WELSPUN MAURITIUS HOLDINGS LTD AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2014

WELSPUN MAURITIUS HOLDINGS LTD AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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CORPORATE DATA

		Date of appointment	Date of resignation
DIRECTORS	: Devendra Krishna Patil	9 June 2008	-
	Brijgopal Jaju	10 August 2010	5 March 2014
	Shammeemkhan Abdoolakhan	3 October 2011	4 September 2013
	Naushad Ally Sohoboo	3 October 2011	-
	Neeraj Nawaz	4 September 2013	-
	Srinivasan Krishnan	6 March 2014	-

ADMINISTRATOR & SECRETARY : Multiconsult Limited
Les Cascades Building
Edith Cavell Street
Port Louis
MAURITIUS

REGISTERED OFFICE : C/o Multiconsult Limited
Les Cascades Building
Edith Cavell Street
Port Louis
MAURITIUS

AUDITORS : Aejaz Nazir Associates & Co
Chartered Certified Accountants
18, Dr Auguste Rouget Street
Port Louis
MAURITIUS

BANKERS : Standard Bank (Mauritius) Ltd
6th Floor, Medine Mews Building
Chaussée Street
Port Louis
MAURITIUS

Standard Chartered Bank (Mauritius) Limited
6th Floor, Raffles Tower Cybercity
Ebène
MAURITIUS

COMMENTARY OF THE DIRECTORS

The directors present their commentary, together with the audited financial statements of WELSPUN MAURITIUS HOLDINGS LTD (the "Company") and its subsidiaries (together the "Group") for the year ended 31 March 2014.

PRINCIPAL ACTIVITY

The Company was incorporated on 9 June 2008 and its principal activity is investment holding.

RESULTS AND DIVIDENDS

The results for the year are shown on page 7.

The directors did not recommend the payment of a dividend for the year under review (2013-Nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's and the Group's directors are responsible for the preparation and fair presentation of the consolidated financial statements, comprising the consolidated statement of financial position at 31 March 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Group's and the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

AUDITORS

The Auditors, Aejaz Nazir Associates & Co , have expressed their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting of the shareholders.

SECRETARY'S CERTIFICATE
For the year ended 31 March 2014

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of WELSPUN MAURITIUS HOLDINGS LTD (the "Company") under the Mauritius Companies Act 2001 for the year 31 March 2014.

Multiconsult Limited
Corporate Secretary

Date: 23 April 2014

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELSPUN MAURITIUS HOLDINGS LTD AND ITS SUBSIDIARIES .

Report on the Financial Statements

We have audited the financial statements of WELSPUN MAURITIUS HOLDINGS LTD (the "Company") on pages 6 to 23, which comprise the consolidated statement of financial position as at **31 March 2014** and the consilidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and with the requirements of the Mauritius Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements on pages 6 to 23 give a true and fair view of the consolidated financial position of the Company as at **31 March 2014**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELSPUN MAURITIUS HOLDINGS LTD AND

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings with the Company in the ordinary course of business.

We have obtained all the information and explanations our have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

AEJAZ NAZIR ASSOCIATES & CO
Chartered Certified Accountants
18 Dr Auguste Rouget Street,
Port-Louis, Mauritius.

Represented by Aejaz Nazir (FCCA, MIPA)
Partner.

Date: 23 April 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

		The Group		The Company	
		2014	2013	2014	2013
	Note	USD	USD	USD	USD
Assets					
Non-current assets					
Investments	4	-	-	19,408,798	14,706,595
Trade and other receivables	6 (a)	1,544,261	602,261	58,034,300	57,504,300
Property, plant and equipment	5	127,748,949	133,954,193	-	-
		129,293,210	134,556,454	77,443,098	72,210,895
Current assets					
Trade and other receivables	6 (b)	19,339,810	79,341,953	2,514,741	5,285,872
Cash at bank	14 (b)	12,835,857	4,396,032	196,383	52,125
Inventories	7	12,932,540	44,553,951	-	-
Total current assets		45,108,207	128,291,936	2,711,124	5,337,997
Total assets		174,401,417	262,848,390	80,154,222	77,548,892
Equity and liabilities					
Capital and reserves					
Share capital	8	66,267,455	80,123,423	66,267,455	80,123,423
Capital contribution	9	-	1,000,000	-	1,000,000
Translation/Revaluation Reserve	10	4,902	4,815	4,764,203	-
Revenue reserve		2,476,482	5,808	493,331	(3,638,449)
Shareholders' interests		68,748,839	81,134,046	71,524,989	77,484,974
Non-controlling interest		16,627,070	18,727,447	-	-
Non current liabilities					
Borrowings	11 (a)	65,163,620	66,763,820	-	-
Employees end of service benefit		908,747	690,569	-	-
		66,072,367	67,454,389	-	-
Current liabilities					
Borrowings	11 (b)	14,347,406	36,309,814	8,519,555	-
Trade and other payables	12	6,498,647	58,484,648	7,100	7,170
Tax liability	13	2,107,088	738,046	102,578	56,748
Total current liabilities		22,953,141	95,532,508	8,629,233	63,918
Total equity and liabilities		174,401,417	262,848,390	80,154,222	77,548,892

