

**WELSPUN**



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Enhance the Present  
to  
Craft the Future



**WELSPUN Projects Ltd.**

20th Annual Report 2013-14

# WELSPUN Projects Ltd.

## 20th Annual Report 2013-14

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### Forward looking statement

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

## CORPORATE INFORMATION

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

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

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

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

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

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

## KEY MANAGEMENT TEAM



**B. K. Goenka**  
\*Chairman



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



Mr. Akhil Jindal  
Director  
Group Finance & Strategy



Deepak Chauhan  
Director, Legal,  
Welspun Group

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

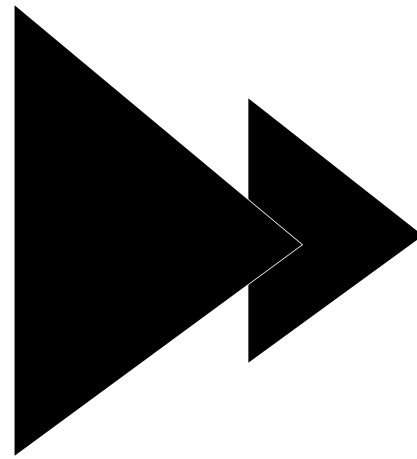


B. K. Goenka  
Chairman, Welspun Group

My dear fellow stakeholders,

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

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



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

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

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

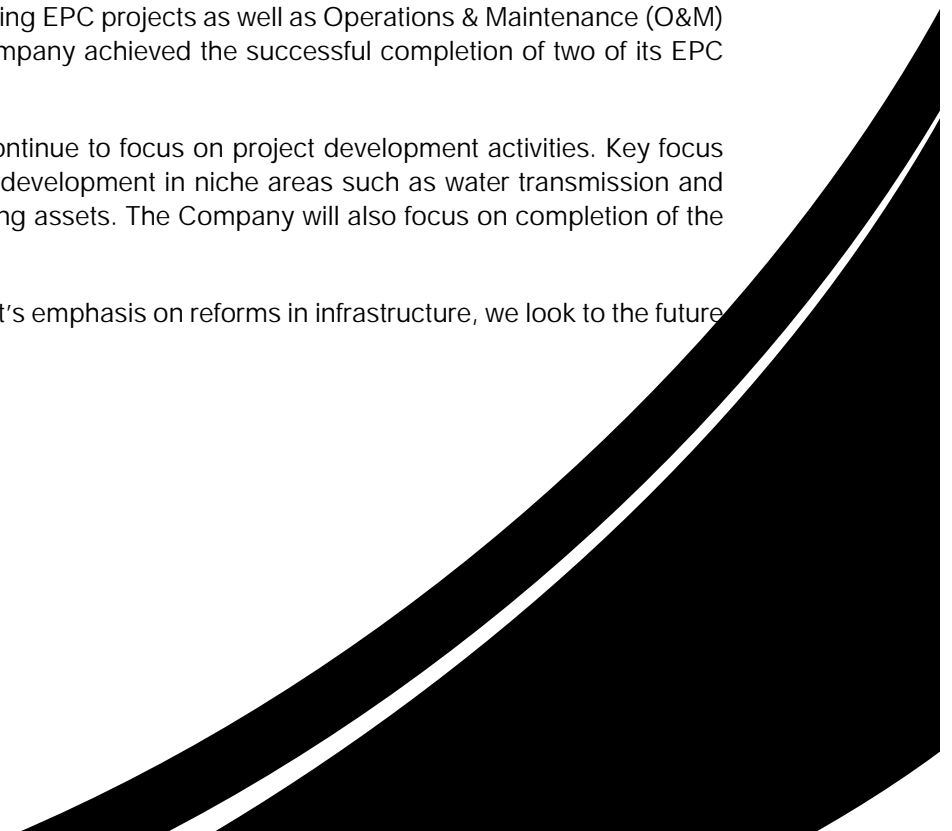
For Welspun Projects, FY13-14 was a year of re-organisation and consolidation. The Company sold its equity stake in Leighton Welspun Contractors Private Limited during the year for a cash consideration of Rs. 810 mn, as part of its value unlocking strategy. Post this transaction, the company's exposure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

