

NOTICE

NOTICE is hereby given that the 2nd Annual General Meeting of Welspun Wasco Coatings Private Limited will be held on Wednesday, **September 20, 2017** at the Registered Office of the Company at Survey No. 569, Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370 110 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statements for the financial year ended March 31, 2017 together with Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Balkrishan Goenka (DIN - 00270175), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Giancarlo Maccagno (DIN - 00949967), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountant (Firm Registration Number with the Institute of Chartered Accountants of India - 012754N/N500016) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting to be held for the financial year 2017-18 on such remuneration as may be determined by the Board of Directors."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, **Mr. Lalitkumar Naik** (holding DIN 02943588), who was appointed as an Additional

Director of the Company by the Board of Directors at its meeting held on February 2, 2017 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Naik for the office of the Director of the Company, be and is hereby elected and appointed as a Director, whose period of office shall be liable to determination by retirement of directors by rotation.”

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

“**RESOLVED THAT** pursuant to Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, consent of the Company be and is hereby accorded to the appointment of **Mr. Lalitkumar Naik** (holding DIN 02943588) as the Whole-time Director of the Company for a period of 5 years from February 2, 2017 to February 1, 2022, subject to retirement by rotation u/s 152 of the Companies Act, 2013, without any remuneration as opted by Mr. Naik on account of receiving remuneration from Welspun Corp Limited, the parent company to perform such duties and undertake such responsibilities as may be required from time to time, to facilitate day to day functioning of the Company.”

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which may exercise its powers, including the powers, conferred by this resolution) be and is hereby authorized to vary, alter, widen the scope of the appointment as they may deem fit in the interest of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient for the purpose of giving effect to this Resolution.”

By Order of the Board
For Welspun Wasco Coatings Private Limited

Place: Mumbai
Date: April 28, 2017

Priya Pakhare
Company Secretary

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

1. Item No. 2- Brief Resume of Mr. Balkrishan Goenka.

Mr. Goenka is the founder of Welspun Group. He has degree in commerce. He was instrumental in conceiving the projects and their expansions He is the person who has steered the business to its present heights.

Mr. Goenka is a prime architect of the Welspun Group and is regarded as one of the foremost corporate leaders of India. For over 28 years, Mr. Goenka with his strong business acumen and risk-taking abilities is credited to have successfully steered the Welspun Group in many high-growth sectors. He has a vision to make Welspun one of the most respected Groups in the world by creating world-class companies that consistently sets industry benchmarks.

Details of directorship /membership of the Committees of the Board are as under:

Directorship

Sr. No.	Names of the Company
	Public Companies or subsidiaries of public company
1	Welspun India Limited
2	Welspun Corp Limited
3	Welspun Enterprises Limited (Formerly known as Welspun Projects Limited)
4	Welspun Steel Limited
5	Welspun Wasco Coatings Private Limited
6	Welspun Logistics Limited
7	Welspun Global Brands Limited (Formerly known as Welspun Retail Limited)
8	Adani Welspun Exploration Limited
	Private Limited
9	Solarsys Infra Projects Private Limited
10	MGN Agro Properties Private Limited
11	Welspun Energy Private Limited
12	Rank Marketing LLP
	Bodies Corporate outside India
13	Welspun Pipes Inc.
14	Welspun Tubular LLC
15	Welspun Global Trade LLC
16	Welspun Middle East Pipe Coatings Company LLC
17	Welspun Middle East Pipe Company LLC
18	Welspun Home Textiles UK Limited

Membership / Chairmanship of Committees: He is a member / chairman in the following Committees:

Sr. No.	Name of the Company	Name of Committee	Member / Chairman
1	Welspun Corp Limited	Corporate Social Responsibility Committee	Member
2	Welspun Corp Limited	Finance and Administration Committee	Member
3	Welspun Corp Limited	International Trade Practices & Governance Committee	Chairman
4	Welspun Corp Limited	Budget Committee	Chairman
5	Welspun Corp Limited	Share Transfer & Investor Grievance & Stakeholders	Member
6	Welspun India Limited	Finance and Administration Committee	Chairman
7	Welspun India Limited	Share Transfer & Investor Grievance & Stakeholders	Member
8	Welspun India Limited	Nomination and Remuneration Committee	Member
9	Welspun Energy Private Limited	Audit Committee	Member
10	Welspun Energy Private Limited	Nomination and Remuneration Committee	Member
11	Welspun Energy Private Limited	Corporate Social Responsibility Committee	Chairman
12	Welspun Energy Private Limited	Finance Administration and Bid Committee	Chairman
13	Welspun Steel Limited	Finance Committee	Member
14	Welspun Steel Limited	CSR Committee	Member
15	Welspun Enterprises Limited	Nomination and Remuneration Committee	Member
16	Welspun Enterprises Limited	Finance and Administration Committee	Member
17	Welspun Enterprises Limited	Budget Committee	Chairman

He does not hold any equity shares in the Company.

Shareholders' approval is sought by way of ordinary resolution proposed under Item no. 2 of the accompanying Notice.

Except Mr. Goenka, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 2.

Item No. 3- Brief Resume of Mr. Giancarlo Maccagno.

Mr. Maccagno, an Italian aged 53, was first appointed as an Executive Director of WSC on 1 June 2004 and subsequently promoted to be the Deputy Managing Director on 1 January 2007. Mr Maccagno is also the Chief Executive Officer of the Wasco Energy Group of Companies. He is responsible for the overall business and management operations of the WSC Group.

Mr. Maccagno attained his Bachelor in Business Administration from Tecnico Commerciale Maddalena Adria (RO) Italy in 1982, after which he worked with Socotherm S.R.L, Italy from 1984 to 1987 as a Trainee in Production and Project Management. He was appointed as Project Manager for Socotherm S.R.L in Nigeria from 1987 to 1990 and was briefly seconded to Petro-Pipe Industries (M) Sdn Bhd ("PPI") in 1990 to assist in the setting up of PPI's coating plant in Kuantan, Malaysia. After serving as Country Manager for Socotherm S.R.L in Taiwan from 1991 to 1992, he returned to Malaysia in 1993 to be the General Manager of Wasco Coatings Malaysia Sdn Bhd in Kuantan, Malaysia. He has vast experience in the global pipe coating business and the oil and gas business in general.

Detail of Directorship and Membership/ Chairpersonship in Indian bodies corporate:
Nil

He does not hold any equity shares in the Company.

Shareholders' approval is sought by way of ordinary resolution proposed under Item no. 3 of the accompanying Notice.

Except Mr. Maccagno, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

Item No. 5 & 6 - Brief Resume of Mr. Lalitkumar Naik.

Mr. Lalitkumar Naik has more than 25 years of experience. Before joining Welspun Corp Limited, the parent company as Managing Director & Chief Executive Officer - designate on December 1, 2016, he has worked for 6 years with a large corporate group, where he was the Regional MD Asia Pacific. Before that he has also worked with other corporates in the field of chemicals, petroleum and consumer goods.

He has successfully led senior management roles in domestic and global organizations, contributing to their profitable growth in the areas of chemicals, building materials, agri inputs & insulators. He has played pivotal roles in identification and successful

acquisition of profitable businesses at a global level and has represented his companies on numerous global business executive committees.

The Board of Directors of the Company at its meeting held on February 2, 2017 has appointed Mr. Lalitkumar Naik (DIN: 02943588) as the Whole Time Director of the Company starting from February 2, 2017 to February 1, 2022.

Detail of Directorship and Membership/ Chairpersonship in other Companies is as under:

Sr. No.	Names of the Company
1	Welspun Corp Limited
	Bodies Corporate outside India
2	Welspun Middle East Pipe Coating Company LLC
3	Welspun Middle East Pipes Company LLC

He does not hold any equity shares in the Company.

Shareholders' approval is sought by way of ordinary resolution proposed under Item No. 5 and special resolution proposed under Item no. 6 of the accompanying Notice.

Except Mr. Naik, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 and 6.

By Order of the Board
For Welspun Wasco Coatings Private Limited

Place: Mumbai
Date: April 28, 2017

Priya Pakhare
Company Secretary

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

2. Proxy shall not have the right to speak and shall not be entitled to vote except on a poll.
3. A proxy can act on behalf of such number of member or members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. Members are requested to provide email address/ change in email address to enable the Company to send notice of meeting and other communication through email in compliance with the provisions of the Companies Act, 2013 and applicable Rules.