These financial statements have been approved by the Board of Directors on 23 APR 2014
and signed on its behalf by:

....
Devendra Krishna Patil

....
Naushad Ally Sohoboo

The notes on pages 10 to 23 form an integral part of these consolidated financial statements.
Independent auditor's report on page 4-5.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

		The Group		The Company	
		2014	2013	2014	2013
	Note	USD	USD	USD	USD
Income					
Revenue		153,055,347	194,281,350	-	-
Less cost of sales		(123,331,855)	(173,387,967)	-	-
Gross profit		29,723,492	20,893,383	-	-
Interest income		-	142	2,115,890	2,223,389
Dividend		-	-	2,535,403	
Other income		861,146	2,135,968	4,800	-
		30,584,638	23,029,493	4,656,093	2,223,389
Expenses					
Secretarial fees		1,500	1,500	1,500	1,500
Professional fees		3,800	16,190	4,200	4,300
Licence fees		2,260	1,945	2,260	1,945
Audit fees		2,100	2,200	2,100	2,200
Accounting fees		4,000	4,000	4,000	4,000
Tax filing fees		1,000	1,000	1,000	1,000
Interest expense		4,250,830	2,470,756	-	244,085
Bank charges		2,205,059	503,366	3,067	1,941
Bank Guarantee charges		7,491,653	2,239,512	-	-
General and administrative expenses		2,602	58,990	2,602	-
General provision		-	698,250	-	-
Employee related costs		2,602,824	2,602,363	-	-
Repairs and maintenance		449,639	108,033	-	-
Depreciation		346,815	353,817	-	-
Utilities		496,749	91,715	-	-
Other expenses		3,963,745	4,934,005	-	-
Rent expense		912,940	2,564,812	-	-
Travelling expense		149,612	50,056	-	-
Finance charges		2,925,236	70,671	-	70,671
Exchange Difference		173,828	159,065	8	-
		25,986,192	16,932,246	20,737	331,642
Operating profit before taxation		4,598,446	6,097,247	4,635,356	1,891,747
Loan receivable waived off		-	-	-	(6,634,961)
Profit/(loss) before income tax		4,598,446	6,097,247	4,635,356	(4,743,214)
Income tax expense	13	(1,693,048)	(738,046)	(503,576)	(56,748)
Profit/(loss)for the year		2,905,398	5,359,201	4,131,780	(4,799,962)
Profit/ (loss) attributable to:					
Owners of the Company		2,470,674	3,503,506	4,131,780	(4,799,962)
Non controlling interest		434,724	1,855,695	-	-
Profit/ (loss) for the year		2,905,398	5,359,201	4,131,780	(4,799,962)
Total comprehensive loss attributable to:					
Owners of the Company		2,470,674	3,503,506	-	-
Non-controlling interest		434,724	1,855,695	-	-
		2,905,398	5,359,201	-	-

The notes on pages 10 to 23 form an integral part of these consolidated financial statements.
Independent auditor's report on page 4-5.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014

The Group	Share capital	Capital contribution	Translation reserve	Accumulated losses	Total	Non Controlling interest
	USD	USD	USD	USD	USD	USD
At 1 April 2012	15,113,423	32,450,000	4,249	(3,497,698)	44,069,974	10,238,879
Issue of shares	65,010,000					
Capital contribution	-	33,560,000	-	-	33,560,000	-
Conversion into shares		(65,010,000)				
Loss for the year	-	-	-	5,359,201	5,359,201	1,855,695
Other comprehensive income:					-	
Total comprehensive loss for the year	-	-	-	-	-	-
Absorbtion of losses by shareholders						6,632,308
Foreign currency translation differences	-	-	1,131	-	1,131	565
Share of non-controlling interest	-	-	(565)	(1,855,695)	(1,856,260)	-
At 31 March 2013	**80,123,423**	**1,000,000**	**4,815**	**5,808**	**81,134,046**	**18,727,447**
Issue of shares		-	-	-	-	-
Capital contribution	-	**144,000.00**	-	-	**144,000**	-
Conversion into shares	1,144,000	**(1,144,000)**	-	-	-	-
Share buy back	**(14,999,968)**				**(14,999,968)**	-
Profit for the year	-	-	-	**2,905,398**	**2,905,398**	-
Dividend payment						**(2,535,101)**
Other comprehensive income:						
Foreign currency translation differences	-	-	**87**	-	**87**	-
Absorbtion of losses by shareholders	-	-	-	-	-	-
Share of non-controlling interest	-	-		**(434,724)**	**(434,724)**	**434,724**
At 31 March 2014	**66,267,455**	-	**4,902**	**2,476,482**	**68,748,839**	**16,627,070**

