



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 Todarwal 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 Todarwal, 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

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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 Todarwal, 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.



10. 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.

11. PARTICULARS OF EMPLOYEES

No employee has drawn salary in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with rules made there under.

12. 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.

13. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable support and assistance received by your Company from Banks, Government authorities, Regulatory authorities and the stakeholders for their continued co-operation and support to the Company. The Board also thanks the employees at all levels for their dedication, commitment and hard work put in by them for Company's achievements.

For and on behalf of the Board

B. K. Goenka
Chairman

Place : Mumbai
Date : July 6, 2010

CORPORATE GOVERNANCE REPORT

I. **Philosophy on Corporate Governance:**

Corporate Governance at Welspun has been a continuous journey as good corporate governance helps in achieving long term corporate goals of enhancing stakeholders' value. Accordingly, timely, accurate disclosure of information regarding the financial position, ownership and governance of the Company form an important part of corporate governance. The Company is committed to good corporate governance with accountability and transparency in all its dealing, and places emphasis on business ethics to achieve fairness to all stakeholders. In order to attain the highest level of good Corporate Governance practice, the Board of Directors considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

II. **Board of Directors:**

Your Company is managed and controlled by the professional Board of Directors. As on March 31, 2010, the Board of Directors comprises of 4 Directors, of which 1 Director is Non - Executive and 2 are Independent Directors. The Chairman is non-executive and a promoter of the Company. Your Company's Board consists of eminent persons with considerable professional expertise and experience thereby ensuring the best interest of stakeholders and the Company.

Composition and category of directors, attendance of each director at the board meetings and the last AGM, number of other directorships and memberships/ chairmanships of Committees and number of board meetings, dates on which held, are as under:

The Following Directors have resigned during the year 2009-10:

Sr. No.	Name of the Director	Date of Resignation	No. of Board Meetings attended by the Director
1.	Mr. R.R. Mandawewala	16.12.2009	7
2.	Mr. M.L. Mittal	16.12.2009	9
3.	Mr. D.K. Patil	16.12.2009	9

Ten meetings of the Board of Directors were held during the financial year 2009-10. Dates of those ten meetings were May 16, 2009, May 22, 2009, June 10, 2009, June 23, 2009, July 14, 2009, July 22, 2009, September 18, 2009, December 07, 2009, December 16, 2009, and March 12, 2010. The information as required under Annexure IA to Clause 49 of the Listing Agreement is being made available to the Board.

III. **AUDIT COMMITTEE**a. **Terms of Reference:**

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under clause 49 of the Listing Agreement. The Committee acts as a link between the management, external/ internal auditors and the Board of Directors and oversees the financial reporting process.

b. **Composition:**

The Audit Committee was constituted by the Board of Directors on December 16, 2009. The Chairman

Name of Director	Category	Board Meetings Attended during the Year 2009-10	Attendance at the Last AGM	No. of Directorships in other Indian Public Limited Companies	No. of Chairmanship(s)/ Membership(s) of Committees in other Public Ltd Cos.@	
					Chairmanships	Memberships
Mr. B.K. Goenka – Chairman	P, NE, C, S	8	Yes	14	–	5
Mr. Arun Tadarwal* – Nominee – Dunearn Investments	NE, S	2	N.A#	7	1	7
Mr. Shailesh Vaidya*	NE, I	2	N.A#	10	1	3
Mr.R.K.Jain*	NE, I	2	N.A#	2	2	–

* Appointed as an Additional Director w.e.f. December 16, 2009

@ Only two Committees, namely, Audit Committee and Shareholders' /Investors' Grievance Committee have been considered

Not a Director at the time of last AGM

Abbreviations:

P = Promoter, NE = Non-Executive, I = Independent, S = Shareholder, C = Chairman.



of the Committee is an independent director. The composition of the Committee is given hereunder:

Name of Member	Member/ Chairman	Category
Mr. R.K. Jain	Chairman	Non-Executive Independent
Mr. Arun Tadarwal	Member	Non-Executive
Mr. Shailesh Vaidya	Member	Non-Executive Independent

The Company Secretary of the Company, Mr. Jeevan Mondkar is the Secretary of the Committee. Finance Head, Accounts Head and Internal Auditors/ Statutory Auditors will be the permanent invitees to the meetings as and when held as per the provisions of the Listing Agreements of the Stock Exchanges.