WELSPUN WASCO COATINGS PRIVATE LIMITED

Regd. Office: Survey No. 569, Welspun City, Village Versamedi, Taluka Anjar, District
Kutch, Gujarat - 370 110

Telephone : +91 2836 662079 Fax : +91 2836 279060

CIN - U28920GJ2015PTC084632, Email id - companysecretary_wwcpl@welspun.com

ATTENDANCE SLIP

Name of the sole / first named member :

Address of sole / first named member:

Registered folio no.

DP ID no. / Client ID no.

Number of shares held

I hereby record my presence at the 2nd Annual General Meeting of the Company held on Wednesday, September 20, 2017 at Survey No. 569, Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110 at 11:00 a.m.

Signature of Shareholder/ Proxy Present :

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Note: Members are requested to bring duly signed attendance slip and hand it over at the venue of the Meeting.

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 2nd Annual General Meeting of the Company to be held on Wednesday, **September 20, 2017** at 11:00 a.m. at the Registered Office of the Company at Survey No. 569, Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject of the Resolution	Voting	
		For	Against
1	Consider and adopt Audited Financial Statement, Report of the Board of Directors and the Auditors thereon.		
2	Re-appointment of Mr. Balkrishan Goenka (DIN - 00270175) as a director of the Company, liable to retire by rotation.		
3	Re-appointment of Giancarlo Maccagno (DIN - 00949967) as a director of the Company, liable to retire by rotation.		
4	Appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountant as Statutory Auditors and fixing their remuneration.		
5	Appointment of Mr. Lalitkumar Naik (DIN 02943588) as a director.		
6	Appointment of Mr. Lalitkumar Naik (DIN 02943588) as a Whole-Time Director.		

Signed this day of2017.

Affix Re. 1 Revenue stamp

Signature of shareholder _____

Signature of Proxy Holder(s) : 1) _____ 2) _____ 3) _____

Note:

- 1) Please complete all the details including details of member(s) in the above Box before submission.
- 2) It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.

- 3) **A proxy can act on behalf of such number of member or members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
- 4) The Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

DIRECTORS' REPORT

To,
The Members,
Welspun Wasco Coatings Private Limited

Your directors have pleasure in presenting their 2nd Annual Report and audited financial statements for the financial year ended 31st March, 2017.

1. FINANCIAL RESULTS

Particulars	(Amount in Rs. Mn)	
	For the Financial Year ended	
	31.03.2017	31.03.2016
Income	18.08	13.41
Expenses	100.82	11.50
Profit / (Loss) before tax	(82.74)	1.91
Less: Provision for tax - Current Tax	-	1.81
Profit / (Loss) After Tax	(82.74)	0.10
Profit / Loss For The Year Carried to Balance Sheet	(82.74)	0.10

2. PERFORMANCE

The Company has commenced its operations in February, 2017. The income for the financial year includes mainly interest.

3. RESERVES AND DIVIDEND

Your Directors do not recommend any dividend for the year ended March 31, 2017.

4. PUBLIC DEPOSITS

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 shares 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.

6. 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. 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.

7. AUDITORS' REPORT

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

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. Braja Mishra resigned from the position of the Whole Time Director with effect from February 2, 2017.
- Mr. Lalitkumar Naik appointed as the Whole Time Director with effect from February 2, 2017.
- Mr. Gaurav Merchant was appointed as the Chief Financial Officer of the Company with effect from February 02, 2017.

Pursuant to Section 160 of the Companies Act, 2013, the Company has received a notice from a member proposing Mr. Naik for appointment as a director of the Company. Accordingly, a resolution proposing his appointment has been included in the notice convening the Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Balkrishan Goenka and Mr. Giancarlo Maccagno 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 evaluation process was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance vis-à-vis the plans, meeting challenging situations, performing leadership role within, and effective functioning of the Board. The evaluation process invited graded responses to a structured questionnaire for each aspect of evaluation viz. 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.

9. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Company's Board comprises of mix of Executive, Non-Executive, Independent and Non-independent Directors with considerable experience and expertise across a range of fields such as finance, accounts and general management and business strategy. 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 2016-17	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	N.A.	8	3	17	2M
(2) Mr. Braja Mishra#	E, NI	3/3	N.A.	1	-	-	-
(3) Mr. Giancarlo Maccagno	NE, NI	3/4	N.A.	1	-	61	-
(4) Mr. K H Viswanathan	NE, I	4/4	Yes	7	-	-	3C, 5M
(5) Mr. Ramanathan P R Singaram	NE, NI	4/4	N.A.	1	-	31	2M
(6) Mr. Ram Gopal Sharma	NE, I	4/4	Yes	8	1	-	6C, 3M
(7) Mr. Lalitkumar Naik@	E, NI	1/1	N.A.	2	-	2	-

@ 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.

Resigned from the Board w.e.f. February 2, 2017

@ Appointed on the Board w.e.f. February 2, 2017

4 meetings of the Board of Directors were held during the financial year 2016-17 on the following dates: May 3, 2016, August 11, 2016, October 20, 2016 and February 2, 2017.

In addition to the above, a meeting of the Independent Directors was held on March 30, 2017 in compliance with the Section 149(8) read with Schedule V to the Companies Act, 2013. The said meeting was attended by Mr. Ramgopal Sharma and Mr. K. H. Viswanathan.

It is confirmed that there is no relationship between the directors inter-se.

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 is 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. Ram Gopal Sharma	Chairman	4/4
Mr. K. H. Viswanathan	Member	4/4
Mr. Ramanathan P R Singaram	Member	4/4

The Company Secretary of the Company, Ms. Priya Pakhare acts as the Secretary of the Committee.

4 meetings of the Audit Committee were held during the financial year 2016-17 on the following dates: May 3, 2016, August 11, 2016, October 20, 2016 and February 2, 2017.

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 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. Ram Gopal Sharma	Chairman	1/1
Mr. K. H. Viswanathan	Member	1/1
Mr. Ramanathan P R Singaram	Member	1/1

The Company Secretary of the Company, Ms. Priya Pakhare acts as the Secretary of the Committee.

One meeting of the Nomination and Remuneration Committee was held on February 2, 2017.

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.

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, Age, DOJ, Current CTC P.A. (Rs.), Qualification, Previous Company, Nature of Employment, % of Equity Shares held in the Company, Relative of any Director/ Manager of the Company

Khimabhai Vikrambhai Ambaliya, Officer - Retainer, 26, 03-Mar-16, 300,000, PDIS, Diploma in Fire Tech., Anupam - Mitsubishi Heavy Industries Ltd, Temporary, Nil, No; Kabal Singh, Operator, 33, 25-Mar-2016, 312,000, 2nd Pass, Topworth Pipes And Tubes Pvt. Ltd., Permanent, Nil, No and Sukhdev Singh, Operator, 35, 25-Mar-2016, 252,000, 5th Pass, Topworth Pipes And Tubes Pvt. 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 2016-17.

- d) No remuneration or perquisite was paid to, and no service contract was entered into with, but the sitting fees were paid to, the following directors for attending meetings of Board / Committees of the Board.

Sr. No.	Name of the Director	Sitting Fees (Rs.)
1	Mr. K. H. Viswanathan	1,80,000
2	Mr. Ram Gopal Sharma	1,80,000

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.

None of the directors had any transaction with 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 2016-17.

The Company holds equity and preference shares of Welspun Captive Power Generation Limited amounting to Rs. 37.55 million.

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 has 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

(i)	The efforts made towards technology absorption	After evaluating all the aspect and comparisons of key features of various processes of concrete weight coating application, the Company selected Impingement method which is most efficient and widely used technology available globally.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	<ul style="list-style-type: none"> • Used 3 nos. silos of 150MT for cement storage in place of 4 nos. of capacity 100 MT leading to cost & space saving. (Indigenous developed). • Adopted Fog cure technology where pipe curing time reduced from 7 days to 3 days (Indigenous developed). • Impingement throwing roller worn out rubber parts Indigenous developed. • Pipe handing through EOT with special type of spreader beam to avoid coating damage (Internal & external) technology has been developed in collaboration with joint venture partner’s team (Indigenous developed).
(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	<ul style="list-style-type: none"> • State of the art PLC based automatic batching plant from ELKON - Turkey (Batching capacity 80 m³ / 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:	<ul style="list-style-type: none"> • Auto wire start & stop - Technology is under design stage at Netherlands (Expected completion in FY 17-18). • Concrete coated pipe stripping unit - Technology is under design stage at Netherlands (Expected completion in FY 17-18). • Two way coating process - This activity has been considered in phase-2 depending on the product demand.
(d)	The expenditure incurred on Research and Development	Nil

Total foreign exchange used and earned:
Used : Rs. 51.79 million
Earned : Nil

16. INTERNAL CONTROLS

Your Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material effect of your Company's operation.

