DIRECTORS' REPORT

To,
The Members,
Welspun Wasco Coatings Private Limited

Your directors have pleasure in presenting their 4th Annual Report and audited financial statements for the financial year ended 31st March, 2019.

1. FINANCIAL RESULTS

(Amount in Rs. Million)

Particulars	For the Financial Year ended	
	31.03.2019	31.03.2018
Income	56.20	1,331.24
Less: Total Expenses	191.79	1,432.12
Profit /(Loss) before tax	(135.59)	(100.88)
Profit /(Loss) After Tax	(135.59)	(100.88)
Other Comprehensive Profit /(Loss)	0.06	(0.38)
Profit / Loss For The Year Carried to Balance Sheet	(135.53)	(101.26)

2. HIGHLIGHTS

Performance highlights for the year under Report are as under:

Product	(in Cubic meter)	
	FY 2018-19	FY 2017-18
Coating of Pipes	391	4,611

3. RESERVES AND DIVIDEND

Your Directors do not recommend any dividend for the year ended March 31, 2019.

4. PUBLIC DEPOSITS

During the year under Report, the Company has not accepted any deposit within the meaning of the Chapter V to Companies Act 2013. Further, no amount on account of principal or interest on deposit was outstanding as at the end of the year under Report.

5. SHARE CAPITAL

The Company does not have any equity share with differential rights and hence disclosures as required in Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 are not required. The Company has not issued any sweat equity and stock options.

During the year, the Company issued and allotted 21,000,000 fully paid-up equity shares of Rs. 10/- each at par on conversion of shareholders' loan of Rs. 210,000,000.

Debt Position of the Company:

Post conversion of shareholders' loan into equity shares as mentioned above, the debt position as on March 31, 2019 is as under:

Sr. No.	Name of the shareholders	Amount in Rs. Million
1.	Welspun Corp Limited	247.01
2.	Wasco Coatings Limited	247.53

6. AUDITORS

a) STATUTORY AUDITORS

Your Company's Auditors M/s. Price Waterhouse Chartered Accountants LLP, who have been appointed up to the conclusion of the 6th Annual General Meeting, subject to ratification by the members of the Company at every Annual General Meeting, have given their consent to continue to act as the Auditors of the Company for the remaining tenure at a remuneration as decided by the Board. Members are requested to consider their re-appointment as the Auditors of the Company and to fix their remuneration by passing an ordinary resolution under Section 139 of the Companies Act, 2013.

No frauds or instances of mismanagement were reported by the Statutory Auditor under Section 143 (12) of the Companies Act, 2013.

b) Cost Auditors:

M/s. Kiran J. Mehta & Co, Cost Accountants (Firm Registration No. 000025), are proposed to be appointed as the Cost Auditors under Section 148 of the Companies Act, 2013. The members are requested to approve their remuneration by passing an ordinary resolution pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2015.

7. AUDITORS' REPORT

c) Statutory Audit Report :

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

d) Cost Audit Report :

As required under the Companies (Accounts) Rules, 2014, the cost accounting records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 were maintained by the Company.

The Company had appointed M/s. Kiran J. Mehta & Co., Cost Accountants as the Cost Auditors of the Company for auditing cost accounting records for the financial year 2018-19. The Cost Audit for the financial year 2018-19 is in progress and the report will be e-filed to the Ministry of Corporate Affairs, Government of India, in due course.

8. DIRECTORS AND MANAGERIAL PERSONNEL

A) Changes in Directors and Key Managerial Personnel

Since the last report, following changes took place in the Board of Directors and Key Managerial Personnel:-

- Mr. Ramgopal Sharma resigned from the position of director with effect from October 23, 2018 due to indifferent health.
- Mr. Dhruv Kaji was appointed as an Additional Independent Director with effect from October 23, 2018.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. B.K.Goenka and Mr. Ramanathan Singaram are retiring by rotation at the forthcoming Annual General Meeting and being eligible, they have been recommended for re-appointment by the Board.

Details about the directors being re-appointed are given in the Notice of the forthcoming Annual General Meeting being sent to the members along with the Annual Report.

B) Declaration by Independent Director(s).

The independent directors have individually declared to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 at the time of their respective appointment and there is no change in the circumstances as on the date of this Report which may affect their status as an independent director.

C) Formal Annual Evaluation

The performance evaluation of the Directors was conducted by the entire Board (excluding the Director being evaluated) on the basis of a structured questionnaire which was prepared after taking into consideration inputs received from the Directors covering various aspects of the Board's functioning viz. adequacy of the composition of the Board and its Committees, time spent by each of the directors; accomplishment of specific responsibilities and expertise; conflict of interest; integrity of the Director; active participation and contribution during discussions and governance.

For the financial year 2018-19, the annual performance evaluation was carried out by the Independent Directors, Nomination and Remuneration Committee and the Board, which included evaluation of the Board, Independent Directors, Non-independent Directors, Executive Directors, Chairman, Committees of the Board, Quantity, Quality and Timeliness of Information to the Board. All the results were satisfactory.

9. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Company's Board comprises of the required blend of Independent and Non-Independent Directors with considerable experience in diverse fields such as finance, accounts and general management and business strategy. Further, the Board has mix of executive and non-executive directors. Except independent directors, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 2013.

The composition and category of directors and relevant details relating to them are given below:

	Name of the Director	Category	Board Meetings Attended during the Year 2018-19	Attendance at the Last AGM	No. of Directorship (as last declared to the Company)			Member / Chairman in No. of Board/ Committees including other Companies (as last declared to the Company)@
					Pub.	Pvt	Other Body Corporate	
1)	Mr. Balkrishan Goenka	NE, NI	1/4	No	9	-	9	1C, 1M
2)	Mr. Giancarlo Maccagno	NE, NI	3/4	No	3	-	58	-
3)	Mr. Dhruv Kaji^	NE, I	0/2	N.A.	7	1	3	4M, 3C
4)	Mr. K H Viswanathan	NE, I	4/4	Yes	6	-	-	3M, 5C
5)	Mr. Ramanathan P R Singaram	NE, NI	4/4	No	1	-	37	1M
6)	Mr. Vipul Mathur	E, NI	1/5	Yes	1	-	6	-
7)	Mr. Ram Gopal Sharma#	NE, I	4/4	No	NA	NA	NA	NA

@ Chairmanship/membership of Audit Committee, Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee considered.

Abbreviations:
I = Independent, NI = Non Independent, E = Executive Director, NE = Non-Executive Director, C=Chairman, M=Member.

^ Appointed as a member of the Board w.e.f. October 23, 2018
# Resigned from the Board w.e.f. October 23, 2018

4 meetings of the Board of Directors were held during the financial year 2018-19 on the following dates: April 25, 2018, July 19, 2018, October 23, 2018 and January 25, 2019.

In addition to the above, a meeting of the Independent Directors was held on March 14, 2019 in compliance with the Section 149(8) read with Schedule V to the Companies Act, 2013. The said meeting was attended by Mr. Dhruv Kaji and Mr. K. H. Viswanathan.

It is confirmed that there is no relationship between the directors inter-se. None of the directors held any share in the Company.

10. COMMITTEES OF THE BOARD OF DIRECTORS

Information on the Audit Committee, the Nomination and Remuneration Committee and meetings of those committees held during the year are as under:

a) AUDIT COMMITTEE

The Committee comprises of 3 non-executive directors having accounting and finance back-ground. The majority of them are independent. The Chairman of the Committee is an independent director. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Member/ Chairman	Number of Meetings Attended
Mr. K. H. Viswanathan	Chairman	5/5
Mr. Dhruv Kaji#	Member	0/3
Mr. Ramanathan P R Singaram	Member	5/5
Mr. Ramgopal Sharma*	Member	1/2

appointed with effect from October 23, 2018
* ceased to be a member with effect from October 23, 2018

The Company Secretary of the Company acts as the Secretary to the Committee.

5 meetings of the Audit Committee were held during the financial year 2018-19 on the following dates: April 25, 2018, July 19, 2018, October 23, 2018, January 25, 2019 and March 28, 2019.

None of recommendations made by the Audit Committee were rejected by the Board.

Terms of Reference: The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Section 177 of the Companies Act, 2013.

b) DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees and no personnel have been denied access to the Audit Committee.

c) NOMINATION AND REMUNERATION COMMITTEE

The Company had constituted the Nomination and Remuneration Committee consisting of non-executive directors majority of which are independent directors. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Member/ Chairman	Number of Meetings Attended
Mr. K. H. Viswanathan	Chairman	3/3
Mr. Ramanathan P R Singaram	Member	3/3
Mr. Dhruv Kaji#	Member	0/1
Mr. Ram Gopal Sharma*	Member	2/2

appointed with effect from October 23, 2018
* ceased to be a member with effect from October 23, 2018

The Company Secretary of the Company acts as the Secretary to the Committee.

3 meetings of the Nomination and Remuneration Committee were held on April 25, 2018, July 30, 2018 and October 23, 2018.

The Nomination and Remuneration Policy of the Company lays down the criteria and terms and conditions with regard to appointment of and remuneration to directors, key managerial personnel and senior management personnel.

Terms of reference: To recommend appointment of, and remuneration to, Managerial Personnel and review thereof from time to time.

Policy: The Company follows a policy on remuneration of directors and senior management employees, the salient features thereof are as under:

Appointment of Directors:

The Committee identifies the person who qualifies to become directors and who may be appointed in senior management position in accordance with the criteria as mentioned in the Nomination and Remuneration Policy formulated by Nomination and Remuneration Committee.

Remuneration of Directors, Key Managerial Personnel, senior management personnel:

- The remuneration to executive directors, Key Managerial Personnel and senior management personnel at the time of appointment shall be mutually agreed. The Committee shall consider top industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit.

- The Non-Executive directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the shareholders.

- The Non- Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. 100,000 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Besides, the Committee shall take into consideration performance of the concerned executive as well as the Company, to the growth of business, profitability, company potentiality and critical role played / initiatives taken while considering pay hike / increment to the concerned executives.

