on and enhance its Line Pipes Business by streamlining its operations;
 - b) the demerger would enable the Demerged Company and Resulting Company to pursue different business strategies and raise resources for meeting their respective growth requirements. and
 - c) the Demerger would enable the Resulting Company through its subsidiaries, and joint ventures to carry on and conduct the Other Businesses more efficiently and advantageously, as also permit the Demerged Company to carry on the Line Pipes Business more efficiently and advantageously.

High Lights of the Scheme and matters related thereto:

Upon the coming into effect of the Scheme i.e. January 24, 2014 and with effect from the Appointed Date i.e. April 01, 2012, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) of the Demerged Company shall, subject to the provisions of this Clause in relation to the mode of transfer and vesting and pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of applicable laws, rules and regulations for the time being in force, without any further act or deed, stand transferred to and be vested in or

deemed to have been transferred to or vested in, as a going concern, into the Resulting Company together with all the estates, assets, titles, interest and Employees therein, subject however, to the provisions of this Scheme in relation to Encumbrances, if any, affecting the same or any part thereof. The transfer and vesting of the Demerged Undertaking to the Resulting Company shall be effected in the manner set out below.

1. All the moveable assets including cash in hand and cash equivalents of the Demerged Undertaking capable of being passed by manual delivery or by endorsement shall be physically handed over by manual delivery or endorsement and delivery, to the end and intent that the ownership and property therein passes to the Resulting Company on such handing over in pursuance of the provisions of Section 394 of the Act (as an integral part of the Demerged Undertaking) without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of Directors of the Resulting Company and the Demerged Company within 30 days from the Effective Date.
2. In respect of any assets belonging to the Demerged Undertaking, other than those referred to in Clause 5 above, the same shall without any further act, instrument, deed, matter or thing be transferred to and vested in and/or deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
3. Further, for assets belonging to the Demerged Undertaking including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the following modus operandi for intimating to third parties shall, to the extent possible, be followed:
 - (a) The Resulting Company shall give notice in such form as it may deem fit and proper to each party, debtor or depositee of the Demerged Company as the case may be, that pursuant to the Scheme coming into effect, the said debt, loan, advances, deposit etc. be paid or made good or held on account of the Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands extinguished, and that such right to recover or realize the same shall vest in the Resulting Company.
 - (b) The Demerged Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the Scheme coming into effect, the said person, debtor or depositee should pay the debt, loan, advance or deposit, or make good the same or hold the same to the account of the Resulting Company and that the right of the Resulting Company to recover or realise the same is in substitution of the right of the Demerged Company.

4. Upon the coming into effect of this Scheme, all debts, liabilities, loans and obligations incurred, if any, duties or obligations of any kind, nature or description (including contingent liabilities, if any) pertaining to the Demerged Undertaking (on the Appointed Date) shall, without any further act or deed, stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same and further that it shall not be necessary to separately obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of any of the liabilities which have arisen in order to give effect to the provisions of this Clause.
5. Upon the coming into effect of the Scheme, all debts, liabilities, loans and obligations incurred, if any, and duties and obligations of any kind, nature or description (including contingent liabilities, if any) undertaken pertaining to the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company in which the Demerged Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same and further that it shall not be necessary to separately obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of any of the liabilities which have arisen in order to give effect to the provisions of this Clause. Provided however that no debts, liabilities, loans, duties and obligations pertaining to the Demerged Undertaking shall have been assumed by the Demerged Company after the Appointed Date without the prior written consent of the Resulting Company otherwise than in the ordinary course of business.
6. Where any of the debts, liabilities, loans and obligations incurred, and duties and obligations undertaken pertaining to the Demerged Undertaking after the Appointed Date deemed to be transferred to and vested in the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
7. The Demerger and the transfer and vesting of the assets comprised in the Demerged Undertaking to and in the Resulting Company under this Scheme shall be subject to all Encumbrances, if any, affecting the same as hereinafter provided.
8. In so far as the existing Encumbrance, if any, in respect of the loans, borrowings, debts, liabilities of the Demerged Undertaking (“Transferred Liabilities”) is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of

the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- 9.** For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance over such assets relating to the Transferred Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and the Demerged Company shall be discharged from the obligations and Encumbrance relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or debentures or other debts or debt securities which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company), shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.
- 10.** Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such Transferred Liabilities.
- 11.** All Encumbrances or those, if any, created by the Demerged Company after the Appointed Date, in terms of this Scheme, over the assets comprised in the Demerged Undertaking or any part thereof transferred to the Resulting Company by virtue of this Scheme, shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Resulting Company. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Demerged Company which shall vest in the Resulting Company by virtue of the Demerger and the Resulting Company shall not be obliged to create any further or additional security thereof after the Demerger has become effective or otherwise.
- 12.** Without prejudice to the above and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute all instruments or documents and do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies and other authorities under the Act to give formal effect to the above provisions, if required.
- 13.** It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Transferred Liabilities transferred to the Resulting Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

- 14.** Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue of any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
- 15.** With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to the immovable properties, brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Resulting Company and may be enforced fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a beneficiary or obligee thereto.
- 16.** With effect from the Appointed Date, any and all statutory licenses, permissions, approvals and/or consents held by the Demerged Company pertaining to the Demerged Undertaking, required to carry on its business and operations shall stand vested in or deemed to be transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme coming into effect.
- 17.** The entitlement to various benefits under incentive schemes and policies in relation to the Demerged Undertaking shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Resulting Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and other incentives in relation to the Demerged Undertaking to be claimed by the Resulting Company with effect from the Appointed Date as if the Resulting Company was originally entitled to all such benefits under such incentive schemes and/or policies, subject to continued compliance by the Resulting Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Demerged Company .
- 18.** Pursuant to the Scheme coming into effect each of the permissions, approvals, consents, sanctions, remissions (including remissions under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs), special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Demerged Undertaking shall stand transferred under this Scheme to the Resulting Company and the Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file.
- 19.** It is clarified that all the taxes including withholding taxes and duties paid or payable by the Demerged Company in relation to Demerged Undertaking, from the Appointed Date

onwards including all or any refunds and claims shall, for all purposes, be treated as the tax and/or duty liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, pursuant to the provisions of this Scheme, the Demerged Company and the Resulting Company is expressly permitted to file its respective income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and any other return(s) (including revised returns) to claim advance tax, withholding tax, refunds/ credits. Notwithstanding the above, tax compliances (including payment of taxes, maintenance of records, payments, returns, etc) carried out by the Demerged Company in respect of the Demerged Undertaking from the Appointed Date up to the Effective date should be considered as adequate compliance by the Resulting Company and the Resulting Company should be considered to have met its obligations under the respective tax legislations.

Approvals with respect to the Scheme of Arrangement:

The Hon'ble High Court of Judicature at Gujarat, vide its order dated January 10, 2014 has approved the Scheme of Arrangement. In accordance with the said Scheme, the Equity shares of the Company issued pursuant to the Scheme, subject to applicable regulations shall be listed and admitted to trading on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by the Company seeking listing.

The aforesaid order of the Hon'ble High Court of Judicature at Gujarat was filed by WCL and WEL with the Registrar of Companies, Gujarat, Ahmedabad on January 24, 2014, which is the Effective Date of the Scheme.

WEL has applied to SEBI through NSE to grant relaxation from the strict enforcement of the requirement of Rule 19(2)(b) of the Securities Contract Regulation (Rules), 1957 (SCRR) for the purpose of listing of shares of WEL.

The Company has submitted this Information Memorandum, containing information about itself, making disclosures with reference to the disclosure requirement for public issues, as applicable, to BSE and NSE for making the said Information Memorandum available to public through their websites. This Information Memorandum is made available on the website of the Company viz. [www. welspunenterprises.com](http://www.welspunenterprises.com).

The Company will publish an advertisement in the newspapers containing its details in line with the details required as per SEBI Circular dated 4th February, 2013. The advertisement will draw a specific reference to the availability of this Information Memorandum on the website of WEL as well as the Stock Exchanges. The Company also undertakes that all material information about itself shall be disclosed to stock exchanges on a continuous basis so as to make the same available to public, in addition to the requirements, if any, specified in Listing Agreement.

STATEMENT OF TAX BENEFITS

STATEMENT OF TAX BENEFITS

As per the present provisions of Income-tax Act, 1961 (hereinafter referred to as —the IT Act) and other laws as applicable for the time being in force in India, the following tax benefits are available to the Company and to the shareholders of the Company, subject to fulfilment of prescribed conditions:

A. To the Company under the Income Tax Act, 1961 ('the IT Act')

1. Under Section 32 of the IT Act, the Company is entitled to claim depreciation allowance at the prescribed rates on all its tangible and intangible assets acquired and put to use for its business.

2. Under Section 35DD of the IT Act, the company is eligible for a deduction equal to one fifth of expenditure incurred wholly and exclusively for the purpose of amalgamation or demerger, for a period of five successive years beginning with the previous year in which the amalgamation or demerger takes place.

3. Under Section 10(34) of the IT Act, dividend income as referred in Section 115-O of the IT Act (whether interim or final) received by the Company from any other domestic company (in which the company has invested) is exempt from tax in the hands of the Company.

4. The income received by the Company from distribution made by any mutual fund specified under Section 10(23D) of the IT Act or from the Administrator of the specified undertaking or from the specified companies referred to in Section 10(35) of the IT Act is exempt from tax in the hands of the Company under Section 10(35) of the IT Act.

5. Under Section 10(38) of the IT Act, the Long-term Capital Gains arising on transfer of equity shares in any other company or units of equity oriented funds, which are chargeable to Securities Transaction Tax, are exempt from tax in the hands of the company. As per the provisions of Section 112(1)(b) of the IT Act, other Long-term Capital Gains arising to the Company are subject to tax at the rate of 20% (plus applicable surcharge and cess). However, as per the Proviso to that section, the long term capital gains resulting from transfer of listed securities or units or zero coupon bonds [not covered by Section 10(36) and 10(38) of the IT Act], are subject to tax at the rate of 20% on long-term capital gains worked out after considering indexation benefit (plus applicable surcharge and cess), which would be restricted to 10% of Long-term capital gains worked out without considering indexation benefit (plus applicable surcharge and cess).

6. As per the provisions of Section 111A of the IT Act, Short-term Capital Gains arising to the Company from transfer of Equity Shares in any other company or from sale of units of any equity oriented fund defined in Section 10(38) of the IT Act, are subject to tax @ 15% (plus applicable surcharge and cess), if such a transaction is subjected to Securities Transaction Tax.

7. In accordance with and subject to the conditions specified in Section 54EC of the IT Act, the Company would be entitled to exemption from tax on Long-term Capital Gain [not covered by

Section 10(36) and Section 10 (38) of the IT Act] if such capital gain is invested in any of the long-term specified assets (hereinafter referred to as the —new asset) to the extent and in the manner prescribed in the said section. Currently, the limit for investment in long term specified asset is Rs. 50 lakhs. If the new asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains for which exemption is availed earlier would become chargeable to tax as long term capital gains in the year in which such new asset is transferred or converted into money.

B. To the Shareholders of the Company

I. Resident Shareholders

1. Under Section 10(34) of the IT Act, dividend referred to in Section 115O of the IT Act (whether interim or final) received from a domestic company is exempt from tax in the hands of the resident shareholders of the Company.

2. Under Section 10(38) of the IT Act, the Long-term Capital Gain arising on transfer of equity shares in any company or units of equity oriented fund, which are chargeable to Securities Transaction Tax, are exempt from tax in the hands of the resident shareholders. As per the provisions of Section 112(1)(a) of the IT Act, other Long-term Capital Gains arising to the resident shareholders are subject to tax at the rate of 20% (plus applicable surcharge and cess). However, as per Proviso to that section, the long-term capital gains resulting from transfer of listed securities or units or zero coupon bonds [not covered by Section 10(36) and 10(38) of the IT Act], are subject to tax at the rate of 20% on long term capital gains after considering the indexation benefit (plus applicable surcharge and cess), which would be restricted to 10% of long term capital gains without considering the indexation benefit (plus applicable surcharge and cess).

3. Under Section 80CCG of the Income Tax Act where an resident shareholder make investment in a listed equity shares [or listed units of an equity oriented fund] in accordance with a scheme, as may be notified by the Central Government in this behalf, he shall be allowed a deduction, in the computation of his total income of the assessment year relevant to such previous year, of fifty per cent of the amount invested in such equity shares [or units] to the extent such deduction does not exceed twenty-five thousand rupees.

Where the shareholder has claimed and allowed a deduction under this section for any assessment year in respect of any amount, he shall not be allowed any deduction under this section for any subsequent assessment year.

4. As per the provisions of Section 111A of the IT Act, Short-term Capital Gains arising to the resident shareholders from the transfer of Equity Shares in a company or units of equity oriented fund defined in Section 10 (38) of the act, are subject to tax @ 15% (plus applicable surcharge and cess) if such a transaction is subjected to Securities Transaction Tax.

5. In accordance with and subject to the conditions specified in Section 54EC of the IT Act, the resident shareholders would be entitled to exemption from tax on Long-term Capital Gains [not covered by Section 10(36) and Section 10 (38) of the IT Act], if such capital gains are invested in any of the long-term specified assets (hereinafter referred to as the —new asset) to the extent

and in the manner prescribed in the said section. Currently, the limit for investment in long term specified asset is Rs. 50 lakhs. If the new asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains for which exemption is availed earlier would become chargeable to tax as long term capital gains in the year in which such new asset is transferred or converted into money.

6. In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent provided in Section 54F of the IT Act, the shareholder is entitled to exemption from Long-term Capital Gains arising from the transfer of any long term capital asset, not being on residential house [not covered by Sections 10 (36) and 10 (38) of the IT Act], if the net consideration is invested for purchase or construction of a residential house. If part of the net consideration is invested within the prescribed period in a residential house, such gains would not be chargeable to tax on a proportionate basis. If, however, such new residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as long-term capital gains of the year in which such residential house is transferred.