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.

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
April 28, 2017

Sd/-
Lalitkumar Naik
Whole Time Director
DIN - 02943588

Sd/-
Balkrishan Goenka
Director
DIN - 00270175

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)
<u>Sale of Goods:</u>					
Welspun Corp Limited	Ongoing	Based on transfer pricing guidelines	11.08.2016, 20.10.2016, 02.02.2017, 28.04.2017	Nil	3.50
Welspun Captive Power Generation Limited			02.02.2017 28.04.2017	Nil	0.67
<u>Purchase of Fixed Assets :</u> Welspun Corp Limited	One time	Based on transfer pricing guidelines	11.08.2016, 20.10.2016, 02.02.2017 28.04.2017	Nil	11.87
<u>Purchase of Goods:</u>					
Wasco Coatings Malaysia SDN BDH	One time	Based on transfer pricing guidelines	11.08.2016, 20.10.2016, 02.02.2017 28.04.2017	Nil	2.42
Welspun Steel Limited			20.10.2016, 02.02.2017 28.04.2017		0.94
<u>Interest Paid:</u>					
Welspun Corp Limited	3 Equal installments after expiry of 3 years from end of quarter after	Based on transfer pricing guidelines	21.10.2015	Nil	20.26

Wasco Coatings Limited	last utilization 3 Equal installments after expiry of 3 years from end of quarter after last utilization		21.10.2015	Nil	6.54
<u>Rent paid :</u> Welspun Corp Limited	10 years	Based on transfer pricing guidelines	21.10.2015	Nil	8.77
Welspun Anjar SEZ Limited			28.04.2017	Nil	4.22
<u>Loan taken during the year:</u> Welspun Corp Limited	3 Equal installments after expiry of 3 years from end of quarter after last utilization	Based on transfer pricing guidelines	21.10.2015	Nil	99.11
Wasco Coatings Limited	3 Equal installments after expiry of 3 years from end of quarter after last utilization		21.10.2015	Nil	95.23

Sd/-
Lalitkumar Naik
Whole Time Director
DIN - 02943588

Sd/-
Balkrishan Goenka
Director
DIN - 00270175

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2017
[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	-	28,931,400	28,931,400	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	-	28,931,400	28,931,400	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	-
2	Wasco Coatings Limited	-	-	-	14,176,386	49.00	Nil	-
	Total of Promoters	-	-	-	28,931,400	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
	No Change				

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	Braja Mishra # (Nominee of Welspun Corp Limited)	-	-	-	-	-	-	-
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.	Lalitkumar Naik @ (Nominee of Welspun Corp Limited)	-	-	-	-	-	-	-
Key Managerial Personnel								
8.	Gaurav Merchant% - CFO	-	-	-	-	-	-	-
9.	Priya Pakhare-CS	-	-	-	-	-	-	-

Resigned from the Board w.e.f. February 2, 2017

@ Appointed on the Board w.e.f. February 2, 2017

% Appointed w.e.f. February 2, 2017

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	-	302.72		302.72
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	302.71	-	302.71
change in indebtedness during the financial year.				
• Addition	-	186.81	-	186.81
• Reduction	-	-	-	-
Net change	-	186.81		186.81
Indebtedness at the end of the financial year				
i. Principal Amount	-	489.53	-	489.53
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	489.53	-	489.53

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. Braja Mishra)@	Whole time Director (Mr. Lalitkumar Naik)#
1	Gross Salary	Nil	Nil
	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
2	Stock Option	Nil	Nil
3	Sweat equity	Nil	Nil
4	Commission	Nil	Nil
	- As % of profit		
	- Others, specify.....		
5	Others, please specify		
	Total (A)	Nil	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.)	

@ Whole time director up to February 2, 2017

Whole time director with effect from February 2, 2017.

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors		Total amount (Rs.)
		Ram Gopal Sharma	K. H. Viswanathan	
1.	Independent Directors			
	• Fee for attending board committee meetings	180,000	180,000	360,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	180,000	180,000	360,000
2.	Other Non-Executive Directors	Nil		
	• Fee for attending board committee meetings			
	• Commission			
	• Others, please specify			
	Total (2)	Nil		
	Total (B) = (1 + 2)			360,000
	Total Managerial Remuneration			360,000
	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.)		

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	Nil	Nil	Nil	Nil
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961				
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.

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Welspun Wasco Coatings Private Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

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, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Wasco Coatings Private Limited

Report on the Financial Statements

Page 2 of 3

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by 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, 2017, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the period September 30, 2015 (date of incorporation) to March 31, 2016 (the "period"), included in these Ind AS financial statements, are based on the previously issued statutory financial statements as at and for the period ended March 31, 2016, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which was audited by us and on which we expressed an unmodified opinion dated May 3, 2016. The adjustments to these financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Wasco Coatings Private Limited

Report on the Financial Statements

Page 3 of 3

- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (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 knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigations as at March 31, 2017 which would impact its financial position - Refer note 37.
 - ii. The Company has long-term contracts as at March 31, 2017 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2017.
 - 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, 2017.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer note 38.

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



Arunkumar Ramdas
Partner
Membership No. 112433

Place: Mumbai
Date: April 28, 2017

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (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, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Welspun Wasco Coatings Private Limited (the "Company") as of March 31, 2017, 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (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, 2017
Page 2 of 2

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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



Place: Mumbai
Date: April 28, 2017

Arunkumar Ramdas
Partner
Membership No. 112433

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 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, 2017

- 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 Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The physical verification of inventory excluding goods-in-transit have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. 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. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- 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. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- 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 service tax, provident fund, income tax, duty of customs, sales tax, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, duty of customs and value added tax which have not been deposited on account of any dispute.
- 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.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 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, 2017

Page 2 of 2

- 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 Sections 177 and 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. 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(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. 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: April 28, 2017

Welspun Wasco Coatings Private Limited
Financial statements - March 31, 2017

Financial statements

- Balance sheet as at March 31, 2017
- Statement of profit and loss for the year ended March 31, 2017
- Statement of changes in equity for the year ended March 31, 2017
- Statement of cash flows for the year ended March 31, 2017
- Notes comprising significant accounting policies and other explanatory information
- Comparative information in respect of preceding period from September 30, 2015 to March 31, 2016



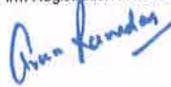
Welspun Wasco Coatings Private Limited
Balance sheet
(All amounts in Rupees million, unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	3	603.98	11.85
Capital work-in-progress	3	1.75	493.05
Financial assets	4	37.55	35.84
Investments	5	-	-
Deferred tax assets (net)	6(a)	0.98	15.03
Other non-current assets			
Total non-current assets		644.26	655.77
Current assets			
Inventories	7	10.08	2.53
Financial assets	8	7.14	6.35
Cash and cash equivalents	9	266.67	297.47
Bank balances other than cash and cash equivalents	10	1.25	-
Current tax assets (net)	6(b)	25.82	8.28
Other current assets			
Total current assets		310.96	314.63
Total assets		955.22	870.40
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	289.31	289.31
Other equity	12	(82.64)	0.10
Reserves and surplus			
Total equity		206.67	289.41
LIABILITIES			
Non-current liabilities			
Financial liabilities	13(a)	489.53	302.72
Borrowings	14	0.01	-
Provisions			
Total non-current liabilities		489.54	302.72
Current liabilities			
Financial liabilities	13(b)	208.41	94.06
Borrowings	15	12.47	1.82
Trade payables	16	36.54	181.08
Other financial liabilities	14	-	-
Provisions	17	-	0.52
Current tax liabilities (net)	18	1.59	0.79
Other current liabilities			
Total current liabilities		259.01	278.27
Total liabilities		748.55	580.99
Total equity and liabilities		955.22	870.40

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


 Lalitkumar Naik
 Wholetime Director
 DIN No. 02943588


 Ram Gopal Sharma
 Director
 DIN No. 00026514


 Gaurav Merchant
 Chief Financial Officer


 Priya Pakhare
 Company Secretary

Place: Mumbai
 Date: April 28, 2017



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

	Notes	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Revenue from operations	19	2.70	-
Other income	20	15.38	13.41
Total income		18.08	13.41
Expenses			
Cost of materials consumed	21	2.11	-
Employee benefit expenses	22	21.72	-
Depreciation expenses	23	7.84	0.18
Other expenses	24	36.88	9.16
Finance costs	25	32.27	2.16
Total expenses		100.82	11.50
(Loss)/profit before tax		(82.74)	1.91
Income tax expense	26		
- Current tax		-	1.81
- Deferred tax		-	-
Total tax expense		-	1.81
(Loss)/profit for the year/period (A)		(82.74)	0.10
Other comprehensive income (B)			
Total comprehensive (loss)/income for the year/period (A+B)		(82.74)	0.10
(Loss)/ earnings per equity share			
- Basic and diluted earnings per share (Rs.)	33	(2.86)	0.003

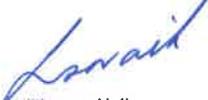
The above statement of profit and loss should be read in conjunction with the accompanying notes.

