



WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

**2nd
ANNUAL REPORT
2009-2010**



WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

BOARD OF DIRECTORS Mr. B.K. Goenka
Mr. Arun Tadarwal
Mr. Shailesh Vaidya
Mr. R.K. Jain

COMPANY SECRETARY Mr. Jeevan Mondkar

STATUTORY AUDITORS Suresh Surana & Associates
Chartered Accountants

REGISTERED OFFICE Welspun City,
Village Versamedi,
Tal : Anjar,
Dist. Kutch,
Gujarat – 370 110
Tel: +91-2836- 661111
Fax : +91-2836-279010

CORPORATE OFFICE Welspun House,
7th Floor,
Kamala City,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400 013.
Tel : +91-22- 66136000
Fax : + 91-22-24908020

**REGISTRAR AND
TRANSFER AGENTS** Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West)
Mumbai – 400 078.

BANKERS Punjab National Bank
IndusInd Bank Limited
IDBI Bank Limited

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NOTICE

NOTICE is hereby given that the 2nd Annual General Meeting of Welspun Investments and Commercials Limited (formerly Welspun Investments Limited) will be held on Tuesday, September 28, 2010 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal :Anjar, Dist. Kutch, Gujarat – 370 110 at 12 noon to transact the following business:

Ordinary Business:

- 1] To receive, consider and adopt the audited Balance Sheet as at March 31, 2010 Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2] To appoint a director in place of Mr. B.K. Goenka, who retires by rotation, and being eligible offers himself for re-appointment.
- 3] To appoint M/s. Suresh Surana & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Special Business:

- 4] **Appointment of Mr. Arun Tadarwal as a Director of the Company.**

To Consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provision of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Arun Tadarwal, who was appointed as an Additional Director pursuant to the provision of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director be and is hereby appointed as director of the company not liable to retire by rotation"

- 5] **Appointment of Mr. Shailesh Vaidya as a Director of the Company.**

To Consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provision of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Shailesh Vaidya, who was appointed as an Additional Director pursuant to the provision of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing

his candidature for the office of director be and is hereby appointed as director of the company liable to retire by rotation."

- 6] **Appointment of Mr. R.K. Jain as a Director of the Company.**

To Consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provision of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. R.K. Jain, who was appointed as an Additional Director pursuant to the provision of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director be and is hereby appointed as director of the company liable to retire by rotation."

- 7] **Alteration of Articles of Association of the Company:**

To Consider and if thought fit, to pass the following resolution, with or without modification(s), as a **Special Resolution**:

"RESOLVED THAT subject to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and is hereby amended by altering the Article 177 in the manner as hereinafter stated:

"When a dividend has been declared, it shall be paid by cheque or dividend warrant and such cheques or dividend warrant shall be posted to the members within thirty days of the date of declaration of dividend. In case of payment through Electronic Clearing System (ECS), the dividend amount shall be paid through ECS within the said thirty days".

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution any one of the directors of the Company or Company Secretary be and are hereby severally authorised on behalf of the Company to do all such acts, deeds, matters, and things as deemed necessary in its absolute discretion."

By Order of the Board of Directors

Place : Mumbai
Date : July 06, 2010

Jeevan Mondkar
Company Secretary

1. The Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of special businesses under item No. 4 to 7 above are annexed hereto.



2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Transfer Books of the Company will be closed from Tuesday, September 21, 2010 to Tuesday, September 28, 2010 (both days inclusive)
4. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
5. Members are requested to notify change in address, signature or bank particulars for their shares held in electronic mode to their respective depository participant and for physical holding to the Registrar and Share Transfer Agents of the Company. i.e. M/s Link Intime Private Limited.
6. Members are requested to bring their copy of the Annual Report at the Meeting.
7. Members/Proxies should bring their attendance slips duly completed for attending the Meeting.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4

The Board of Directors of the Company ("Board") appointed pursuant to the provisions of section 260 of the Companies Act 1956("Act") Mr. Arun Tadarwal, as an additional director of the company with effect from December 16, 2009.