IV. REMUNERATION COMMITTEE

The Remuneration Committee was constituted by the Board of Directors in its meeting held on December 16, 2009.

a. **Terms of reference:** To recommend appointment of Managerial Personnel and consider the remuneration payable to them and review thereof from time to time.

b. **Composition:**

Name of Member	Member/ Chairman
Mr. Shailesh Vaidya	Chairman
Mr. Arun Tadarwal	Member
Mr. R.K. Jain	Member

c. **Remuneration to Non Executive Directors:**

The Non Executive Directors do not draw any remuneration from the Company. Non Executive directors (except Promoter Directors) are entitled to the sitting fees for every meeting of the Board and Audit Committee and Remuneration Committee meeting attended.

Directors' shareholding

As on March 31, 2010, Mr. B.K. Goenka held 2,229 shares. None of the other Directors held any shares in the Company.

Non Executive Directors (except Promoter Directors) are entitled for sitting fees of Rs. 3,000/- per meeting for attending Board Meetings and Audit Committee Meetings.

d. **Code of Conduct**

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company. The same has also been posted on the website of the Company.

V. SHAREHOLDERS' /INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee was constituted by the Board of Directors at its meeting held on December 16, 2009 to specifically look into the redressal of Shareholders'/Investors' complaints like allotment, transfer of shares, non – receipt of Annual Reports, review the reports submitted by the Registrar and Share Transfer Agents of the Company and to review the functioning of the investors grievance redressal system. The Chairman of the Committee, Mr. B.K. Goenka is a Non Executive Director. This Committee has been authorised to approve the transfer/transmission/transposition of shares and to issue duplicate share certificates.

Mr. Jeevan Mondkar, Company Secretary is the Compliance Officer of the Company.

a. **Composition of the Shareholders'/Investors' Grievance Committee**

Name of Member	Member/ Chairman
Mr. B. K. Goenka	Chairman
Mr. Arun Tadarwal	Member
Mr. Shailesh Vaidya	Member

b. **Number of Shareholders complaints received during the year:**

During the year under review, total 75 Investor complaints/requests were received and were processed.

All the complaints received during the year under review were processed/solved within the time limit to the satisfaction of the investors/shareholders and no complaint is pending as at March 31, 2010 for a period over 30 days.

VI. MANAGEMENT

a. **Management Discussion and Analysis**

This is given separately in the Directors' Report section of Annual Report.

b. **Disclosures by Management to the Board**

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

c. **Accounting Policies**

The Company has adopted accounting treatments which are in conformance with those prescribed by the Accounting Standards.

d. Insider Trading

The Company has comprehensive guidelines in accordance with the SEBI Regulations, which advise and caution the directors, management on procedures to be followed while dealing with the securities of the Company. The Company's Insider Trading Code will help in ensuring compliance with these requirements.

VII. GENERAL BODY MEETINGS

(i) The 1st Annual General Meeting was held on June 11, 2009 at the Registered Office of the Company at Welspun City, Village Versamedi, Tal : Anjar Dist. Kutch, Gujarat – 370 110 at 3.00 p.m.

(ii) Following Special Resolution was passed in the aforesaid Annual General Meeting:

To alter the Articles of Association by way of substituting with new set of Articles of Association bearing Articles No. 1 to 220.

VIII. DISCLOSURE

a. Details of related party transactions

Refer Note No.7 of Schedule 6 to the Accounts in the Annual Statement for list of related party transactions.

b. Details of information on appointment of new directors

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

c. Details of non-compliance

There was no non compliance by the Company, nor there was any penalty or stricture imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital markets, since incorporation of the Company on October 7, 2008.

IX. MEANS OF COMMUNICATION

The Company has filed an application for listing of the Equity Shares with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and awaiting listing.