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

For and on behalf of the Board


Arunkumar Ramdas
Partner
Membership No. 112433

X 
Lalitkumar Naik
Wholtime Director
DIN No. 02943588


Ram Gopal Sharma
Director
DIN No. 00026514


Gaurav Merchant
Chief Financial Officer


Priya Pakhare
Company Secretary

Place: Mumbai
Date: April 28, 2017



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

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Cash flows from / (used in) operating activities		
(Loss)/ profit before income tax	(82.74)	1.91
Adjustments for		
Depreciation expense	7.84	0.18
Dividends income classified as investing cash flows	-	(2.22)
Interest paid	28.37	1.95
Interest income classified as investing cash flows	(13.67)	(5.24)
Net exchange differences	(37.71)	(5.83)
Changes in fair value of financial assets at fair value through profit or loss	(1.71)	(0.11)
Changes in operating assets and liabilities		
(Increase) in other non-current assets	-	(0.05)
(Increase) in inventories	(7.55)	(2.53)
(Increase) in other current assets	(17.54)	(8.28)
Increase in provisions	0.01	-
Increase in trade payables	10.67	1.82
Increase in other financial liabilities	8.50	-
Increase in other current liabilities	0.80	0.79
Cash used in operations	(104.73)	(17.61)
Income taxes paid	1.77	1.29
Net cash outflow used in operating activities (A)	(106.50)	(18.90)
Cash flows used in investing activities		
Payments for property, plant and equipment	(234.36)	(333.15)
Payments for purchase of investments	-	(35.73)
Dividend received	-	2.22
Receipts/payments from/for investment in fixed deposits	30.80	(297.47)
Interest received	13.67	5.24
Net cash outflow used in investing activities (B)	(189.89)	(658.89)
Cash flow from financing activities		
Interest paid	(27.79)	(1.95)
Proceeds from equity share issue	-	289.31
Proceeds from borrowings	324.97	396.78
Net cash inflow from financing activities (C)	297.18	684.14
Net increase in cash and cash equivalents (A+B+C)	0.79	6.35
Cash and cash equivalents at the beginning of the financial year/period	6.35	-
Cash and cash equivalents at the end of the year/period	7.14	6.35

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

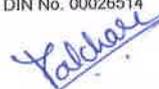
For and on behalf of the Board

Arunkumar Ramdas
Partner
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X 
Lalitkumar Naik
Wholetime Director
DIN No. 02943588


Ram Gopal Sharma
Director
DIN No. 00026514


Gaurav Merchant
Chief Financial Officer


Priya Pakhare
Company Secretary

Place: Mumbai
Date: April 28, 2017



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 September 30, 2015		-
Changes in equity share capital during the period	11	289.31
Balance as at March 31, 2016		289.31
Changes in equity share capital during the year	11	-
Balance as at March 31, 2017		289.31

B. Other equity

	Reserves and surplus	Total other equity
	Retained Earnings	
As at September 30, 2015	-	-
Profit for the period	0.10	0.10
Other comprehensive income	-	-
Total comprehensive Income for the period	0.10	0.10
Balance as at March 31, 2016	0.10	0.10
Loss for the year	(82.74)	(82.74)
Other comprehensive income	-	-
Total comprehensive loss for the year	(82.74)	(82.74)
Balance as at March 31, 2017	(82.64)	(82.64)

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


 Lalitkumar Naik
 Wholetime Director
 DIN No. 02943588


 Ram Gopal Sharma
 Director
 DIN No. 00026514


 Gaurav Merchant
 Chief Financial Officer


 Priya Pakhare
 Company Secretary

Place: Mumbai
 Date: April 28, 2017



Welspun Wasco Coatings Private Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2017
and the statement of profit and loss for the year ended March 31, 2017**

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 authorized for issue by the directors on April 28, 2017.

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. The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer note 36 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(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

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The chief operating decision maker is the plant head of the Company. Refer note 30 for segment information presented.

(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. (Refer note 36 - A.1.2)

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:

- (i) 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.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of value added taxes.

The Company recognises revenue from sale of goods when

- the Company has transferred to the buyer the significant risk and reward of ownership of goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold
- the amount of revenue can be reliably measured;
- it is probable that future economic benefits associated with the transaction will flow to the Company; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.



Welspun Wasco Coatings Private Limited

**Notes annexed to and forming part of the balance sheet as at March 31, 2017
and the statement of profit and loss for the year ended March 31, 2017**

(e) Income tax

The income tax expense or credit for the year/period is the tax payable on the current year/period'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 substantively 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.

(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) 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 inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Cost of raw material and stores and spares is determined on weighted average basis. 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.

(j) 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.



Welspun Wasco Coatings Private Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2017
and the statement of profit and loss for the year ended March 31, 2017

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 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.

(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. Note 28 details how the Company determines 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.



Welspun Wasco Coatings Private Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2017
and the statement of profit and loss for the year ended March 31, 2017

(k) 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.

(i) 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.

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(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 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.

(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.



Welspun Wasco Coatings Private Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2017
and the statement of profit and loss for the year ended March 31, 2017

(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 capitalization.

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 Rs. 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.

Defined contribution plans

- a. 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) Contributed Equity

Equity shares are classified as equity.



Welspun Wasco Coatings Private Limited
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(t) 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/period (note 33).

(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.

(u) 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.

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.

1. Useful life and impairment of property, plant and equipment

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.



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Note 3: Property, Plant and Equipment (PPE)

	Buildings	Plant and machinery	Office and other equipments	Computer equipments	Furniture and fixtures	Total	Capital work-in-progress (CWIP)
Period ended March 31, 2016							
Gross carrying amount							
Balance as at September 30, 2015	-	-	-	-	-	0.03	510.09
Additions	-	-	0.03	-	-	-	(5.04)
Exchange differences (Refer note (ii) below)	-	-	-	-	-	-	(12.00)
Transfer from CWIP to PPE	0.96	9.73	0.71	-	0.58	-	-
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount	0.96	9.73	0.74	0.02	0.58	12.03	493.05
Accumulated depreciation							
Depreciation charge during the period	0.08	0.07	0.02	0.00	0.01	0.18	-
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation	0.08	0.07	0.02	0.00	0.01	0.18	-
Net carrying amount	0.88	9.66	0.72	0.02	0.57	11.85	493.05
Year ended March 31, 2017							
Gross carrying amount							
Opening gross carrying amount	0.96	9.73	0.74	0.02	0.58	12.03	493.05
Additions	-	-	-	-	-	-	116.80
Transfer from CWIP to PPE	116.36	484.32	1.82	1.78	3.82	608.10	(608.10)
Exchange differences (Refer note (ii) below)	-	(8.13)	-	-	-	(8.13)	-
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount	117.32	485.92	2.56	1.80	4.40	612.00	1.75
Accumulated depreciation							
Opening accumulated depreciation	0.08	0.07	0.02	0.00	0.01	0.18	-
Depreciation charge during the year	1.56	5.87	0.20	0.08	0.13	7.84	-
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation	1.64	5.94	0.22	0.08	0.14	8.02	-
Net carrying amount	115.68	479.98	2.34	1.72	4.26	603.98	1.75

Notes:

(i) **Contractual obligations**
Refer to note 32(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) **Exchange differences**

The Companies (Accounting Standards) Amendment Rules 2011 has amended the provision of Accounting Standard-11 related to "The effects of changes in Foreign Exchange Rates" vide notification dated May 11, 2011 (as amended on December 29, 2011 and further clarification dated August 9, 2012) issued by the Ministry of Corporate Affairs. Accordingly, the Company has adjusted exchange gain amounting to Rs. 8.13 million (March 31, 2016: Rs. 5.04 million) to the cost of property, plant and equipment / capital work-in-progress respectively.