In terms of the provision of section 260 of the Act, Mr. Arun Tadarwal, will hold office until the conclusion of the forthcoming Annual General Meeting of the Company and is eligible for appointment as director.

The company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Arun Tadarwal for the office of director of the company under provision of section 257 of the Act.

Members' approval is sought by way of an ordinary resolution proposed under Item no.4.

Except Mr. Arun Tadarwal, none of the directors of the Company is, in any way concerned or interested in the said resolution.

ITEM NO.5

The Board appointed pursuant to the provisions of section 260 of the Act, Mr. Shailesh Vaidya, as an additional

director of the company with effect from December 16, 2009.

In terms of the provision of section 260 of the Act, Mr. Shailesh Vaidya, will hold office until the conclusion of the forthcoming Annual General Meeting of the Company and is eligible for appointment as director.

The company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Shailesh Vaidya for the office of director of the company under provision of section 257 of the Act.

Members' approval is sought by way of ordinary resolution proposed under Item no.5.

Except Mr. Shailesh Vaidya, none of the directors of the Company is, in any way concerned or interested in the said resolution.

ITEM NO. 6:

The Board appointed pursuant to the provisions of section 260 of the Act, Mr. R.K. Jain, as an additional director of the company with effect from December 16, 2009.

In terms of the provision of section 260 of the Act, Mr. R.K. Jain, will hold office until the conclusion of the forthcoming Annual General Meeting of the Company and is eligible for appointment as director.

The company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. R.K. Jain for the office of director of the company under provision of section 257 of the Act.

Members' approval is sought by way of ordinary resolution proposed under Item no.6.

Except Mr. R.K. Jain, none of the directors of the Company is, in any way concerned or interested in the said resolution.

ITEM NO. 7:

In order to bring the provision of Article 177 of the Articles of Association of the Company in line with the current provision of Section 205A of the Companies Act, 1956, it is proposed to amend the existing Article 177 of the Articles of Association of the Company.

Members' approval is sought by way of special resolution proposed under Item no.7.

None of the directors of the Company are concerned or interested in the resolution.

By Order of the Board of Directors

Place : Mumbai
Date : July 06, 2010

Jeevan Mondkar
Company Secretary

Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting:

Particulars	Mr. B.K. Goenka	Mr. Arun Tadarwal	Mr. Shailesh Vaidya	Mr. R.K. Jain
Date of Birth	15.08.1966	16.06.1957	03.11.1957	19.07.1956
Date of Appointment	07.08.2008	16.12.2009	16.12.2009	16.12.2009
Expertise in specific area	Industrialist with wide business experience	Wide experience in accounts & finance	Wide experience in law	Wide experience in accounts
Directorships held in other public limited companies (excluding foreign and Section 25 companies)	Welspun India Limited Welspun Syntex Limited Welspun Corp Limited Welspun Mercantile Limited Welspun Fintrade Limited Welspun Steel Limited Welspun Logistics Limited Welspun Global Brands Limited Welspun Energy Limited Adani Welspun Exploration Limited Welspun Maxsteel Limited Remi Metals Gujarat Limited MSK Projects India Limited Alspun Infrastructure Limited	Welspun India Limited Welspun Global Brands Limited Sterlite Technologies Limited Graviss Hospitality Limited Graviss Hotels & Resorts Limited The Madras Aluminium Co.Limited Anuh Pharma Limited	Dwarikesh Sugar Industries Limited Prabhukripa Overseas Limited Gold Crest Finance (India) Limited C. Mahendra Exports Limited Suashish Diamonds Limited Siyaram Silk Mills Limited Avighna India Limited Orbit Corporation Limited Allied Digital Services Limited Welspun Steel Limited	Welspun Corp Limited Welspun Syntex Limited
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee & Shareholders'/Investors' Grievance Committee)	Audit Committee Welspun Steel Limited Shareholders'/Investors Grievance Committee Welspun Corp Limited Welspun India Limited Welspun Syntex Limited Welspun Global Brands Limited	Audit Committee Welspun India Limited Welspun Global Brands Limited Sterlite Technologies Limited* The Madras Aluminum Company Limited Anuh Pharma Limited Shareholders'/Investors Grievance Committee Welspun Global Brands Limited Sterlite Technologies Limited The Madras Aluminum Company Limited	Audit Committee Allied Digital Services Limited* C. Mahendra Exports Limited Dwarikesh Sugar Industries Limited Suashish Diamonds Limited	Audit Committee Welspun Corp Limited Welspun Syntex Limited*
Number of shares held in the Company	2229	Nil	Nil	Nil
Relationships between directors inter-se	None	None	None	None