II. Mutual Funds

In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India are exempt from income-tax, subject to the conditions notified by Central Government in this regard.

III. Non-Resident / Non-Resident Indian Member

1. Dividend (both interim and final) income, if any, received by the non resident/non resident Indian shareholders from the domestic company shall be exempt under Section 10(34) read with Section 115-O of the IT Act.

2. Benefits outlined in Paragraph B(I) above are also available to a non-resident/non resident Indian shareholder except that under first proviso to Section 48 of the IT Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation is not available to non-resident shareholders.

3. As per Section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non resident/ non-resident Indian shareholder. Thus, a non resident/non-resident Indian shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty.

4. Capital gains tax - Options available to a non-resident Indian under the IT Act: Non- resident Indian: As per Section 115-C(e) of the IT Act, a non-resident Indian 'means an individual, being a citizen of India or a person of Indian origin who is not a resident'. As per the Explanation to the said clause, a person shall be deemed to be of Indian origin if he, or either of his parents or any of his grandparents, was born in undivided India.

5. Where shares have been subscribed in convertible foreign exchange, the non resident Indians [as defined in Section 115C(e) of the IT Act], being shareholders of an Indian company, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which, inter alia, entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in convertible foreign exchange:

As per the provisions of Section 115D read with Section 115E of the IT Act and subject to the conditions specified therein, long term capital gains (in cases not covered under Section 10(38) of the IT Act) arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge and cess), without indexation benefit.

As per the provisions of Section 115F of the IT Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset (in cases not covered under Section 10(38) of the IT Act) being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the IT Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the IT Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

As per the provisions of Section 115G of the IT Act, non-resident Indians are not obliged to file a return of income under Section 139(1) of the IT Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the IT Act.

Under Section 115H of the IT Act, where the non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the IT Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

As per the provisions of Section 115I of the IT Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

IV. Foreign Institutional Investors (FIIs)

1. Dividend (both interim and final) income, if any, received by FIIs from the domestic company shall be exempt under Section 10(34) read with Section 115O of the IT Act.

2. Capital gains

Under Section 115AD, income (other than income by way of dividends referred in Section 115-O) received in respect of securities (other than units referred to in Section 115AB) shall be taxable at the rate of 20% (plus applicable surcharge and cess).

Under Section 115AD, capital gains arising from transfer of securities (other than units referred to in Section 115AB) which are not exempt under Section 10(38), shall be taxable as follows:

Securities which are held for the period of upto or less than twelve months and where such transaction is chargeable to STT levied under Chapter VII of the Finance (No. 2) Act of 2004, shall be taxable at the rate of 15% (plus applicable surcharge and cess). Securities held for the period of upto or less than twelve months and where such transaction is not chargeable to STT levied under Chapter VII of the Finance (No. 2) Act of 2004, shall be taxable at the rate of 30% (plus applicable surcharge and cess);

Securities which are held for the period of more than twelve months shall be taxable at the rate of 10% (plus applicable surcharge and cess). Such capital gains would be computed without giving effect of indexation as provided in the first and second proviso to Section 48. In other words, the benefit of indexation, as mentioned under the two provisos would not be allowed while computing the capital gains.

3. Long-term capital gains arising on transfer of equity shares in the Company, which is held for the period of more than twelve months and where such transaction is chargeable to STT, shall be exempt from tax under Section 10(38) of the IT Act.

4. Benefit of exemption under Section 54EC shall be available as outlined in Paragraph B(I)(4) above.

5. As per Section 90(2) of the IT Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the nonresident. Thus, a non-resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

Note: There is a legal uncertainty over whether a FII can elect to be governed by the normal provisions of the IT Act, instead of the provisions of Section 115AD. Investors are advised to consult their tax advisors in this regard.

C. Benefits available under the Wealth Tax Act, 1957

Asset as defined under Section 2(ea) of the Wealth Tax Act, 1957, does not include share in companies. Hence, the shares in companies are not liable to Wealth Tax.

D. Benefits available under the Gift Tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax. However recipient of the equity shares as gift may be taxed under section 56 of the Income Tax Act

Notes:

1. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
2. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
3. In view of the nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences.
4. We do not express any opinion or provide any assurance as to whether:
 - The company or its shareholders will continue to obtain these benefits in future
 - The conditions prescribed for availing the benefits have been/or would be met with.

ABOUT WELSPUN ENTERPRISES LIMITED

Company History:

Welspun Enterprises Limited was originally incorporated as “Welspun Infra Enterprises Private Limited” on 5th November, 2012 under the Companies Act, 1956. Subsequently the Company was converted into a public company and the name of the Company was changed to “Welspun Infra Enterprises Limited” w.e.f. 9th April, 2013. Subsequently the name of the Company was changed to “Welspun Enterprises Ltd” w.e.f. 11th June, 2013. The main object of the Company was changed to enable the Company to do trading in commodities, metal products including steel and other goods used in industrial and other commercial activities, as its main business w.e.f. 22nd January, 2014.

The main object of the Company :

To carry on either directly or indirectly by promoting subsidiaries or joint ventures of otherwise, the business of buying, selling, exchanging, processing, importing or dealing in all types of articles of manufacture, bullion, commodities, goods, fibers & yarns, fibrous materials or substances, steels, metal products including steel and other goods used in industrial and other commercial activities.

Changes in Memorandum of Association since the Company’s inception are as follows:

Date	Particulars
15.03.2013	Authorised Share Capital was increased from Rs.1,00,000/- to Rs.5,00,000/-
9.04.2013	Name of the Company was changed from Welspun Infra Enterprises Private Limited to Welspun Infra Enterprises Limited
28.03.2013	Main Object Clause was altered to include promotion of subsidiaries or joint ventures for developing and providing infrastructure facilities.
11.06.2013	Name of the Company was changed from Welspun Infra Enterprises Limited to Welspun Enterprises Limited
22.01.2014	Alteration of Main Object Clause by replacing the existing clause with clause for business of trading in commodities and by shifting the existing main clause to Other Object Clause

Changes in the Registered Office of the Company:

Date	Particulars
18.02.2014	Change in Registered Office address by removing the words & numbers “Survey No. 684” from the existing address description

MANAGEMENT

Board of Directors:

S.No	Name, Age, Designation, Fathers Name, Address,Occupation	Other Directorships
1.	<p>Mr. Balkrishan Goenka Age: 47 years Designation : Chairman S/o: Mr. Gopiram Goenka Address: "Rocky Isle", 46-C, Bhulabhai Desai Road, Mumbai,- 400 026, Maharashtra Occupation: Industrialist</p>	<p>Welspun India Limited Welspun Syntex Limited Welspun Corp Limited Welspun Steel Limited Welspun Energy Private Limited Welspun Developers and Infrastructure Private Limited Welspun Logistics Limited Welspun Urja India Limited Giant Realty Private Limited MGN Agro Properties Private Limited Adani Welspun Exploration Limited Welspun Energy Anuppur Private Limited Welspun Global Brands Limited Welspun Maxsteel Limited. Welspun Projects Limited Welspun Infratech Limited Welspun Energy Madhya Pradesh Limited</p>
2.	<p>Mr. Sandeep Garg Age: 52 years Designation: Managing Director S/o: Shyam Lal Garg Address: 173, Narmada Apartments, Alaknanda, Aradhana, New Delhi – 110 109 Occupation: Professional</p>	<p>Welspun Projects Ltd Anjar Road Private Ltd ARSS Bus Terminal Private Ltd MSK Projects (Kim Mandvi Corridor) Private Ltd Dewas Bhopal Corridor Ltd MSK Projects (Himmatnagar Bypass) Private Ltd</p>
3.	<p>Mr. Ram Gopal Sharma, Age: 72 years Designation: Director S/o: Lekhi Ram Sharma Address: E 707 Lok Sarita, Military Road, Marol, Andheri (East), Mumbai Occupation: Professional</p>	<p>Welspun Corp Ltd Welspun Steel Ltd Welspun India Ltd Welspun Maxsteel Ltd Welspun Tradings Ltd</p>
4.	<p>Mr. Atul Desai Age: 62 years Designation: Director S/o: Manubhai Ambelal Desai Address: C/62, Vellard View, 14, Tardeo Road, Haji Ali, Mumbai – 400 034 Occupation: Professional</p>	<p>TCFC Finance Ltd JSW Holdings Ltd Akar Tools Ltd RMG Alloy Steel Ltd Auchtel Products Ltd Welspun Steel Ltd Welspun Investments and Commercials Ltd Welspun Syntex Ltd</p>

		Welspun Global Brands Ltd Welspun Projects Ltd Welspun Energy Private Limited
5	Mr. A K Dasgupta Age: 78 years Designation: Director S/o: Nirmal Chandra Dasgupta Address: Bungalow No. 10, Ipshita, Dreamland Cooperative Society, Near Diamond Gardens, Aloycious Soares Marg, Chembur, Mumbai-400071 Occupation: Professional	Welspun India Ltd Chartered Hotels Pvt Ltd Welspun Projects Limited Welspun Energy Private Limited

Brief Profile of the Directors:

Mr. Balkrishan Goenka, Mr Goenka is one of the promoters of Welspun Group from its inception. Mr. Goenka has steered the business of Welspun Group to its present heights. He began his career when he launched Welspun at the young age of 18 in 1985, and became a full time Director of the Group in 1991, rising rapidly to be recognised as one of the leading entrepreneurs of the country today.

Mr. Goenka has played a pivotal role in the success of the Group, a story he has scripted with his vision, dynamism and dedication. Accepting all challenges and leading his team to overcome every obstacle he has embodied the Welspun spirit of 'Dare to Commit'. In the process Welspun has emerged as the 2nd largest Line Pipe (Large Diameter) company in the world and one of the Top Three producers of Home Textiles.

Mr. Sandeep Garg, is the Managing Director of the Company. Mr. Garg is the prominent figure in the industry with long and varied experience of over three decades. He brings along with him a successful history of achieving key milestones. 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.

Mr. Ram Gopal Sharma is a Commerce Graduate with a Master's Degree in Economics. He is also a Fellow of the Insurance Institute of India. He was associated with Life Insurance Corporation of India for 35 years and rose to the rank of its Executive Director. He was deputed to LIC Mutual Fund where he worked for 9 years in various positions, the last one being Director and Chief Executive of LICMF Asset Management Co. Ltd. Besides several companies like Stock Holding Corporation of India and Haldia Petrochemicals Ltd, Kolkata, he was on the Board of Association of Mutual Funds in India (AMFI) for 4 years. After his superannuation, he has been associated with Birla Sun Life Insurance Company Ltd. For 5 years. Presently, he is an adviser and consulting faculty to various institutions.

Mr. Atul Desai is a partner of M/s. Kanga & Co., leading Law firm. Mr. Desai has been in legal profession for over 35 years wherein he attended large number of matters relating to mergers, amalgamations, litigations and arbitrations involving commercial disputes.

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

Interest of Directors:

The Directors have no interest in the transactions of the Company, otherwise than as directors of the Company.

Managing Director/Wholetime Director:

The Company has appointed Mr. Sandeep Garg as the Managing Director & CEO of the Company.

Corporate Governance:

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to Welspun Enterprises Limited immediately upon the listing of its Equity Shares on the Stock Exchanges. To comply with the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges, Welspun Enterprises Limited has appointed the requisite independent directors to its Board and has also constituted the Audit Committee and Shareholders' / Investors' Grievance Committee. The Company has also constituted Remuneration Committee to voluntarily comply with the non-mandatory requirement of Clause 49 of the listing agreement.

The role, powers, scope of functions and duties of the Audit Committee, Shareholders/Investor's Committee and Remuneration Committee of the Board are as per the applicable provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Audit Committee

- i) Mr. R G Sharma – Chairman
- ii) Mr. Atul Desai – Member
- iii) Mr. A K Dasgupta – Member
- iv) Mr. Sandeep Garg – Member

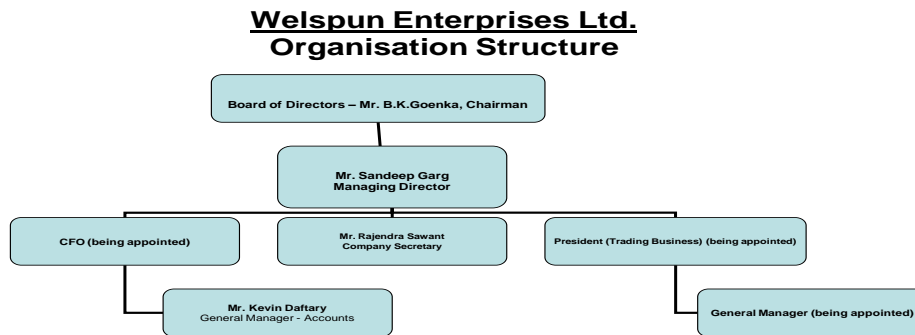
Nomination and Remuneration Committee

- i) Mr. R G Sharma – Chairman
- ii) Mr. B K Goenka – Member
- iii) Mr. A K Dasgupta – Member

Stakeholders Relation Committee

- i) Mr. Atul Desai – Chairman
- ii) Mr. B K Goenka – Member
- iii) Mr. Sandeep Garg - Member

OVERVIEW OF ORGANISATION STRUCTURE AND SENIOR MANAGEMENT PERSONNEL:



The Company is managed, controlled and directed by the Board of Directors. The Board has appointed Mr. Sandeep Garg as Managing Director, a key managerial person, with effect from 21st February, 2014, who is responsible for day to day operations of the Company under the superintendence, control and directions of the Board of Directors. He shall be assisted by a team of professionals.

Employees

Employees of WCL which were a part of the Other Business Division (as defined under the Scheme) have been transferred to WEL. Besides, based on the projected business, the Company is considering appointment of requisite personnel.