Once the Equity Shares gets listed on BSE and NSE, the Company will publish the quarterly/half-yearly / annual financial results after the same are approved / taken on record by the Board of Directors in

newspapers as required under the Listing Agreements entered into with the Stock Exchanges.

The Financial results will also be placed on the Company's website: www.welspuninvestments.com

X. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting will be held on Tuesday, September 28,2010 at 12 noon at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110.

As required under Clause 49(IV)(G) (i) of the Listing Agreements with Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting are given in the Annexure to the Notice of the AGM to be held on September 28, 2010.

Financial Year of the Company is April 1 to March 31.

Date of Book Closure: September 21, 2010 to September 28, 2010 (Both days inclusive)

Dividend payment date: Not applicable.

The Company's Equity Shares are proposed to get listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

Market Price Data and Performance in comparison BSE Sensex and NSE Nifty is not available as the Company's shares are not listed.

Registrar and Transfer Agent: The Company has appointed Registrar and Transfer agent to handle the share transfer work and to solve the complaints of Shareholders. Name, Address and telephone number of Registrar and Transfer Agent is given hereunder:

M/s. Link Intime India Private Limited
Unit: **Welspun Investments and Commercials Limited**
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078
Tel : + 91- 22- 25946970
Email : rnt.helpdesk@linkintime.co.in

Contact person:

Mr. Joy Verghese / Mr. Raghunath Poojary

Share Transfer System:

Share Transfers in physical form can be lodged with Link Intime India Private Limited at the above mentioned address. The transfer requests are normally processed within 15-20 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

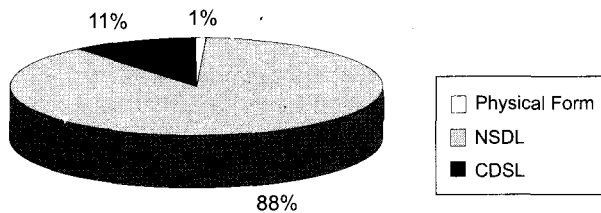


Distribution of Shareholding:

No. of Equity Shares held	No. of share-holders	Percentage of Share-holders	Total No. of shares held	Percentage of Shares
Upto-5000	26482	99.54	317611	8.69
5001-10000	48	0.19	34266	0.94
10001-20000	31	0.11	44267	1.21
20001-30000	6	0.02	14986	0.41
30001-40000	8	0.03	28242	0.77
40001-50000	3	0.01	14282	0.39
50001-100000	4	0.02	32067	0.88
100001- above	20	0.08	3168755	86.71
Total	26602	100.00	3654476	100.00

Dematerialisation of shares and liquidity: Around 99% of the Company's share capital is dematerialised as on March 31, 2010.

Equity Shareholding of Welspun Investments and Commercials Limited



The Equity shares of the Company are available under dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company is: INE389K01018.

There are no Outstanding GDR's/ADR's/Convertible as at March 31, 2010.

Address for correspondence:

Company Secretary
Welspun Investments and Commercials Limited
Welspun House, 7th Floor,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai 400013
Tel: +91-22-24908000, +91-22-66136000
Fax: +91-22-24908020
E-mail : CompanySecretary_winl@welspun.com
Website: www.welspuninvestments.com

For and on behalf of the Board

B. K. Goenka
Chairman

Place : Mumbai
Date : July 6, 2010

AUDITORS' REPORT

To,

The Board of Directors

WELSPUN INVESTMENTS AND COMMERCIALS LIMITED
(Formerly known as Welspun Investments Limited)

1. We have audited the attached balance sheet of WELSPUN INVESTMENTS AND COMMERCIALS LIMITED (Formerly known as Welspun Investments Limited) as at 31 March 2010, the profit and loss account and the cash flow statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (hereinafter referred to as 'the Order') issued by Central Government of India in terms of section 227(4A) of the Companies Act, 1956, on the basis of such checks of the books and records of the Company, as we considered appropriate and according to information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by

this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- e) On the basis of written representations received from the directors of the Company as on 31 March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes thereon in Schedule '6', give the information required by the Companies Act 1956, in the manner so required and gives true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2010;
 - ii) in the case of profit and loss account, of the profit for the year ended on that date; and
 - iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For Suresh Surana & Associates
Chartered Accountants
Firm Reg. No.: 121750W