The Company	Share capital	Preference shares	Capital contribution	Revaluation reserves	(Accumulated deficit)/ Revenue reserve	Total
	USD					USD
At 1 April 2012	113,455	14,999,968	32,450,000	-	1,161,513	48,611,481
Issue of shares		65,010,000	-	-	-	65,010,000
Capital contribution	-	-	33,560,000	-	-	33,560,000
Conversion into preference shares			(65,010,000)	-	-	(65,010,000)
Total comprehensive loss for the year	-	-	-	-	(4,799,962)	(4,799,962)
At 31 March 2013	**113,455**	**80,009,968**	**1,000,000**	-	**(3,638,449)**	**77,371,519**
Issue of shares	-	**144,000**	-	-	-	**144,000**
Capital contribution converted into shares	-	**1,000,000**	**(1,000,000)**	-	-	-
Redemption of preference shares	-	**(14,999,968)**	-	-	-	**(14,999,968)**
Revaluation of Investments	-	-	-	**4,764,203**	-	**4,764,203**
Total comprehensive income for the year	-	-	-	-	**4,131,780**	**4,131,780**
At 31 March 2014	**113,455**	**66,154,000**	-	**4,764,203**	**493,331**	**71,411,534**

The notes on pages 10 to 23 form an integral part of these consolidated financial statements.
Independent auditor's report on page 4-5.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014

	Note	The Group 2014	The Group 2013	The Company 2014	The Company 2013
Operating activities					
Cash generated absorbed in operations	14 (a)	63,466,478	(28,014,887)	(478,753)	(1,003,810)
Net cash generated/(absorbed in) from operations		63,466,478	(28,014,887)	(478,753)	(1,003,810)
Cash flow from investing activities					
Dividend received		-	-	2,535,403	-
Proceeds from disposal of investment		61,992	-	61,992	-
Acquisition of property, plant and equipment		(3,723,904)	(12,153,403)	-	-
Net cash used in investing activities		(3,661,912)	(12,153,403)	2,597,395	-
Cash flow from financing activities					
Payment to shareholder for sharebuy back		(6,480,413)	-	(6,480,413)	-
Loan interest paid		(5,872,666)	(3,184,074)	-	(284,608)
Loan interest received			142	4,892,021	142
Loan granted to subsidiaries				-	(10,230,000)
Long term loans		(530,000)	13,731,544	(530,000)	-
Repayment of loan		(36,309,815)	(22,000,000)	-	(22,000,000)
Loan from related parties		-	16,904,561	-	-
Dividend payment		(2,282,008)	-	-	-
Proceeds from issue of shares		144,000	33,560,000	144,000	33,560,000
Net cash from financing activities		(51,330,902)	39,012,173	(1,974,392)	1,045,534
Net increase/ (decrease) in cash and cash equivalents		8,473,664	(1,156,116)	144,250	41,724
Movement in cash and cash equivalents					
Exchange difference		8	-	8	-
At start of year		4,396,034	5,552,150	52,125	10,401
Adjustment for cash balance for asset disposed		(33,849)			
Net increase/ (decrease) in cash and cash equivalents		8,473,664	(1,156,116)	144,250	41,724
Cash and cash equivalents at 31 March	14 (b)	12,835,857	4,396,034	196,383	52,125

1. GENERAL INFORMATION

WELSPUN MAURITIUS HOLDINGS LTD (the "Company") was incorporated in Mauritius, under the Companies Act 2001, on 9 June 2008, as a private company with limited liability by shares. The Company's registered office address is c/o Multiconsult Limited, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius. The principal activity of the Company is to act as an investment holding.

The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007. Since the Company operates in an international environment and conducts most of its transactions in foreign currencies the Company has chosen to retain the United States dollar (USD) as its reporting currency.

The consolidated financial statements of the Company as at and for the year ended 31 March 2014, comprise of the Company and its subsidiaries (together referred to as the "Group").

The following are the subsidiaries of the Company:

1. Welspun Middle East Pipes Company
2. Welspun Middle East Pipes Coating Company
3. Welspun Middle East DMCC (Subsidiary upto 5 December 2013)

Welspun Middle East Pipes Company is manufacturer of HSAW-Steel Pipes having manufacturing set up in DAMAM-Saudi Arabia.
Welspun Middle East Pipes Coating Company doing coating on pipes manufactured at Saudi Pipe Plant and having manufacturing set up in DAMAM-Saudi Arabia.