PROMOTERS:

Balkrishan Goenka:

Balkrishan Goenka being one of the promoters, and the Chairman, of Welspun Enterprises Limited is also the Chairman of Welspun Corp Ltd (“Demerged Company” under the subject Scheme of Arrangement). Mr Goenka is one of the promoters of Welspun Group from its inception. Mr. Goenka has steered the business of Welspun Group to its present heights. He began his career when he launched Welspun at the young age of 18 in 1985, and became a Full time Director of the Group in 1991, rising rapidly to be recognised as one of the leading entrepreneurs of the country today.

Mr. Goenka has played a pivotal role in the success of the Group, a story he has scripted with his vision, dynamism and dedication. Accepting all challenges and leading his team to overcome every obstacle he has embodied the Welspun spirit of ‘Dare to Commit’. In the process Welspun has emerged as the 2nd largest Line Pipe (Large Diameter) company in the world and one of the Top Three producers of Home Textiles. Under his able guidance, Welspun was awarded the Emerging Company of the Year at Economic Times Awards in 2008.

Rajesh R. Mandawewala :

R.R. Mandawewala being one of the promoters of Welspun Enterprises Limited is also a promoter of Welspun Corp Ltd. Mr. Mandawewala, qualified as a Chartered Accountant, is one of the promoters of Welspun Group from its inception. Being also the Managing Director of Welspun India Ltd, a listed company of the group and Chairman of Christy, UK. He is in-charge of operations of the textile business and has enabled Welspun to develop a global reach in over 50 Countries.

Dipali Goenka:

Dipali Goenka is one of the promoters of Welspun Enterprises Limited and is Managing Director of Welspun Global Brands Ltd and the driving force behind its textile business. As the MD of Welspun Global Brands Ltd., one of the top three home textile manufacturers in the world, she has successfully led the development of two brands – Spaces Home & Beyond and Welhome.

A Graduate in Psychology with a brief stint at Harvard, she pioneered the establishment of the Welspun design studio and retail initiative in India, and led it to emerge as an award-winning design team with a clear global perspective.

She also spearheads the Group’s CSR activities which include Welspun Vidyamandir High School and Welspun Anganwadi in Anjar, Gujarat, as well as other initiatives related to Education, Empowerment & Health, and the Environment.

Promoter Group

Krishiraj Trading Limited
Welspun Fintrade Private Ltd
Welspun Mercantile Ltd.
Welspun Wintex Limited
Welspun Investments & Commercials Ltd
Rajesh Mandawewala
Balkrishan Goenka
Welspun Steel Ltd.
Welspun Syntex Ltd
Welspun Zucchi Textiles Ltd
B. K. Goenka Family Trust
Dipali Goenka
Methodical Investment & Trading Co. Pvt. Ltd.
Pratima Mandawewala
Radhika Goenka
Vanshika Goenka
Abhishek Mandawewala
Yash Mandawewala
Ramesh Mandawewala
Sitadevi Mandawewala
B. K. Goenka (HUF)
Alspun Infrastructure Limited
Angel Power and Steel Private Limited
Arun Impex Pvt. Ltd
Babbasu Investment Pvt. Ltd.
Dahej Infrastructure Pvt. Ltd.
Fine Brass Manufacturing Co. Pvt. Ltd
Friends Connection Private Limited
Giant Realty Pvt Ltd.
Goldenarch Estates Pvt Ltd
Goodvalue Polyplast Limited
Kalyan Realty & Developers Private Limited
Krishiraj Renewables Energy Pvt Ltd
MERTZ Securities Limited
MGN Agro Properties Pvt Ltd
MGN Estates Private Limited

Red Lebandal Ltd - Cyprus
Sequence Apartment Private Limited
Taipan Investment Pvt. Ltd
Vipuna Trading Limited
Welspun Anjar SEZ Ltd
Welspun Captive Power Generation Limited
Welspun Construction Pvt. Ltd.
Welspun Developers and Infrastructure Private Limited
Welspun Energy Ltd
Welspun Enterprise (Cyprus) Ltd
Welspun Finance Ltd
Welspun Guinea SA
Welspun India Ltd
Welspun Infra Developers Private Limited
Welspun Logistics Ltd.
Welspun Marine Logistics (Raigad) Ltd
Welspun Mineral Resources P Ltd
Welspun Natural Resources (Australia) Pty Ltd
Welspun Orissa Steel Pvt Ltd
Welspun Realty Pvt Ltd
Welspun Steel Resources Pvt. Ltd.
Worli Realty Private Limited

SUBSIDIARY COMPANIES:

Welspun Maxsteel Limited

Welspun Natural Resources Private Limited (including step down subsidiary Welspun Plastics Private Limited)

Welspun Infratech Limited (including step down subsidiaries Welspun Projects Limited, Welspun Road Projects Private Limited, Welspun Infra Projects Private Limited, MSK Projects (Himmatnagar Bypass) Private Limited, MSK Projects (Kim Mandvi Corridor) Private Limited, Anjar Road Private Limited)

FINANCIAL INFORMATION

To the Members of
Welspun Enterprises Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Welspun Enterprises Limited** (“the company”) which comprise of balance sheet as at 31 March 2014, the statement of profit and loss, the cash flow statement for the year ended on that date 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”) read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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 (“ICAI”). 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the balance sheet, of the state of affairs of the company as at 31 March 2014;
- b. in the case of the statement of profit and loss, of the profit of the company for the year ended on that date; and
- c. in the case of the cash flow statement, of the cash flows of the company 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 sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) the balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - (v) On the basis of written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act

For **MGB & Co**
Chartered Accountants
Firm Registration Number 101169W

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 9 June 2014

Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

- (i) As there are no fixed assets in the Company, the requirements of Clause (i)(a), (i)(b), (i)(c) of paragraph 4 of the order are not applicable to the company.
- (ii) In respect of its inventories:
 - (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (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) The Company has maintained proper records of inventories. As explained to us, no discrepancies were noticed on physical verification of inventories as compared to the book records.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls systems in respect of the aforesaid areas.
- (v) According to the information and explanations given to us, there are no contracts or arrangements the particulars of which are required to be entered in the register maintained under section 301 of the Act.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under section 209(1)(d) of the Act in respect of the activities carried on by the Company.

According to the records of the Company examined by us and information and explanations given to us:

- (a) Undisputed statutory dues, including provident fund, investor education and protection fund, employee state insurance, income tax, sales tax / value added tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues to the extent applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of the aforesaid dues outstanding as at 31 March 2014 for a period of more than six months from the date they became payable.

- (b) There are no disputed dues of income tax, sales tax / value added tax, wealth tax, service tax, custom duty, excise duty and cess as at 31 March 2014.
- (ix) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit.
- (x) The Company did not have any outstanding dues to any financial institution, banks or debenture holders.
- (xi) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) The Company is not a chit fund / nidhi / mutual benefit fund / society.
- (xiii) The Company is not dealing or trading in securities, debentures and other investments.
- (xiv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by a subsidiary and a joint venture company from banks and financial institutions are prima facie not prejudicial to the interest of the Company.
- (xv) According to the information and explanations given to us, the Company has not raised any term loans during the year.
- (xvi) According to the information and explanations given to us and examination of the Balance Sheet of the Company and related information as made available to us, we report that funds raised on short-term basis have not been used for long-term investments.
- (xvii) During the year, the Company has not made any preferential allotment of shares to companies or parties covered in the register maintained under section 301 of the Act.
- (xviii) The Company did not have any outstanding debentures during the year.
- (xix) The Company has not raised any money by public issues during the year.

Based on our audit procedures performed and according to the information and explanations given by the management, no fraud on or by the Company has been noticed or reported during the course of our audit

For **MGB & Co**
Chartered Accountants
Firm Registration Number 101169W

Sanjay Kothari
Partner
Membership Number 048215

Mumbai, 9 June 2014

Welspun Enterprises Limited
Balance Sheet as at 31 March 2014

(Amount in Rupees)

	Note	2014	2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	13,14,74,150	5,00,000
Reserves and surplus	3	16,02,46,55,842	-
		16,15,61,29,992	5,00,000
Current liabilities			
Trade payables	4	5,34,66,357	-
Other current liabilities	5	8,50,42,307	5,618
Short-term provisions	6	10,75,405	-
		13,95,84,069	5,618
TOTAL		16,29,57,14,061	5,05,618
ASSETS			
Non-current assets			
Non-current investments	7	10,39,35,65,926	-
Long-term loans and advances	8	12,39,91,360	-
Other non-current assets	9	-	30,214
		10,51,75,57,286	30,214
Current assets			
Current investments	10	5,31,53,97,903	-
Trade receivables	11	5,42,41,450	-
Cash and bank balances	12	24,79,87,933	4,75,404
Short-term loans and advances	13	28,45,315	-
Other current assets	14	15,76,84,174	-
		5,77,81,56,775	4,75,404
TOTAL		16,29,57,14,061	5,05,618

Notes forming part of the financial statements	1- 29	
As per our attached report of even date		For and on behalf of Board of Directors
For MGB & Co.		
Chartered Accountants		
Firm Registration Number 101169W		
Sanjay Kothari	(Director)	(Director)
Partner		
Membership Number 048215		
Mumbai, 9 June, 2014		
	(Chief Financial Officer)	(Company Secretary)

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2014

(amount In Rupees)

	Not e	2014	2013
Revenue			
Revenue from operations	15	44,25,22,158	-
Other income	16	30,62,95,467	-
Total		74,88,17,625	-
Expenditure			
Purchase of traded goods	17	43,87,06,564	-
Other expenses	18	22,44,80,004	-
Total		66,31,86,567	-
Profit before finance costs and tax		8,56,31,058	-
Less : Finance costs	19	6,207	-
Profit before tax (A)		8,56,24,851	-
Tax expense			
- Current tax		6,50,69,350	-
- Deferred tax		-	-
Total tax expense (B)		6,50,69,350	-
Profit after tax (A-B)		2,05,55,500	-
Earnings per equity share of Rs. 10/- fully paid up	24		
- Basic		1.56	-
- Diluted		1.56	-

Notes forming part of this financial Statements 1-29

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2014

(amount In Rupees)

	2014	2013
A) Cash flow from operating activities		
Profit before tax	8,56,24,851	-
Adjustments for		
Dividend income	(8,36,22,335)	-
Interest income	(22,26,73,132)	-
Loss on sale of current investments	6,44,04,018	-
Provision for doubtful loans	12,50,00,000	-
Preliminary expenses written off	30,214	-
Operating profit before working capital changes	(3,12,36,384)	-
Adjustment for		
Trade and other receivables	(5,71,65,278)	-
Trade and other payables	6,21,45,716	-
Cash used in operations	(2,62,55,947)	-
Direct taxes paid	(16,40,00,000)	-

	Net cash used in operating activities (A)	(19,02,55,947)	-
B)	Cash flow from investing activities		
	Loans and advances given to subsidiaries	(45,88,96,399)	-
	Loans and advances received/repaid by subsidiaries	21,76,03,489	-
	Long-term Investment in subsidiaries	(1,22,63,93,152)	-
	Decrease / (Increase) in current Investment	1,62,74,47,831	-
	Investment in fixed deposit	(23,60,00,000)	-
	Ancilliary cost incurred		(24,596)
	Dividend received	8,36,22,335	
	Interest received	19,43,84,372	-
	Net Cash (used in) / generated from investing activities (B)	20,17,68,476	(24,596)
C)	Cash flow from financing activities		
	Proceed from Issue of share capital	-	5,00,000
	Net Cash (used in) / generated from financing activities (C)	-	5,00,000
	Net Increase/ (Decrease) in cash & cash equivalents (A+B+C)	1,15,12,529	4,75,404
	Cash and cash equivalents at the beginning of the year	4,75,404	-
	Cash and cash equivalent at the end of the year	1,19,87,933	4,75,404
	Add : Other bank balances	23,60,00,000	-
	Cash and bank bank balance at the end of the year	24,79,87,933	4,75,404

Notes

(1) Cash and bank balance include Rs.236,000,000 (Rs. Nil) which is not available for use by the Company

(2) The above cash flow statement has been prepared under the 'Indirect Method', as set out in Accounting Standard (AS-3) "Cash Flow Statements" notified under Companies (Accounting Standard) Rules.

(3) Transactions pursuant to the Scheme of Arrangement as referred in note 21 have not been considered in the above cash flow statement being non-cash transactions.

Notes forming part of the financial statements

Note 1A Corporate information

Welspun Enterprise Limited ('WEL' or 'the Company') was incorporated on 5 November 2012. The Company has entered into a Scheme of Arrangement (the "Scheme") with Welspun Corp Limited (WCL) whereby various investments held by WCL has been transferred to WEL (Refer note 21). The effective date of the Scheme is 24 January 2014 and the appointed date is 1 April 2012. Pursuant to the Scheme, four verticals i.e. Infrastructure, Sponge Iron, Energy and Oil & Gas businesses have been vested with WEL.

