



WELSPUN INVESTMENTS AND COMMERCIALS LIMITED



**4th
ANNUAL REPORT
2011-12**



WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

CORPORATE INFORMATION (As on August 8, 2012)

BOARD OF DIRECTORS	L. T. Hotwani Arun Todarwal Raj Kumar Jain Atul Desai
AUDIT COMMITTEE	Raj Kumar Jain Arun Todarwal Atul Desai
SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE:	L. T. Hotwani Arun Todarwal Atul Desai
COMPANY SECRETARY:	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 Axis Bank
WEBSITE:	www.welspuninvestments.com
EQUITY SHARES LISTED AT:	Bombay Stock Exchange Limited National Stock Exchange of India Limited

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NOTICE

NOTICE is hereby given that the 4th Annual General Meeting of Welspun Investments and Commercials Limited will be held on Tuesday, September 18, 2012 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal : Anjar, Dist. Kutch, Gujarat – 370 110 at 11 a. m. to transact the following business:

Ordinary Business:

- 1] To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 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. Raj Kumar Jain, 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. L. T. Hotwani 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 pursuant to 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. L. T. Hotwani, 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.”

- 5] **Appointment of Mr. Atul Desai 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 pursuant to 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. Atul Desai, 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.”

By Order of the Board of Directors

Jeevan Mondkar
Company Secretary

Place: Mumbai
Date: August 08, 2012

1. An Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956, in respect of item No. 4 and 5 of the Notice as set above, is 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 11, 2012 to Tuesday, September 18, 2012 (both days inclusive) for the purpose of Annual General Meeting.
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.
8. To support the Green Initiative in Corporate Governance taken by the Ministry of Corporate Affairs by allowing paperless compliances and stating that service of notices/documents including Annual Reports can be effected by sending the same through electronic mode to the registered email addresses of the shareholders. Notices /documents including the Annual Report are now being sent by electronic mode to the shareholders whose email addresses have been registered with the Company. Members who would like to receive such notices/documents in electronic mode in lieu of physical copy and who have not registered their email addresses so far are requested to register their email addresses:

In respect of electronic shareholding holding- through their respective Depository Participant.

In respect of physical shareholding- by sending a request to the Company's Registrar and Share Transfer Agent, mentioning therein folio number and email address.

ANNEXURE TO THE NOTICE

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. L. T. Hotwani, as an additional director of the company with effect from November 8, 2011.

In terms of the provision of Section 260 of the Act, Mr. L. T. Hotwani, 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. L. T. Hotwani 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. L. T. Hotwani, none of the directors of the Company is, in any way concerned or interested in the said resolution.

ITEM NO. 5

The Board of Directors of the Company ("Board") appointed pursuant to the provisions of Section 260 of the Companies Act 1956 ("Act") Mr. Atul Desai, as an additional director of the company with effect from August 8, 2012.

In terms of the provision of Section 260 of the Act, Mr. Atul Desai, 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. Atul Desai 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.5.

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

By Order of the Board of Directors

Jeevan Mondkar
Company Secretary

Place: Mumbai
Date: August 08, 2012

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

Particulars	Mr. L. T. Hotwani	Mr. Atul Desai	Mr. Raj Kumar Jain
Date of Birth	05.05.1953	27.01.1950	19.07.1956
Date of Appointment	08.11.2011	08.08.2012	16.12.2009
Expertise in specific area	Supply Chain, accounts, finance, taxation	Wide experience in law	Wide experience in accounts
Directorships held in other public limited companies (excluding foreign and Section 25 companies)	Mertz Securities Ltd. Krishiraj Trading Ltd. Goodvalue Polyplast Ltd. Welspun Marine Logistics (Raigad) Ltd. Vipuna Trading Ltd. Welspun Finance Ltd. Welspun Pipes Ltd. Welspun Tradings Ltd. Alspun Infrastructure Ltd. Welspun Mercantile Ltd.	TCFC Finance Ltd. Jindal South West Holding Ltd. Welspun Syntex Ltd. Akar Tools Ltd. Remi Metals Gujarat Ltd. Welspun Global Brands Ltd. Auchtel Products Ltd.	Welspun Corp Ltd. Welspun Syntex Ltd. Bharat Wire Ropes Ltd.
No of shares held	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Members,

WELSPUN INVESTMENTS AND COMMERCIALS LIMITED.

The Directors of your Company are pleased to present their 4th Annual Report together with Audited Statement of Accounts for the year ended March 31, 2012.

1. WORKING RESULTS:

The working results of the Company for the year under report are as under:

	2011-12 (₹)	2010-11 (₹)
Income	66,865,978	31,701,562
Expenditure	57,122,920	20,089,326
Profit Before taxation	9,743,058	11,612,236
Provision for current taxation	(23,234)	(562,009)
Profit After Taxation	9,719,824	11,050,227
Profit available for appropriation	9,719,824	11,050,227
Balance b/f for Previous Year	25,321,209	14,270,982
Balance Carried to Balance Sheet	35,041,033	25,321,209

2. DIVIDEND

In order to conserve resources for the future, your directors do not recommend any dividend for the period ended March 31, 2012. The directors submit that this will increase shareholders' value in the long term.