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Note 4: Non-current investments

Investment in equity instruments (fully paid up)
Investment carried at fair value through profit and loss
Unquoted

Welspun Captive Power Generation Limited
 664,804 (March 31, 2016: 664,804) equity shares of Rs. 10 each

Total investment in equity instruments

Investment in preference shares (fully paid up)
Investment carried at fair value through profit and loss
Unquoted

Welspun Captive Power Generation Limited
 2,215,498 (March 31, 2016: 2,215,498) 10% non-cumulative redeemable preference
 shares of Rs. 10 each

Total investment in preference shares

Total non-current investments

Aggregate amount of unquoted investments

Note 5: Deferred tax assets (net)

The balance comprises temporary differences attributable to:

Deferred tax asset
 - Tax losses (unabsorbed depreciation)

Set-off of deferred tax liabilities pursuant to set-off provisions

Deferred tax liabilities
 - Depreciation on property, plant and equipment
 - Financial assets at fair value through profit or loss

Net deferred tax assets

	As at March 31, 2017	As at March 31, 2016
	15.40	13.69
	<u>15.40</u>	<u>13.69</u>
	22.15	22.15
	<u>22.15</u>	<u>22.15</u>
	<u>37.55</u>	<u>35.84</u>
	37.55	35.84

	As at March 31, 2017	As at March 31, 2016
	28.61	-
	<u>28.61</u>	-
	28.44	-
	0.17	-
	<u>28.61</u>	-
	-	-
	<u>-</u>	<u>-</u>



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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)	Total deferred tax asset	Depreciation on property, plant and equipment	Financial assets at fair value through profit or loss	Total deferred tax liabilities	
As at September 30, 2015	-	-	-	-	-	-
Charged/(Credited) - to profit and loss	-	-	-	-	-	-
As at March 31, 2016	-	-	-	-	-	-
Charged/(Credited) - to profit and loss	28.61	28.61	(28.44)	(0.17)	(28.61)	-
As at March 31, 2017	28.61	28.61	(28.44)	(0.17)	(28.61)	-



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Note 6: Other assets

(a) Non-current

Capital advances
Balance with statutory authorities

	As at March 31, 2017	As at March 31, 2016
	0.93	14.98
	0.05	0.05
	<u>0.98</u>	<u>15.03</u>

Total other non-current assets

(b) Current

Balance with statutory authorities
Prepaid expenses
Advance to employees
Advance to suppliers

	23.79	8.28
	0.71	-
	1.17	-
	0.15	-
	<u>25.82</u>	<u>8.28</u>

Total other current assets

Note 7: Inventories

Raw materials
Stores and spares

	As at March 31, 2017	As at March 31, 2016
	8.07	2.53
	2.01	-
	<u>10.08</u>	<u>2.53</u>

Total Inventories

Detail of Inventories In transit
Raw materials
Total Inventories In transit

	1.62	-
	<u>1.62</u>	<u>-</u>

Note:

There is no write down of inventories during the year ended March 31, 2017 and period September 30, 2015 to March 31, 2016.

Note 8: Cash and cash equivalents

Balances with banks
- in current accounts
Deposits with maturity of less than three months
Cash on hand

	As at March 31, 2017	As at March 31, 2016
	6.00	6.34
	1.11	-
	0.03	0.01
	<u>7.14</u>	<u>6.35</u>

Total cash and cash equivalents

Note 9: Bank balances other than cash and cash equivalents

Deposits with maturity of more than three months but less than 12 months*

Total of bank balances other than cash and cash equivalents

	As at March 31, 2017	As at March 31, 2016
	266.67	297.47
	<u>266.67</u>	<u>297.47</u>

*Earmarked for repayment of current borrowings.

Note 10: Current tax assets (net)

Taxes paid (including tax deducted at source)
Total of current tax assets (net)

	As at March 31, 2017	As at March 31, 2016
	1.25	-
	<u>1.25</u>	<u>-</u>



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Note 11: Equity share capital

Authorised equity share capital

As at September 30, 2015
 Increase during the period
As at March 31, 2016
 Increase during the year
As at March 31, 2017

Number of shares	Amount
-	-
30,000,000	300.00
30,000,000	300.00
-	-
30,000,000	300.00

(i) Movements in Issued equity share capital

As at September 30, 2015
 Increase during the period
As at March 31, 2016
 Increase during the year
As at March 31, 2017

Number of shares	Amount
-	-
28,931,400	289.31
28,931,400	289.31
-	-
28,931,400	289.31

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

Equity shares:
 Welspun Corp Limited
 Wasco Coatings Limited

As at March 31, 2017	As at March 31, 2016
14,755,014	14,755,014
14,176,386	14,176,386

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

Equity shares:
 Welspun Corp Limited
 Wasco Coatings Limited

As at March 31, 2017	
Number of shares	% holding
14,755,014	51.00%
14,176,386	49.00%

As at March 31, 2016	
Number of shares	% holding
14,755,014	51.00%
14,176,386	49.00%

Note 12: Reserves and surplus

Retained earnings

Total reserves and surplus

(i) Retained earnings

Opening balance
 Net (loss)/profit for the year/period
 Other comprehensive income

Closing balance

As at March 31, 2017	As at March 31, 2016
(82.64)	0.10
(82.64)	0.10

As at March 31, 2017	As at March 31, 2016
0.10	-
(82.74)	0.10
-	-
(82.64)	0.10



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Note 13: Borrowings

	As at March 31, 2017	As at March 31, 2016
(a) Non-current		
Unsecured		
Term loan	489.53	302.72
Loan from joint venturers (refer note (a) below and note 31)	489.53	302.72
Total non-current borrowings	489.53	302.72
Less: Interest accrued (included in note 16)	-	-
Non-current borrowings (as per balance sheet)	489.53	302.72
(b) Current		
Loans repayable on demand		
Secured		
From banks	208.99	94.06
Buyer's credit (Refer note (b) below)	208.99	94.06
Total current borrowings	208.99	94.06
Less: Interest accrued (included in note 16)	0.58	-
Current borrowings (as per balance sheet)	208.41	94.06

Note (a): Loan from joint venturers (Refer note 31)

i) Loan from Welspun Corp Limited amounting to Rs. 256.07 million (March 31, 2016: Rs 156.96 million). 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 after the expiry of 3 years from the end of quarter of the last utilisation date.

ii) Loan of USD 3.60 million equivalent to Rs. 233.46 million (March 31, 2016: Rs 145.76 million) 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 after the expiry of 36 months from the last utilisation date.

Note (b): Buyer's credit

Buyer's credit outstanding as at March 31, 2017 - Rs. 208.41 million (March 31, 2016: Rs. 94.06 million) is secured against margin money deposits held with the bank.

Note 14: Provisions

	As at March 31, 2017	As at March 31, 2016
Non current		
Gratuity (Refer note (ii) and (iii) below)	0.01	-
Total provisions	0.01	-
Current		
Leave obligations (Refer note (i) below)*	-	-
Gratuity (Refer note (ii) and (iii) below)*	-	-
Total provisions	-	-

* Amount is below the rounding norms adopted by the Company

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.



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(iv) 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:

	<u>Present value of obligation</u>
April 1, 2016	-
Current service cost	0.01
Total amount recognised in profit or loss	<u>0.01</u>
Total amount recognised in other comprehensive income	-
March 31, 2017	<u>0.01</u>

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

	<u>As at March 31, 2017</u>
Unfunded plans	0.01
Deficit of gratuity plan	<u>0.01</u>

(v) Significant actuarial assumptions are as follows:

	<u>March 31, 2017</u>
Discount rate	7.55%
Salary growth rate	8.00%

(vi) 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, 2017	March 31, 2016		March 31, 2017*	March 31, 2016		March 31, 2017*	March 31, 2016
Discount rate	0.50%	0.50%	Increase by	0.00	-	Decrease by	0.00	-
Salary growth rate	0.50%	0.50%	Increase by	0.00	-	Decrease by	0.00	-

* Amount is below the rounding norms adopted by the Company

(vii) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 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, 2017*	0.00	0.00	0.00	0.00

* Amount is below the rounding norms adopted by the Company

Note: There were no employees on payroll of Company for the period from September 30, 2015 to March 31, 2016 and the plan is unfunded.