The Policy is available on your Company's website at: www.welspuncorp.com

11. PARTICULARS OF EMPLOYEES

a) Details of the top 10 employees of the Company in terms of remuneration drawn and name of other employees as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name	Designation	DOB	Age	DOJ	Remuneration (Rs.)	Qualification	Previous Company	Nature of Employment	% Of Equity Shares held in the Company	Relative of any Director/ Manager of the Company
Rizwan Talkhani	Vice President	19/10/1965	53	01/06/2017	8,593,752	B.Tech	Wasco Coatings	Permanent	Nil	No
Ashwin Chadamiya	Manager	19/12/1980	38	01/11/2017	1,349,532	B.Tech	Welspun Tubular LLC	Permanent	Nil	No
Vishal Kumar Gupta	Associate Manager	01/02/1988	31	06/08/2018	800,004	BE/B.Tech	Jindal Saw Ltd	Permanent	Nil	No
Rakesh Kumar	Engineer	04/07/1989	30	23/07/2018	504,000	Diploma-Mechanical	Jindal Saw Ltd	Permanent	Nil	No
Jignesh Dandiwala	Junior Foreman 2	15/11/1980	38	01/11/2017	423,084	ITI	Prakash Steelage Limited	Permanent	Nil	No
Ramji Mata	Engineer	10/01/1990	29	15/01/2019	420,000	BE/B.Tech	Indian Steel Corporation Ltd	Permanent	Nil	No
Tapan Raghuvanshi	Engineer	04/12/1992	26	01/11/2017	404,868	B.Tech	Fresher	Permanent	Nil	No
Shubham Jain	Engineer	26/02/1992	27	01/11/2017	399,912	B.Tech	Fresher	Permanent	Nil	No
Pankajkumar Prajapati	Foreman	26/06/1985	34	01/11/2017	378,000	ITI	Fresher	Permanent	Nil	No
Pravesh Kumar	Senior Fitter	22/08/1988	31	01/02/2018	276,000	ITI	Indian Steel Ltd.	Permanent	Nil	No

b) Whole Time Director of the Company was neither in receipt of any commission from the Company nor any remuneration or commission from the holding Company.

c) No remuneration was paid / payable to the executive director of the Company for the financial year 2018-19.

d) No remuneration or perquisite was paid to, and no service contract was entered into with, or stock options granted to any non-executive director, but the sitting fees were paid / payable to the following directors for attending meetings of Board / Committees of the Board and General Meetings.

Sr. No.	Name of the Director	Sitting Fees (Rs.)
1	Mr. K. H. Viswanathan	2,40,000
2	Mr. Dhruv Kaji	30,000
3	Mr. Ram Gopal Sharma*	55,000

* ceased to be a director with effect from October 23, 2018

The above mentioned sitting fees paid to the non-executive Directors was within the limits prescribed under the Companies Act, 2013 for payment of sitting fees.

Save and except as disclosed in the financial statements none of the Directors had any pecuniary relationships or transactions vis-à-vis the Company.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS MADE / GIVEN UNDER SECTION 186 ARE AS UNDER

No Loan or guarantee was given by the Company during the financial year 2018-19.

The Company holds equity and preference shares of Welspun Captive Power Generation Limited amounting to Rs. 24.45 million. (carried at fair value through profit & loss account).

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year under report were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Except receiving sitting fees for attending meetings of the Board and the Committee, none of the Directors had any pecuniary relationships or transactions vis-à-vis the Company.

Disclosures as required under the Companies Act, 2013 are given in Form AOC-2 annexed as **Annexure 1** to this Report.

14. EXTRACT OF THE ANNUAL RETURN

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is attached to this report as **Annexure – 2.**

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

Conservation of energy: None

(i)	The efforts made towards technology absorption	None
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	Not applicable
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a)	The details of technology imported	• State of the art PLC based automatic batching plant from ELKON – Turkey (Batching capacity 80 m^3 / hour) • Impingement coating plant from Netherlands • Automatic material handling system from Netherlands • State of art wire mesh spooling unit from Netherlands
(b)	The year of import	Financial Year 2015-16
(c)	Whether the technology been fully absorbed. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:	Yes in the year 2017-18.
(d)	The expenditure incurred on Research and Development	Nil

Total foreign exchange used and earned:
Used : Rs. 16.652 million
Earned : Rs. [Nil] million

16. INTERNAL CONTROLS & RISK MANAGEMENT

Your Company has adequate systems for risk management and internal control, which are commensurate with the size, scale and complexity of its operations. Your Company has a process in place to:–

(i) Continuously identify, evaluate and mitigate risks, which may threaten the existence of the Company. In the opinion of the Board key risks are Economic Risks, Legal & Compliance Risks, Raw Material Risks, Quality Risks and Risk of Competition.
(ii) Continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material impact on your Company's operation. The controls were tested during the year under Report and no reportable material weaknesses either in their design or operations were observed.

17. MISCELLANEOUS DISCLOSURES

During the year under report, there was no change in the general nature of business of your Company.

No material change has occurred or commitment made which would have affected the financial position of your Company between the end of the financial year of your Company to which the financial statements relate and the date of the report.

No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future.

Your Company has not made any provision of money for the purchase of, or subscription for, shares in your Company or its holding company, to be held by or for the benefit of the employees of your Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required.

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board and its Committees which have mandatory application.

18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, your directors hereby confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the directors had 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 and loss of the Company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis;

e. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. ACKNOWLEDGEMENT

Your directors thank the Government Authorities, Banks, Customers, Suppliers, Shareholders, Employees and other business associates of the Company, who through their continued support and co-operation, have helped as the partner in your company's progress and achievement of its objectives.

Mumbai	**Vipul Mathur**	**K.H.Viswanathan**
May 13, 2019	**Whole Time Director**	**Director**
	DIN – 0007990476	**DIN –** 00391263

Annexure 1.

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis. Not applicable**

2. **Details of material contracts or arrangement or transactions at arm's length basis which are more than 10% of the total transactions of the same type:**

Name(s) of the related party and nature of relationship	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:	Amount (Rs. Million)
Sale of Goods:					
Welspun Corp Limited - Joint Venturer	Transactional	Sale of Store & Spares/ Building Material	Omnibus approval 25.04.2018	-	0.33
Welspun Corp Limited - Joint Venturer	Transactional	Job-work – Pipe Coating	Omnibus approval 25.04.2018	-	42.87
Welspun India Limited - Other Related Party	Transactional	Sale of Store & Spares/ Building Material	Omnibus approval 25.04.2018	-	0.03
Welspun Steel Limited - Other Related Party	Transactional	Sale of old wire-mesh/ Structural steel	Omnibus approval 25.04.2018		0.21
Purchase of Fixed Assets :					
Welspun Corp Limited - Joint Venturer	Transactional	Purchase of Fixed Asset from Growth-shop	Omnibus approval 25.04.2018	-	0.51
Purchase of Goods:					
Welspun Corp Limited - Joint Venturer	Transactional	Services from Growth-shop	Omnibus approval 25.04.2018	-	0.04
Welspun Corp Limited - Joint Venturer	Transactional	Purchase of Stores & spares, others	Omnibus approval 25.04.2018	-	0.45
Welspun Captive Power Generation Limited - Other related party	Transactional	Purchase of Power	Omnibus approval 25.04.2018	-	1.64
Interest Paid:					
Welspun Corp Limited - Joint Venturer	Annual	Interest on Term loan @ 10.75%	Omnibus approval 25.04.2018	-	38.07
Wasco Coatings Limited - Joint Venturer	Annual	Interest on Term loan @ 3.75%	Omnibus approval 25.04.2018	-	13.45

Rent paid :					
Welspun Corp Limited - Joint Venturer	Annual	Lease Rent	Omnibus approval 25.04.2018	-	7.78
Welspun Anjar SEZ Limited - Other related party	Annual	Lease Rent	Omnibus approval 25.04.2018	-	2.73
Corporate Guarantee Commission paid					
Welspun Corp Limited - Joint Venturer	Annual	Corporate guarantee Commission	Omnibus approval 25.04.2018	-	1.28
Loan converted into Equity Shares					
Welspun Corp Limited - Joint Venturer	Transactional	Term loan converted into equity	Specifically approved by the board on 25/01/2019	-	107.10
Wasco Coatings Limited - Joint Venturer	Transactional	Term loan converted into equity	Specifically approved by the board on 25/01/2019	-	102.90
Transfer/ Sale of investment					
Welspun Captive Power Generation Limited - Other related party :Welspun Steel Limited	Transactional	Sale of Investment	Specifically approved by the board on 19/07/2018	-	16.53

Vipul Mathur
Whole Time Director
DIN – 0007990476

K.H.Viswanathan
Director
DIN – 00391263

Annexure - 2

Form No. MGT – 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i. CIN: U28920GJ2015PTC084632.

ii. Registration Date: September 30, 2015.

iii. Name of the Company: Welspun Wasco Coatings Private Limited.

iv. Category / Sub Category of the Company: Public Company/ Company having Share Capital and Limited by Shares.

v. Address of the Registered office and contact details: Survey no.-569 Welspun City, Village Versamedi, Taluka Anjar. Dist. Kutch, Gujarat-370110.
Contact: The Company Secretary, Tele.: 02836-662079; email Companysecretary_WWCPL@welspun.com.

vi. Whether listed company: No.

vii. Name, address and contact details of Registrar and Transfer Agent, if any: N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are Concrete Weight Coating on Steel Pipes (NIC code – 25920), 100% to Revenue from operations of the Company.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name And Address Of The Company	CIN / GLN	Holding / Subsidiary / Associate	% Of Shares Held	Applicable Section
1	Welspun Corp Limited	L27100GJ1995PLC025609	Holding	51%	2(46)

IV. SHARE HOLDING PATTERN (equity share capital break-up as percentage of Total Equity).

i. Category-wise share holding

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the financial year				No. of shares held at the end of the year				% change during the year
		Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	
(A)	**Shareholding of Promoter and Promoter Group2**									
1	**Indian**									
(a)	Individuals/ Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	28,931,400	28,931,400	100.00	49,931,400	-	49,931,400	100.00	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Others (Individual) Nominees for Promoter)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	**-**	**28,931,400**	**28,931,400**	**100.00**	49,931,400	-	49,931,400	100.00	-

ii. Shareholding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	%of shares pledged / encumbered to total shares	
1	Welspun Corp Limited	14,755,014	51.00	Nil	25,465,014	51.00	Nil	-
2	Wasco Coatings Limited	14,176,386	49.00	Nil	24,466,386	49.00	Nil	-
	Total of Promoters	**28,931,400**	**100.00**	Nil	**49,931,400**	**100.00**	Nil	**-**

iii. Change in Promoters' shareholding (please specify, if there is no change)

Sr. No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Welspun Corp Limited	14,755,014	51%	25,465,014	51%
2	Wasco Coatings Limited	14,176,386	49%	24,466,386	49%