(Nirmal Jain)
Partner
Membership No. 34709

Mumbai, July 6, 2010

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. The Company has no fixed assets. Accordingly, clause 4(i)(a), 4(i)(b) and 4(i)(c) of the Order are not applicable to the Company.
2. In our opinion and according to information and explanations given to us in respect of its inventories:
 - a) The management has conducted physical verification of inventory at reasonable intervals.
 - b) The procedures of physical verification of inventory 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 is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory as compared to book records and the same have been properly dealt with in the books of account.



3. The Company has not granted / taken any loans, secured or unsecured to / from Companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(b), 4(iii)(c) 4(iii)(d), 4(iii)(f), and 4(iii)(g) of the Order are not applicable to the Company.
4. 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, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. According to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under Section 301 of the Act. As there are no transactions that need to be entered into the register maintained under Section 301 of the Act, the provisions of clause 4(v)(b) of the Order is not applicable during the year.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
7. The requirement of having internal audit system was not applicable to the Company during the year.
8. In our opinion, the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in case of any of the activities of the Company.
9. (a) The Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection funds, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, service tax, customs duty, wealth tax, excise duty and cess, which have not been deposited on account of any dispute.
10. As the Company is registered for less than five years, the provisions of clause 4(x) of the Order are not applicable to the Company.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks. The Company does not have any borrowings from financial institutions and by way of debentures.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the clause 4(xiii) of the Order is not applicable to the Company.
14. The Company has maintained proper records of the transactions and contracts with respect to its investments in shares, securities, debenture and other investments. All the shares, securities, debenture and other investments are held in the name of the Company or are in process of being transferred in the name of the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loan during the year.
17. According to the information and explanation given to us and on overall examination of the balance sheet of the Company, we report that as at 31 March 2010 no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares to the parties or companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the management.

For **Suresh Surana & Associates**
Chartered Accountants
Firm Reg. No.: 121750W

(Nirmal Jain)
Partner

Membership No. 34709

Mumbai, July 6, 2010

BALANCE SHEET AS AT 31 MARCH 2010

PARTICULARS	Schedule	As at 31/03/2010		As at 31/03/2009	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' funds					
Share capital	1	36,544,760		500,000	
Reserves and surplus	2	<u>211,072,080</u>		<u>-</u>	
			247,616,840		500,000
Total funds employed			<u>247,616,840</u>		<u>500,000</u>
APPLICATION OF FUNDS					
Investments	3		131,531,168		-
Deferred tax assets			5,099		-
Current assets, loans and advances	4				
Cash and bank balances		6,466,221		152,027	
Other current assets		52,550		-	
Loans and advances		<u>113,989,922</u>		<u>-</u>	
Total (A)		<u>120,508,693</u>		<u>152,027</u>	
Less: Current liabilities and provisions	5				
Current liabilities		53,120		3,155	
Provisions		<u>4,375,000</u>		<u>-</u>	
Total (B)		<u>4,428,120</u>		<u>3,155</u>	
Net current assets (A-B)			116,080,573		148,872
Miscellaneous expenditure (to the extent not written off or adjusted)					
Preliminary expenses			-		277,002
Profit and loss account (debit balance)			-		74,126
Total funds utilised			<u>247,616,840</u>		<u>500,000</u>
Accounting policies and notes forming part of the accounts	6				

As per our report of even date attached

For **Suresh Surana & Associates**
Chartered Accountants**Nirmal Jain**
Partner
Membership No.: 34709