Welspun Middle East DMCC is a Marketing Arm formed in Dubai to do/perform marketing activities for Middle East of Welspun Group. The investment in Welspun Middle East DMCC is disposed off at cost during the year.

2. BASIS OF PREPARATION

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The consolidated financial statements are presented in United States Dollar (USD), which is the Company's and Welspun Middle East DMCC's functional currency. Welspun Middle East Pipes Company and Welspun Middle East Pipes Coating Company primarily operate their business in Saudi Arabian Riyals (SAR) and thus SAR has been determined to be the functional currency of these two subsidiaries.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies set out below have been applied in these consolidated financial statements, and have been applied consistently by Group entities

(a) Basis of consolidation

(i) Subsidiaries

The Group financial statements consolidate the result of the Company and its subsidiaries Welpsun Middle East DMCC, Welpsun Middle East Pipes Company and Welpsun Middle East Pipes Coating Company in accordance with International Accounting Standards (IAS) 27.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to functional currency at the foreign exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair values were determined. Foreign currency differences arising on retranslation are recognized in statement of comprehensive income and reported within foreign exchange gains/(losses), net within results of operating activities. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Foreign currency differences arising on translation are recognised in the profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to United States Dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to United States Dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in equity in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the consolidated income statement as part of the profit or loss on disposal.

(c) Financial instruments

A financial instrument is recognised if the Group and the Company become a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's and the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchase and sales of financial assets are accounted for at trade date, i.e., the date that the Group and the Company commit itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's and the Company's obligation specified in the contract expire or are discharged or cancelled.

(i) Non-derivative Financial instruments

The non-derivative financial instruments of the Group comprise of loan receivables, trade and other receivables, cash and cash equivalents and trade and other payables and borrowings.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments (continued)

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity.
Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity net of any tax effects.

Preference shares

Non-cumulative, non-convertible and redeemable preference shares are redeemable at the option of the Company. A preference share shall not carry voting rights except in case of any variation of rights attached to the shares. A preference share shall be entitled to dividends or other forms of distributions as the Board may declare.

iv) Loan receivables

Loan receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as non-current if their maturities are greater than twelve months after the reporting period. Loan receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

v) Trade and other receivables

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other receivables are measured at amortized cost using the effective interest method, less any impairment loss.

(vi) Trade and other payables

Trade and other payables are recognised at fair value, net of transaction costs incurred.

(vii) Borrowings

Borrowings are recognised initially at fair value, net of transaction cost incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction cost) and the net redemption value is recognised in the income statement over the period of the borrowing using the effective interest noted.

(d) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment are recognised in the statement of comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Impairment (continued)

(i) Financial assets (continued)

An impairment is reversed if the reversal can be related objectively to an event occurring after the impairment was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

The carrying amounts of the Group's and the Company's non-financial assets, other than inventories, and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. In respect of other assets, impairment recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. Impairment is reversed if there has been a change in the estimates used to determine the recoverable amount. Impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

(e) Revenue recognition

Dividends are recognised when the Group's and the Company's right to receive payment is established.

Bank interest and other interest income are recognised on an accrual basis using the effective interest method.

(f) Expense recognition

Expenses (including management fees and organisation fees) are accounted for in the consolidated statement of comprehensive income on an accrual basis.

(g) Net finance income

Net finance income comprises interest expense, interest income and foreign exchange gains / loss.

(h) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the Group and the Company or exercise significant influence over the Group and the Company in making financial and operating decisions or vice versa or where the Group and the Company is subject to common control or common significant influence.

(i) Provisions

A provision is recognised if, as a result of past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

(j) Income tax expense

Income tax on the profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the statement of financial position date.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the statement of financial position date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other operating expenses" / "other income", as the case may be, in profit or loss.

Expenditure incurred during construction period, which are directly attributable to the construction of a project / fixed asset for bringing it to its working condition are included in capital work in progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date and the cost of property, plant and equipment not ready to use before such date are disclosed under property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefit embodied in the asset.

The estimated useful lives of assets for the current period are as follows:

	Years
Buildings	20
Machinery and equipment	5-20
Furniture, fixtures and office equipments	3-5
Vehicles	5

(l) Changes in accounting policy and disclosures
(i) New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous year, except for the following new and amended IFRS and IFRIC interpretations effective as of 01 January 2012:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Changes in accounting policy and disclosures

IFRS 7 - Financial instruments: Disclosures - Amendments resulting from May 2010 Annual Improvements to IFRSs (effective on 1 January 2011)

IFRS 7 - Financial instruments: Disclosures - Amendments enhancing disclosures about transfers of financial assets (effective on 1 July 2011)

IAS 1 - Presentation of financial information - Amendments resulting from May 2010 Annual Improvements to IFRSs (effective on 1 January 2011)