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name of the Shareholders	Shareholding at the beginning of the year		Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.).	Cumulative shareholding during the year.		At the end of the year (or on the date of separation, if separated during the year)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1								
2								
3								
4				Not Applicable				
5								
5								
6								
7								
8								
9								
10								

v. Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Director / KMP	Shareholding at the beginning of the year		Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.).	Cumulative shareholding during the year.		At the end of the year (or on the date of separation, if separated during the year)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Directors								
1	Balkrishan Goenka (Chairman & Nominee of Welspun Corp Limited)	-	-	-	-	-	-	-
2	Dhruv Kaji # (Independent Director)	-	-	-	-	-	-	-
3	K H Viswanathan (Independent Director)	-	-	-	-	-	-	-
4	Maccagno Giancarlo (Nominee of Wasco Coatings Limited)	-	-	-	-	-	-	-
5	Ramanathan P R Singaram (Nominee of Wasco Coatings Limited)	-	-	-	-	-	-	-

6	Ram Gopal Sharma% (Independent Director)	-	-	-	-	-	-	-
7.	Vipul Mathur (Nominee of Welspun Corp Limited)	-	-	-	-	-	-	-
Key Managerial Personnel								
8.	Gaurav Merchant - CFO	-	-	-	-	-	-	-
9.	Dharmesh Pardiwala	-	-	-	-	-	-	-

appointed w.e.f. October 23, 2018
% Resigned w.e.f. October 23, 2018

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(Amt in Rs. million)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	175.09	684.54	-	859.63
ii. Interest due but not paid	-	5.85	-	5.85
iii. Interest accrued but not due	0.76	-	-	0.76
Total (i + ii + iii)	**175.85**	**690.39**	**-**	**866.24**
Change in indebtedness during the financial year.				
• Addition	-	-	-	-
• Reduction	175.85	195.85	-	371.7
Net change	**175.85**	**195.85**	**-**	**371.7**
Indebtedness at the end of the financial year				
i. Principal Amount	-	494.54	-	494.54
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**494.54**	**-**	**494.54**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

A. Remuneration to Managing Director, whole-time directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager Whole time Director (Mr. Vipul Mathur)
1	Gross Salary	
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	Nil
	b) Value of perquisites u/s. 17(2) Income Tax Act, 1961	
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat equity	Nil
4	Commission	Nil
	- As % of profit	
	- Others, specify…..	
5	Others, please specify	
	Total (A)	Nil
	Ceiling as per the Act.	1% of the Net profits of the Company (exclusive of any fees payable to directors for attending meetings of the Board or Committee thereof provided that the amount of such fees does not exceed Rs. One lakh per meeting of the Board or committee thereof.)

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors: **Ram Gopal Sharma***	Dhruv Kaji	**K. H. Viswanathan**	Total amount (Rs.)
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	55,000 - - -	30,000 - - -	240,000 - - -	325,000 - - -
	Total (1)	**55,000**	**30,000**	**240,000**	**325,000**
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	Nil			
	Total (2)	**Nil**			
	Total (B) = (1 + 2)				**325,000**
	Total Managerial Remuneration				**325,000**
	Overall Ceiling as per the Act.	1% of the Net profits of the Company (exclusive of any fees payable to directors for attending meetings of the Board or Committee thereof provided that the amount of such fees does not exceed Rs. One lakh per meeting of the Board or committee thereof.)			

* Resigned w.e.f. October 23, 2018

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s. 17(2) Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - As % of profit - Others, specify	Nil	Nil	Nil	Nil
5	Others, please specify				
	Total	**NIL**	**NIL**	**NIL**	**NIL**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

Independent Auditors' Report

To the Members of Welspun Wasco Coatings Private Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Welspun Wasco Coatings Private Limited (the "Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures thereto, but does not include the financial statements and our auditors' report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

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Responsibilities of management and those charged with governance for the financial statements

5. Company's Board of Directors is responsible for the matters stated in section 134(5) of the The Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

12. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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Price Waterhouse Chartered Accountants LLP

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 to the financial statements.

ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2019.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016

Arunkumar Ramdas
Partner
Membership Number: 112433

Place: Mumbai
Date: May 13, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Welspun Wasco Coatings Private Limited on the financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Welspun Wasco Coatings Private Limited (the "Company") as of March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Price Waterhouse Chartered Accountants LLP
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Chartered Accountants
FRN 012754N/N500016
Mumbai

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Welspun Wasco Coatings Private Limited on the financial statements for the year ended March 31, 2019

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Arunkumar Ramdas
Partner
Membership Number: 112433

Place: Mumbai
Date: May 13, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Welspun Wasco Coatings Private Limited on the financial statements as of and for the year ended March 31, 2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 36 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax	1.93	Assessment Year 2016-2017	Commissioner of Income Tax (Appeals)

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. The Company does not have any loans or borrowings from Government nor has it issued any debentures as at the balance sheet date.

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Chartered Accountants
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Mumbai

Price Waterhouse Chartered Accountants LLP

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied on an overall basis, for the purposes for which they have were obtained.

x. 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 explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

xiv. The Company has not entered into any non cash transactions with its directors or persons connected with them within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016

Arunkumar Ramdas
Partner
Membership Number: 112433

Place: Mumbai
Date: May 13, 2019

Welspun Wasco Coatings Private Limited
Financial statements - March 31, 2019

Financial statements

- Balance sheet as at March 31, 2019
- Statement of profit and loss for the year ended March 31, 2019
- Statement of changes in equity for the year ended March 31, 2019
- Statement of cash flows for the year ended March 31, 2019
- Notes comprising significant accounting policies and other explanatory information

Welspun Wasco Coatings Private Limited
Balance sheet
(All amounts in Rupees million, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	604.63	646.41
Capital work-in-progress	3	0.66	0.66
Intangible assets	3	0.08	0.12
Financial assets			
Investments	4	24.45	39.35
Deferred tax assets (net)	5	-	-
Other non-current assets	6(a)	0.53	0.05
Total non-current assets		**630.35**	**686.59**
Current assets			
Inventories	7	31.09	38.85
Financial assets			
Cash and cash equivalents	8	71.59	19.00
Bank balances other than cash and cash equivalents	9	30.79	329.00
Current tax assets (net)	10	4.80	2.75
Other current assets	6(b)	12.49	10.73
Total current assets		**150.76**	**400.33**
Total assets		**781.11**	**1,086.92**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	499.31	289.31
Other equity			
Reserves and surplus	12	(319.43)	(183.90)
Total equity		**179.88**	**105.41**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	13(a)	494.54	684.54
Provisions	14(a)	0.61	0.53
Government grants	15	68.90	74.35
Total non-current liabilities		**564.05**	**759.42**
Current liabilities			
Financial liabilities			
Borrowings	13(b)	-	175.09
Trade payables	16		
total outstanding dues of micro and small enterprises		-	-
total outstanding dues other than above		3.20	5.24
Other financial liabilities	17	23.87	33.02
Provisions	14(b)	0.26	0.15
Government grants	15	5.45	5.45
Other current liabilities	18	4.40	3.14
Total current liabilities		**37.18**	**222.09**
Total liabilities		**601.23**	**981.51**
Total equity and liabilities		**781.11**	**1,086.92**

The above balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N / N500016

Arunkumar Ramdas
Partner
Membership No. 112433

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN No. 00270175

Vipul Mathur
Whole-time Director
DIN No. 07990476

D.D. Pardiwala.

Gaurav Merchant
Chief Financial Officer

Dharmesh Pardiwala
Company Secretary
ACS - 32069

Place: Mumbai
Date: May 13, 2019

Welspun Wasco Coatings Private Limited

Welspun Wasco Coatings Private Limited
Statement of Profit and Loss
(All amounts in Rupees million, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	19	36.33	1,307.14
Other operating revenue	20	5.93	6.97
Other income	21	13.94	17.13
Total income		**56.20**	**1,331.24**
Expenses			
Cost of materials consumed	22	10.26	1,237.27
Changes in inventories of work-in-progress and finished goods	23	-	(1.89)
Employee benefit expenses	24	28.69	35.37
Depreciation and amortisation expense	25	50.84	50.93
Other expenses	26	47.30	56.37
Finance costs	27	54.70	54.07
Total expenses		**191.79**	**1,432.12**
Loss before tax		**(135.59)**	**(100.88)**
Income tax expense			
- Current tax	28	-	-
- Deferred tax	28	-	-
Total income tax expense		-	-
Loss for the year (A)		**(135.59)**	**(100.88)**
Other comprehensive income (B)			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations, net of tax		0.06	(0.38)
Total comprehensive income for the year (A+B)		**(135.53)**	**(101.26)**
Loss per equity share			
- Basic and diluted loss per share (Rs.)	35	(4.65)	(3.49)

The above statement of profit and loss should be read in conjunction with the accompanying notes.

This is the statement of profit and loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N / N500016

Arunkumar Ramdas
Partner
Membership No. 112433

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN No. 00270175

Vipul Mathur
Whole-time Director
DIN No. 07990476

D.D. Pardiwala.

Gaurav Merchant
Chief Financial Officer

Dharmesh Pardiwala
Company Secretary
ACS - 32069

Place: Mumbai
Date: May 13, 2019

Welspun Wasco Coatings Private Limited

Welspun Wasco Coatings Private Limited
Statement of cash flows
(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows used in operating activities		
Loss before tax	**(135.59)**	**(100.88)**
Adjustments for		
Depreciation and amortisation expense	50.84	50.93
Finance costs	54.70	54.07
Loss on disposal of property, plant and equipment	0.30	-
Interest income from fixed deposits	(12.31)	(15.33)
Net unrealised exchange differences	10.31	(4.22)
Fair valuation gain on investment	(1.55)	(1.80)
Net Gain on sale of non-current investments	(0.08)	-
Amortisation of government grants	(5.45)	(6.21)
	(38.83)	(23.44)
Changes in operating assets and liabilities		
Decrease /(increase) in other non-current assets	(0.48)	0.93
Decrease /(increase) in inventories	7.76	(28.77)
Decrease/(increase) in other current assets	(1.76)	15.09
(Decrease)/ increase in provisions	0.25	0.29
Decrease in trade payables	(2.04)	(7.23)
Decrease in other financial liabilities	(0.38)	-
Increase in other current liabilities	1.26	1.55
Cash used in operations	**(34.22)**	**(41.58)**
Taxes paid (tax deducted at source)	(2.05)	(1.50)
Net cash flows used in operating activities (A)	**(36.27)**	**(43.08)**
Cash flows from/ (used in) investing activities		
Payments for property, plant and equipment	(1.79)	(8.53)
(Investment in)/proceeds from maturity of fixed deposit (net)	299.11	(62.33)
Interest received	11.41	15.33
Proceeds from sale of non-current investments	16.53	-
Net cash flows from/(used in) investing activities (B)	**325.26**	**(55.53)**
Cash flows (used in)/ from financing activities		
Interest paid	(61.31)	(48.04)
Proceeds from non-current borrowings (net)	-	192.23
(Repayment) of current borrowings (net)	(175.09)	(33.72)
Net cash flows (used in)/ from financing activities (C)	**(236.40)**	**110.47**
Net increase in cash and cash equivalents (A+B+C)	**52.59**	**11.86**
Cash and cash equivalents at the beginning of the year	19.00	7.14
Cash and cash equivalents at the end of the year	**71.59**	**19.00**

The above statement of cash flows should be read in conjunction with the accompanying notes.