* Chairman of the Committee



DIRECTORS' REPORT

Dear Members,

WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

Your directors have pleasure in presenting their 2nd Annual Report together with Audited Statement of Accounts for the year ended March 31, 2010.

STATEMENT OF AFFAIRS:

1. ACQUISITION OF INVESTMENT AND TREASURY DIVISION PURSUANT TO THE SCHEME OF ARRANGEMENT

During the year under report, your Company has acquired the Investment and Treasury Division of Welspun India Limited pursuant to the Composite Scheme of Arrangement in the nature of Demerger for transfer of Investment and Treasury Division of Welspun India Limited (WIL) to Welspun Investments and Commercials Limited (formerly Welspun Investments Limited) and Restructure of Capital of these companies ("Scheme") which was sanctioned by the Hon'ble High Court of Gujarat at Ahmedabad on May 8, 2009. The Scheme became effective on June 12, 2009 i.e. the date of filing of a copy of the Order with the Registrar of Companies, Gujarat ("Effective Date"). On the Scheme becoming effective, the issued, subscribed and paid up capital of the Company as on that date, being Rs.5,00,000 divided into 50,000 equity shares of Rs.10/- each stood cancelled. Pursuant to the Scheme, the Company has issued and allotted 36,54,476 equity shares of Rs. 10/- each on July 14, 2009 to the equity shareholders of WIL holding equity shares as on record date, June 26, 2009 in the ratio of 1 (one) Equity Share of Rs.10/- each for every 20 (twenty) equity shares of Rs.10/- each held in WIL, leaving apart fractional entitlements which will be dealt with pursuant to the Scheme.

Accordingly, as on March 31, 2010, the aggregate paid up capital of the Company is Rs. 3,65,44,760 consisting of 36,54,476 equity shares of Rs. 10/- each.

2. FINANCIAL PERFORMANCE

	2009-10 (Rs.)	2008-09 (Rs.)
Income	51,440,576	655
Expenditure	32,725,567	74,781
Profit/(Loss) Before taxation	18,715,009	(74,126)
Provision for current taxation	(4,369,901)	
Profit / (Loss) After Taxation	14,345,108	(74,126)
Profit available for appropriation	14,345,108	-
Transfer to Reserve	14,270,982	(74,126)
Balance b/f for Previous Year	(74,126)	
Balance Carried to Balance Sheet	14,270,982	(74,126)

During the financial year under review, considering the transfer of division and commencement of trading activities, your Company has recorded total income from operations of Rs. 51,440,576. Profit after tax stood at Rs.14,345,108 as against a loss of Rs. 74,126 the previous year.

3. DIVIDEND

With a view to plough back the profits for consolidating financial position of the Company to achieve long term growth, your directors do not recommend any dividend for the period ended March 31, 2010. Your directors are of the opinion that this is in long term interest of the Company as well as its stakeholders.

4. LISTING OF EQUITY SHARES

The Company has applied for permission for getting relaxation from applicability of Rule 19 (2) (b) under the Securities Contract (Regulations) Rules, 1957 to Securities and Exchange Board of India (SEBI). After receipt of the said permission the equity shares of the Company will be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has made applications to BSE and NSE for listing of equity shares, issued pursuant to the Scheme and has received in-principle approvals for listing of the said shares.

5. CHANGES IN MEMORANDUM

Change of Name:

The Shareholders in their Extra-Ordinary General Meeting (EGM) held on February 24, 2010 approved the change in name of Company from Welspun Investments Limited to Welspun Investments and Commercials Limited. The name of the Company was changed with effect from March 31, 2010 on receipt of fresh certificate of incorporation consequent upon change of name from Registrar of Companies (ROC), Gujarat.