3. DIRECTORS

The Board of Directors of the Company at its meeting held on November 08, 2011, had appointed Mr. L. T. Hotwani as an additional director of your Company. As per the provisions of Section 260 of the Companies Act, 1956 ("Act") he will hold office until the conclusion of the forthcoming Annual General Meeting of the Company. The Company has received notice under Section 257 of the Act along with requisite deposit in respect of Mr. L. T. Hotwani, proposing his appointment as director of the Company.

Mr. B. K. Goenka in view of his expanded role across the Welspun Group resigned as the Director of the Company. His resignation was accepted by the Board from the close of office hours on November 08, 2011. Your directors place on record their appreciation for the valuable service rendered by Mr. Goenka during his tenure as the director of the Company.

Consequent to the resignation of Mr. B. K. Goenka from the Board of the Company, Mr. L.T. Hotwani is appointed as the Chairman of the Board.

Mr. Shailesh Vaidya, Director, resigned from the Board with effect from August 08, 2012. The Board has placed on record their appreciation for the valuable contribution made to your Company by Mr. Vaidya.

The Board of Directors of the Company at its meeting held on August 08, 2012, had appointed Mr. Atul Desai as an additional director of your Company. As per the provisions of Section 260 of the Act he will hold office until the conclusion of the forthcoming Annual General Meeting of the Company. The Company has received notice under Section 257 of the Act along with requisite deposit in respect of Mr. Atul Desai, proposing his appointment as director of the Company.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Raj Kumar Jain, Director retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer himself for re-appointment. The Board of Directors recommends his appointment for approval of the shareholders of the Company.

Brief details of the Directors proposed to be re-appointed/appointed are provided in the Notice for convening the Annual General Meeting.

4. MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments

The global economic conditions during the fiscal year, European sovereign debt crisis led the volatility in the macro environment. There is divergence of economic conditions across global regions, as well as a divergence of recovery

within some regions. During FY 2012, the Indian GDP grew at 6.9 % as compared to 8.4 % the previous year. With agriculture and services continuing to perform well, India's slowdown can be attributed to the weakening industrial growth. Inflation remained at the higher levels during FY 2012 and led to the tight monetary policy being adopted by the Reserve Bank of India (RBI).

The prevalent governance slowdown remains an area of concern. Fiscal deficit has continued to expand and is estimated to cross 5.9 % of GDP by analyst, contrary to budget estimates of 4.6 %. High inflation, rising interest rates, spiraling oil prices and dampened business sentiments contributed to the slowdown in the economy. While the growth rate of around 7% p.a. would sustain India's position as one of the fastest growing major economies of the world, it is below than the country's potential.

Your Company is an investment holding company having investments predominantly in Welspun Group companies, which are engaged in the business of Pipes, Plates. The profitability of the Company is linked to the performance of the Investee Company as well as fluctuations in the quotations on the Stock Markets. The Company also holds investments in bonds. As the performance of the investee company is on growth path, it is expected that the dividend yield will increase in the years to come.

b. Business Overview

The Company deals in commodities in the domestic as well as international market. Welspun Group has a very strong presence globally which can fetch viable business opportunities in the Company's business segment. During the year the revenue from operations increased from ₹ 31,701,562 to ₹ 66,794,320. Your Company is capitalizing on the opportunity to build on a strong trading business and at the same time focusing on its investment activities yielding market realistic returns. Your Company's strong in-house capabilities give it a competitive edge in the industry.

c. Outlook

The Company will continue to focus on trading activities and making long term strategic investments in various existing/new ventures, besides consolidating the existing investments as and when the resources and opportunities are available.

d. Opportunity & Threats

IIP growth rate has improved in January and February 2012. Manufacturing inched back to 4 % plus levels and mining also showed first signs of positive growth for the last few months, though on a lower base.

The cut throat competition in trading activities is the major threat faced by the Company in the trading segment. Higher inflation is also a major challenge faced by the Company.

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 Company is dependent on dividends and distributions from our Investments. Thus, failure of the Investee Companies to be profitable, or inability of any of the Investee Companies to pay us dividend could impact the revenue stream of the Company.

e. Internal control systems and their adequacy

The adequacy of the internal control system is reviewed by the Audit Committee of the Board of Directors. Your Company has taken proper and sufficient care for the maintenance of adequate accounting records as required by various Statutes.

Internal Auditors, the Audit Committee and Statutory Auditors have full and free access to all the information and records as considered necessary to carry out their responsibilities.

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.

5. PUBLIC DEPOSITS

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

6. AUDITORS

The Auditors of the Company, M/s Suresh Surana & Associates, Chartered Accountants hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The certificate from the Auditors have been received to the effect that their re-appointment, if made, would be within the limits under Section 224(1B) of the Act.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company does not carry any activity which is covered under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and accordingly no data needs to be enclosed.

8. PARTICULARS OF EMPLOYEES

No employee has drawn salary in excess of the limits specified under Section 217(2A) of the Act read with rules made there under.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that they had:

- a. followed in the preparation of annual accounts, the applicable accounting standards and given proper explanation relating to material departures, if any;
- b. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities; and
- d. Prepared the accounts on a going concern basis.

10. ACKNOWLEDGEMENTS

Your Directors wish to acknowledge the co-operation and support extended by the Group Companies, Central Government, State Governments, bankers, customers, and the shareholders. The directors also wish to thank all the employees for their contribution, support and continued co-operation throughout the year.

For and on behalf of the Board

L. T. Hotwani
Chairman

Place: Mumbai
Date: August 08, 2012