IAS 24 - Related party disclosures - Revised definition of related parties (effective on 1 January 2011)

IAS 34 - Interim Financial Reporting - Amendments resulting from May 2010 Annual Improvements to IFRSs (effective on 1 January 2011)

Standards and IFRS's not yet effective but not early adopted

IFRS 7 - Financial Instruments (Disclosures) - Amendments related to the offsetting of assets and liabilities (effective on 1 January 2013)

IFRS 7 - Financial Instruments (Disclosures) - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective on 1 January 2015)

IFRS 9 Financial Instruments - Original issue (Classification and measurement of financial assets) (effective on 1 January 2015)

IFRS 9 Financial Instruments - Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirements (effective on 1 January 2015)

IFRS 9 Financial Instruments - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective on 1 January 2015)

IFRS 10 - Consolidated financial statements - Original issue (effective on 1 January 2013)

IFRS 10 - Consolidated financial statements - Amendments to transitional guidance (effective on 1 January 2013)

IFRS 11 - Joint arrangements - Original issue (effective on 1 January 2013)

IFRS 11 - Joint arrangements - Amendments to transitional guidance (effective on 1 January 2013)

IFRS 12 - Disclosure of interests in other entities - Original issue (effective on 1 January 2013)

IFRS 12 - Disclosure of interests in other entities - Amendments to transitional guidance (effective on 1 January 2013)

IFRS 13 - Fair value Measurement (effective on 1 January 2013)

IAS 1 - Presentation of financial statements - Amendments to revise the way other comprehensive income is presented (effective on 1 July 2012)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in accounting policies and disclosures (Continued)

Standards issued but not yet effective but not early adopted (continued)

IAS 1 - Presentation of financial statements - Amendments resulting from Annual Improvements 2009-2011 Cycle (comparative information) (effective on 1 January 2013)

IAS 12 - Income taxes - Limited scope amendment (recovery of underlying assets) (effective on 1 January 2012)

IAS 16 - Property, plant and equipment - Amendments resulting from Annual Improvements 2009-2011 Cycle (servicing equipment) (effective on 1 January 2013)

IAS 27 - Separate financial statements - Original issue (effective on 1 January 2013)

IAS 28 - Investment in associates and joint ventures - Original issue (effective on 1 January 2013)

IAS 32 - Financial instruments Presentation - Amendments relating to the offsetting of assets and liabilities (effective on 1 January 2014)

IAS 32 - Financial instruments Presentation - Amendments resulting from Annual Improvements 2009-2011 Cycle (tax effect of equity distributions) (effective on 1 January 2013)

IAS 34 - Interim Financial Reporting - Amendments resulting from Annual Improvements 2009-2011 Cycle (interim reporting of segment assets) (effective on 1 January 2013)

The directors anticipate that the adoption of the above standards on their effective dates will not have any material impact on the financial statements of the Company.

4. INVESTMENTS

(i) The Company

	2014 USD	2013 USD
At 31 March	19,408,798	14,706,595

Details of investments are as follows:

Name of company	Country of incorporation	Holdings	2014 USD	2013 USD
Welspun Middle East DMCC	United Arab Emirates	100%	-	62,000
Welpsun Middle East Pipes Company	Saudi Arabia	50.01%	10,141,611	10,141,611
Welpsun Middle East Pipes Coatings Company	Suadi Arabia	50.01%	9,267,187	4,502,984
			19,408,798	14,706,595

The investment in Welspun Middle East Pipes Coatings Company is revalued during the year.
The investment in Welspun Middle East DMCC is disposed off at cost during the year.

(ii) The Group

	2014 USD	2013 USD
At 31 March	-	-

5. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Plant, machinery and equipment	Motor vehicles	Furniture, fixtures and office equipment	Capital work in progress	Total
	2013 USD	2013 USD	2013 USD	2013 USD	2013 USD	2013 USD
Cost:						
As at 01 April 2012	15,463,758	118,673,316	873,863	647,852	5,332,761	140,991,550
Additions	1,501,867	7,766,671	73,703	517,188	11,379,978	21,239,407
Transfers	-	-	-	-	(9,086,004)	(9,086,004)
As at 31 March 2013	**16,965,625**	**126,439,987**	**947,566**	**1,165,040**	**7,626,735**	**153,144,953**
Accumulated depreciation:						
As at 01 April 2011	933,298	8,337,005	386,084	301,404	-	9,957,791
Charge for the year	891,271	7,853,209	179,602	308,887	-	9,232,969
As at 31 March 2012	**1,824,569**	**16,190,214**	**565,686**	**610,291**	-	**19,190,760**
Net book value:						
As at 31 March 2013	15,141,056	110,249,773	381,880	554,749	7,626,735	133,954,193
	2014 USD	**2014 USD**	**2014 USD**	**2014 USD**	**2014 USD**	**2014 USD**
Cost:						
As at 1 April 2013	16,965,625	126,439,987	947,566	1,165,040	7,626,735	153,144,953
Additions	882,466	8,997,671	237,378	92,772	2,317,704	12,527,990
Disposal	-	-	(142,577)	(9,375)	(8,775,366)	(8,927,318)
Transfers from assets to assets	-	562,737	(562,737)			-
As at 31 March 2014	17,848,091	136,000,395	479,630	1,248,437	1,169,072	156,745,625
Accumulated depreciation:						
As at 1 April 2013	1,824,569	16,190,214	565,686	610,291	-	19,190,760
Charge for the year	946,960	8,532,965	161,036	265,743	-	9,906,705
Disposal	-	-	(100,789)	-	-	(100,789)
Transfers from assets to assets	-	402,787	(402,787)	-	-	-
As at 31 March 2014	2,771,529	25,125,966	223,146	876,034	-	28,996,676
Net book value:						
As at 31 March 2014	15,076,562	110,874,429	256,484	372,403	1,169,072	127,748,949