Mumbai, July 6, 2010

On behalf of the Board of directors

B.K. Goenka
Director**R.K. Jain**
Director**Jeevan Mondkar**
Company Secretary

Mumbai, July 6, 2010



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

PARTICULARS	Schedule	Current Year 2009-10 Rs.	Previous Period 2008-09 Rs.
INCOME			
Sales		31,270,864	-
Dividend income from investments			
Trade, longterm		6,049,500	655
Non trade, current		130,315	-
Interest income (TDS Rs. 1,587,205)		13,989,897	-
		51,440,576	655
EXPENDITURE			
Purchases		31,227,211	-
Auditors Remuneration			
Audit fees		44,120	2,758
Other matters		33,090	-
Director's sitting fees		9,000	-
Rates and taxes		432,095	-
Professional fees		4,087	2,747
Printing and stationery		582,783	-
Postage and telegram		112,865	-
Advertisement expenses		2,304	-
Bank charges		1,010	25
Preliminary expenses written off		277,002	69,251
		32,725,567	74,781
PROFIT/ (LOSS)			
Profit / (loss) before taxation		18,715,009	(74,126)
Provision for taxation:			
- Current tax		(4,375,000)	-
- Deferred tax benefit/ (expenses)		5,099	-
Profit / (loss) after taxation		14,345,108	(74,126)
Balance brought forward from previous period		(74,126)	-
Balance carried to balance sheet		14,270,982	(74,126)
Basic and diluted earnings per shares		3.93	(1.48)
Nominal value of equity shares		10.00	10.00
Accounting policies and notes forming part of the accounts	6		

As per our report of even date attached

For **Suresh Surana & Associates**
Chartered Accountants

Nirmal Jain
Partner
Membership No.: 34709

Mumbai, July 6, 2010

On behalf of the Board of directors

B.K. Goenka **R.K. Jain**
Director Director

Jeevan Mondkar
Company Secretary

Mumbai, July 6, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

PARTICULARS	Schedule	Current Year 2009-10		Previous Period 2008-09	
		Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES					
Profit / (loss) before taxation			18,715,009		(74,126)
ADJUSTMENTS FOR:					
Preliminary expenses written off		277,002		69,251	
Dividend income		(6,179,815)		(655)	
Interest income		(13,989,897)	(19,892,710)	-	68,596
Operating profit / (loss) before working capital changes			(1,177,701)	-	(5,530)
ADJUSTMENTS FOR:					
Trade and other receivables		(20,102,575)		-	
Trade payables and other liabilities		49,965	(20,052,610)	3,155	3,155
Cash used in operations			(21,230,311)		(2,375)
Preliminary expenses paid			-		(346,253)
Advance income tax			(5,087,205)		-
Net cash used in operating activities			(26,317,516)		(348,628)
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of investments			(131,531,168)		-
Interest received			13,937,347		-
Loan given			(88,800,142)		-
Dividend income			6,179,815		655
Net cash used in investing activities			(200,214,148)		655
C. CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of share capital			-		500,000
Net cash from Financing Activities			-		500,000
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)			(226,531,664)		152,027
Cash and cash equivalents - Opening balance			152,027		-
Cash and cash equivalents on demerger (Refer note 2 of Schedule '6')			232,845,858		-
Cash and cash equivalents - Closing balance			6,466,221		152,027
Net increase / (decrease) in Cash and Cash Equivalents			(226,531,664)		152,027
Components of Cash and Cash Equivalents at the end of the period					
Cash in hand			52,143		9,933
Bank balance with schedule bank in current account			6,414,078		142,094
			6,466,221		152,027
Accounting policies and notes forming part of the accounts	6				

As per our report of even date attached

For **Suresh Surana & Associates**
Chartered Accountants**Nirmal Jain**
Partner
Membership No.: 34709