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Note 15: Trade payables (refer note 34)

	As at March 31, 2017	As at March 31, 2016
Trade payables to related parties (refer note 31)	7.64	1.81
Trade payables to others	4.83	0.01
Total trade payables	12.47	1.82

Note 16: Other financial liabilities

	As at March 31, 2017	As at March 31, 2016
Current		
Interest accrued but not due on borrowings	0.58	0.00
Capital creditors (refer note 31)	27.46	181.08
Derivatives not designated as hedge - Foreign exchange forward contracts	8.50	-
Total other current financial liabilities	36.54	181.08

Note 17: Current tax liabilities (net)

	As at March 31, 2017	As at March 31, 2016
Opening balance	0.52	-
Add: Current tax payable for the year/period	-	1.81
Less: Taxes paid (including tax deducted at source)	1.77	1.29
	(1.25)	0.52
Less: Amount shown under current tax assets (net) (refer note 10)	1.25	-
Total current tax liabilities (net)	-	0.52

Note 18: Other current liabilities

	As at March 31, 2017	As at March 31, 2016
Statutory dues including provident fund and tax deducted at source	1.59	0.79
Total other current liabilities	1.59	0.79



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Note 19: Revenue from operations

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Sale of products	2.70	-
- Finished goods	-	-
Total revenue from operations	2.70	-

Note 20: Other income

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Interest income from financial assets at amortised cost	13.67	5.24
Dividend income from investments mandatorily measured at fair value through profit or loss	-	2.22
Net foreign exchange gain	-	5.84
Net gain on financial assets mandatorily measured at fair value through profit or loss	1.71	0.11
Total other Income	15.38	13.41

Note 21: Cost of materials consumed

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Raw materials at the beginning of the year/period	2.53	-
Add: Purchases	7.65	2.53
	10.18	2.53
Less : Raw material at the end of the year/period	8.07	2.53
Total cost of materials consumed	2.11	-

Note 22: Employee benefit expense

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Salaries, wages and bonus	21.69	-
Contribution to provident and other funds (Refer note below)	0.02	-
Gratuity	0.01	-
Total employee benefit expense	21.72	-

Note:

Defined contribution plans:

The Company also 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. The expense recognised during the year towards defined contribution plan is Rs. 0.02 million (March 31, 2016: Rs. NIL)

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

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Employers' Contribution to Provident Fund and Employee's Pension Scheme	0.02	-
Total expense recognised in the Statement of Profit and Loss	0.02	-



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Note 23: Depreciation expense

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Depreciation on property, plant and equipment	7.84	0.18
Total depreciation expense	7.84	0.18

Note 24: Other expenses

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Consumption of stores and spares	2.64	-
Labour charges	1.32	0.04
Coating and other job charges	0.40	-
Water and electricity charges	0.69	-
Freight, material handling and transportation	0.15	-
Rental charges (Refer note 32(b))	11.44	2.85
Rates and taxes	1.46	3.42
Repairs and maintenance		
- Plant and machinery	0.01	-
- Buildings	0.44	-
- Others	6.03	0.33
Travel and conveyance	4.38	0.31
Telephone and communication charges	0.02	-
Legal and professional fees	1.69	0.53
Foreign exchange difference (net)	0.91	-
Insurance	0.86	-
Directors' sitting fees (refer note 31)	0.36	0.13
Printing and stationery	0.11	0.02
Security charges	1.01	0.05
Membership and subscription	0.04	0.10
Vehicle expenses	0.34	0.20
Payments to auditors (refer note below)	1.87	1.00
Miscellaneous expenses	0.71	0.18
Total other expenses	36.88	9.16
Note:		
Details of payments to auditors		
As auditor:		
Audit fee	1.25	1.00
In other capacities:		
Group reporting	0.60	-
Re-imbursment of expenses	0.02	-
Total	1.87	1.00



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Note 25: Finance costs

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Interest on:		
Term loans (refer note 31)	26.80	1.95
Working capital loans	1.57	-
Other finance charges	3.90	0.21
Total finance costs	32.27	2.16

Note 26: Income tax expense

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
(a) Income tax expense		
Current tax		
- Current tax on profits for the year / period	-	1.81
Total Income tax expense	-	1.81

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

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
(Loss) / profit before tax	(82.74)	1.91
Tax at the Indian tax rate of 34.608%	(28.61)	0.66
<u>Tax effects of amounts which are not deductible (taxable) in calculating taxable income :</u>		
Dividend	-	(0.77)
Gain on fair valuation of equity investment	-	(0.04)
Tax losses for which no deferred income tax was recognised	28.61	-
Others	-	1.96
	-	1.81

(c) Tax losses

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Unused tax losses of which no deferred tax asset has been recognised		
Unabsorbed depreciation (to be till utilised for a indefinite period)	69.03	-
Potential tax benefit @ 34.608%	23.89	-



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Note 27: Fair value measurements

Financial Instruments by category

	March 31, 2017		March 31, 2016	
	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial assets				
Investments	15.40	-	13.69	-
- Equity instruments	22.15	-	22.15	-
- Preference shares	-	7.14	-	6.35
Cash and cash equivalents	-	266.67	-	297.47
Bank balances other than cash and cash equivalents	-	-	-	-
Total financial assets	37.55	273.81	35.84	303.82
Financial liabilities				
Borrowings (including interest)	-	698.52	-	396.78
Trade payables	-	12.47	-	1.82
Other financial liabilities				
Derivatives for foreign exchange forward contracts, not designated as hedges	8.50	-	-	-
Capital creditors	-	27.46	-	181.08
Total financial liabilities	8.50	738.45	-	579.68

(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, 2017				
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Unquoted equity investment	-	-	15.40	15.40
Unquoted preference share investment	-	-	22.15	22.15
Total financial assets			37.55	37.55
Other financial liabilities				
Derivatives for foreign exchange forward contracts, not designated as hedges	-	8.50	-	8.50
Total financial liabilities		8.50		8.50

Financial liabilities which are measured at amortised cost for which fair value are disclosed at March 31, 2017				
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings (including interest)	-	-	698.52	698.52
Trade payables	-	-	12.47	12.47
Capital creditors	-	-	27.46	27.46
Total financial liabilities			738.45	738.45

Financial assets measured at fair value - recurring fair value measurements at March 31, 2016				
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVPL				
Unquoted equity investment	-	-	13.69	13.69
Unquoted preference share investment	-	-	22.15	22.15
Total financial assets			35.84	35.84

Financial liabilities which are measured at amortised cost for which fair value are disclosed at March 31, 2016				
	Level 1	Level 2	Level 3	Total
Financial liabilities				
Borrowings (including interest)	-	-	396.78	396.78
Trade payables	-	-	1.82	1.82
Capital creditors	-	-	181.08	181.08
Total financial liabilities			579.68	579.68

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 (FEDA) 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 unlisted equity securities and unlisted preference shares which are valued using discounted cash flow analysis.



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Note 27: 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 year ended March 31, 2017 and period ended March 31, 2016:

	Unlisted equity securities	Unlisted preference share	Total
As at September 30, 2015	-	-	-
Acquisitions	13.58	22.15	35.73
Gain recognised in profit or loss	0.11	-	0.11
As at March 31, 2016	13.69	22.15	35.84
Gain recognised in profit or loss	1.71	-	1.71
As at March 31, 2017	15.40	22.15	37.55
Unrealised gain recognised in profit or loss related to assets held at the end of March 31, 2017	1.71	-	1.71
March 31, 2016	0.11	-	0.11

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant unobservable inputs*	Probability weighted average		Sensitivity
	March 31, 2017	March 31, 2016		March 31, 2017	March 31, 2016	
Unquoted equity shares	15.40	13.69	Risk adjusted discount rate	10.54%	12.42%	The estimated fair value would increase/(decrease if - Discount rate were lower/(higher) 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%	

(v) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

The main level 3 inputs for unlisted equity securities used by the Company are derived and evaluated as follows:

- Discount rates are determined using a capital asset pricing model and cost of debt after taking into account tax shield, which reflects current market assessments of the time value of money and the risk specific to the subject Company.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO, accounts team and treasury team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

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

	March 31, 2017		March 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowing (including interest)	698.52	698.52	396.78	396.78
Trade payables	12.47	12.47	1.82	1.82
Capital creditors	27.46	27.46	181.08	181.08
Total financial liabilities	738.45	738.45	579.68	579.68

The carrying value and fair value of financial liabilities as tabulated above are materially the same.