Note 1B Significant Accounting Policies

a) Basis of preparation of financial statements

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the companies (Accounting standards) Rules, 2006, (as amended) and the relevant provision of the Companies act, 1956 read with general circular 8/2014 dated 4 April 2014,

issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

b) Use of Estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include the useful life of the tangible and intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plan etc. Actual results could differ from those estimates and in such case the difference is recognised when known or materialised.

c) Tangible and Intangible assets

- i) Tangible assets are stated at original cost (net of tax/duty credit availed) less accumulated depreciation, amortisation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, trial run expenses (net of revenue) and pre-operative expenses including borrowing costs incurred during pre-operational period.
- ii) Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iii) Intangible assets are carried at cost, net off accumulated amortization and impairment loss, if any.

d) Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. All other borrowing costs are recognised as expense.

e) Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amount of tangible and intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

f) Depreciation / Amortization on tangible and intangible assets

- i) Depreciation on tangible assets is provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- ii) Intangible assets are amortized on a straight-line basis over its expected useful life as estimated by the management.

g) Investments

i) Investments, which are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

ii) Long-term investments are valued at cost less provision for diminution other than temporary, in the value of such investments. Current investments are valued at lower of cost and fair value.

h) Revenue Recognition

i) Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the customers, which is generally on dispatch of goods and is net off value added tax.

ii) Dividend income is recognized when the right to receive the dividend is established.

iii) Interest income is recognized at the agreed rate on time proportion basis.

i) Inventories

Stock-in-trade is valued at lower of cost and net realizable value.

j) Accounting for taxes on income

i) Current tax is determined as the amount of tax payable in respect of taxable income for the year computed as per the provisions of the Income Tax Act, 1961.

ii) Deferred tax is recognized subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

k) Provisions, contingent liabilities and contingent assets

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events. A provision is made when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year end date. Contingent assets are not recognized or disclosed in the financial statements.

l) Earning Per Share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

Amount in Rupees

	2014	2013
2. Share capital - Authorised # 15,000,000 (Previous year 50,000) equity shares of Rs. 10/- each	15,00,00,000	5,00,000
Total	15,00,00,000	5,00,000
Issued, subscribed and paid-up - 13,147,415 (Previous year 50,000) equity shares of Rs. 10/- each fully paid up (Refer note 21(b)(ii))	13,14,74,150	5,00,000
Total	13,14,74,150	5,00,000

Increased pursuant to the Scheme of Arrangement {Refer note 21(b)(v)}

a) Reconciliation of number of equity shares outstanding

	2014		2013	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
At the beginning of the year	50,000	5,00,000	50,000	5,00,000
Add: Issued pursuant to the Scheme of Arrangement {Refer note 21(b)(ii)}	1,31,47,415	13,14,74,150		
Less: Cancellation of share capital pursuant to the Scheme of Arrangement {Refer note 21(b)(iii)}	(50,000)	(5,00,000)	-	-
Outstanding at the end of the year	1,31,47,415	13,14,74,150	50,000	5,00,000

b) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of each shareholders holding more than 5% shares in the Company

Name of the Shareholders	2014		2013	
	Number of shares	Percentage (%)	Number of shares	Percentage (%)
JP Morgan Chase Bank, NA	11,51,300	8.76%	-	-
Granele Limited	17,51,944	13.33%	-	-
Life Insurance Corporation and its schemes	9,63,895	7.33%	-	-
Krishiraj Trading Limited	26,13,061	19.88%	-	-
Welspun Wintex Limited	6,66,828	5.07%	-	-
Welspun Mercantile Limited	7,23,885	5.51%	-	-
Welspun Corp Limited	-	-	50,000	100.00%

d) Shares held by holding company

	2014		2013	
	Number of shares	Percentage (%)	Number of shares	Percentage (%)
Welspun Corp Limited	-	-	50,000	100.00

	2014	2013
3. Reserves and surplus		
Capital reserve		
Received pursuant to Scheme of Arrangement (Refer note 21)	15,97,02,61,695	-
Add: Cancellation of share capital pursuant to the Scheme of Arrangement {Refer note 21(b)(iii)}	5,00,000	
	15,97,07,61,695	-
Surplus in the statement of profit and loss		
As per last balance sheet	-	-
Add: Adjustment pursuant to the Scheme of Arrangement {Refer note 21(b)(vi)}	3,33,38,646	
Profit for the year	2,05,55,500	-
Net surplus in the statement of profit and loss	5,38,94,147	-
Total	16,02,46,55,842	-

	2014	2013
4. Trade payables		
Trade payables	5,34,66,357	-
Total	5,34,66,357	-
5. Other current liabilities		
Creditors for expenses	1,32,12,578	5,618
Trade advances	12,03,718	-
Statutory dues	12,52,044	-
Payable to a related party (Refer note 23)	6,93,73,967	-
Total	8,50,42,307	5,618
6. Short-term provisions		
Taxation (net of advances)	10,75,405	-
Total	10,75,405	-

	2014	2013
7. Non-current investments		
(Valued at cost unless stated otherwise)		
A. Trade investments - Unquoted		
i) Wholly owned subsidiaries		
Welspun Infratech Limited		
48,639,899 (Previous year Nil) equity shares of Rs.10 each	1,26,19,66,629	-
44,553 (Previous year Nil) 11% unsecured optionally convertible debentures of Rs. 100,000 each (Refer note 27)	4,45,53,00,000	-
Welspun Natural Resources Private Limited		
875,000 (Previous year Nil) equity shares of Rs. 10 each	66,00,000	-

ii) Other subsidiaries		
Welspun Maxsteel Limited		
909,176,457 (Previous year Nil) equity shares of Rs. 10 each # (including 779,294,112 bonus shares allotted during the year)	3,72,14,46,539	-
3,740,000 (Previous year Nil) 0% redeemable preference shares of Rs. 10 each	3,74,00,000	-
iii) Others		
Welspun Energy Limited (Ceased to be associate w.e.f. 30 January 2014)		
60,493,342 (Previous year Nil) equity shares of Rs.10 each	91,08,52,758	-
Total	10,39,35,65,926	-
(All the above shares and securities are fully paid up and are received pursuant to the Scheme of Arrangement as referred in note 21) # 23,67,49,881 equity shares are pledged with the lender for loan granted to subsidiary Aggregate book value of unquoted investment	10,39,35,65,926	-
8. Long-term loans and advances (Unsecured considered good, unless otherwise stated)		
Deposits	75,025	-
Loans to subsidiaries (Refer note 23)	1,95,94,51,846	-
Less: Provision for doubtful loans	(1,83,56,24,693)	-
	12,38,27,153	-
Share application money to subsidiary (Refer note 23)	89,182	-
Total	12,39,91,360	-
9. Other non-current assets		
Unamortised preliminary expenses	-	30,214
Total	-	30,214

	2014	2013
10. Current Investments (Valued at lower of cost and fair value, unless stated otherwise) Quoted		
i) Bonds		
Industrial Finance Corporation of India Limited Deep Discount Bond		-
a) Bond 2032 - 31,320 (PY Nil) Bonds of Rs. 25,000 each	20,35,80,000	
b) Bond 2033 - 16,200 (PY Nil) Bonds of Rs. 25,000 each	10,56,01,806	
c) Bond 2034 - 41,470 (PY Nil) Bonds of Rs. 25,000 each	26,95,55,000	
d) Bond 2037 - 17,370 (Previous year Nil) Bonds of Rs. 25,000 each	11,29,05,000	
e) Bond 2038 - 41,470 (Previous year Nil) Bonds of Rs. 25,000 each	26,95,55,000	
f) Bond 2039 - 7,010 (Previous year Nil) Bonds of Rs. 25,000 each	4,55,65,000	
9.03% Gujarat State Petroleum Corp Limited 2028		-
1,368 (Previous year Nil) Bonds of Rs. 1,000,000 each	1,41,90,63,260	
Industrial Finance Corporation of India Limited		-
a) 9.75% 2028 Bond - 685 (PY Nil) Bonds of Rs. 1,000,000 each	71,13,72,500	

b) 9.90% 2022 Bond - 7,320 (PY Nil) Bonds of Rs. 25,000 each	18,56,16,900	
c) 9.90% 2032 Bond - 20,000 (PY Nil) Bonds of Rs. 25,000 each	50,70,00,000	
d) 9.90% 2027 Bond- 10,000 (PY Nil) Bonds of Rs. 25,000 each	25,35,00,000	
10.25% Reliance Capital Ltd 2022 - 6 (PY Nil) Bonds of Rs. 1,000,000 each	60,00,000	-
10.45% Gujarat State Petroleum Corp Limited 2072	3,67,20,000	-
34 (Previous year Nil) Bonds of Rs. 1,000,000 each		
8.25% National Housing Bank 2016 6 (PY Nil) Bonds of Rs. 1,000,000 each	61,32,000	-
ii) Government securities		-
8.97% GOI 2030 - 1,006,000 (PY Nil) units of Rs. 100 each	11,58,41,320	
8.83% GOI 2041 – 5,000,000 (PY Nil) units of Rs.100 each	53,57,60,000	
8.30% GOI 2042 - 2,500,000 (Previous year Nil) units of Rs. 100 each	27,56,50,000	-
iii) Mutual Funds		
DWS Short Maturity Fund - Regular Plan Annual Bonus Option	15,59,80,117	-
10,428,011.957 (Previous year Nil) units		
ICICI Prudential Liquid Plan - Regular Growth	10,00,00,000	-
5,27,565.57 (Previous year Nil) units		
Total	5,31,53,97,903	-
Aggregate book value of quoted investments	5,31,53,97,903	-
Aggregate market value of quoted investments	5,45,82,90,413	-

	2014	2013
11. Trade receivables		
(Unsecured)		
Others considered good	5,42,41,450	-
Total	5,42,41,450	-
12. Cash and bank balances		
Balances with banks in current account	1,19,87,933	4,75,404
Other bank balances		
Deposits with bank having original maturity period of less than twelve months*	23,60,00,000	-
Total	24,79,87,933	4,75,404
* Lien in favour of a bank for loan granted to its joint venture company		
13. Short-term loans and advances		
(Unsecured considered good)		
Advances recoverable in cash or kind from a related party (Refer note 23)	28,45,315	-
Total	28,45,315	-
14. Other current assets		
Interest accrued on		
- Current investments	15,31,00,172	-
- Fixed deposits	45,84,002	-
Total	15,76,84,174	-

	2014	2013
15. Revenue from operations		
Sale of traded goods		
- Steel Products	37,41,63,961	-
- Cotton	6,83,58,197	-
Total	44,25,22,158	-
16. Other income		
Dividend income	8,36,22,335	-
Interest income		
- Current investments	21,73,40,671	-
- Fixed deposits	53,32,461	-
Total	30,62,95,467	-
17. Purchase of traded goods		
Purchases (Net)		
- Steel products	37,06,91,342	-
- Cotton	6,80,15,222	-
Total	43,87,06,564	-
18. Other expenses		
Staff deputation cost	2,94,66,368	-
Rates and taxes	26,39,583	-
Professional fees	17,03,243	-
Travelling and conveyance expenses	11,495	-
Directors' sitting fees	26,967	-
Printing and stationary	5,890	-
Auditors' remuneration	11,34,458	-
Loss on sale of current investments (Net)	6,44,04,018	-
Provision for doubtful loans	12,50,00,000	-
Preliminary expense written off	30,214	-
Miscellaneous expenses	57,768	-
Total	22,44,80,004	-
19. Finance costs		
Bank charges	6,207	-
Total	6,207	-

Note 20 Contingent Liabilities not provided for

(Amount in Rupees)

Particulars	2014	2013
Corporate guarantees given by the company {includes Rs. 14,945,600,000 (Rs. Nil) for loans/ liabilities taken by the subsidiaries}. Loans/ liabilities outstanding against these guarantees are Rs 13,983,447,242 (Rs Nil).	15,47,80,27,000	-

Note 21 Scheme of Arrangement

a) A Scheme of Arrangement between Welspun Corp Limited ("WCL" or the "Demerged Company") and Welspun Enterprises Limited ("WEL" or a wholly owned subsidiary of WCL or the Resulting Company) and their respective shareholders and creditors (the "Scheme"), providing for inter alia transfer of Other Business undertakings {viz. the infrastructure business (including energy, water, road), the direct reduced iron ore (DRI), EPC contracting, oil and gas business} of WCL to WEL, was approved by the Hon'ble High Court of Gujarat at Ahmedabad on 10 January 2014. The Scheme became effective on 24 January 2014 on filing with the Registrar of Companies and consequently all the assets and liabilities of the Other Business undertakings of WCL are transferred and have been recorded by WEL as on the appointed date 1 April 2012. The Scheme has been given effect to in these financial statements. However certain assets received are in the process of being transferred in the name of the company

b) Pursuant to the Scheme

- i) The whole of the assets and liabilities of Other Business undertakings of WCL are transferred to/and are vested with the Company with effect from 1 April 2012 at fair value as determined and approved by the Board of Directors of WEL.
- ii) WEL to issue and allot equity shares to each member of WCL in the ratio of one equity share(s) of Rs. 10 each in WEL credited as fully paid up for every 20 equity shares of Rs. 5 each fully paid up held by such member in WCL. Accordingly, WEL issued and allotted 13,147,415 equity shares of Rs.10 each to the members of WCL.
- iii) The share capital of Rs. 500,000 of WEL held by WCL has been cancelled and adjusted to capital reserve of WEL.
- iv) The difference between the amounts credited to the share capital as per (ii) above and value of net assets taken over and recorded as per (i) above have been credited by WEL to capital reserve.

	Amount in Rs.
Non-current investments	7,08,27,57,052
Loans and advances (Net)	1,06,89,78,793
Current investments	6,64,00,00,000
Cash and bank balances	1,31,00,00,000
Total assets	16,10,17,35,845
Less: Adjustment for equity shares issued during {Refer note (ii) above}	13,14,74,150
Difference credited to capital reserve	15,97,02,61,695

v) The authorized share capital of the Company is increased to 15,000,000 equity shares of Rs. 10 each amounting to Rs. 150,000,000.

vi) The net profit for the period from appointed date i.e. 1 April 2012 to 31 March 2013 is adjusted in balance in the statement of profit and loss.