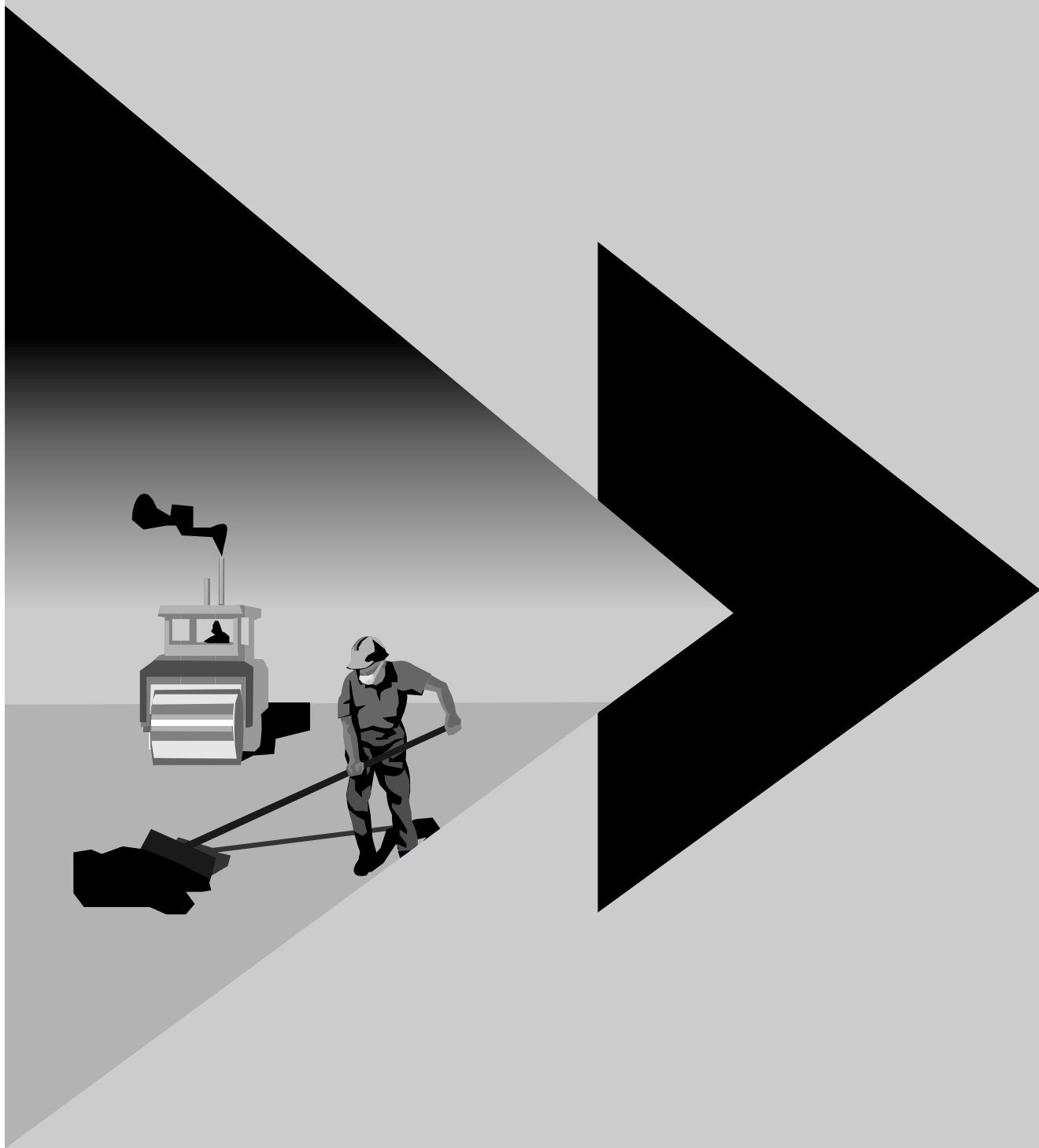
Going forward, the Company will continue to focus on project development activities. Key focus areas for WPL will be infrastructure development in niche areas such as water transmission and processing as well as O&M of existing assets. The Company will also focus on completion of the remaining EPC order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

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

Many thanks,

B. K. Goenka







BHARUCH - DAHEJ ROAD PROJECT  
- Gujarat

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

**WELSPUN Projects Ltd.**

# DIRECTORS' REPORT

Dear Members,

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

## 1. Financial Performance

(Rs. in Lakh)

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

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

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

## 2. Dividend

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

## 3. Directors

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

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

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



4. Deposits

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

5. Auditors

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

6. Auditors' Report

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

7. Cost Audit Report

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

8. Internal Control Systems:

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

9. Subsidiaries:-

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

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

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

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

10. Particulars of Employees

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