This is the statement of cash flows referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N / N500016

Arunkumar Ramdas
Partner
Membership No. 112433

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN No. 00270175

Vipul Mathur
Whole-time Director
DIN No. 07990476

Gaurav Merchant
Chief Financial Officer

Dharmesh Pardiwala
Company Secretary
ACS - 32069

Place: Mumbai
Date: May 13, 2019

Welspun Wasco Coatings Private Limited

Welspun Wasco Coatings Private Limited
Statement of changes in equity
(All amounts in Rupees million, unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
Balance as at March 31, 2017		**289.31**
Changes in equity share capital during the year	11	-
Balance as at March 31, 2018		**289.31**
Changes in equity share capital during the year	11	210.00
Balance as at March 31, 2019		**499.31**

B. Other equity

	Reserves and surplus	Total other equity
	Retained Earnings	
Balance as at March 31, 2017	**(82.64)**	**(82.64)**
Loss for the year	(100.88)	**(100.88)**
Other comprehensive income	(0.38)	**(0.38)**
Total comprehensive income for the year	**(101.26)**	**(101.26)**
Balance as at March 31, 2018	**(183.90)**	**(183.90)**
Loss for the year	(135.59)	**(135.59)**
Other comprehensive income	0.06	**0.06**
Total comprehensive income for the year	**(135.53)**	**(135.53)**
Balance as at March 31, 2019	**(319.43)**	**(319.43)**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N / N500016

Arunkumar Ramdas
Partner
Membership No. 112433

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN No. 00270175

Vipul Mathur
Whole-time Director
DIN No. 07990476

D. D. Pardiwala.

Gaurav Merchant
Chief Financial Officer

Dharmesh Pardiwala
Company Secretary
ACS - 32069

Place: Mumbai
Date: May 13, 2019

Welspun Wasco Coatings Private Limited

Welspun Wasco Coatings Private Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2019
and the statement of profit and loss for the year ended March 31, 2019

Background

Welspun Wasco Coatings Private Limited (the "Company") is a Company limited by shares incorporated on September 30, 2015 and domiciled in India under the Companies Act, 2013. The Company is engaged in the business of all types of coating works including but not limited to concrete, cement, polyolefin, polymers, Epoxy, coal tar, blasting, and painting or any combination thereof, performed on inside and/or outside metallic structures as well as pipes and accessories and also to trade, sell, purchase, deal in, import, export, convert, treat and to act as agents, distributors of the above products.

The registered office of the Company and its principal place of business is at Survey No. 569, Welspun City, Village Versamedi, Taluka Anjar, Kutch, Gujarat – 370110.

These financial statements are presented in rupees and are authorised for issue by the directors on May 13, 2019.

The Financial Statements have been presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest two decimals of million unless otherwise stated.

New and amended standards adopted by the Company

The Company has applied the following Accounting Standards and its amendments for the first time for annual reporting period commencing April 1, 2018, wherever applicable:

- Ind AS 115, Revenue from Contracts with Customers
- Amendment to Ind AS 20, Accounting for Government Grant and Disclosure of Government Assistance.
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Change in Foreign Exchange Rate
- Amendment to Ind AS 12, Income Taxes

The Company had to change its accounting policies following the adoption of Ind AS 115. Most of the other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on an accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivatives instruments)	Fair Value
Net defined benefit (asset)/ liability	Fair Value of plan assets less present value of defined benefit obligations (in case of funded Plan

(b) Segment reporting

The chief operating decision maker is the Wholetime Director of the Company. The wholetime director of the Company assesses the financial performance and position of the Company, and makes strategic decisions. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Indian rupee, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/ other expenses as applicable.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The Company has elected to apply the exemption in respect of accounting policy followed for long term foreign currency monetary items. Accordingly, long term foreign currency monetary items in the books till the period ended March 31, 2016 have been accounted for as per the policy adopted under previous GAAP as given below:

Foreign exchange differences on account of depreciable assets are adjusted in the cost of depreciable assets and depreciated over the balance life of the assets.

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(d) Revenue recognition

(i) Sale of products

Effective April 1, 2018, the Company has adopted Ind AS 115, Revenue from contracts with customers using the modified retrospective transition approach, which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted.

The Company sells concrete weighted coated (CWC) pipes to its customers.

The Company recognizes revenue at a determined transaction price when it satisfies an identified performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers freight expenses as costs to fulfil the promise to transfer the related products and the customer payments for freight expenses are recorded as a component of revenue.

In certain customer contracts, freight charges are treated as a distinct separate performance obligation and the Company recognises revenue for such services when the performance obligation is completed.

Delivery occurs when the products have been shipped or delivered in accordance with the agreed delivery terms with the customer.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to liquidated damages, discounts, volume rebates etc.

Liquidated damages are damages that a customer deducts from the transaction price if the company fails to deliver the goods at a pre decided time as per delivery schedule. Liquidated damages are estimated based on enforcement of specific performance of contracts. In making these estimates, the Company considers predictive value of the amount that the Company expects to be liable for the transferred goods and services.

Revenue from sale of products are net of returns, trade allowances, rebates, value added tax, goods and service tax (GST) and amounts collected on behalf of third parties.

(ii) Sale of services

The Company provides coating of pipes and other services to its customers.

Revenue from coating of pipes and other services is recognised in the accounting period in which the services are rendered.

The related cost incurred are included in raw material consumed and other expenses.

The Company does not have any contracts where in the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(iii) Contract assets and Contract Liabilities

When the Company performs a service or transfers a good in advance of receiving consideration, it recognises a contract asset or receivable.

A contract asset is a Company's right to consideration in exchange for goods or services that the Company has transferred to a customer. If the Company transfers control of goods or services to a customer before the customer pays consideration, the Company records a contract asset when the nature of the Company's right to consideration for its performance is other than passage of time. A contract asset will be classified as a receivable when the Company's right to consideration is unconditional (that is, when payment is due only on the passage of time).The Company shall assess a contract asset for impairment in accordance with Ind AS 109. Impairment of a contract asset is measured, presented and disclosed on similar basis as other financial asset in nature of trade receivable within the scope of Ind AS 109. The Company discloses contract assets under "Other Assets".

The Company recognises a contract liability if the customer's payment of consideration precedes the Company's performance. A contract liability is recognised if the Company receives consideration (or if it has the unconditional right to receive consideration) in advance of performance. The Company discloses contract liabilities under "Other Liabilities".

(e) Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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(f) Leases

As a lessee:
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(g) Impairment of assets

All assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet, if any.

(i) Trade Receivables
Trade Receivables are amounts due from customers for goods sold or services performed in the ordinary cousre of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less allowance.

(j) Inventories

Raw materials and stores are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases after deducting rebates and discounts. Cost of raw material and stores and spares is determined on weighted average basis. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through comprehensive income, or through profit or loss); and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ other expenses as applicable. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expense (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(l) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into certain derivative contracts to hedge risk which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income.

Derivatives that are not designated as hedges

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other expenses/other income as applicable.

(m) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Cost of capital work-in-progress ('CWIP') comprises amount paid towards acquisition of property, plant and equipment and other assets outstanding as of each balance sheet date and construction expenditures, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing costs incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using straight-line method to allocate their cost, net of their residual values, over the estimated useful life of the assets as given below. These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013 except in respect of plant and machinery and buildings wherein the estimated useful lives are different than those under Schedule II to the Companies Act, 2013 based on a technical evaluation done by the Management.

Assets	Estimated useful lives
Buildings	3 - 30 years
Plant and machinery	5 - 15 years
Office and other equipments	3 - 5 years
Furniture and fixtures	3 - 10 years
Computers	3 years

The useful lives in respect of Plant and machinery and building have been determined based on internal technical evaluation done by the project head which are different than those specified in Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the Plant and Machinery. The residual values are not more than 5% of the original cost of the asset. The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ other expenses as applicable.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/finance costs as applicable.

(p) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete prepare the asset for its intended use or sale. Qualifying assets are assets that are necessarily take a substantial period of time to get ready for their intended use or sale.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(q) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current provisions in the balance sheet.

(ii) Other long-term employee benefit obligations

The liability for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current provisions in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund and employee's pension scheme.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuary using the projected unit credit method. Gratuity liability is wholly unfunded.

The present value of the defined benefit obligation denominated in Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying discount rate to the net balance of the defined benefit obligation. The cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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Defined contribution plans

Provident fund and employee pension scheme

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(s) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented with other income.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as "Government grants" and are credited to profit or loss on straight line basis over the expected lives of the related assets and presented within other income.

(t) Contributed Equity

Equity shares are classified as equity.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year (note 36).

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III (Division II), unless otherwise stated.

(w) New standards/ amendments to existing standards issued but not yet adopted

Following are the amendments to existing standards which have been issued by The Ministry of Corporate Affairs ('MCA') that are not effective for the reporting period and have not been early adopted by the Company:

a) Amendments to Ind AS 116, Leases:

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard Ind AS 17, Leases with effect from accounting periods beginning on or after April 01, 2019

The new standard introduces a single model of lease accounting and eliminates the classification of leases as either finance leases or operating leases for a lessee as was required under Ind AS 17. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in its financial statement. Lessee will recognise depreciation of right of use assets and interest on lease liabilities in the statement of profit or loss. In the cash flow statement, operating cash flows will be higher as payment of the lease liability and related interest are to be classified within financing activities.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and account for those two types of leases differently.

The effective date for adoption of Ind AS 116 is financial year beginning on or after April 1, 2019. The standard permits two possible methods of transition:

(i) Fully retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

(ii) Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

1. Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
2. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2019.

b) Appendix C, Uncertainty over Income Tax Treatments, to Ind AS 12, 'Income Taxes':

The appendix explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

(i) How to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

(ii) That the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

(iii) That the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

(iv) That the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

(v) That the judgement and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgement.