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Note 28: Financial risk management

The Company's principal financial liabilities represents borrowings and payables to capital 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 FVTPL investments.

The Company's activities exposes it to liquidity risk and market risk. The plant head 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

The Company is in the first year of its operations wherein there are no trade receivables as on March 31, 2017, hence credit risk is not applicable to the Company.

(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 plant head.

(I) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	March 31, 2017	March 31, 2016
Fixed rate		
Expiring beyond one year (shareholders' loan)	195.32	389.29
Total	195.32	389.29

(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) gross 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.

For the year ended March 31, 2017

Contractual maturities of financial liabilities	< 1 Year	1- 3 years	3- 5 years	> 5 years	Total
Non-derivatives					
Borrowings (including interest)	247.35	250.25	343.02	-	840.62
Trade payables	12.47	-	-	-	12.47
Other financial liabilities	27.46	-	-	-	27.46
Total non-derivative liabilities	287.28	250.25	343.02	-	880.55
Derivatives (gross settled)					
Foreign exchange forward contracts	8.50	-	-	-	8.50
Total derivative liabilities	8.50	-	-	-	8.50

For the year ended March 31, 2016

Contractual maturities of financial liabilities	< 1 Year	1- 3 years	3- 5 years	> 5 years	Total
Non-derivatives					
Borrowings (including interest)	116.55	152.38	215.36	-	484.29
Trade payables	1.82	-	-	-	1.82
Other financial liabilities	181.08	-	-	-	181.08
Total non-derivative liabilities	299.45	152.38	215.36	-	667.19
Derivatives (gross settled)					
Foreign exchange forward contracts	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-

(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.



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Note 28: Financial risk management (Contd...)

(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.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Rupees million, are as follows:

	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	USD	EUR	USD	EUR
Financial liabilities				
Non-current borrowings	233.46	-	145.76	-
Other financial liabilities	-	20.58	-	125.00
Current borrowings	208.41	-	-	94.06
Trade payables	3.15	-	-	-
Derivative liabilities				
Foreign exchange forward contracts	(8.50)	-	-	-
Net exposure to foreign currency risk (liabilities)	436.52	20.58	145.76	219.06

(b) Particulars of unhedged foreign currency exposures as at reporting date

Particulars	March 31, 2017	March 31, 2016
Non-current borrowings	233.46	145.76
Other financial liabilities	20.58	125.00
Current borrowings	208.41	94.06
Trade payables	3.15	-
Total	465.60	364.82

(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 after tax	
	March 31, 2017	March 31, 2016
USD sensitivity		
INR/USD - Increase by 1% (March 31, 2016 - 1%)*	4.37	1.46
INR/USD - Decrease by 1% (March 31, 2016 - 1%)*	(4.37)	(1.46)
EUR sensitivity		
INR/EUR - Increase by 1% (March 31, 2016 - 1%)*	0.21	2.19
INR/EUR - Decrease by 1% (March 31, 2016 - 1%)*	(0.21)	(2.19)

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

(iii) 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. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. During 31 March 2017 and 31 March 2016, the Company's borrowings at fixed and variable rates were mainly denominated in USD and EUR.

(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:

	March 31, 2017	March 31, 2016
Variable rate borrowings	208.41	94.06
Fixed rate borrowings	489.53	302.72

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

	March 31, 2017			March 31, 2016		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
	%			%		
Current borrowings	1.26%	208.41	29.86%	0.35%	94.06	13.45%
Net exposure to cash flow interest rate risk		208.41			94.06	

(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 after tax	
	March 31, 2017	March 31, 2016
Increase by 50 basis points (March 31, 2016 - 50 basis points)	1.04	0.47
Decrease by 50 basis points (March 31, 2016 - 50 basis points)	(1.04)	(0.47)

(iii) Investment price risk

Investments of the Company are into equity and debt instruments of one of the group company. These investments are reviewed by the Company on a regular basis on the basis of undiscounted cash flow projections of the investor entity where there are no foreseeable losses in respect of investment made. As per fair valuation done by independent valuer, there is gain on fair valuation on the investments made. Hence, the Company has low risk.



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Note 29: 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)
 divided by
 Total 'equity' (as shown in the balance sheet).

The gearing ratios were as follows:

	March 31, 2017	March 31, 2016
Net debt (total borrowings net of cash and cash equivalents)	690.80	390.43
Total equity	206.67	289.41
Net debt to equity ratio	3.34	1.35

(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 30: Segment information

(i) Description of segments and principle activities

The Company's chief operating decision maker is plant head 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 customer is as follows:

For the year ended	Number of customers	Amount	% to revenue from
March 31, 2017	1	2.70	100%

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

Revenue from external customer	March 31, 2017	March 31, 2016
India	2.70	-
Total	2.70	-

(v) The total of the non-current assets (other than financial instruments and deferred tax assets) are broken down by location of the assets, is shown below:

	March 31, 2017	March 31, 2016
India	606.71	510.67
Other countries	-	9.26



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Note 31: Related party transactions

(a) Joint venturers

The Company is jointly controlled by the following entities:

Name	Type	Ownership Interest	
		March 31, 2017	March 31, 2016
Welspun Corp Limited	Joint venturer	51%	51%
Wasco Coatings Limited	Joint venturer	49%	49%

(b) Transactions with related parties

The following transactions occurred with related parties:

	Type of relationship	Year ended March 31, 2017	From September 30, 2016 to March 31, 2016
Transactions with Welspun Corp Limited ("WCL")	Joint venturer		
Sale of goods*		3.04	-
Sale of scrap from CWIP*		0.46	-
Purchase of scrap from CWIP*		11.87	54.10
Purchase of fixed assets*		20.26	1.44
Interest paid on loan		8.77	2.79
Rent paid*		-	147.55
Issue of equity shares		33.04	-
Reimbursement of expenses to WCL		99.11	156.96
Loan taken during the year/period		-	11.46
Advance received		-	11.46
Repayment of advance received		-	-
Transactions with Wasco Coatings Limited	Joint Venturer		
Issue of equity shares		-	141.76
Interest paid on loan		6.54	0.51
Reimbursement of expenses to Wasco Coatings Limited		1.02	-
Loan taken during the year/period		95.23	145.76
Transactions with Welspun Steel Limited	Entities under common control		
Sale of scrap from CWIP*		0.14	-
Purchase of goods*		0.94	-
Purchase of equity shares of Welspun Captive Power Generation Limited (excluding fair valuation impact)		-	13.58
Purchase of preference shares of Welspun Captive Power Generation Limited		-	22.15
Transactions with Welspun Captive Power Generation Limited*	Entities under common control		
Sale of scrap from CWIP*		0.67	-
Purchase of goods*		0.16	-
Dividend received		-	2.22
Transactions with Welspun India Limited*	Entities under common control		
Sale of scrap from CWIP*		0.15	-
Transactions with Welspun Foundation for Health*	Entities under common control		
Sale of scrap from CWIP*		0.05	-
Transactions with Wasco Coatings Malaysia SDN BHD*	Entities under common control		
Purchase of goods*		2.42	-
Transactions with Welspun Anjar SEZ Limited*	Entities under common control		
Rent paid*		4.22	-
Sitting fees paid	Key Managerial Personnel		
Mr. K H Vishwanathan		0.18	0.06
Mr. Ram Gopal Sharma		0.18	0.07

*Includes taxes, as applicable



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Note 31: Related party transactions (Contd...)

c) Outstanding balances arising from purchase of goods/ services/capital goods

	Type of relationship	As at March 31, 2017	As at March 31, 2016
Payables			
Welspun Corp Limited	Joint venturer	4.48	16.50
Wasco Coatings Malaysia SDN BHD	Entities under common control	1.95	-
Wasco Coatings Limited	Joint venturer	1.21	-

d) Outstanding balances arising from other transactions

	Type of relationship	As at March 31, 2017	As at March 31, 2016
Reimbursement of expenses payable to Welspun Corp Limited	Joint venturer	-	0.85

e) Outstanding balances of loans from related parties

	Type of relationship	As at March 31, 2017	As at March 31, 2016
Welspun Corp Limited	Joint venturer	256.07	156.96
Wasco Coatings Limited	Joint venturer	233.46	145.76