Mumbai, July 6, 2010

On behalf of the Board of directors

B.K. Goenka
Director**R.K. Jain**
Director**Jeevan Mondkar**
Company Secretary

Mumbai, July 6, 2010



SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2010

PARTICULARS	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised:		
13,000,000 (2,000,000) Equity Shares of Rs.10 each	<u>130,000,000</u>	<u>20,000,000</u>
Issued, subscribed and paid up:		
3,654,476 (50,000) Equity Shares of Rs.10 each fully paid up	<u>36,544,760</u>	<u>500,000</u>
	<u>36,544,760</u>	<u>500,000</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
Reserve on demerger:		
Opening balance	-	-
Add: Additions during the year	<u>196,801,098</u>	-
	<u>196,801,098</u>	-
Profit and loss account	<u>14,270,982</u>	-
	<u>211,072,080</u>	-
SCHEDULE - 3		
INVESTMENTS		
Long Term (At Cost)		
Trade and Quoted:		
4,033,000 (-) Equity shares of Rs. 5 each fully paid up of Welspun Gujarat Stahl Rohren Limited	<u>32,031,168</u>	-
Non trade and Unquoted:		
3,320,000 (-) Equity shares of Rs. 10 each fully paid up MEP Cotton Limited	<u>99,500,000</u>	-
	<u>131,531,168</u>	-
Aggregate value of quoted investments in shares and securities	<u>32,031,168</u>	-
Aggregate value of unquoted investments in shares and securities	<u>99,500,000</u>	-
Market value of quoted investments	<u>1,102,017,250</u>	-

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31 MARCH 2010

PARTICULARS	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
SCHEDULE - 4		
CURRENT ASSETS AND LOANS AND ADVANCES		
CURRENT ASSETS		
Cash and bank balances		
Cash in hand	52,143	9,933
Bank balance with schedule banks in current account	6,414,078	142,094
	<u>6,466,221</u>	<u>152,027</u>
Other current assets		
Accrued interest on loan	52,550	-
	<u>52,550</u>	<u>-</u>
Total (A)	<u>6,518,771</u>	<u>152,027</u>
LOANS AND ADVANCES		
(Unsecured and considered good, unless otherwise stated)		
Loan to body corporate	88,800,142	-
Advance to supplier	20,050,000	-
Advances recoverable in cash or in kind or for value to be received	27,575	-
VAT receivable	25,000	-
Taxation payments and refund receivable	5,087,205	-
	<u>113,989,922</u>	<u>-</u>
Total (B)	<u>113,989,922</u>	<u>-</u>
Total (A+B)	<u>120,508,693</u>	<u>152,027</u>
SCHEDULE - 5		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors (refer note 10 of Schedule '6')	-	2,758
Other liabilities	53,120	397
	<u>53,120</u>	<u>3,155</u>
Total (A)	<u>53,120</u>	<u>3,155</u>
PROVISIONS		
Provision for taxation	4,375,000	-
	<u>4,375,000</u>	<u>-</u>
Total (B)	<u>4,375,000</u>	<u>-</u>
Total (A+B)	<u>4,428,120</u>	<u>3,155</u>



SCHEDULE - 6

ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

1. Significant accounting policies:

a) Basis of preparation of financial statements

The Financial Statements are prepared to comply in all material aspects with the applicable accounting standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 (the "Act") and the other relevant provisions of the Act.

These accounts are prepared on historical cost basis and on the accounting principle of going concern.

The Company follows mercantile system of accounting and recognise income and expenses on accrual basis.

b) Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known/ materialised.

c) Investments

Long term investments are stated at cost less provision, if any, for diminution in value other than temporary. Current investments are carried at the lower of cost and fair value.

d) Revenue recognition

Revenue in respect of sale of goods is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customer.

Dividend income is accounted for when the right to receive dividend is established.

Interest income is accounted for on time basis and when the realisation of amount is certain.

e) Taxation

i) Current taxation

The current tax is determined as the amount of tax payable in respect of taxable income for the year as per the Income Tax Act, 1961, of India.

ii) Deferred taxation

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current/ substantively enacted rate of tax to the extent that the timing differences are expected to crystallise.

Deferred tax assets arising in situations where there are brought forward losses and unabsorbed depreciation as per the Income Tax Act, 1961, of India, are recognised only when there is a virtual certainty supported by convincing evidence that such assets will be realised.

iii) Minimum Alternate Tax Credit

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

f) Accounting for provisions and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. The Company's scheme of arrangement in the nature of Demerger and Reconstruction of Capital under Section 78, 100, 391 to 394 of the Companies Act, 1956 and transfer of Investment and Treasury Division of Welspun India Limited. To Welspun Investments and Commercials Limited was approved by the Hon'ble High Court of Gujarat vide its Order dated 8th May'09

Pursuant to the Order, Asset and Liabilities of the Investment and Treasury Division of Welspun India Ltd were transferred to Welspun Investments and Commercials Ltd w.e.f. appointed date (1st April'09). Upon the transfer, the Company has issued 1 equity

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share of Rs.10/- each as fully paid up to the Shareholders of Welspun India Ltd for every 20 equity shares held by them in Welspun India Ltd.