Note 22 Payment to Auditors

Particulars	2014	2013
Audit fees	5,37,080	5,618
Other services (Certification fees)	5,97,378	-

Note 23 Related Party Transactions

a) Particulars of subsidiaries/associates/joint ventures

Name of the entities	Nature of Business	Country of Incorporation	Extent of Holding (%)
Direct subsidiaries			
Welspun Natural Resources Private Limited	Oil and Gas Exploration	India	100.00% (--)
Welspun Infratech Limited	Infrastructure Development	India	100.00% (--)
Welspun Maxsteel Limited	Manufacturer of Sponge Iron	India	99.85% (--)
Indirect subsidiaries			
Held through Welspun Natural Resources Private Limited			
Welspun Plastics Private Limited	Oil and Gas Exploration	India	100.00% (--)
Held through Welspun Infratech Limited			
Welspun Projects Limited	Infrastructure Development	India	61.12% (--)
Welspun Road Projects Private Limited	Infrastructure Development	India	100.00% (--)
Welspun Infra Projects Private Limited	Infrastructure Development	India	100.00% (--)
ARSS Bus Terminal Private Limited	Infrastructure Development	India	49.00% (--)
Held through Welspun Projects Limited			
Anjar Road Private Limited	Infrastructure Development	India	100.00% (--)
Welspun BOT Projects Private Limited *	Infrastructure Development	India	-- (--)
MSK Projects (Himmatnagar Bypass) Private Limited	Infrastructure Development	India	100.00% (--)

MSK Projects (Kim Mandavi Corridor) Private Limited	Infrastructure Development	India	100.00% (--)
Held through Welspun Infra Projects Limited			
Welspun Energy Transportation Private Limited @	Infrastructure Development	India	-- (--)
Welspun Water Infrastructure Private Limited @	Infrastructure Development	India	-- (--)
Associates			
Welspun Energy Limited \$	Power Generation	India	19.93% (--)
Indirect joint ventures			
Held through Welspun Natural Resources Private Limited			
Adani Welspun Exploration Limited	Oil and Gas Exploration	India	35.00% (--)
Held through Welspun Infra Projects Private Limited			
Leighton Welspun Contractors Private Limited #	Infrastructure Development	India	-- (--)
Held through Welspun Projects Limited			
Dewas Bhopal Corridor Limited	Infrastructure Development	India	50.00% (--)
Bul MSK Infrastructure Private Limited**	Infrastructure Development	India	50.00% (--)

Ceased to be subsidiaries w.e.f. * 26 November 2013, @ 18 November 2013 ; \$ Ceased to be associate w.e.f. 30 January 2014 ; Ceased to be joint venture w.e.f. # 07 February 2014, ** 31 March 2014

b) Other related parties with whom transactions have taken place during the year and / or balances outstanding as on the last day of the year.

Welspun Energy Limited (w.e.f. 30 January 2014), Welspun Corp Limited

c) Directors / Key Managerial Personnel

	Nature of relationship
B K Goenka	Chairman*
Sandeep Garg	Managing Director*

*Appointed w.e.f. 21 February 2014

d) Transactions with related parties for the year

(Amount in Rupees)

	Subsidiaries	Associates / joint ventures	Other related parties	Total

Purchase of traded goods	27,30,31,651	-	-	27,30,31,651
	(-)	(-)	(-)	(-)
Reimbursement of expenses paid	1,19,23,772	-	-	1,19,23,772
	(-)	(-)	(-)	(-)
Loans given	45,88,96,399	-	-	45,88,96,399
	(-)	(-)	(-)	(-)
Loans given repaid	21,76,03,489	-	-	21,76,03,489
	(-)	(-)	(-)	(-)
Provision for doubtful loans	1,83,56,24,693	-	-	1,83,56,24,693
	(-)	(-)	(-)	(-)
Investments made during the year	1,22,64,00,000	-	-	1,22,64,00,000
	(-)	(-)	(-)	(-)
Share application money given	24,77,51,841	-	-	24,77,51,841
	(-)	(-)	(-)	(-)
Share application money given repaid / adjusted	24,77,58,859	-	-	24,77,58,859
	(-)	(-)	(-)	(-)

e) Closing balances as at 31 March 2014

	Subsidiaries	Associates / joint ventures	Other related parties	Total
Loans and advances given	1,96,22,97,161	-	-	1,96,22,97,161
	(-)	(-)	(-)	(-)
Provision for doubtful loans	1,83,56,24,693	-	-	1,83,56,24,693
	(-)	(-)	(-)	(-)
Investments outstanding	9,48,27,13,168	-	91,08,52,758	10,39,35,65,926
	(-)	(-)	(-)	(-)
Share application money given	89,182	-	-	89,182
	(-)	(-)	(-)	(-)
Other payables	-	-	6,93,73,967	6,93,73,967
	(-)	(-)	(-)	(-)
Corporate guarantees given	14,94,56,00,000	53,24,27,000	-	15,47,80,27,000
	(-)	(-)	(-)	(-)

f) Disclosure in respect of transactions which are more than 10% of the total Transactions of the same type with related parties during the year:

- i) Purchase of traded goods from Welspun Maxsteel Limited Rs. 273,031,651 (Rs. Nil)
- ii) Reimbursement of expenses paid to Welspun Projects Limited Rs. 11,923,772 (Rs. Nil)
- iii) Loans given include loan given to - Welspun Natural Resources Private Limited Rs. 456,633,133 (Rs. Nil)
- iv) Loans given repaid include loan repaid by - Welspun Natural Resources Private Limited Rs. 219,019,512 (Rs. Nil)
- v) Provision for doubtful loans include provision made towards loan given to Welspun Natural Resources Private Limited Rs. 1,800,215,289 (Rs. Nil)
- vi) Investments made during the year in equity shares of Welspun Infratech Limited Rs. 226,400,000 (Rs. Nil) and Welspun Maxsteel Limited Rs. 1,000,000,000 (Rs. Nil)
- vii) Share application money given - Welspun Infratech Limited Rs. 247,751,841 (Rs. Nil)
- viii) Share application money given adjusted/repaid by- Welspun Infratech Limited Rs. 247,758,859 (Rs. Nil)

Closing balances as at 31 March 2014

- i) Loans and advances given include to - Welspun Natural Resources Private Limited Rs. 1,921,779,176 (Rs. Nil)
 - ii) Provision for doubtful loans include provided towards loan of Welspun Natural Resources Private Limited Rs. 1,800,215,289 (Rs. Nil)
 - iii) Investments outstanding include investment in shares of - Welspun Maxsteel Limited Rs. 3,758,846,539 (Rs. Nil), Welspun Infratech Limited Rs. 1,261,966,629 (Rs. Nil) and investment in optionally convertible debentures of Welspun Infratech Limited Rs. 4,455,300,000 (Rs. Nil)
 - iv) Share application money given - Welspun Infratech Limited Rs. 89,182 (Rs. Nil)
 - v) Other payables - Welspun Corp Limited Rs. 69,373,966 (Rs. Nil)
 - vii) Corporate guarantees given to Welspun Maxsteel Limited Rs. 14,945,600,000 (Rs. Nil) and Adani Welspun Exploration Limited Rs. 532,427,000 (Rs. Nil)
- Further, letter of comfort has been issued in favour of ICICI Bank for ECB loan taken by one of Joint amounting to Rs.146.8 cr (Company's share)

Note : Figures in bracket pertains to previous year

Note 24 Earnings Per Share (EPS)

	2014	2013
Profit after tax (Rs.)	2,05,55,500	-
Weighted Number of equity shares outstanding during the period (No.)	1,31,47,415	-
Basic and diluted earnings per share on face value of Rs. 10 each (Rs.)	1.56	-

Note 25 The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31 March 2014.

Note 26 As per the transfer pricing rules prescribed under the income tax Act, 1961, the company is examining the domestic transaction and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustment with regard to the transactions involved.

Note 27 The Company has invested in unsecured optionally convertible debentures (OCDs) of its wholly owned subsidiary Welspun Infratech Limited (WITL). No interest is payable by WITL on said OCDs for a period of twenty four months from 1 April 2012 and from twenty fifth month onwards until redemption interest @ 11% p.a. is payable annually with redemption premium of 5%.

Note 28 The Company is engaged in the business of trading activities which in the opinion of the management is considered as the only reportable business segment in the context of Accounting Standard – 17 on “Segment Reporting”. Further there is no geographical segment applicable to the company.

Note 29 Figures for the previous year are re- classified/ re - arranged / re -grouped, wherever necessary so as to be in conformity with the figures of the current years' classification/ disclosure. Previous year figures are not comparable in view of the scheme of arrangement referred in note 21.

FOLLOWING ARE THE LATEST AUDITED BALANCE SHEETS (EXTRACTS) OF SUBSIDIARY COMPANIES

Welspun Infratech Limited (wholly owned subsidiary of WEPL)

	March 31, 2014
EQUITY AND LIABILITIES	
(1) Shareholders' Funds	
(a) Share capital	48,63,98,990
(b) Reserves and surplus	77,09,82,717
(2) Non-Current Liabilities	
Long-term borrowings	4,45,53,00,000
(3) Current Liabilities	
Other current liabilities	3,70,73,491
TOTAL EQUITY AND LIABILITIES	5,74,97,55,198
ASSETS	
(1) Non-current assets	
(a) Fixed assets	
(i) Tangible assets	4,35,09,261
(ii) Intangible assets	18,374
(iii) Capital work-in-progress	-
(b) Non-current investments	5,60,00,70,235
(c) Long term loans and advances	25,000
(d) Other non-current assets	292,092,078
(2) Current assets	
(a) Current investments	3,14,00,000
(b) Cash and bank balances	89,01,968
(c) Short-term loans and advances	6,58,30,360
TOTAL ASSETS	5,74,97,55,198

Welspun Maxsteel Limited (99.85% owned subsidiary of WEPL)

	As at
	31 March 2014
EQUITY AND LIABILITIES	
Shareholders' funds	
Share capital	9,14,31,64,640
Reserves and surplus	(5,15,51,22,659)

	3,98,80,41,981
Non - current liabilities	
Long - term borrowings	10,97,22,35,390
Long - term provisions	2,59,77,209
	10,99,82,12,599
Current liabilities	
Short - term borrowings	23,79,24,164
Trade payables	2,50,31,64,464
Other current liabilities	52,23,29,252
Short term provisions	6,56,42,010
	3,32,90,59,890
TOTAL	18,31,53,14,470
ASSETS	
Non - current assets	
Fixed assets	
Tangible assets	13,98,53,60,907
Intangible assets	4,75,825
Capital work-in-progress	9,35,92,620
Non-current investments	3,00,06,165
Long - term loans and advances	60,27,26,304
	14,71,21,61,831
Current assets	
Inventories	2,07,51,98,251
Trade receivables	1,05,02,64,111
Cash and bank balances	56,64,483
Short - term loans and advances	46,86,37,519
Other current assets	33,88,275
TOTAL	3,60,31,52,639

Welspun Natural Resources Private Limited (wholly owned subsidiary of WEPL)

	As at 31 March 2014
Equities and Liabilities	
(1) Share Holder's funds	
(a) Share capital	1,87,50,000

(b) Reserve and surplus	16,72,10,082
(2) Non-current liabilities	
Long-term borrowings	1,92,31,98,636
(3) Current liabilities	
(a) Trade Payables	1,339
(b) Other current liabilities	3,02,035
Total	2,10,94,62,092
ASSETS	
(1) Non-current assets	
(a) Fixed assets	
(i) Capital work-in-progress	54,26,35,444
(b) Non-current investments	17,98,65,380
(c) Long-term loans and advances	1,35,08,94,847
(2) Current assets	-
(a) Cash and cash equivalents	43,49,862
(b) Short-term loans and advances	3,15,43,913
(c) Other current assets	1,72,646
Total	2,10,94,62,092

FINANCIAL INFORMATION OF THE LISTED GROUP COMPANIES

Welspun India Limited

Welspun India Limited was incorporated as a private limited company on January 17, 1985, in Maharashtra. On January 12, 1989, its name was changed to Welspun Polyesters India Limited. On October 12, 1995, its name was further changed to Welspun India Limited.

Pursuant to an order dated October 29, 1997 of the Company Law Board, the Registered Office of the Company was shifted from Maharashtra to Gujarat. Currently its registered office is at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110.

Welspun India Limited's registration number is L17110GJ1985PLC033271. It is engaged in the manufacture of home textile products like towels, bedsheets, bath rugs, etc. whereas its 98.03% owned subsidiary company Welspun Global Brands Limited is engaged in predominantly in marketing of the textile products manufactured by Welspun India Limited.

The shareholding pattern of Welspun India Limited as on June 09, 2014 were as follows:

Category of Shareholders	No. of Shares	% of total issued, subscribed and paid up share capital
Promoter Shareholding	7,36,37,719	73.36
Non Promoter Shareholding	2,67,43,296	26.64
TOTAL	10,02,84,515	100.00

The Board of Directors of Welspun India Limited as on June 09, 2014 comprise of the following directors

Name of Director	Designation
Mr. Balkrishan Goenka	Chairman
Mr. Rajesh Mandawewala	Managing Director
Ms. Deepali Goenka	Executive Director
Mr. Dadi B Engineer	Director
Mr. A K Dasgupta	Director
Mr. Arun Todarwal	Director
Mr. Ajay Sharma	Director (Nominee, IDBI Bank Limited)
Mr. Ram Gopal Sharma	Director
Mr. Arvind Singhal	Director

The financial highlights (consolidated) for the last three years are as follows

Equity Capital (Rs. Cr.)		Reserves (Rs. Cr.)	Sales (Rs. Cr.)	PAT (Rs. Cr.)	EPS & DEPS (Rs. Cr.)	NAV (Rs. Cr.)
FY14	100.34	1009.29	4495.4	92.07	9.19 / 9.18	2575.50
FY13	100.02	890.1	3647.3	224.8	22.55 / 22.46	2215.38
FY12	99.5	643.3	3220.5	0.616	-1.34 / -1.34	1905.24

Information about Share Price

The high and low prices of the Equity Shares traded on Bombay Stock Exchange during the six-month period ending May 31, 2014 are as follows :

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
December 2013	68.50	75.90	65.60	74.35	176812
January 2014	76.10	93.55	74.90	88.15	1244966
February 2014	87.50	104.00	87.25	102.65	1540725
March 2014	103.50	106.15	91.15	100.90	2044009
April 2014	100.15	137.90	94.05	128.70	3620196
May 2014	130.10	148.00	117.00	124.90	2682811

Details of public issue/ rights issue of capital in the last three years

The company has not made any issue of capital through a public or rights issue in the last three years

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by the company. There are no pending investor complaints against WIL.