The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2019.

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c) Amendment to Ind AS 19, 'Employee Benefits' - Plan Amendment, Curtailment or Settlement:

The amendment to Ind AS 19 clarifies the accounting for defined benefit plan amendments, curtailments and settlements. It confirms that entities must:
(i) Calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;
(ii) Any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and
(iii) Separately recognise any changes in the asset ceiling through other comprehensive income.

The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2019.

d) Amendment to Ind AS 12, 'Income Taxes':

The amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends. Previously, it was unclear whether the income tax consequences of dividends should be recognised in profit or loss, or in equity, and the scope of the existing guidance was ambiguous.

The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 01, 2019.

The Company intends to adopt these amendments when it becomes effective. There are no other standards or amendments that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Note 2: Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Useful life, impairment of property, plant and equipment and recognition of deferred tax assets:

Useful life:
The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, considering useful life as per Companies Act 2013. Increasing an asset's expected life would result in a reduced depreciation charge in the income statement.

The useful lives of the Company's assets are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology.

Historically, changes in useful lives have not resulted in material changes to the Company's depreciation charge.

Impairment:
Ind AS requires that the management of the Company shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company shall estimate the recoverable amount of the asset.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:
- growth in EBITDA, calculated as adjusted operating profit before depreciation and amortisation;
- long-term growth rates and
- the selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results. The Company's review includes the key assumptions related to sensitivity in the cash flow projections.

Recognition of deferred assets
The recognition of deferred tax assets is based upon, whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future profits, reference is made to the approved business plan of the Company. Where the temporary differences are related to losses, local tax law is considered to determine the availability of the losses to offset against the future taxable profits as well as whether there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Significant items on which the Company has exercised accounting judgement include recognition of deferred tax assets in respect of losses. The amounts recognised in the financial statements in respect of each matter are derived from the Company's best estimation and judgement as described above.

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Note 3: Property, plant and equipment (PPE), Capital work-in-progress and Intangible assets

	Buildings	Plant and machinery	Office and other equipments	Computer equipments	Furniture and fixtures	Total PPE	Intangible assets (software)	Capital work-in-progress (CWIP)
Year ended March 31, 2018								
Gross carrying amount								
Opening gross carrying amount as at April 01, 2017	117.32	485.92	2.56	1.80	4.40	612.00	-	1.75
Additions	-	86.01	0.01	0.04	-	86.06	-	6.00
Transfer from CWIP to PPE	3.71	1.51	0.42	0.89	0.30	6.83	0.12	(6.95)
Exchange differences (Refer note (ii) below)	-	0.72	-	-	-	0.72	-	-
Disposals	-	-	-	-	(0.25)	(0.25)	-	(0.14)
Closing gross carrying amount as at March 31, 2018	121.03	574.16	2.99	2.73	4.45	705.36	0.12	0.66
Accumulated depreciation and amortisation								
Opening accumulated depreciation and amortisation as at April 01, 2017	1.64	5.94	0.22	0.08	0.14	8.02	-	-
Depreciation and amortisation charge during the year	9.92	39.13	0.54	0.76	0.58	50.93	- *	-
Disposals	-	-	-	-	- *	- *	-	-
Closing accumulated depreciation and amortisation as at March 31, 2018	11.56	45.07	0.76	0.84	0.72	58.95	- *	-
Net carrying amount as at March 31, 2018	109.47	529.09	2.23	1.89	3.73	646.41	0.12	0.66
Year ended March 31, 2019								
Gross carrying amount								
Opening gross carrying amount as at April 01, 2018	121.03	574.16	2.99	2.73	4.45	705.36	0.12	0.66
Additions	-	0.56	- *	-	-	0.56	-	
Exchange differences (Refer note (ii) below)	-	8.76	-	-	-	8.76	-	-
Disposals	-	0.38	-	-	-	0.38	-	-
Closing gross carrying amount as at March 31, 2019	121.03	583.10	2.99	2.73	4.45	714.30	0.12	0.66
Accumulated depreciation and amortisation								
Opening accumulated depreciation and amortisation as at April 01, 2018	11.56	45.07	0.76	0.84	0.72	58.95	- *	-
Depreciation and amortisation charge during the year	10.01	38.76	0.58	0.86	0.59	50.80	0.04	-
Disposals	-	0.08	-	-	-	0.08	-	-
Closing accumulated depreciation and amortisation as at March 31, 2019	21.57	83.75	1.34	1.70	1.31	109.67	0.04	-
Net carrying amount as at March 31, 2019	99.46	499.35	1.65	1.03	3.14	604.63	0.08	0.66

* Amount is below the rounding norms adopted by the Company.

Capital work-in-progress	
As at March 31, 2018	0.66
As at March 31, 2019	0.66

Notes:

(i) Contractual obligations

Refer to note 34(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Exchange differences

In accordance with para D13AA of Ind AS 101 First time adoption of Indian Accounting Standards and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Company has adjusted the exchange rate difference arising on long term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, to the cost of the asset.
Accordingly, the Company has adjusted exchange loss of Rs. 8.76 (March 31, 2018: Rs. 0.72) to the cost of property, plant and equipment as the long term monetary items relate to depreciable capital asset.

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Note 4: Non-current investments (refer note 33)

	As at March 31, 2019	As at March 31, 2018
Investments in equity instruments (fully paid up)		
Investments carried at fair value through profit and loss		
Unquoted		
Welspun Captive Power Generation Limited		
29,004 (March 31, 2018: 664,804) equity shares of Rs. 10 each	2.30	17.20
Total investments in equity instruments	**2.30**	**17.20**
Investments in preference shares (fully paid up)		
Investments carried at fair value through profit and loss		
Unquoted		
Welspun Captive Power Generation Limited		
2,215,498 (March 31, 2018: 2,215,498) 10% non-cumulative redeemable preference shares of Rs. 10 each	22.15	22.15
Total investments in preference shares	**22.15**	**22.15**
Total non-current investments	**24.45**	**39.35**
Aggregate amount of unquoted investments	24.45	39.35

Note 5: Deferred tax assets (net)

The balance comprises temporary differences attributable to:

	As at March 31, 2019	As at March 31, 2018
Deferred tax assets:		
- Tax losses (business loss)	39.87	37.58
- Interest to associated enterprises	6.61	-
- Employee benefit obligations	0.24	0.23
- Others	0.18	0.66
	46.90	**38.47**
Set-off of deferred tax liabilities pursuant to set-off provisions		
Deferred tax liabilities:		
- Property, plant and equipment	46.52	38.12
- Financial assets at fair value through profit or loss	0.38	0.35
	46.90	**38.47**
Deferred tax assets (net)	-	-

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Note 5: Deferred tax assets (net) (Contd...)

Movement in deferred tax asset and deferred tax liabilities:

	Deferred tax asset					Deferred tax liabilities			Net Deferred tax assets
	Tax losses (Unabsorbed depreciation)	Employee benefit obligations	Interest to associated enterprises	Others	Total deferred tax asset	Property, plant and equipment	Financial assets at fair value through profit or loss	Total deferred tax liabilities	
As at April 1, 2017	28.61	-	-	-	28.61	(28.44)	(0.17)	(28.61)	-
Charged/(Credited) to profit and loss	8.97	0.23	-	0.66	9.86	(9.68)	(0.18)	(9.86)	-
As at March 31, 2018	37.58	0.23	-	0.66	38.47	(38.12)	(0.35)	(38.47)	-
Charged/(Credited) to profit and loss	2.29	0.01	6.61	(0.48)	8.43	(8.40)	(0.03)	(8.43)	-
As at March 31, 2019	39.87	0.24	6.61	0.18	46.90	(46.52)	(0.38)	(46.90)	-

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Note 6: Other assets

	As at March 31, 2019	As at March 31, 2018
(a) Non-current		
Balance with statutory authorities	0.53	0.05
Total other non-current assets	0.53	0.05
(b) Current		
Balance with statutory authorities	11.39	9.89
Prepaid expenses	0.79	0.63
Advance to employees	0.02	0.04
Advance to suppliers	0.03	0.17
Others	0.26	-
Total other current assets	12.49	10.73

Note 7: Inventories

	As at March 31, 2019	As at March 31, 2018
Raw materials	20.83	29.07
Stores and spares	8.37	7.89
Finished goods	1.89	1.89
Total inventories	31.09	38.85

Note 8: Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- in current accounts	40.56	17.83
Deposits with maturity of less than three months (including interest accrued)	31.00	1.14
Cash on hand	0.03	0.03
Total cash and cash equivalents	71.59	19.00

Note 9: Bank balances other than cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Deposits with maturity of more than three months but less than twelve months (including interest accrued) (refer note below)	30.79	329.00
Total bank balances other than cash and cash equivalents	30.79	329.00

Note: Fixed deposits of Rs. Nil (March 31, 2018: Rs. 209.70) are earmarked towards working capital facilities. There is no working capital loan outstanding as at March 31, 2019.

Note 10: Current tax assets (net)

	As at March 31, 2019	As at March 31, 2018
Opening balance	2.75	1.25
Add: Tax deducted at source	2.05	1.50
Total of current tax assets (net)	4.80	2.75

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Note 11: Equity share capital

Authorised equity share capital

	Par value (in Rs.)	Number of shares	Amount
As at April 01, 2017	10.00	30,000,000	300.00
Increase during the year	-	-	-
As at March 31, 2018	10.00	30,000,000	300.00
Increase during the year (Refer note (iv) below)	10.00	30,000,000	300.00
As at March 31, 2019	10.00	60,000,000	600.00

(i) Movements in issued equity share capital

	Number of shares	Amount
As at April 01, 2017	28,931,400	289.31
Increase during the year	-	-
As at March 31, 2018	28,931,400	289.31
Increase during the year (Refer note 13(a)(iii))	21,000,000	210.00
As at March 31, 2019	49,931,400	499.31

Terms and rights attached to equity shares

Equity shares have a par value of Rs. 10 each. They entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(ii) Shares of the Company held by joint venturers

	As at March 31, 2019	As at March 31, 2018
Equity shares:		
Welspun Corp Limited	25,465,014	14,755,014
Wasco Coatings Limited	24,466,386	14,176,386

(iii) Shareholders holding more than 5% shares in the Company

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
Equity shares:				
Welspun Corp Limited	25,465,014	51.00%	14,755,014	51.00%
Wasco Coatings Limited	24,466,386	49.00%	14,176,386	49.00%

(iv) Authorised Share Capital
Pursuant to shareholders resolution dated March 19, 2019, the total authorised share capital of Rs. 300 comprising of 30,000,000 equity shares of Rs 10 each as at March 31, 2018 has been increased to Rs. 600 comprising of 60,000,000 equity shares of Rs 10 each as at March 31, 2019.