Changes in Object Clause:

The Shareholders in their aforesaid EGM approved the change in object clause of the Company by inserting a new clause relating to carrying on the activities of trading in all kinds of commodities.

6. MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments

The industry had witnessed a sharp deceleration in growth in 2008-09 as the global liquidity crisis (GLC) hit the Indian shores in the second half of the year.

However, the industry recovered swiftly from this shock and reported a robust growth in 2009-10. The acceleration in growth was witnessed across all segments of the industry.

The sharp acceleration in growth was witnessed inspite of fall in agricultural crop production, the key input for a number of industries.

b. Business Overview

The Company deals in trading of various kinds of commodities in the market. Welspun Group has a very strong presence globally which can fetch viable business opportunities in the Company's business segment. The Company management believes that with the improvement of position of India in the global arena, coupled with Welspun Group's strong credentials should bring in profitable business opportunities by way of high scale commercial activities. Today, Welspun Group, a US \$ 3 billion enterprise, is diversified into several growth industries that cover Home textiles, Lines Pipes, Steel and having various other business interest like Oil Gas Exploration, Infrastructure, and Energy. Besides, Welspun Group's potential to enter into various high growth businesses should bring in lot of long term business opportunities to the Company.

c. Outlook

Although the market has not been very conducive for growth keeping in mind the inflationary trends all around the country, the performance of your company has been sustainably improving as a result of increased activities from trading operations. But, the Company operates in highly competitive environment and this competitive pressure on the business is likely to continue. Also, the unpredictable nature of markets makes the investments a risky business.

d. Opportunities & Threats

India has averted the effects of the global slumps and continues to grow at a healthy 7-8%. The Improved performance of the capital markets along with robust and stable economic growth has given a push to the new opportunities. However, due to sheer unpredictable nature of markets, it makes investments a risky business. Hence the management has decided to diversify into the areas of trading in all kinds of commodities as it is having a vast potential and now being getting attention of the organised sector.

High economic growth in the country would offer considerable opportunities and your company would continuously strive to take advantage of opportunities coming its way. The Company sees abundant prospects in this area.

The Investments business is being carried with own funds, dividend, and shall not be raising any public deposits to carry out the investments activities.

e. Internal control systems and their adequacy

The Company maintains the system of internal controls designed to provide high degree of assurance regarding

the effectiveness and efficiency of operations, reliability of financial controls and compliance with laws and regulations. The Audit Committee will approve the audit plan in the beginning of the financial year in consultation with the auditors and the operating management.

f. Cautionary Statement

The Information and opinion expressed in this report may contain certain forward looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements, risks and opportunities could differ materially from those expressed or implied in this report. This should be read in conjunction with the Company's financial statements.

7. PUBLIC DEPOSITS

The Company does not accept any deposit from public and hence has not contravened provisions of section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 and Reserve Bank of India Rules, if any.

8. DIRECTORS

The Board of Directors of the Company at its meeting held on December 16, 2009 had appointed Mr. Arun Tadarwal, Mr. Shailesh Vaidya, and Mr. R.K. Jain as an Additional Directors of your Company. As per the provisions of Section 260 of the Companies Act, 1956 these Directors will hold office until the conclusion of the forthcoming Annual General Meeting of the Company. The Company has received notices under Section 257 of the Act along with requisite deposit in respect of the aforesaid persons, proposing their appointment as directors of the Company.

Mr. R.R. Mandawewala, Mr. M.L. Mittal, and Mr. D.K. Patil ceased to be the directors of the Company w.e.f December 16, 2009. The Board of Directors places on record its appreciation for the valuable contribution made by all of them during their tenures as directors of the Company.

In term of the provision of the Companies Act, 1956 and as per the Articles of Association of the Company, Mr. B.K. Goenka, director of the company retires by rotation and being eligible offers himself for re-appointment.

9. AUDITORS

The Auditors of the Company, M/s Suresh Surana & Associates, Chartered Accountants hold office until the conclusion of the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-appointment. They have indicated their willingness to accept re-appointment.