Welspun Syntex Limited (WSL)

Welspun Syntex Limited was incorporated on March 31, 1983 and have registered office at Survey No. 394 (P), Village Saily, Silvassa, in the Union Territory of Dadra & Nagar Haveli. Its registration number is L99999DD1983PLC000045. Welspun Syntex Limited has Speciality Polyester Filament Yarn manufacturing facility at Silvassa, Dadra & Nagar Haveli and yarn processing units at Palghar.

The shareholding pattern of Welspun Syntex Limited as on June 09, 2014 were as follows:

Category of Shareholders	No. of Shares	% of total issued, subscribed and paid up share capital
Promoter Shareholding	25693596	65.48
Non Promoter Shareholding	13545972	34.52
TOTAL	39239568	100.00

The Board of Directors of Welspun Syntex Limited as on June 09, 2014 comprise of the following directors

Name of Director	Designation
Mr. Balkrishan Goenka	Director
Mr. R. R. Manadawewala	Director
Mr. B.A. Kale	Executive Director
Mr. R K Jain	Director
Mr. M K Tandon	Director
Mr. Atul Desai	Director

The financial highlights for the last three years are as follows

Equity Capital (Rs. Cr.)		Reserves (Rs. Cr.)	Sales (Rs. Cr.)	PAT (Rs. Cr.)	EPS & DEPS (Rs. Cr.)	NAV (Rs. Cr.)
FY14	39.23	73.72	896.38	19.69	5.02 / 5.02	234.74
FY13	39.23	68.29	776.11	16.02	6.23/6.23	209.70
FY12	33.91	45.01	611.57	11.57	4.47/4.47	145.00

The high and low prices of the Equity Shares traded on Bombay Stock Exchange during the six-month period ending May 31, 2014 are as follows :

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
December 2013	7.66	8.54	6.74	8.35	186327
January 2014	8.35	8.35	7.42	7.71	195398
February 2014	7.50	9.03	7.50	8.44	416009
March 2014	8.50	8.65	7.13	7.67	130217
April 2014	7.60	9.50	7.12	9.14	167916
May 2014	9.49	13.00	8.00	12.56	322231

Details of public issue/ rights issue of capital in the last three years

WSL has not made any issue of capital through a public or rights issue in the last three years

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by the company. There are no pending investor complaints against WSL.

Welspun Corp Limited (WCL)

Welspun Corp Limited formerly Welspun-Gujarat Stahl Rohren Limited was incorporated as a public limited company on April 26, 1995, in the state of Gujarat. WCL is engaged in the manufacture of high-grade steel pipes – Saw Pipes, ERW Pipes, Coating and plates at its Plants located at Dahej and Anjar in the state of Gujarat. The Equity Shares of WCL are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The shareholding pattern of Welspun Corp Limited as on June 09, 2014 were as follows:

Category of Shareholders	No. of Shares	% of total issued, subscribed and paid up share capital
Promoter Shareholding	10,05,26,005	38.23
Non Promoter Shareholding	16,24,22,294	61.77
TOTAL	262,948,299	100.00

The Board of Directors of Welspun Corp Limited as on June 09, 2014 comprise of the following directors

Name of Director	Designation
Mr. Balkrishan Goenka	Chairman
Mr. Rajesh R Mandawewala	Director
Mr. Minto Bhandari	Director (Nominee Insight Solutions Ltd.)
Mr. Utsav Baijal	Director (Nominee Insight Solutions Ltd.)
Mr. K H Viswanathan	Director
Mr. Rajkumar Jain	Director
Mr. Ram Gopal Sharma	Director
Mr. Nirmal Gangwal	Director
Mr. Mukul Sarkar	Director – Nominee (Exim Bank)
Mr. Braja Mishra	Managing Director

The financial highlights (consolidated) for the last three years are as follows

Equity Capital (Rs. Cr.)		Reserves (Rs. Cr.)	Sales (Rs. Cr.)	PAT (Rs. Cr.)	EPS & DEPS (Rs. Cr.)	NAV (Rs. Cr.)
FY14	131.47	2717.76	7704.72	73.39	2.79 / 2.79	6449.17
FY13	131.47	5,526.29	10,870.05	-	-3.03/-3.03	11,777.60
FY12	113.89	4,011.67	8,976.57	238.50	10.89/9.71	10,064.90

The high and low prices of the Equity Shares traded on Bombay Stock Exchange during the six-month period ending May 31, 2014 are as follows :

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
December 2013	39.65	66.30	34.80	63.55	5165293
January 2014	64.00	69.20	52.70	57.90	2278153
February 2014	58.00	65.90	57.45	63.65	3101021
March 2014	64.00	74.00	62.55	68.55	1484470
April 2014	68.25	84.40	68.15	81.55	3085256
May 2014	81.10	91.25	74.60	79.90	1932431

Details of public issue/ rights issue of capital in the last three years

WCL has not made any issue of capital through a public or rights issue in the last three years

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by the company. There are no pending investor complaints against WCL.

Welspun Investments and Commercials Limited (WICL)

Welspun Investments and Commercials Limited formerly Welspun Investments Limited was originally incorporated as a private company on October 7, 2008. WICL is in the business of trading in all kinds of commodities and in investments and dealing in shares and securities. On March 31, 2010, its name was changed from Welspun Investments Limited to Welspun Investments and Commercials Limited.

The shareholding pattern of Welspun Investments and Commercials Limited as on June 09, 2014 were as follows:

Category of Shareholders	No. of Shares	% of total issued, subscribed and paid up share capital
Promoter Shareholding	2608543	71.38
Non Promoter Shareholding	1045933	28.62
TOTAL	3654476	100.00

The Board of Directors of Welspun Investments and Commercials Limited as on June 09, 2014 comprise of the following directors

Name of Director	Designation
Mr. L T Hotwani	Director
Mr. Atul Desai	Director
Mr. Arun Tadarwal	Director
Mr. Rajkumar Jain	Director

The financial highlights for the last three years are as follows

	Equity Capital (Rs. Cr.)	Reserves (Rs. Cr.)	Sales (Rs. Cr.)	PAT (Rs. Cr.)	EPS & DEPS (Rs. Cr.)	NAV (Rs. Cr.)
FY14	3.65	11.84	1.12	-11.85	-32.45 / -32.45	15.55
FY13	3.65	23.70	2.89	0.52	1.42/1.42	27.40
FY12	3.65	23.18	6.67	0.97	2.66/2.66	26.80

The high and low prices of the Equity Shares traded on Bombay Stock Exchange during the six-month period ending May 31, 2014 are as follows :

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
December 2013	17.10	21.80	16.05	21.80	143557
January 2014	20.80	21.80	18.10	19.15	113646
February 2014	20.10	22.15	18.15	19.75	97317
March 2014	18.80	28.00	18.55	22.85	52133
April 2014	22.85	27.80	22.35	26.50	16435
May 2014	25.20	25.55	22.00	22.60	4283

Details of public issue/ rights issue of capital in the last three years

WICL has not made any issue of capital through a public or rights issue in the last three years

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by the company. There are no pending investor complaints against WICL.

Welspun Projects Limited

Welspun Projects Limited (WPL), formerly MSK Projects (India) Limited was incorporated in December 20, 1994. WPL is currently inter alia in the business of construction, acting as land developers and contractors for turnkey and build operate transfer projects. On December 3, 2010, its name was changed from MSL Projects (India) Limited to Welspun Projects Limited.

Shareholding Pattern of WPL as on June 09, 2014 was follows:

Category of Shareholders	No. of Shares	% of total issued, subscribed and paid up share capital
Promoter Shareholding	2,44,48,425	61.12
Non Promoter Shareholding	1,55,51,555	38.88
TOTAL	4,00,00,000	100.00

The Board of Directors of Welspun Projects Limited as on June 09, 2014 comprise of the following directors

Name of Director	Designation
Mr. Balkrishan Goenka	Chairman
Mr. Rajesh Mandawewala	Director
Mr. Mohan Tandon	Director
Mr. Atul Desai	Director
Mr. A K Dasgupta	Director
Mr. Sandeep Garg	Managing Director

The financial highlights (consolidated) of Welspun Projects Limited for the last three years are as follows

	Equity Capital (Rs. Cr.)	Reserves (Rs. Cr.)	Sales (Rs. Cr.)	PAT (Rs. Cr.)	EPS & DEPS (Rs. Cr.)	NAV (Rs. Cr.)
FY14	40.00	418.51	243.45	-61.01	-15.25 / -15.25	715.17
FY13	40.00	480.67	416.26	5.89	1.47/1.47	747.60
FY12	40.00	474.78	336.97	3.32	0.83/0.83	817.30

The high and low prices of the Equity Shares traded on Bombay Stock Exchange during the six-month period ending May 31, 2014 are as follows :

Month	Open Price	High Price	Low Price	Close Price	No. of Shares
December 2013	8.25	13.31	8.05	13.31	107847
January 2014	13.97	14.28	10.30	11.30	69541
February 2014	11.26	12.34	9.04	11.30	115512
March 2014	11.10	11.99	9.50	10.84	139007

April 2014	10.75	14.30	9.61	14.00	90891
May 2014	14.25	27.81	13.46	27.81	257848

Details of public issue/ rights issue of capital in the last three years

WPL has not made any issue of capital through a public or rights issue in the last three years

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by the company. There are no pending investor complaints against WPL.

CURRENCY OF PRESENTATION:

In this Information Memorandum, all references to “Rupees” or “Rs.” are to Indian rupees, the legal currency of the Republic of India and all reference to “USD” or “US\$” are to the United State Dollar.

DIVIDEND POLICY:

The Company does not have any formal dividend policy for its equity shares. The declaration and payment of equity dividend in a company is recommended by our Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Company has not paid any dividend on its equity shares so far.

MANAGEMENT DISCUSSION & ANALYSIS:

Business Overview – Opportunities, Outlook and Risks

The company’s main business is trading in commodities. The key commodities currently traded are steel and cotton. The trading business is dependent on the overall activity in the economy as well as business relationships. The company had developed a strong network of business relationships, thanks to the Welspun group’s presence in various businesses. With the GDP growth and overall economic activity expected to improve post the elections, the company expects improvement in its performance. The company is looking at expanding its trading portfolio, by entering trading in other commodities.

Apart from this, the Company holds equity investments in Welspun Infratech Limited, Welspun Energy Limited, Welspun Maxsteel Ltd and Welspun Natural Resources Private Limited.

Welspun Infratech Limited

Welspun Infratech Limited represents the Welspun Group’s interests in the infrastructure business. The company holds 61.12% in Welspun Projects Ltd, a listed company. Welspun Projects (earlier MSK projects) has developed and operates PPP projects in various sectors like roads, water, and urban infrastructure. In the highway sector alone, the Company has successfully completed six BOT (Toll) Road projects with a total length of over 500 km. With the

sale of the Group's entire stake in Leighton Welspun, Welspun Infratech has exited the EPC space.

While infrastructure industry has faced a slowdown in the last couple of years, the potential for infrastructure in the country remains high. The industry is dependent on project awards by the government and this is expected to pick up pace post the elections. Interest rate has also remained high in the last few quarters and a reduction in the rates will be a boost for the industry.

Key risks and concerns in this business are:

- Delays in land acquisition
- Multiplicity of regulatory approvals and environmental clearances
- Limited avenues to raise long-term funding
- Inadequate skilled manpower

Welspun Maxsteel Limited

Welspun Maxsteel Limited is a key player in the DRI (Direct reduced iron/sponge iron) business in India. Its plant located at Salav, Maharashtra has an annual capacity of 0.9 million tons, making it the largest gas based merchant DRI plant in India.

DRI is primarily used for the manufacture of steel and hence its fortunes are closely linked to the steel cycle. With GDP growth slowing down and key end-use industries such as automobiles and construction going through a lull period, the steel industry has faced a difficult time in the last two years. But the scope for growth industry is high for the industry with India expected to be the second largest steel producer (currently, 4th largest) by 2015. Apart from this, availability of gas is also a key issue for gas-based DRI plants.

Key Risks and Concerns:

- Demand slowdown in steel consuming industries such as automobiles, construction etc
- Gas availability

Welspun Natural Resources Private Limited

Welspun Natural Resources Private Limited represents the Welspun Group's interests in the oil and gas exploration business. The company owns 35% stake in Adani Welspun Exploration Limited, a joint venture with the Adani group. Welspun Natural Resources has interest in various oil & gas exploration blocks in India and abroad, either directly or through its subsidiaries or JVs.

Key Risks and Concerns:

- Regulatory control on output prices
- Increasing costs of exploration such as rig costs
- Commercial viability of discoveries

Welspun Energy Private Limited

Welspun Enterprises holds a minority stake in Welspun Energy Private Limited, which is primarily in the development of renewable energy projects. Welspun Energy is one of the leading renewable energy companies in India. It has one of the largest operational capacities in solar energy in the country.

With growing focus on replacing fossil fuels with renewable sources for generation of electricity, the outlook for this business looks bright. Policy and structural changes initiated by the government have given the initial boost to the renewable power sector. This has resulted in progressively falling cost of generation, thus moving towards achieving grid parity.

Key Risks and Concerns:

- Delays in Land acquisition
- Delays in statutory approvals and clearances from the authorities
- Availability and cost of capital - both equity and debt funding
- Evacuation issues
- Rapid changes in technology in solar power
- Weak financial condition of electricity distribution Companies
- Lack of availability of adequately skilled and technical manpower

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 reviews internal audit reports as well as the internal control systems and financial disclosures.