Further 50,000 equity shares of Rs. 10 each fully paid up held by Welspun India Limited have been cancelled. upon the Scheme becoming effective.

- In accordance with the Accounting Standard AS-26 'Intangible Assets', the Company has changed its accounting policy in respect of preliminary expenses, which is now fully written off instead of amortising over the period of five years up to previous period. Due to the above change in the accounting policy profit before tax for the period and preliminary expenditure as at 31 March 2010 are lower by Rs. 207,751.
- Amount due from Companies under the same management included in loans and advances are as follows:

Particulars	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
Welspun India Limited (Maximum balance outstanding during the year Rs. 199,500,000; previous period Rs. Nil)	88,800,142	—

5. Segmental reporting

The Company has two business segment viz. Investment and dealing in shares and securities and Trading of textile products and related accessories., which is being considered as the primary segment in accordance with Accounting Standard (AS)-17 "Segment Reporting".

The disclosure in respect of 'business segment by location of customers' being secondary segment is as follows:

(Amount in Rs.)

Sr. No.	Particulars	Business segments		
		Finance	Non Finance	Total
1.	Segment revenue Sales and income from operations (Net)	20,169,712 (655)	31,270,864 —	51,440,576 (655)
2	Segment result	18,671,356 (74,126)	43,653 —	18,715,009 (74,126)
3	Segment assets	226,877,656 (152,027)	20,075,000 —	246,952,656 (152,027)

Note: Figures in brackets are for the previous period.

During the year activity of the Company was carried in India and as such there is no reportable geographical segment.

6. Quantitative Information: (As certified by the Management)

Opening Stock, Purchases, Turnover and Closing Stock:

Finished goods (Dyed Fabric)

Particulars	Units	Current Year 2010		Previous Year 2009	
		Qty.	Value Rs.	Qty.	Value Rs.
Opening Stock	Mtr.	—	—	—	—
Purchases	Mtr.	174,600	31,227,211	—	—
Turnover	Mtr.	174,600	31,270,864	—	—
Closing Stock	Mtr.	—	—	—	—



7. Related party disclosures

i. Related party relationships:

a)	Holding company	:	Welspun India Limited (upto 31 March 2009)
b)	Associates	:	MEP Cotton Limited (w.e.f. 01 February 2010)
c)	Enterprise over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year	:	Krishiraj Trading Limited

Notes:

- i. The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS) - 18 'Related Party Disclosures' and the same have been relied upon by the auditors.
- ii. The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the period, except where control exist, in which case the relationships have been mentioned irrespective of transactions with the related party.

ii. Transactions with the related party

Nature of transactions	Transactions for the year ended 31 March		Balance outstanding receivable / (payable) as at 31 March	
	2010 (Rs.)	2009 (Rs.)	2010 (Rs.)	2009 (Rs.)
MEP Cotton Limited - Advance to supplier	20,050,000	-	20,050,000	-
Krishiraj Trading Limited Purchases of materials	31,227,211	-	-	-

8. Deferred tax

Major components of recognised deferred tax assets of the Company arising on account of timing differences are as below:

Particulars	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
Deferred tax assets on account of:		
Preliminary expenses	5,099	-
Total deferred tax assets	5,099	-

9. Earnings per share

Particulars	Current Year 2009-10 Rs.	Previous Period 2008-09 Rs.
Net profit after tax available for equity share holders (Rs.)	14,345,108	(74,126)
Weighted average number of equity shares outstanding during the period	3,654,476	50,000
Basic and Diluted earnings per share (Rs.)	3.93	(1.48)
Nominal value of share (Rs.)	10.00	10.00