Note 12: Other Equity
Reserves and surplus

	As at March 31, 2019	As at March 31, 2018
Retained earnings	(319.43)	(183.90)
Total reserves and surplus	(319.43)	(183.90)

Retained earnings

	As at March 31, 2019	As at March 31, 2018
Opening balance	(183.90)	(82.64)
Loss for the year	(135.59)	(100.88)
Other comprehensive income	0.06	(0.38)
Closing balance	(319.43)	(183.90)

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Note 13: Borrowings	As at March 31, 2019	As at March 31, 2018
(a) Non-current		
Unsecured		
Term loan		
Loan from joint venturers (refer note (a) below and note 33)	494.54	684.54
Total non-current borrowings	494.54	684.54
(b) Current		
Loans repayable on demand		
Secured		
From banks		
Buyer's credit (Refer note (b) below)	-	175.09
Total current borrowings	-	175.09

Note (a): Loan from joint venturers
i) Loan from Welspun Corp Limited (WCL) amounting to Rs. 247.01 (March 31, 2018: Rs. 354.11). The loan carries interest rates of 10.75% which shall be payable biannually on September 30 and March 31 every year. The loan is repayable in 3 equal annual installments commencing from September 2020 (i.e. after the expiry of 3 years from the end of quarter of the last utilisation date).

ii) Loan of USD 3.58 (March 31, 2018: USD 5.07) equivalent to Rs. 247.53 (March 31, 2018: Rs. 330.43) from Wasco Coatings Limited. The loan carries interest rates of 3.75% which shall be payable biannually on September 30 and March 31 every year. The loan is repayable in 3 equal annual installments commencing from July 2020 (i.e. after the expiry of 36 months from the last utilisation date).

iii) The shareholders' of the Company at its meeting held on March 19, 2019 approved partial conversion of unsecured shareholders' loans in to equity shares and accordingly, the Company allotted 10,710,000 fully paid-up equity shares of Rs. 10 each at par value aggregating to Rs. 107.10 on March 28, 2019 to WCL and alloted 10,290,000 fully paid-up equity shares of Rs. 10 each at par value aggregating to Rs. 102.90 on March 28, 2019 to Wasco Coatings Limited. The part of unsecured shareholders' loan given taken by the Company from WCL and Wasco Coatings Limited which was converted in to equity shares i.e. Rs. 210.00 has been transferred to Equity share capital with effect from March 28, 2019.

Note (b): Buyer's credit
Buyer's credit outstanding as at March 31, 2019 - Rs. Nil (March 31, 2018: Rs. 175.09) is secured against margin money deposits held with the bank.

Note (c): Net debt reconciliation

	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	71.59	19.00
Non-current borrowings	(494.54)	(684.54)
Current borrowings	-	(175.09)
	(422.95)	(840.63)

	Cash and cash equivalents [A]	Non-current borrowings [B]	Current borrowings [C]	Total [D] = [A] - [B] - [C]
Net debts as at April 01, 2017	7.14	(489.53)	(208.41)	(690.80)
Interest accrued as at April 01, 2017	-	-	(0.58)	(0.58)
Cash flow	11.86	(192.23)	33.72	(146.65)
Foreign exchange adjustments (net)	-	(2.78)	(0.40)	(3.18)
Interest expenses	-	(47.08)	(3.90)	(50.98)
Interest paid	-	41.23	3.72	44.95
Net debts as at March 31, 2018	19.00	(684.54)	(175.09)	(840.63)
Interest accrued as at March 31, 2018	-	(5.85)	(0.76)	(6.61)
Cash flow	52.59	-	175.09	227.68
Foreign exchange adjustments (net)	-	(20.00)	-	(20.00)
Interest expenses	-	(51.51)	(1.91)	(53.42)
Interest paid	-	57.36	2.67	60.03
Conversion to Equity Shares		210.00	-	210.00
Net debts as at March 31, 2019	71.59	(494.54)	-	(422.95)
Interest accrued as at March 31, 2019	-	-	-	-

Note 14: Provisions	As at March 31, 2019	As at March 31, 2018
(a) Non-current		
Gratuity (Refer note (ii) to (vi) below)	0.61	0.53
Total non-current provisions	0.61	0.53
(b) Current		
Gratuity (Refer note (ii) to (vi) below)	0.01	0.01
Leave obligations (Refer note (i) below)	0.25	0.14
Total current provisions	0.26	0.15

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Notes:

(i) Leave obligations
The leave obligations cover the Company's liability for earned leave.

(ii) Post-employment obligations - Gratuity
The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen day wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is a unfunded plan.

This defined benefit plans expose the Company to actuarial risks, such as interest rate risk and market (investment) risk.

(iii) Balance sheet amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

Present value of obligation	As at March 31, 2019	As at March 31, 2018
Opening balance	0.54	0.01
Current service cost	0.20	0.15
Interest cost	0.04	- *
Total amount recognised in statement of profit or loss	0.24	0.15
Remeasurements of post employment benefit obligations, net of tax	(0.06)	0.38
Total amount recognised in other comprehensive income	(0.06)	0.38
Benefit Payment	(0.10)	-
Closing balance	0.62	0.54
Non current	0.61	0.53
Current	0.01	0.01

The net liability disclosed above relating to unfunded plan is as follows:

	As at March 31, 2019	As at March 31, 2018
Unfunded plans	0.62	0.54
Deficit of gratuity plan	0.62	0.54

(iv) Significant actuarial assumptions are as follows:

	As at March 31, 2019	As at March 31, 2018
Discount rate	7.71%	7.81%
Salary growth rate	6.00%	6.00%

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Assumptions	Impact on defined benefit obligation							
	Change in assumption		Increase in assumption			Decrease in assumption		
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018
Discount rate	0.50%	0.50%	Decrease by	(0.05)	(0.03)	Increase by	0.05	0.02
Salary growth rate	0.50%	0.50%	Increase by	0.05	0.02	Decrease by	(0.05)	(0.01)

(vi) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 5 years (2018 - 5 years). The expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Total
March 31, 2018	0.02	0.02	0.10	0.14
March 31, 2019	0.02	0.02	0.11	0.15

* Amount is below the rounding norms adopted by the Company.

Note 15: Government grants	As at March 31, 2019	As at March 31, 2018
Opening balance	79.80	-
Grants during the year (refer note below)	-	86.01
Less: Recognised in the statement of profit and loss (refer note 20)	5.45	6.21
	74.35	79.80
Non Current	68.90	74.35
Current	5.45	5.45

Note: The Company had availed the benefit of Export Promotion Capital Goods (EPCG) scheme provided by the Government of India (Ministry of Commerce and Industry) on import of fixed assets.

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Note 16: Trade payables (refer note 37)

	As at March 31, 2019	As at March 31, 2018
Trade payables of micro and small enterprises (refer note 37)	-	-
Trade payables other than micro and small enterprises:		
- Others	2.96	4.25
- Trade payables to related parties (refer note 33)	0.24	0.99
	3.20	5.24
Total trade payables		

Note 17: Other financial liabilities

	As at March 31, 2019	As at March 31, 2018
Current		
Interest accrued but not due on borrowings (refer note 33)	-	6.61
Capital creditors	23.87	26.03
Derivatives not designated as hedge		
- Foreign exchange forward contracts	-	0.38
Total other current financial liabilities	23.87	33.02

Note 18: Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Statutory dues including provident fund and tax deducted at source	3.71	3.07
Employee dues payable	0.17	0.07
Others (refer note 36)	0.52	-
Total other current liabilities	4.40	3.14

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Note 19: Revenue from operations

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Contract with customers		
Sale of products (refer note (b) below)	-	1,307.14
Sale of services (refer note (a) below)	36.33	-
Total revenue from operations	36.33	1,307.14

(a) In current year the Company has provided coating and other services. Revenue derived from rendering of such services aggregate to Rs. 36.33 for the year ended March 31, 2019 (March 31, 2018 : Nil)

(b) In previous year the Company has sold concrete weighted coated (CWC) pipes and revenue derived from transfer of such pipes at a point in time aggregated to Rs. Nil for the year ended March 31, 2019 (March 31, 2018: Rs 1,307.14).

Reconciliation of revenue recognised with contract price

	Year ended March 31, 2019	Year ended March 31, 2018
Contract price	36.33	1,307.14
Adjustments	-	-
Revenue from operations	36.33	1,307.14

Note 20: Other operating revenue

	Year ended March 31, 2019	Year ended March 31, 2018
Scrap sales	0.48	0.76
Government grants	5.45	6.21
Total other operating revenue	5.93	6.97

Note 21: Other income

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from fixed deposits	12.31	15.33
Fair valuation gain on investment	1.55	1.80
Net gain on sale of non-current investments	0.08	-
Total other income	13.94	17.13

Note 22: Cost of materials consumed

	Year ended March 31, 2019	Year ended March 31, 2018
Raw materials at the beginning of the year	29.07	8.07
Add: Purchases	2.02	1,258.27
	31.09	1,266.34
Less : Raw materials at the end of the year	20.83	29.07
Total cost of materials consumed	10.26	1,237.27

Note 23: Changes in inventories of work-in-progress and finished goods	Year ended March 31, 2019	Year ended March 31, 2018
Opening Balance		
Work-in-progress	-	-
Finished goods	1.89	-
	1.89	-
Closing Balance		
Work-in-progress	-	-
Finished goods	1.89	1.89
	1.89	1.89
Total changes in inventories of finished goods and work-in-progress	-	(1.89)

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Note 24: Employee benefit expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	27.97	35.07
Contribution to provident and other funds (Refer note below)	0.47	0.08
Gratuity (refer note 14(iii))	0.24	0.15
Staff welfare expenses	0.01	0.07
Total employee benefit expenses	**28.69**	**35.37**

Note:
Defined contribution plans:

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation.

During the year, the Company has incurred and recognised the following amounts in the Statement of Profit and Loss:

	Year ended March 31, 2019	Year ended March 31, 2018
Employers' Contribution to Provident Fund and Employee's Pension Scheme	0.21	0.08
Employers' Contribution to National Pension Scheme	0.26	-
Total expense recognised in the statement of profit and loss	**0.47**	**0.08**

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Note 25: Depreciation and amortisation expense (refer note 3)

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	50.80	50.93
Amortisation of intangible assets	0.04	- *
Total depreciation and amortisation expense	50.84	50.93

* Amount is below the rounding norms adopted by the Company.