(g) 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 32: Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	March 31, 2017	March 31, 2016
Property, plant and equipment	12.35	70.69

(b) Non-cancellable operating leases

As lessee:

The Company leases factory lands under non-cancellable operating leases expiring within 10 years. The terms of the agreements is similar such as renewal rights, termination etc.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

- Within one year
- Later than one year but not later than five years

	March 31, 2017	March 31, 2016
- Within one year	8.90	4.79
- Later than one year but not later than five years	7.61	8.88

Rental expense relating to operating leases

Lease payments recognised as expense during the year/period

Total rental expense relating to operating leases

	Year ended March 31, 2017	From September 30, 2016 to March 31, 2016
Lease payments recognised as expense during the year/period	11.44	2.85 #
Total rental expense relating to operating leases	11.44	2.85



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Note 33: (Loss)/earnings per share

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
(Loss)/profit attributable to the equity holders of the company used in calculating earnings per share	(82.74)	0.10
Weighted average number of equity shares used as the denominator in calculating earnings per share	28,931,400	28,931,400
Basic and diluted (loss)/ earnings per share	(2.86)	0.003
Nominal value of an equity share	10.00	10.00

Note: There is no movement in equity share capital and neither there is change in the nominal value per share during the year ended March 31, 2017 and period ended March 31, 2016.

Note 34: Micro, Small and Medium Enterprises Development Act, 2006

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	Year ended March 31, 2017	From September 30, 2015 to March 31, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	0.01
Interest accrued and due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Total	-	0.01
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.34	0.43
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Note 35: Offsetting financial assets and financial liabilities

There are no financial assets or financial liabilities which are subject to offsetting as at March 31, 2017 and March 31, 2016 since, the entity neither has enforceable right or an intent to settle on net basis or to realize the asset and settle the liability simultaneously. Further, the Company has no enforceable master netting arrangements and other similar arrangements as at March 31, 2017 and March 31, 2016.



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Note 36: First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2017 and the comparative information presented in these financial statements for the period ended March 31, 2016. In preparing its Ind AS balance sheet as at March 31, 2016, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

1. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

A.1.2 Exchange differences arising from translation of long-term foreign currency monetary item

Ind AS 101 permits a first-time adopter to elect to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, the Company has elected this exemption in respect of exchange differences arising from translation of long-term foreign currency monetary item.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at March 31, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS as at March 31, 2016 as these were not required under previous GAAP:

- Investments in equity instruments carried at FVPL;
- Investments in debt instruments carried at FVPL; and
- Impairment of financial assets based on expected credit loss model.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



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Note 36: First-time adoption of Ind AS (Contd...)

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at March 31, 2016

Particulars	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	3	11.85	-	11.85
Capital work-in-progress	3	493.05	-	493.05
Financial assets				
i. Investments	4, C(i)	35.73	0.11	35.84
Other non-current assets	6	15.03	-	15.03
Total non-current assets		555.66	0.11	555.77
Current assets				
Inventories	7	2.53	-	2.53
Financial assets				
i. Cash and cash equivalents	8	6.35	-	6.35
ii. Bank balances other than cash and cash equivalents	9	297.47	-	297.47
Other current assets	6	8.28	-	8.28
Total current assets		314.63	-	314.63
Total assets		870.29	0.11	870.40
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	289.31	-	289.31
Other equity				
Retained earnings	12, C(ii)	(0.01)	0.11	0.10
Total equity		289.30	0.11	289.41
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	13	302.72	-	302.72
Total non-current liabilities		302.72	-	302.72
Current liabilities				
Financial liabilities				
i. Borrowings	13	94.06	-	94.06
ii. Trade payables	15	1.82	-	1.82
iii. Other financial liabilities	16	181.08	-	181.08
Current tax Liabilities (net)	17	0.52	-	0.52
Other current liabilities	18	0.79	-	0.79
Total current liabilities		278.27	-	278.27
Total liabilities		580.99	-	580.99
Total equity and liabilities		870.29	0.11	870.40

* Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



Welspun Wasco Coatings Private Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2017
and the statement of profit and loss for the year ended March 31, 2017
(All amounts in Rupees million, unless otherwise stated)

Note 36: First-time adoption of Ind AS (Contd...)

Reconciliation of total comprehensive Income for the period ended March 31, 2016

Particulars	Notes to first time adoption	Previous GAAP *	Adjustments	Ind AS
Other income	20, C(i)	13.30	0.11	13.41
Total income		13.30	0.11	13.41
Expenses				
Depreciation expense	24	0.18	-	0.18
Other expenses		9.16	-	9.16
Finance costs		2.16	-	2.16
Total expenses		11.50	-	11.50
Profit before Tax		1.80	0.11	1.91
Income tax expense - Current tax	26	1.81	-	1.81
(Loss)/profit for the period (A)		(0.01)	0.11	0.10
Other Comprehensive Income (B)		-	-	-
Total Comprehensive Income for the period (A) + (B)		(0.01)	0.11	0.10

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at March 31, 2016

Particulars	Notes to first time adoption	March 31, 2016
Total equity (shareholders' funds) as per previous GAAP		289.30
Adjustments:		
Adjustment on account of fair value of investments	C(i)	0.11
Total adjustment		0.11
Total equity as per Ind AS		289.41

Reconciliation of total comprehensive income for the period ended March 31, 2016

Particulars	Notes to first time adoption	March 31, 2016
Loss after tax as per previous GAAP		(0.01)
Adjustments:		
Adjustment on account of fair value of investments	C(i)	0.11
Total adjustment		0.11
Profit after tax as per Ind AS		0.10
Other comprehensive income		-
Total comprehensive income as per Ind AS		0.10



Welspun Wasco Coatings Private Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2017
and the statement of profit and loss for the year ended March 31, 2017
(All amounts in Rupees million, unless otherwise stated)

Note 36: First-time adoption of Ind AS (Contd...)

Impact of Ind AS adoption on the statements of cash flows for the period ended March 31, 2016

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash outflow used in operating activities	(18.90)	-	(18.90)
Net cash outflow used in investing activities	(658.89)	-	(658.89)
Net cash flow used in financing activities	684.14	-	684.14
Net increase in cash and cash equivalents	6.35	-	6.35
Cash and cash equivalents as at September 30, 2015	-	-	-
Cash and cash equivalents as at March 31, 2016	6.35	-	6.35

C. Notes to first-time adoption:

(i) Fair valuation of investment

Under the previous GAAP, long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in the statement of profit or loss for the period ended March 31, 2016. This increased the retained earnings and total equity by Rs. 113,015 as at March 31, 2016.

(ii) Retained earnings

Profit and Loss for the period ended March 31, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

(iii) Since the Company has been incorporated on September 30, 2015, hence reconciliation of equity as at transition date (i.e. April 01, 2015) is not applicable.



Welspun Wasco Coatings Private Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2017
and the statement of profit and loss for the year ended March 31, 2017
(All amounts in Rupees million, unless otherwise stated)

Note 37: Contingent liability

There is no contingent liability as on March 31, 2017 and March 31, 2016.

Note 38: Specified bank notes

According to the recent amendment, the Ministry of Corporate Affairs has published notification in Official Gazette vide no. G.S.R. 308(E) dated March 30, 2017 where the Company has to provide holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016.

'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the November 8, 2016. The said notification, defines the term as "bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

Following are the details of holdings as well as dealings in Specified Bank Notes:

	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	-	0.003	0.003
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	0.003	0.003
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

Note

Permitted receipts and permitted payments are not specifically defined in the notification. However, these would include transactions of receipt and payment of Specified Banking Notes as permitted by Reserve Bank of India from time to time.

As per our attached report of even date

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

For and on behalf of the Board

Arunkumar Ramdas
 Partner
 Membership No. 112433

X 
 Lalitkumar Naik
 Wholetime Director
 DIN No. 02943588


 Ram Gopal Sharma
 Director
 DIN No. 00026514


 Gaurav Merchant
 Chief Financial Officer


 Priya Pakhare
 Company Secretary

Place: Mumbai
 Date: April 28, 2017