2ND ANNUAL REPORT 2009-10

10. Based on information received from its suppliers the Company has no amounts due to Micro and Small enterprises as at 31 March 2010 (as at 31 March 2009 Rs. Nil).
 11. In the opinion of the Directors current assets and loans and advances are approximately of the value stated, if realised in the ordinary course of business.
 12. Previous period figures have been regrouped or rearranged, wherever considered necessary. Figures in bracket are in respect of previous period. Previous periods figures which were from 07 October 2008 to 31 March 2009 as such the same are not comparable with current years figure which are for 12 months.
-

Signatures to schedules '1' to '6'

As per our report of even date attached

For **Suresh Surana & Associates**
Chartered Accountants

Nirmal Jain
Partner
Membership No.: 34709

Mumbai, July 6, 2010

On behalf of the Board of directors

B.K. Goenka **R.K. Jain**
Director *Director*

Jeevan Mondkar
Company Secretary

Mumbai, July 6, 2010



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : U52100GJ2008PLC055195 State Code: 04
Balance Sheet Date : 31 March 2010

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue : Nil
Rights Issue : Nil
Bonus Issue : Nil
Private Placement : Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities : 252,045
Total Assets : 252,045

Sources of Funds

Paid-up Capital : 36,545
Reserves and Surplus : 211,072
Secured Loans : Nil
Unsecured Loans : Nil

Application of Funds

Net Fixed Assets : Nil
Investments : 131,531
Deferred Tax Assets : 5
Net Current Assets : 116,081
Miscellaneous Expenditure : Nil

IV. Performance of Company (Amount in Rs. Thousands)

Turnover : 51,441
Total Expenditure (Net of increase/decrease in stocks) : 32,726
Profit before tax : 18,715
Profit after tax : 14,345
Earning per share in Rs.
[(Basic / diluted) (refer note 22 of Schedule '15')] : 3.93
Dividend rate : Nil

V. Generic Names of Three Principal Products / Services of the Company (As per monetary terms)

Item Code No. (ITC Code) : 5514
Product Description : Dyed Fabrics
Item Code No. (ITC Code) : Not Applicable
Service Description : Interest Income

B.K. Goenka
Director

R.K. Jain
Director

Jeevan Mondkar
Company Secretary

Dated : July 06, 2010



WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

Regd. Office : Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110

DP. ID*	
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Regd. Folio	
-------------	--

PROXY FORM

Client ID*	
------------	--

No. of Shares	
---------------	--

I/We
ofin the district of..... being a member/s
of the above named Company hereby appointofin the district of
.....or failing him/herofin the district of.....
as my/our Proxy to vote for me/us on my/our behalf at the 2nd ANNUAL GENERAL MEETING of the
Company at Regd. Office: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110, to
be held on Tuesday, September 28, 2010, at 12 noon and any adjournment(s) thereof.

Signed this day of 2010

Signature :

Affix Re. 1 Revenue Stamp

Note: The Proxy form duly signed across the stamp should reach the Company's Registered Office at least 48 hours before the Meeting. Proxy need not be a member of the Company.

* Applicable for Investors holding shares in electronics form only.



WELSPUN INVESTMENTS AND COMMERCIALS LIMITED

Regd. Office : Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110

DP. ID*	
---------	--

Regd. Folio	
-------------	--

ATTENDANCE SLIP

Client ID*	
------------	--

No. of Shares	
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I hereby record my presence at the 2nd ANNUAL GENERAL MEETING of the Company at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370 110, to be held on Tuesday, September 28, 2010, at 12 noon.

Signature of the Shareholder or Proxy

Shareholders/Proxy holders are requested to bring the attendance slip with them, when they come to the Meeting and hand it over at the entrance after signing the same.

Shareholders who come to attend the meeting are requested to bring their copies of Annual Report with them.

Shareholders intending to obtain additional information regarding accounts to be presented at the meeting are requested to inform the Company about the details thereof at least 7 days in advance.

*Applicable for Investors Holding shares in electronic form only.

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Unit: Welspun Investments and Commercials Limited

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West), Mumbai 400 078