The depreciation charge for the year has been allocated as follows:

	2014 USD	2013 USD
Cost of sales	9,558,756	8,879,152
Expenses	346,815	353,817
	9,905,571	9,232,969

6. TRADE AND OTHER RECEIVABLES

		The Group		The Company	
		2,014	2013	2014	2013
		USD	USD	USD	USD
	Non current assets				
a)	Loan term loan receivables	1,544,261	602,261	58,034,300	57,504,300
	Current assets				
b)	Trade and other receivables	11,497,748	76,052,616	-	-
	Interest receivable	2,073,306	-	2,513,246	5,284,577
	Other receivable	885,851	-	1,495	1,295
	Loan receivables	3,708,672	-	-	-
	Due from related parties	1,174,233	3,289,337	-	-
		19,339,810	79,341,953	2,514,741	5,285,872

7. INVENTORIES

	The Group		The Company	
	2014	2013	2014	2013
	USD	USD	USD	USD
Raw materials	4,002,898	29,521,592	-	-
Finished goods	5,111,125	11,012,654	-	-
Work in process	471,167	889,343	-	
Parts and consumables	3,347,350	3,130,362	-	-
	12,932,540	44,553,951	-	-

8. SHARE CAPITAL

	The Group		The Company	
	2014	2014	2014	2014
	Number	USD	Number	USD
Issued and fully paid:				
Ordinary shares of USD 1 each	113,455	113,455	113,455	113,455
Preference shares of USD 1 each	66,154,000	66,154,000	66,154,000	66,154,000
	66,267,455	66,267,455	66,267,455	66,267,455

	The Group		The Company	
	2013	2013	2013	2013
	Number	USD	Number	USD
Issued and fully paid:				
Ordinary shares of USD 1 each	113,455	113,455	113,455	113,455
Preference shares of USD 1 each	80,009,968	80,009,968	80,009,968	80,009,968
	80,123,423	80,123,423	80,123,423	80,123,423

During the year the Company has redeemed 14,999,968 preference shares. The terms and conditions of the preference shares are highlighted in notes 17.

9. CAPITAL CONTRIBUTION

	The Group		The Company	
	2014	2013	2014	2013
	USD	USD	USD	USD
At 1 April	1,000,000	32,450,000	1,000,000	32,450,000
Additions		33,560,000		33,560,000
Conversion into preference shares	(1,000,000)	(65,010,000)	(1,000,000)	(65,010,000)
	-	1,000,000	-	1,000,000

The above capital contribution made during the year is towards subscription of the preference shares of the Company.

10. TRANSLATION / REVALUATION RESERVE

The Translation reserve comprises all foreign currency differences arising from translation of the financial statements of the subsidiaries.

	The Group		The Company	
	2014	2013	2014	2013
	USD	USD	USD	USD
Translation Reserve	4,902	4815	-	-
Revaluation Reserve	-	-	4,764,203	-
	4,902	4,815	4,764,203	-

11. BORROWINGS

	The Group		The Company	
	2014	2013	2014	2013
	USD	USD	USD	USD
(a)Non current liabilities				
Related parties loans	57,295,970	57,202,721	-	-
SIDF	7,867,650	9,561,099	-	-
	65,163,620	66,763,820	-	-

	The Group		The Company	
	2014	2013	2014	2013
	USD	USD	USD	USD
(b) Current liabilities				
Due to Holding Co (Redemption of Pref. Shares)	8,519,555	-	8,519,555	-
Short term loan	4,227,651	35,109,664	-	-
SIDF	1,600,200	1,200,150	-	-
	14,347,406	36,309,814	8,519,555	-

The related parties loans are loans given by the shareholders of Welpsun Middle East Pipes Coating Company and Welpsun Middle East Pipes Company carrying interest rate of 5.25% per annum.

12. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2014	2013	2014	2013
	USD	USD	USD	USD
Amount due to related parties	3,214,954	14,690,595	-	7,170
Accounts payables	3,283,693	43,794,053	7,100	-
	6,498,647	58,484,648	7,100	7,170

13. TAXATION

	The Company	
	2014	2013
	USD	USD
Current tax on the adjusted profit for the year at 15%	102,578	56,748
At year end	102,578	56,748

The tax on the Company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows :

	The Company	
	2014	2013
	USD	USD
Profit before taxation	4,635,356	(4,743,214)
Less exempt income	(4,800)	(142)
	4,630,556	(4,743,356)
Add non allowable expenses	-	6,634,961
	4,630,556	1,891,605
Tax loss b/f	-	-
	4,630,556	1,891,605
Tax calculated at a rate of 15%	694,583	283,741
Deemed Tax Credit	(555,667)	(226,993)
Tax liability for the year	138,917	56,748
Tax paid during the year	(36,339)	-
Tax payable	102,578	56,748
Foreign tax paid		
Withholding tax	364,660	-
Total tax liabilities	503,577	56,748

The Company is incorporated in Mauritius and under current laws and regulations it is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritius tax payable in respect of its foreign source income tax thus reducing its maximum effective tax rate to 3%.

The Company has received a certificate from the Mauritian tax authorities that it is tax resident in Mauritius.

The group taxation also include a provision of Zakat and taxation of USD 192,462 and USD 997,010 for Welspun Middle East Pipes Coating Company and Welspun Middle East Pipes Company respectively.

14. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	The Group		The Company	
	2014	2013	2014	2013
	USD	USD	USD	USD
(a) Cash generated from operations				
(Loss)/profit before taxation	5,504,977	19,992,510	4,635,356	(4,799,962)
Changes in working capital:				
Tax liability	-	738,046		56,748
Interest expense	-	244085	-	244,085
Interest income	(2,120,690)	(142)	(2,120,690)	-
Dividend income	(2,535,403)		(2,535,403)	
Interest receivable	-	-	-	(2,223,389)
Overprovision of expense	-	-	-	-
Increase in receivables	(200)	1,518,947	(200)	5,135
Decrease in payables	(70)	(2,338,522)	(70)	(901,817)
Depreciation	9,906,704	9,232,971	-	-
Employees end	218,177	362,885	-	-
Finance income/expenses	8,183,728	5,126,137	-	-
Due from related parties	2,336,571	(3,062,035)	-	-
Prepayments and other current assets	1,801,604	-	-	-
Inventories	31,621,412	(34,198,995)	-	-
Trade and other payables	(32,086,831)	28,020,308	-	-
Due to related parties	(12,596,181)	(12,489,821)	-	-
Accounts receivables	56,980,608	(35,040,452)	-	-
Accrued expenses and other current liabilities	(4,481,408)			
Provision for Zakat & tax	1,191,226	-	-	-
Loan receivable waived off		(6,632,308)	-	6,634,961
Other provisions		667,179	-	-
Expenses paid		(136,109)	-	-
	63,924,224	(27,995,316)	(21,007)	(984,239)
Tax paid		(19,571)		(19,571)
Cash generated from/(absorbed) in operations	63,924,224	(28,014,887)	(21,007)	(1,003,810)
Chages in working Capital				
Tax paid	(457,746)	-	(457,746)	-
	63,466,478	(28,014,887)	(478,753)	(1,003,810)

(b) Cash and cash equivalents

	The Group		The Company	
	2014	2013	2014	2013
	USD	USD	USD	USD
Cash at bank	12,835,857	4,396,032	196,383	52,125

15. FINANCIAL INSTRUMENTS

Fair values

The Group's and the Company's financial assets and liabilities include trade and other receivables, cash and cash equivalents, trade and other payables and borrowings which are realised or settled within a short-term period. The carrying amounts of these assets and liabilities approximate their fair values.

Financial risk management

Overview

This note represents information about the Group's and the Company's exposure to each of the following risks, the Group's and the Company's objectives, policies and processes for measuring and managing risk and the Group's and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's and the Company's risk management framework.

15. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Credit risk

The Group and the Company take no exposure to credit risk, which is the is risk that a counterparty will be unable to pay amounts in full when due. Financial assets which potentially subject to the Group and the Company to concentrations of credit risk consist principally of bank balances. These assets are held in a number of reputable financial institutions. Accordingly, the Group and the Company has no significant concentration of credit risk.