HUMAN RESOURCES POLICY

In the past year, the HR team at Welspun has re-organized itself as a combination of centralized and decentralized structure. The major focus was to bring synergy within the HR team and focus on bringing uniformity in process / policies across the Group. Based on the importance of the Program Management Activities, six focus areas were identified globally which would help in enriching the competencies of the HR team and in turn help in developing the Company's most important and invaluable asset " Human Resources".

- HR Operations
- Performance Management System, Industrial Relations and Corporate Social Responsibilities
- Talent Management
- Employee Development
- Talent Acquisition
- Employee Engagement

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS:

List of litigations against the promoters and the group companies.

- WCL, KTL, WWL and BKG became shareholders of an overseas company in a joint venture. WCL, KTL and WWL issued guarantees in favour of a bank to secure the repayment of loan of USD 52mn availed by the overseas company and interest thereon, under RBI's Automatic Approval Route for Overseas Investment. Upon submission to RBI, RBI alleged contravention of FEMA in giving of guarantees. Upon filing of compounding applications, RBI has granted post facto approval to investment and guarantees. However, RBI also proceeded with compounding and demanded Rs 5.53 crores. WCL challenged the Compounding Order and also on determination of amount. All subject matters shall be heard simultaneously before Hon'ble Bombay High Court.
- A charterer has initiated arbitration proceedings against WCL, in connection with the delayed discharge, cargo damage claim and arrest of a vessel carrying 3rd party cargo on our sub-charter. The claimants have claimed indemnification in connection with judgment passed by the courts against the Claimants with reference to the cargo claims lodged by the receivers and unpaid hire of an amount of approximately USD602,799, in respect of which WCL has provided with a bank guarantee of USD1,600,427.86.
- A machinery supplier claimed an aggregate sum of Rs.33.70 million from WCL towards unpaid amount whereas WCL has raised a counter claim of a sum of Rs.33.80 million for mismatch of supply with specification as well as delay. Besides, the dispute also involves applicability of Arbitration laws.
- Despite compounding of an alleged offence under the Central Excise law, a case has been filed against WCL, some of its executives / officers. WCL has not availed any excise benefit under the excise benefit scheme.
- A contractor issued purchase order to WCL for supply worth Rs. 21.75 Crores with Bank Guarantee (BG) for Rs. 10.00 Crores. WCL invoked the BG for outstanding dues. Upon filing of suit, court granted temporary injunction from en-cashing the Bank Guarantee.
- A summary suit has been filed by Gujarat Maritime Board, claiming Minimum Guaranteed Cargo - Wharfage Charges Rs. 110.49 lacs (including interest and service tax) w.r.t. the License Agreement with WCL for use of Dahej Port.
- 9 (Nine) Fatal and Non-Fatal cases filed by the factory inspector, Anjar, under the Factories Act, 1948 before the Court of the Judicial Magistrate, First Class, Anjar against the Occupier/ Factory Manager of WCL at Anjar. Maximum Penalty for each offence ranges from Rs. 25000/- to Rs. 100,000/- and / or imprisonment upto 2 years.
- Nine (9) Criminal Proceedings have been initiated against WCL for various alleged violations of and/or non-compliance with the provisions of the Factories Act, 1948.
- Three (3) cases have been filed against WCL under the Industrial Disputes Act, 1947 in the

labour court pertaining to termination of services of workers/employees. The collective claim is of Rs. 545,000.

- Workers, who were suspended and dismissed in 2002, have filed cases against WCL in the Industrial Tribunal under Section 33C of the Industrial Disputes Act, 1947, for reinstatement to service. WCL estimated the reinstatement charges for these workmen to amount to Rs.2,604,000 and discontinued the payment of their subsistence allowance of Rs.40,000 per month. These cases are now pending adjudication in both, the Industrial Tribunal as well as the Labour Court.
- Workers' Union at Dahej Plant of WCL placed the demand for Bonus for the Financial Year 2011-12 for Statutory Bonus 20%, Gift of Rs. 10,000/- and Sweet of Rs. 1,000/-, which has been disputed by WCL. The matter is before Labour Commissioner. Workers' Union placed demand for declaring their office bearers as protected workmen Under Industrial Dispute Act, 1947. The Company denied and challenged union's locus standi ALC, having given verdict in a few workmen, has to adjudicate the case.
- Suspended workmen (2 cases) resorted to go slow tactics against WCL. Having aggrieved with the Interim Order of Industrial Tribunal has approached the High court with a prayer of quashing the order.
- An engineer at factory challenged termination before Labour Commissioner. WCL had done termination for non-satisfactory performance. WCL claims the engineer was not a workman under IDA.
- WCL has agreed to pay premium on land at new tenure rate (as against premium paid at old tenure). Final determination of differential amount payable is awaited.
- Civil Application was filed by an original owner of a land sold to WCL alleging that the lessee of the land wrongly sold the land and the agricultural land was being wrongly used for non-agricultural purpose. WCL has denied allegations and is contesting the matter.
- WCL had purchased land for bonafide industrial purpose but the concerned authority rejected to register regularization on the ground of encroachment of Govt land. WCL filed appeal to appellate authority which is pending disposal.
- WCL filed two revision applications to Collector, Kutch, Gujarat against the Asst Collector's order disregarding order regularizing area increment to 6 acres 25 gunthas, passed by Mamlatdar by allegedly exceeding his authority. The revision appeals were rejected.
- The Mamlatdar Bhuj had issued order to consider allocation of land by paying 6 times of patta amount and relative entry was authenticated by the Mamlatdar, Anjar. The said land covers the LSAW Plant area. An individual claimant has filed Appeal before the Deputy Collector against the order of the Special Mamlatdar. WCL is contesting the matter.
- The District Collector has raised an objection to the encroachment on land admeasuring 43,000 sq.ft. which was marked for cattle grazing, and passed an Order in 2007 instructing

to vacate the land. WCL appealed to against the order and has obtained a stay.

- Order received from Customs, rejecting our refund claim of security deposit on the pretext of failure to fulfil the test of unjust enrichment.. Appeal has been filed with CESTAT, Mumbai on 16 Jan 08.
- DRI, Mumbai issued a SCN to WCL alleging clearance of “Alloy Hot Rolled Steel Coils / Plates” without payment of customs duty under the advance license(s) issued for import of “Non-Alloy H.R. Steel Coil / Plates” for the period from April, 2007 to March, 2010. This has been reported in the Annual Report of WCL for FY 12-13 on page no 91. WCL challenged the Order before with CESTAT Ahmedabad which has granted stay on the recovery of the Duty and penalty and also granted waiver from pre deposit vide order dtd 09-07-2013. On 22ND May 2014, CESTAT has ruled in favour of WCL and appeal has been allowed. Based on the DRI SCN, DGFT Mumbai issued a Show Cause Notice seeking cancellation of Advance Licenses and impose penalty. Hence no personal hearing was required. On 20th Nov 2013, the Hon’ble Bombay HC, after hearing both parties, was pleased to pass following Order viz interim stay granted on Addl DGFT’s Order dated 11th September 2013; Communication of Asst DGFT (ON Addl DGFT’s behalf) also suspended; and Honble HC clarified that the interim order shall not come in the way of respondent-authority considering the petitioner’s request for examining the grade of material imported and exported which obviously means that alloy and non-alloy are not to be treated as grades. The matter is presently before the Hon’ble Bombay HC.
- SCN issued for wrong availment of credit on input services for manufacturing exempted goods namely power and steam during the period 2007-08 to 2010-11. WCL has reversed the proportionate amount of input service tax. Reversal of tax tantamount to non-availment of service tax credit under Rule 6 (1). Hence Rule 6 (3) should not be applied. Excess steam generated due to technical necessity can not be stored and has to be disposed/ sold. Hence the entire quantity of the duty paid is to be construed as used only for the manufacture of steam for manufacture of dutiable final products and not in the quantity of steam sold outside. Supreme Court Decision in Chandrapur Magnets Pvt Ltd (1996) is favourable. Unconditional stay has been granted by the CESTAT. On request of early hearing, CESTAT was pleased to fix hearing on 14.07.2014
- Department issued SCN to WCL for reversal of credit on account of Service Tax on port charges , aircraft hiring, mobile etc as the same are not Cenvatable as per the Department view. Department’s argument that Service Tax paid on hiring of Aircraft charges for plant visits are not allowed as input service, which in our opinion is incorrect.
- Commissioner of Central Excise issued show cause notices for disallowing Cenvat credit on Service Tax paid on Export Commission was disallowed. Considering decision in 2010-TIOL-04-CESTAT- Ahmedabad, CCE Vapi vs Neelkamal Crates in favour of WCL. Circular No.943/04/2011 dated 29.04.11, export commission should be allowed Input services as Sales Promotion activity.
- WCL has 14 other Central Excise and Service Tax litigations, the alleged liability in individual case does not exceed Rs. 2 crs and the aggregate alleged liability is Rs. 8.61 crores.

- Appeals in Excise Rebate claim matters of Rs.0.51 cr & Rs.1.35 cr of WCL & WTL respectively have been decided in favour of WCL & WTL favor by the Commissioner (Appeals), Rajkot. The Department has however preferred revision before Joint Secretary (Revision Authority), New Delhi.
- Commissioner, Chandigarh issued SCN for reversal of Cenvat credit of Rs.4.69 crs on pipes cleared against Project Authority Certificate (PAC). Matter heard. Decision awaited.
- WTL's Service Tax refund claim of Rs. 4.76 crores was rejected as time barred and lacked supporting documents. Since these are paid after due date, filing of refund claim is not possible before due date. Considering the merits and extension of time granted, Appeals were filed before Commissioner (Appeals) and CESTAT.
- Department alleged WIL that on switching over from DEPB to Drawback, the CENVAT balance lapsed therefore disallowed carrying forward of CENVAT beyond 31st March, 2008 and raised demand with equal penalty. Unconditional stay has been granted by CESTAT.
- WIL have filed writ petition before Hon'ble High Court of Gujarat against the 127 revision applications rejected by Joint Secretary (Revision Authority), New Delhi. Earlier, we have filed an application for revision before the Joint Secretary (Revision Authority) against the 159 Orders of Commissioner (Appeals). Rebate claims allowed by JAC after amendment in Finance Act 2008. After review by Commissioner, an appeal was filed before Commissioner (Appeals) against order of Jurisdictional Assistant Commissioner. Commissioner (Appeals) decided matter against the Company. As per the Department's stand, WIL not eligible for rebate claims as no case lies before the Jurisdictional Assistant Commissioner when the matter is under appeal before Commissioner (Appeals) or Joint Secretary (Revision Authority), New Delhi.
- Department alleges that WIL has carried out expansion of the Unit and not maintained separate books of accounts for the expanded unit hence the entire refund amount is recoverable along with interest. Commissioner (Appeals) by order granted partial relief allowing exemption on the production from machinery installed upto 31.12.2005. Jurisdictional Assistant Commissioner to work out the allowable claim and determine the net liability. WIL submitted all required details to Jurisdictional Assistant Commissioner and also arranged physical inspection. Likely to get fresh reduced Demand shortly. Also, WIL has submitted appeal with CESTAT, Ahmedabad for remaining amount. Hearing awaited.
- As per Department, if WIL is exporting under Drawback with full rate, Cenvat can not be allowed on Capital Goods also. Consequently claim of rebate of such duty is wrong as per objection raised by Pre Audit Department. There is no bar under any provisions of law for claiming Cenvat on Capital Goods and for claiming rebate. Restriction is only for Cenvat on Inputs and Services. In another matter of ISKON, Joint Secretary (Revision Authority), New Delhi decided matter in favor of revenue. ISKON filed WP in HC Rajasthan, Jodhpur which is pending as on date. (ISKON case is not exactly similar and facts are different hence can not be applied in our case).

- Department has issued a Show Cause Notice to WIL stating that the Company has not fulfilled the conditions of Notification No. 12/2003 and claimed abatement under notification 32/2004, but WIL has not obtained requisite declarations on L.R's and Consignment Note. The requirement was not mandatory and therefore, complete claim can not be disallowed.
- Department issued SCN whereby Service Tax paid on Export Commission was not allowable. Considering decision in 2010-TIOL-04-CESTAT- Ahmedabad, CCE Vapi vs Neelkamal Crates in favour of WCL. Circular No.943/04/2011 dated 29.04.11, export sommission should be allowed Input services as Sales Promotion activity.
- WIL has other 7 litigations related to rebate, central excise (duty claim / cenvat credit) service tax and interest thereon, the individual claim in these litigations does not exceed Rs. 2 crores and the aggregate amount involved is Rs. 4.27 crores.
- WIL is currently a party to 8 (Eight) labour related proceedings (including 2 fatal accident cases) with its manufacturing facilities. The said proceedings inter- alia relate to alleged termination of or and/or suspension services of workmen/trainees. WIL is contesting the matters.
- WIL has received summons from the Civil Court at Vapi in respect of a suit filed by seller of the land and WIL (purchaser). The plaintiff has claimed that the land was wrongly sold to WIL and the plaintiff is one of the heirs having interest in the land. WIL claims to be bona fide purchaser of land from the persons who are named as the owner of the land in the government revenue records. The subject is a vacant land in the factory area.
- A complaint was filed by Inspector of the Security Guard Board against WIL and then Finance Director. The complaint alleged that the Company was required to be registered with the Board. In response to writ petition, the Bombay High Court granted ad-interim relief by staying the prosecution in the trial court.
- In respect of Scheme of Arrangement of WIL with another company in the group, there is a Stamp Duty adjudication matter pending at appeal stage. The potential liability could be Rs. 45.00 lacs in aggregate.
- The Dy. Commissioner (Commercial Tax) Ahmedabad disallowed and imposed tax, interest and penalty on WCL claiming that input tax credit on steel and other material purchased for manufacturing capital goods for captive use and internal transfer are not allowed. WCL has filed appeal before Joint Commissioner (Appeals), Rajkot. Hearing awaited.
- The Commercial Tax Department has filed appeal before Hon'ble High Court of Gujarat , against the order of the Tribunal holding that Incentive limit should not be adjusted against Input Tax Refund on raw material used for manufacturing of goods for export. Appeal is admitted by Hon'ble High Court of Gujarat. Hon'ble High Court decided the matter on 04.04.2014 and quashed the demand raised by Department. Further, Hon'ble High Court nullified the order of Sales Tax Tribunal and remanded the matter to original adjudicating authority to issue the assessment order. Since the assessment is already completed and our

appeal against the order is pending before Joint Commissioner (Appeals), Vadodara.