Note 26: Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spares	1.35	9.01
Labour charges	0.82	2.34
Coating and other job charges	0.77	0.96
Water and electricity charges	3.42	3.13
Freight, material handling and transportation	1.22	2.77
Rental charges (Refer note 34(b))	8.91	8.99
Rates and taxes	2.35	0.26
Repairs and maintenance		
- Plant and machinery	0.14	0.35
- Buildings	-	0.75
- Others	1.98	2.46
Travel and conveyance	1.71	2.58
Telephone and communication charges	0.01	0.02
Legal and professional fees	3.97	3.65
Foreign exchange difference (net)	13.80	12.19
Insurance	0.97	0.68
Directors' sitting fees (refer note 33)	0.33	0.39
Printing and stationery	0.02	0.06
Security charges	1.34	1.39
Membership and subscription	0.01	0.04
Vehicle expenses	0.27	0.40
Payment to auditors (refer note below)	1.64	2.47
Loss on disposal of PPE (net)	0.30	-
Office Expenses	0.60	0.60
Gardening Expenses	1.35	0.84
Miscellaneous expenses	0.02	0.04
Total other expenses	47.30	56.37

Note:
Details of payment to auditors

As auditor:		
Audit fee	1.35	1.35
Tax Audit	0.15	0.15
In other capacities:		
Group reporting fees	-	0.60
Certification fees	0.12	0.33
Re-imbursement of expenses	0.02	0.04
Total	1.64	2.47

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Note 27: Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on:		
Term loans (refer note 33)	51.51	47.08
Current borrowings	1.91	3.90
Other finance charges	1.28	3.09
Total finance costs	**54.70**	**54.07**

Note 28: Income tax expense

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Income tax expense		
Current tax	-	-
Deferred tax (refer note 5)	-	-
Total income tax expense	-	-

(b) Reconciliation of income tax expense and the accounting profit multiplied by India's tax rate

	Year ended March 31, 2019	Year ended March 31, 2018
Loss before tax	(135.59)	(100.88)
Tax rate	27.82%	34.61%
Tax at normal rate	(37.72)	(34.91)
Tax effects of amounts which are not deductible (taxable) in calculating taxable income :		
Tax losses for which no deferred tax was recognised	37.72	34.91
	-	-

(c) Tax losses

	Year ended March 31, 2019	Year ended March 31, 2018
Tax effects of unused tax losses for which no deferred tax has been recognised		
Unabsorbed depreciation (to be utilised for a indefinite period)	73.23	20.34
Unabsorbed business loss (to be utilised till AY 2025-2026)	1.39	12.77
Unabsorbed business loss (to be utilised till AY 2026-2027)	10.55	29.09
Unabsorbed business loss (to be utilised till AY 2027-2028)	17.94	-
	103.11	**62.20**

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Note 29: Fair value measurements

Financial instruments by category

	As at Year ended March 31, 2019		As at Year ended March 31, 2018	
	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial assets				
Investments				
- Equity instruments	2.30	-	17.20	-
- Preference shares	22.15	-	22.15	-
Cash and cash equivalents	-	71.59	-	19.00
Bank balances other than cash and cash equivalents	-	30.79	-	329.00
Total financial assets	**24.45**	**102.38**	**39.35**	**348.00**
Financial liabilities				
Borrowings (including interest accrued)	-	494.54	-	866.24
Trade payables	-	3.20	-	5.24
Derivative financial liabilities	-	-	0.38	-
Capital creditors	-	23.87	-	26.03
Total financial liabilities	**-**	**521.61**	**0.38**	**897.51**

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Unquoted equity investment	-	-	2.30	2.30
Unquoted preference share investment	-	-	22.15	22.15
Total financial assets	**-**	**-**	**24.45**	**24.45**
Financial liabilities				
Derivatives not designated as hedges				
Foreign exchange forward contracts	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

Financial assets and liabilities which are measured at amortised cost for which fair value are at March 31, 2019

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings (including interest accrued)	-	-	494.54	494.54
Total financial liabilities	**-**	**-**	**494.54**	**494.54**

Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Unquoted equity investment	-	-	17.20	17.20
Unquoted preference share investment	-	-	22.15	22.15
Total financial assets	**-**	**-**	**39.35**	**39.35**
Financial liabilities				
Derivatives not designated as hedges				
Foreign exchange forward contracts	-	0.38	-	0.38
Total financial liabilities	**-**	**0.38**	**-**	**0.38**

Financial assets and liabilities which are measured at amortised cost for which fair value are disclosed at March 31, 2018

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings (including interest accrued)	-	-	866.24	866.24
Total financial liabilities	**-**	**-**	**866.24**	**866.24**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Level 1: This hierarchy includes financial instruments measured using quoted prices. The Company does not have any investment under this category.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. The Company has derivatives which are not designated as hedge, where in the price is determined using Foreign Exchange Dealers' Association of India (FEDAI) inputs.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Company has classified equity securities and unlisted preference shares in this category.

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Note 29: Fair value measurement (Contd...)

(ii) Valuation techniques used to determine fair value:

Specific valuation techniques used to value financial instruments include:
- the fair value of forward foreign exchange contracts is determined using forward exchange rates prevailing with Authorised Dealers dealing in foreign exchange.
- the fair value of unlisted equity instruments and unlisted preference shares are determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended March 31, 2019 and March 31, 2018:

	Unlisted equity securities	Unlisted preference shares	Total
As at April 01, 2017	**15.40**	**22.15**	**37.55**
Gain recognised in profit or loss	1.80	-	1.80
As at March 31, 2018	**17.20**	**22.15**	**39.35**
Gain recognised in profit or loss	1.63	-	1.63
Disposals	(16.53)	-	(16.53)
As at March 31, 2019	**2.30**	**22.15**	**24.45**
Unrealised gain recognised in profit or loss related to assets held at the end of the reporting period			
March 31, 2019	1.55	-	1.55
March 31, 2018	1.80	-	1.80

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant unobservable inputs	Probability weighted average		Sensitivity
	March 31, 2019	March 31, 2018		March 31, 2019	March 31, 2018	
Unquoted equity shares	2.30	17.20	Risk adjusted discount rate	14.00%	10.62%	The estimated fair value would increase/(decrease if - Discount rate were lower/(higher)
Unquoted preference shares	22.15	22.15	Risk adjusted discount rate	10.00%	10.00%	The estimated fair value would increase/(decrease if - Discount rate were lower/(higher)

(v) Valuation processes
The fair value of unlisted equity instruments and unlisted preference shares are determined using discounted cash flow analysis by independent valuer.

(vi) Fair value of financial liabilities measured at amortised cost

	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowing (including interest accrued)	494.54	494.54	866.24	866.24
Total financial liabilities	**494.54**	**494.54**	**866.24**	**866.24**

a) The carrying amounts of borrowings, trade payables, capital creditors, short-term borrowings, cash and cash equivalents and bank balances other than cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

b) The fair values and carrying value of borrowings (other than those covered in above note(a)) are materially the same.

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Note 30: Financial risk management

The Company's principal financial liabilities represents borrowings and payables to creditors. The main purpose of these financial liabilities is to pay for the Concrete Weight Coating (CWC) plant set-up in Anjar, Gujarat, India. The Company's principal financial assets consists of cash and cash equivalents. The Company also holds FVPL investments.

The Company's activities exposes it to liquidity risk and market risk. The directors of the Company (considering size of business) oversees the management of these risks which are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(A) Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. The Company has no trade receivables as at March 31, 2019 and March 31, 2018.

(B) Liquidity risk
Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and liquid funds and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The liquidity risk is monitored through budgets (comprises of undrawn borrowings below) and cash and cash equivalents on the basis of expected cash flows by the management presented by the Board of Directors.

(i) Financing arrangements
The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2019	As at March 31, 2018
Fixed rate		
Expiring within one year (shareholders' loan)	-	-
Floating rate		
Expiring within one year	-	-
Total	-	-

(ii) Maturities of financial liabilities:

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:
(a) all non-derivative financial liabilities
(b) net settled derivative financial instruments (not designated as hedge) for which the contractual maturities are essential for an understanding of the timing of cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 31, 2019

Contractual maturities of financial liabilities	< 1 Year	1- 3 years	3- 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (including interest)	35.84	374.93	170.30	-	581.07	494.54
Trade payables	3.20	-	-	-	3.20	3.20
Other financial liabilities	23.87	-	-	-	23.87	23.87
Total non-derivative liabilities	62.91	374.93	170.30	-	605.14	521.61
Derivatives						
Forward contracts	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

As at March 31, 2018

Contractual maturities of financial liabilities	< 1 Year	1- 3 years	3- 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (including interest)	232.16	568.55	233.75	-	1,034.46	866.24
Trade payables	5.24	-	-	-	5.24	5.24
Other financial liabilities	26.03	-	-	-	26.03	26.03
Total non-derivative liabilities	263.43	568.55	233.75	-	1,065.73	897.51
Derivatives						
Forward contracts	0.38	-	-	-	0.38	0.38
Total derivative liabilities	0.38	-	-	-	0.38	0.38

(c) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest risk and investment price risk.

(i) Foreign currency risk
Foreign currency risk is the risk that the future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to the payable for capital expenditure of creditors and borrowings taken.

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Note 30: Financial risk management (Contd...)

(a) Foreign currency risk exposure
The Company's exposure to foreign currency risk at the end of the reporting period expressed in equivalent in INR Rupees is as follows:

	As at March 31, 2019			As at March 31, 2018		
	USD	EUR	Others	USD	EUR	Others
Financial liabilities						
Non-current borrowings	247.53	-	-	330.43	-	-
Other financial liabilities	-	23.07	-	-	24.00	-
Current borrowings	-	-	-	175.09	-	-
Trade payables	-	-	-	0.23	-	0.76
Derivatives not designated as hedges						
Forward contracts	-	-	-	(119.55)	-	-
Net exposure to foreign currency risk (liabilities)	**247.53**	**23.07**	-	**386.20**	**24.00**	**0.76**
Total Net exposure to foreign currency risk	**(247.53)**	**(23.07)**	-	**(386.20)**	**(24.00)**	**(0.76)**

(b) As at the Balance Sheet date, following foreign currency exposures (including non financial assets and liabilities) are not hedged by a derivative instrument or otherwise:

	Amount in Rupees		Equivalent amount in USD (in millions)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Liabilities				
Non-current borrowings	247.53	330.43	3.58	5.07
Other financial liabilities	23.07	24.00	0.33	0.37
Current borrowings	-	175.09	-	2.69
Trade payables	-	0.99	-	0.02
	270.60	**530.51**	**3.91**	**8.15**
Less: Forward Contract (USD-INR)	-	(119.55)	-	(1.83)
Net unhedge foreign currency exposure	**270.60**	**410.96**	**3.91**	**6.32**

(c) Sensitivity
The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

	Impact on profit before tax	
	As at March 31, 2019	As at March 31, 2018
USD sensitivity		
INR/USD - Increase by 1% (March 31, 2018 - 1%)*	(2.48)	(3.86)
INR/USD - Decrease by 1% (March 31, 2018 - 1%)*	2.48	3.86
EUR sensitivity		
INR/EUR - Increase by 1% (March 31, 2018 - 1%)*	(0.23)	(0.24)
INR/EUR - Decrease by 1% (March 31, 2018 - 1%)*	0.23	0.24

* Holding all other variables constant for which foreign fluctuation may occur.