The Group's and the Company's exposure to credit risk are limited to the carrying amount of financial assets recognised at the statement of financial position date, as summarised below:

	The Group		The Company	
	2014	2013	2014	2013
ASSETS	USD	USD	USD	USD
Cash and cash equivalents	12,835,857	4,396,032	196,383	52,125
Trade and other receivables	20,882,576	75,359,922	2,513,246	5,285,872
	33,718,433	79,755,954	2,709,629	5,337,997

Liquidity risk

This refers to availability of funds for the Group and the Company to meet its financial obligations as they fall due. The Group and the Company pay out its obligations from finance received from its related company.

The maturity profile of the Group's and the Company's financial liabilities based on contractual cash flows is summarised as follows. The contractual cash flows approximate the carrying amounts.

(i) The Company

		2014		2013
Non-derivative financial liabilities	Carrying amount	Less than 1 year	More than 1 year	Carrying amount
	USD	USD	USD	USD
Trade and other payables	7,100	7,100	7,170	7,170
Borrowings	-	-	-	-
At 31 March	7,100	7,100	7,170	7,170

(ii) The Group

		2014		2013
Non-derivative financial liabilities	Carrying amount	Less than 1 year	More than 1 year	Carrying amount
	USD	USD	USD	USD
Trade and other payables	6,498,647	6,498,647	-	58,484,648
Borrowings	79,511,026	14,347,406	65,163,620	36,309,814
At 31 March	86,009,673	20,846,053	65,163,620	94,794,462

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conduct their investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

15. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Interest rate risk

The Group's and the Company's financial assets and liabilities are non-interest bearing with the exception of cash and cash equivalents. However, since these are kept at a minimum level there is no significant interest rate risk due to fluctuations in the prevailing levels of market interest rates.

Capital Management

The Company's primary objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern.

The Group and the Company define "capital" as including all components of equity. The amount of capital employed at 31 March 2014 was USD 85,375,909 . The Group's and the Company's capital structure are regularly reviewed and managed with due regard to the capital management practices of the Group and the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group and the Company, to the extent that these do not conflict with the directors' fiduciary duties towards the Group and the Company or the requirements of local regulation.

The Group and the Company were not subject to externally imposed capital requirements in the period under review.

16. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2014, the Group and the Company transacted with related party. The nature, volume and type of transactions with the party were as follows:

Company

Name of company	Nature of Relationship	Nature of transactions	Year ended 31-Mar-14 USD	Year ended 31-Mar-13 USD
Welspun Middle East Pipe Company LLC	Subsidiary company	Loan Receivable	46,017,450	46,017,450
Welspun Middle East Pipe Company LLC	Subsidiary company	Interest receivable	387,784	3,705,495
Welspun Middle East Pipe Coatings LLC	Subsidiary company	Loan Receivable	10,472,589	10,472,589
Welspun Middle East Pipe Coatings LLC	Subsidiary company	Interest receivable	2,125,462	1,579,083

16. RELATED PARTY TRANSACTIONS (CONTINUED)

Company

Name of company	Nature of Relationship	Nature of transactions	year ended 31-Mar-14 USD	year ended 31-Mar-13 USD
Transaction during the period:				
Aziz European Pipe Factory LLC	Related entity	Loan Receivable	602,261	602,261
Welspun Middle East DMCC	Subsidiary company	Loan Receivable	942,000	412,000

All related party transactions were carried out on an arm's length basis.

17. PREFERENCE SHARES OF THE COMPANY

The terms and conditions of the preference shares issued are as follows:

Instrument: Non-cumulative, Non-convertible, Redeemable Preference Shares
Face Value: US$1
Dividend rate: 6% (Non-cumulative) for the first 14,999,968 preference shares issued and 7% for the balance 65,010,000 preference shares issued.
Tenure: 10 years from the date of allotment
Early Redemption Option: at the end of 3, 4, & 5 anniversary from the date of allotment
Mandatory Redemption: at the end of 10th year from the date of allotment
Redemption amount: at par

18. REPORTING CURRENCY

The consolidated financial statements are presented in United States Dollars. The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007, which requires that the Company's business or other activity to be carried on in a currency other than the Mauritian Rupee.

19. CONSOLIDATED FINANCIAL STATEMENTS

The Company has disposed its entire shareholding of 100% held in Welspun Middle East DMCC, a company registered in United Arab Emirates. The Company holds 50.01 % shares of Welspun Middle East Pipes Company and 50.01% of Welspun Middle East Pipes Coating Company, two companies incorporated in Saudi Arabia. These are consolidated financial statements of the Company and its subsidiary companies which have been prepared as required by International Accounting Standards (IAS) 27.

The financial statements of the two subsidiaries incorporated in Saudi Arabia, namely Welspun Middle East Pipes Coating and Welspun Middle East Pipes Coating Company have been prepared in accordance with the generally accepted accounting standards in Saudi Arabia.

20. HOLDING ENTITY

The directors consider Welspun Corp Limited, a company incorporated in India as the holding company.