- WCL has a litigation relating to VAT wherein the alleged liability does not exceed Rs. 1 crore.
- WIL has a Sales Tax related litigation where the alleged liability does not exceed Rs. 2 crores.
- The legal heir, Individually and for the Estate of a deceased , filed a Complaint against Welspun Pipes, Welspun Tubular, WCL and two employees, in January 2011, for damages for the death of Welspun employee. A Workers' Compensation Commission ruled that workers' compensation is an exclusive remedy for this accident. The legal heir appealed this decision to the Appeals Court on December 19, 2013.
- Personal injury claims from the accident that resulted in the death of the employee has been made. The Workers' Compensation Commission ruled that workers' compensation is an exclusive remedy for the accident. The claimant appealed this decision to the Appeals Court.
- Personal injury claim filed against WPInc and WTLLC. No activity since complaint and answer were filed.
- A dispute involves an overseas co-promoter of WCL ("Co-Promoter") & WFTL and is presently in arbitration under ICC Rules. Co-promoter has alleged that WFTL was in breach as it did not accept its valid Notice of Offer for sale of its shareholding in WCL and also prevented MPC from selling the same. WFTL has contended that it was not in breach and in fact the Co-promoter failed to perform in terms of the subsequent settlement agreement executed between them. The arbitration proceedings have been withdrawn and settled with mutual consent of the Parties.
- WIL had received orders /show cause notices from Excise and Customs departments imposing duties on the Company. WIL has filed appeals/submitted replies to the Show Cause Notices. The amount of alleged Excise duty is Rs.3518.72 lacs out of which Rs. 21 lacs has been deposited by WIL.
- WIL has received SCN in respect of Cenvat Credit claims of Rs.858.87 lacs made by WIL as to why the refusal should be granted.
- The Central Excise authorities have filed appeal against the refund of Rs.695 lacs and rebate of equal amount, claiming want of authority in the person passing the order.
- WIL is currently a party to 10 (ten) labour related proceedings with its manufacturing facilities involving 15(fifteen) workers/trainees . The said proceedings inter- alia relate to alleged termination and/or suspension services of workmen/trainees. WIL is contesting the matters.
- WIL has filed Consent Application to SEBI in response to alleged delayed filing of intimation of allotment to promoters made pursuant to High Court order. As understood by us, under

SEBI Regulations, the intimation was not required at all but to close the debate, WIL preferred to settle. The settlement amount is Rs. 2,41,500/-.

- WIL voluntarily filed consent application for settlement pursuant to SEBI (SACP) for delays (ranging from 1 to 12 days) in disclosures (3 cases) required to be made under SEBI (SAST) and SEBI (PIT) The total settlement amount is Rs. 3,44,532/-.
- A consent application has been filed by WFTL with SEBI for settlement of (i) 2 cases of delays (one day each) in reporting acquisition under SEBI (SAST); and (ii) voluntary submission for non – disclosure under SEBI (PIT) regulations. The settlement amount offered by WFTL is Rs. 2,50,000/-.
- WSL has received 3 Show Cause Notices for Service Tax Liability of Rs. 177.82 Lacs which the Company replied and has challenged the alleged liability.
- WSL has received 3 demands from Income Tax and 1 from Sales Tax for Rs. 75.00 Lacs and Rs. 166.09 lacs respectively which WSL has challenged.
- WSL has received 2 Show Cause Notices from Central Excise and 2 Show Cause Notice demanding / alleging non-payment of custom duty of the aggregate amounts of Rs. 725.77 lacs and Rs. 231.67 lacs respectively. WSL has replied to Show Cause Notices challenging the demands.
- 2 Civil Suits have been filed against WSL and its directors by 2 (Two) companies for alleged non-refund of deposit and interest thereon for an aggregate amount of Rs. 139.85 lacs.
- There are 5 cases against WPL for recovery of money, the aggregate claim of which does not exceed Rs. 5 crore.
- There is a case filed by Madhya Pradesh state government against WPL for unauthorised extraction / removal of minerals, the penalty of which may extend to Rs. 5 lakh.
- There are 3 cases under Motor Accident Compensation Act against WPL wherein the amount of claim does not exceed Rs. 60 lacs
- There are 14 cases filed against WPL under labour laws viz. Workmen Compensation Payment of Wages, Industrial Dispute, Minimum Wages and Labour Contract Act. The aggregate claim amount does not exceed Rs.40 lakh.
- WPL has 3 matters in Arbitration with various parties wherein the aggregate amount of claim does not exceed Rs.12 crores
- WPL has filed application for restraining imposing of property tax by Vadodara Municipal Corporation, the liability under which may extend to Rs. 4 lakh

- There are 4 Writ Petitions filed by WPL against State of Madhya Pradesh in respect of labour cess imposed on the contracts awarded to WPL, the liability under which may extend to Rs. 1 crore.
- WPL has filed SLP against State of Madhya Pradesh in respect of stamp duty payable on concession agreement. The liability under the said litigation may extend to Rs.1.15 crores.
- There are 2 first appeals filed by WPL against BSNL, the liability under which may extend to Rs.1 lakh.
- There are 2 SLPs filed by WPL in respect of House Tax payable for Jalandhar Bus Terminal and Ludhiana Bus Terminal. The House Tax liability for Jalandhar Bus Terminal and Ludhiana Bus Terminal respectively may extend to Rs.2.33 cr and Rs.1.63 cr. The interest amount on these liabilities may extend to Rs.1.25 cr
- There are 3 Writ Petitions filed by WPL against NHA against the invocation of bank guarantee. The liability under the said litigation may extend to Rs.1.35 cr.
- A declaratory Civil Suit has been filed by WPL against Gujarat State Road Development Corporation Limited (GSRDC) for breach of Tender Documents under which a Road Project on PPP basis was awarded to WPL and also declaring that GSRDC is not entitled to forfeit the bid security of **Rs. 2.38 cr**. Presently, Hon'ble Gujarat High Court has granted injunction from en-cashing the bid security.
- A winding up petition has been filed by a supplier against WPL for disputed amount of Rs.20 lakh. WPL's contention is that the goods supplied were defective.
- There is one criminal complaint filed against WPL under Section 58 A of the Companies Act, 1956. The liability under the said litigation may extend to Rs. 1.00 lac.
- WPL's Income Tax appeals with Commissioner of Income Tax for 4 asst. years are pending wherein the amount of liability could be Rs. 263 lacs (out of which Rs. 45 lacs has been paid).
- There are 4 appeals filed with Income Tax Appellate Tribunal by WPL pending wherein the amount of liability could be Rs. 527 lacs (out of which Rs. 346 lacs has been paid)
- There is a pending reopening case against WPL with Income Tax, the liability which could be Rs. 500 lacs.
- Government Land was allotted / occupied (but not regularized) in past. The Company offered to agree for payment of occupancy charges at the then applicable rate. However Government of Maharashtra claimed at the rates applicable at the time of notice which has been challenged by WMSL by way of Writ Petition in Bombay High Court. The amount of alleged liability could be Rs.3.00 Crores.
- Supplier of Gas revised price upward with retrospective effect as per Government Directive which was paid by WMSL under protest and WMSL has filed complaint to recover the

amount of Rs. 5.86 Crores. The Authority has held in favour of WMSL, and subsequently an appeal has been filed by GAIL before the Appellate Authority.

- Gas Supplier exercising its monopolistic approach has recovered fixed transportation charges of Rs. 117.98 Crores which is 6 times higher than the capital cost of laying the pipeline. WMSL has filed complaint with appropriate authority for recovering the excess amount charged. WMSL's complaint was not granted by the Authority hence WMSL intends to file an appeal.
- Pursuant to Government Directive, a gas supplier reduced contracted quantity of gas supplied. WMSL has filed a Writ Petition in Bombay High Court which was dismissed. Thereafter WMSL filed Special Leave Petition in Supreme Court which is pending final hearing. Favourable Outcome could improve gas availability at cheaper price.
- In 1997, WMSL challenged hike of railway freight at inflation of 30% putting extra burden of Rs. 57.00 lacs per annum which was reduced to 20% w.e.f. 9.7.2002 by Railway Rates Tribunal against which Railway has filed revision application in the Tribunal. Based on Subsequent decision of the Tribunal, WMSL made representation to the Tribunal which was rejected. Thus WMSL filed fresh complaint in January 2009.
- The Deputy Superintendent of Stamps, Fort Mumbai issued an Interim Demand notice directing WMSL to pay an amount of Rs. 25,00,00,000/- (Rupees Twenty Five Crores) towards stamp duty on the order passed by Madhya Pradesh High Court, thereby sanctioning scheme of arrangement. WMSL is challenging the Interim Demand notice on various grounds. It has already filed a detailed reply to the Interim Demand Notice. No actions have been taken by Stamp Authorities pursuant thereto.
- Welspun Natural Resources Private Limited's Government contract was terminated on the ground of misrepresentation by a Joint Venture Partner and consequently the Bank Guarantee (BG) was invoked for an amount of Rs.2,34,42,500/-. WNRL filed a suit in Court at Ahmedabad seeking injunction against the BG invocation.
- Welspun Plastic Private Limited's Government contract was terminated on the ground of misrepresentation by a Joint Venture Partner and consequently the Bank Guarantee (BG) was invoked for an amount of Rs.3,53,78,000/-. WPPL filed a suit in the Court at Ahmedabad seeking injunction against the invocation of the said BG.
- A complaint has been filed by an individual before Assistant Labour Commissioner, Mumbai against Welspun Logistics Limited & its directors claiming wrongful termination. Welspun Logistics contention is that the individual was actually a retainer and the contract was lawfully terminated for his breach. The amount claimed against Welspun Logistics Limited is Rs. 1,47,60,553/- and costs.

GOVERNMENT APPROVALS:

Pursuant to the Scheme, all permits, authorizations, licences, consents, registrations, approvals, municipal permissions, industrial licences, insurance policies, registrations, connections for water, electricity and drainage, sanctions, obligations / benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent) and intellectual property rights, save the trademark 'WELSPUN', shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company as if the same were originally given or issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.

REGULATORY AND STATUTORY DISCLOSURES:

Authority for the Scheme

The Honorable High Court of Judicature at Gujarat, vide their order dated 10th January 2014 have approved the Scheme of Arrangement between WCL and WEL and their respective shareholders and creditors (the "Scheme").

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

General Disclaimer from the Company

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements to be published in terms of requirements by Stock Exchange and SEBI Circular dated 4th February, 2013 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Disclaimer Clause of the BSE

The BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company; And it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or

approved by the BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such

Disclaimer Clause of NSE :

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or constructed to mean that this Information Memorandum has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

This Information Memorandum has been filed with BSE and NSE.

Listing

Applications will be made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated NSE as the Designated Stock Exchange for the aforesaid listing of the shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above.

Demat Credit

The Company has executed Tripartite Agreements with the Depositories i.e. NSDL and CDSL and Link Intime India Pvt Ltd. for admitting its securities in demat form and has been allotted ISIN – INE072P01019

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Previous rights and public issues if any

The Company has not made any previous public or rights issue since incorporation.

Commission and brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Companies under the Same Management

Welspun Enterprises Limited and its subsidiary companies viz. WMSL, WInFL and WNRL.

Promise vis-à-vis performance

This is the first time the Company is getting listed on the Stock Exchange

Outstanding debentures or bonds and redeemable preference shares and other instruments issued by the issuer Company outstanding:

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

Stock Market Data for Equity shares of the Company

Equity shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of its shares through this Information Memorandum.

Disposal of Investor Grievances

The board of directors of the Company has constituted its shareholders' and investors' grievance committee. This committee specifically looks into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend etc. In addition, the committee also looks into matters that can facilitate better investor services and relations.

The Company has appointed Mr. Rajendra Sawant, Company Secretary as the Compliance Officer and he may be contacted in case of any problems at the following address:

Compliance Officer and Company Secretary

Mr. Rajendra Sawant

Welspun Enterprises Limited
Welspun House, 7th Floor,
Kamala Mills Compound,
Lower Parel,
Mumbai – 400 013
Tel : 022 - 66136000
Fax: 022 - 24908020
Email : companysecretary_wepl@welspun.com

OTHER INFORMATION

Material Contracts and Documents for Inspection

Service Agreement with Managing Director

Documents for Inspection:

1. Memorandum and Articles of Association, as amended till date i.e. 28.02.2014
2. Certification of incorporation dated 5th November 2012
3. Tripartite Agreement with NDSL, Company and Link Intime India Pvt Ltd.
4. Tripartite Agreement with CDSL, Company and Link Intime India Pvt Ltd
5. Reports of the statutory Auditors of the Company dated 31st October 2013 as mentioned in this Information Memorandum.
6. Scheme of Arrangement.
7. Order dated 10 January, 2014 of the Hon'ble High Court of Judicature at Gujarat approving the Scheme of Arrangement.
9. ROC filing of the Scheme as on January 24, 2014

DECLARATION:

All Statements made in this Information Memorandum are true and correct.

For **Welspun Enterprises Limited**

Sd/-
Sandeep Garg
Managing Director

Date : 10/06/2014
Place : Mumbai