(ii) Interest rate risk
The Company's main interest rate risk arises from borrowings with variable rates arising principally on changes in LIBOR rates, which expose the Company to cash flow interest rate risk. During March 31, 2019 and March 31, 2018, the Company's borrowings at fixed and variable rates were mainly denominated in USD.

(a) Interest rate risk exposure
The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings (share holder's loan)	494.54	684.54
Floating rate borrowings (buyer's credit)	-	175.09

b) Sensitivity
Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit before tax	
	As at March 31, 2019	As at March 31, 2018
Interest rate increase by 10 basis points (March 31, 2018 - 10 basis points)*	-	0.18
Interest rate decrease by 10 basis points (March 31, 2018 - 10 basis points)*	-	(0.18)

* Holding all other variables constant

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Note 31: Capital management

(a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves.

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the following gearing ratio:
Net debt (total borrowings net of cash and cash equivalents and other bank balances)
divided by
Total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

	As at March 31, 2019	As at March 31, 2019
Net debt (total borrowings net of cash and cash equivalents and other bank balances)	392.16	511.63
Total equity	179.88	105.41
Net debt to equity ratio	**2.18**	**4.85**

(i) Loan covenants

The Company has borrowings as at the end of the reporting period, however there are no covenants attached to the borrowings.

(b) Dividends

The Company has not declared dividends in the current reporting year as well as prior year.

Note 32: Segment information

(i) Description of segments and principal activities
The Company's chief operating decision maker is Wholetime Director of the Company who examines the Company's performance only from the product perspective and has accordingly, identified only one reportable segment which is manufacturing, processing and dealing in coating works.

(ii) The chief operating decision maker primarily uses a measure of profit before tax as included in the internal management report to assess the performance of the operating segment which is measured consistently with profit or loss in the financial statements.

(iii) Revenue from major external customers is as follows:

For the year ended	Number of customer	Amount	% to revenue from operations
March 31, 2019	1	36.33	100%
March 31, 2018	1	1,307.14	100%

(iv) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Revenue from external customers	**Year ended March 31, 2019**	**Year ended March 31, 2018**
India	36.33	1,307.14

(v) The total of the non-current assets other than financial instruments and deferred tax assets (net) are located only in India as at March 31, 2019 and March 31, 2018.

(All amounts in Rupees million, unless otherwise stated)

Note 33: Related party transactions

(a) Joint venturers

The Company is jointly controlled by the following entities:

Name	Type	Ownership interest March 31, 2019	Ownership interest March 31, 2018
Welspun Corp Limited	Joint venturer	51%	51%
Wasco Coatings Limited	Joint venturer	49%	49%

(b) Key management personnel

Name	Nature of relationship
Mr. Vipul Mathur	Whole Time Director (w.e.f. Jan 22, 2018)
Mr. Lalitkumar Naik	Whole Time Director (till Jan 22, 2018)
Mr. Balkrishan Goenka	Director
Mr. K.H.Viswanathan	Director
Mr. Maccagno Giancarlo	Director
Mr. Ram Gopal Sharma	Director (till October 23, 2018)
Mr. Ramanathan Singaram	Director
Mr. Dhruv Kaji	Director (w.e.f. October 23, 2018)
Mr. Gaurav Merchant	Chief Financial Officer
Ms. Priya Pakhare	Company Secretary (till April 06, 2018)
Mr. Dharmesh Pardiwala	Company Secretary (w.e.f. April 25, 2018)

(c) List of other entities over which key management personnel or relatives of such personnel exercise significant influence or control and with whom transaction have taken place during the year and other related parties:

Welspun Steel Limited
Welspun Captive Power Generation Limited
Welspun India Limited
Wasco Coatings Malaysia SDN BHD
Welspun Anjar SEZ Limited
Welspun Tradings Limited
Turn Key Pipeline Services B.V.
Welspun Global Brands Limited

(d) Transactions with related parties

The following transactions occurred with related parties:

	Year ended March 31, 2019	Year ended March 31, 2018
Transactions with Welspun Corp Limited (WCL)		
Sale of services	42.87	-
Sale of Scrap	0.33	0.69
Sale of fixed assets	-	0.27
Sale of assets from CWIP	-	0.14
Purchase of fixed assets	0.51	0.04
Purchase of Pipes	-	1,172.74
Purchase of Plates	-	0.04
Purchase of machinery stores/ spares, other consumables	0.45	2.29
Jobwork expenses for pipe coating	0.04	0.91
Corporate guarantee commision paid	1.28	1.89
Interest paid on loan	38.07	35.51
Rent paid	7.78	7.79
Reimbursement of expenses to WCL	24.97	38.34
Loan taken during the year	-	98.04
Conversion of loan into equity shares	107.10	
Transactions with Wasco Coatings Limited		
Interest paid on loan	13.44	11.57
Loan taken during the year	-	96.97
Conversion of loan into equity shares	102.90	-
Transactions with Welspun Steel Limited		
Sale of Scrap	0.21	-
Purchase of goods	-	14.16
Sale of Investments	16.53	-

Welspun Wasco Coatings Private Limited

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Chartered Accountants
FRN 012754N/N500016
Mumbai

Welspun Wasco Coatings Private Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2019
and the statement of profit and loss for the year ended March 31, 2019
(All amounts in Rupees million, unless otherwise stated)

Note 33: Related party transactions (Contd...)

	Year ended March 31, 2019	Year ended March 31, 2018
Transactions with Welspun Captive Power Generation Limited		
Purchase of goods	1.64	1.74
Transactions with Welspun Tradings Limited		
Sale of Pipes	-	1,541.97
Transactions with Welspun India Limited		
Sale of Scrap	0.03	0.08
Transactions with Wasco Coatings Malaysia SDN BHD		
Reimbursement of expenses to Wasco Coatings Malaysia SDN BHD	2.45	0.75
Transactions with Welspun Anjar SEZ Limited		
Rent paid	2.73	2.72
Transactions with Turn Key Pipeline Services B. V.		
Purchase of goods	-	1.76
Transactions with Welspun Global Brands Limited		
Purchase of goods	-	0.04
Sitting fees paid		
Mr. K H Vishwanathan	0.24	0.22
Mr. Ram Gopal Sharma	0.06	0.17
Mr. Dhruv Kaji	0.03	-

Note : Amount is inclusive of applicable taxes

(e) Disclosure of significant closing balances:

	As at March 31, 2019	As at March 31, 2018
1) Trade payables		
Welspun Corp Limited	0.24	-
Wasco Coatings Malaysia SDN BHD	-	0.76
Wasco Coatings Limited	-	0.23
Total trade payables	**0.24**	**0.99**
2) Non-current investments		
Welspun Captive Power Generation Limited (Equity shares)	2.30	17.20
Welspun Captive Power Generation Limited (Preference shares)	22.15	22.15
Total non-current investments	**24.45**	**39.35**
3) Borrowings		
Welspun Corp Limited	247.01	354.11
Wasco Coatings Limited#	247.53	336.28
Total borrowings	**494.54**	**690.39**

Amount includes interest accrued outstanding as at March 31, 2019: Nil (March 31, 2018 of Rs. 5.85) .

(f) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.
All outstanding balances are unsecured and are repayable in cash.

Note 34: Commitments

(a) Capital commitments

There are no capital and other commitments as at the March 31, 2019 (March 31, 2018 : Nil)

(b) Operating leases

Rental charges included in the statement of profit and loss for the year Rs. 8.91 (March 31, 2018: Rs. 8.99) primarily includes operating leases for land taken for the period of ten years, which are cancellable in nature.

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(All amounts in Rupees million, unless otherwise stated)

Note 35: Loss per equity share

	Year ended March 31, 2019	Year ended March 31, 2018
Loss attributable to the equity holders of the Company	(135.59)	(100.88)
Weighted average number of equity shares	29,161,537	28,931,400
Basic and diluted loss per share (Rs.)	(4.65)	(3.49)
Nominal value of an equity share (Rs.)	10.00	10.00

Note 36: The Company has estimated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Accordingly, the Company has made the provision of Rs. 0.52 million which is disclosed under the head 'Other current liabilities'.

Note 37: Micro, Small and Medium Enterprises Development Act, 2006
According to information available with the Management, on the basis of information received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has no amount due to Micro, Small and Medium Enterprises under the said MSMED Act as at March 31, 2019 and March 31,

Note 38: Changes in accounting policies
This note explains the impact of the adoption of Ind AS 115 'Revenue from Contracts with Customers' on the Company's financial statements.
Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The adoption of Ind AS 115 did not have any material impact on the financial performance of the Company.
As a result of the changes in the entity's accounting policies, comparative information for prior period has neither been restated nor remeasured.

Note 39: Contingent liability

The Company has contingent liability as at the end of the year end in respect of :

	As at March 31, 2019	As at March 31, 2018
Income tax matters	2.28	-

a) It is not practicable for the company to estimate the timings of cash outflows, if any in respect of above pending resolution of the respective proceedings

b) The company does not expect any re-imbursements in respect of above contingent liabilities.

Note 40: Specified bank notes
The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019 and March 31, 2018.

Note 41: The figures for the previous year have been regrouped wherever necessary.

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N / N500016

Arunkumar Ramdas
Partner
Membership No. 112433

For and on behalf of the Board

Balkrishan Goenka
Chairman
DIN No. 00270175

Vipul Mathur
Whole-time Director
DIN No. 07990476

Gaurav Merchant
Chief Financial Officer

Dharmesh Pardiwala
Company Secretary
ACS - 32069

Place: Mumbai
Date: May 13, 2019

Welspun Wasco Coatings Private Limited