

DIRECTORS' REPORT

To,
The Members,
Welspun Wasco Coatings Limited

Your directors have pleasure in presenting their 1st Annual Report and audited financial statement for the financial year ended 31st March, 2016.

FINANCIAL RESULTS

Particulars	(Amount in Rs. million)	
	For the Financial Year ended	
	31.03.2016	31.03.2015
Income	13,301,110	N.A. as Company Incorporated during the year 2015-16
Expense	9,157,424	
Profit / (Loss) before tax	1,804,913	
Less: Provision for tax Current Tax	1,814,674	
Profit / (Loss) After Tax	(9,761)	
Profit / Loss For The Year Carried to Balance Sheet	(9,761)	

PERFORMANCE

The Company has not commenced its operations. The income for the financial year includes mainly interest and dividend.

RESERVES AND DIVIDEND

Your Directors do not recommend any dividend for the year ended March 31, 2016.

DETAILS OF SUBSIDIARY

The Company doesn't have any Subsidiary Company

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.

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.

AUDITORS

i) Statutory Auditors:

Your Company's Auditors M/s. Price Waterhouse Chartered Accountants LLP, who have been appointed up to the conclusion of the 1st Annual General Meeting, have given their consent to continue to act as the Auditors of the Company up to the conclusion of 6th Annual General Meeting. 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.

AUDITORS' REPORT

(a) Statutory Auditors' Report

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

DIRECTORS AND MANAGERIAL PERSONNEL

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

COMPANY SECRETARY

During the year Ms. Priya Pakhare joined as a Company Secretary w.e.f. February 16, 2016.

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.

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. For the financial year 2015-16, the independent directors were of the opinion that since the Company was incorporated on September 30, 2015 and only two meetings of the Board and one meeting of the Audit Committee was held, the Directors had got limited opportunity to interact and know about each other and about the Board processes and therefore, it was decided that during the current year in place of evaluating non-independent directors and committees, only the actions expected from the executive management be recommended and from next year onwards the process of evaluation be followed.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Company's Board comprises of mix of Executive and Non-Executive Directors with considerable experience and expertise across a range of fields such as finance, accounts, legal, 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 them are given below:

Name of the Director	Category	Board Meetings Attended during the Year 2015-16	Attendance at the Last AGM	No. of other 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	1/2	N.A.	8	4	7	1C,8M
(2) Mr. Braja Mishra	E, NI	1/2	N.A.	2	5	2	-
(3) Mr. Giancarlo Maccagno	NE, NI	1/2	N.A.	1	-	74	-
(4) Mr. K H Viswanathan	NE, I	1/1	N.A.	5	-	-	2C, 4M
(5) Mr. Ramanathan P R Singaram	NE, NI	2/2	N.A.	1	-	34	2M
(6) Mr. Ram Gopal Sharma	NE, I	1/1	N.A.	7	1	-	5C, 3M

Abbreviations:

P = Promoter, I = Independent, NI = Non Independent, E = Executive Director, NE = Non-Executive Director, L = Lenders, C=Chairman, M=Member.

2 meetings of the Board of Directors were held during the financial year 2015-16 on the following dates: October 21, 2015 and Feb 16, 2016.

In addition to the above, a meeting of the Independent Directors was held on March 25, 2016 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 and the Company Secretary was also invited to join the meeting.

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

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:

AUDIT COMMITTEE

The Committee comprises 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	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 Audit Committee of the Board of Directors was held during the financial year 2015-16 on February 16, 2016.

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.

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.

NOMINATION AND REMUNERATION COMMITTEE

The Company had constituted the Nomination and Remuneration Committee consisting of non-executive directors majority of which are independent director. During the year under review, one meeting of the Committee was held on March 25, 2016.

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

Composition of the Committee: The Committee comprises of 2 independent and non-executive directors and on 1 Non Independent Non-executive Director as on

date of this Report viz. Mr. Ram Gopal Sharma, Mr. K. H. Viswanathan and Mr. Ramanathan P R Singaram.

PARTICULARS OF EMPLOYEES

- A) Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. - Nil
- B) Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report.

Particulars of remuneration to the executive directors including the details of remuneration paid/payable to the executive directors for the financial year 2015-16 are as under: Nil

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/ nominating institutions for attending meetings of Board / Committees of the Board.

	Name of the Director	Sitting Fees (Rs.)
1	Mr. K. H. Viswanathan	63,000
2	Mr. Ram Gopal Sharma	63,000

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.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS MADE / GIVEN UNDER SECTION 186 DURING THE FINANCIAL YEAR ARE AS UNDER

No Loan or guarantee was given by the Company during the financial year 2015-16.

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.

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.

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**.

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

Since the Company is a not a manufacturing unit, the particulars relating to Conservation of Energy, Research and Development and Technology Absorption are not applicable.

Total foreign exchange used and earned: (treasury team to update if there is any transaction)

Used : Rs. 307.46 Million

Earned : Nil

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.

MISCELLANEOUS DISCLOSURES

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

No material change or commitment has occurred 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.

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.

ACKNOWLEDGEMENT

Your directors thank the Government Authorities, Financial Institutions, 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
May 03, 2016

Sd/-
Braja Mishra
Director
DIN - 00007089

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)
I. Purchase : Welspun Corp Limited	One time	Based on Transfer pricing guidelines	21.10.2015	Nil	54.09
II. Lease Rent paid: Welspun Corp Limited	10 years	Revision in lease rent every 11 months mutually	21.10.2015	Nil	2.79
III. Investment: Welspun Captive Power Generation Limited	Not Applicable	Not Applicable	21.10.2015	Nil	35.73
IV. Loans and Advances Received:	3 equal installments commencing after the expiry of the 36 months from the last utilization date	Based on Transfer pricing guidelines	21.10.2015	Nil	156.95
Welspun Corp Limited					
Wasco Coatings Limited					
V. Interest Paid: Welspun Corp Limited Wasco Coatings Limited	Bi-annually Bi-annually	Based on Transfer pricing guidelines	21.10.2015	Nil	1.42 0.51
VI. Dividend Income: Welspun Captive Power Generation Limited	Not applicable	Not Applicable	21.10.2015	Nil	2.22

Sd/-
Braja Mishra
Director
DIN - 00007089

Sd/-
Balkrishan Goenka
Director
DIN - 00270175

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2015

[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 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:
Since the Company has not commenced operations, the details are not applicable.

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)	-	-	-	0.00	-	-	-	0.00	-
	Sub Total(A)(1)	-	28,931,400	28,931,400	100.00	-	28,931,400	28,931,400	100.00	-

ii. Shareholding of Promoters

Sl. 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	0	0.00

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)	-	-	-	-	-	-
Key Managerial Personnel							
7	Priya Pakhare-CS)	-	-	-	-	-	-

V. INDEBTEDNESS

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

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
change in indebtedness during the financial year.				
• Addition	-	39,67,71,261	-	-
• Reduction	-	-	-	-
Net change	-	39,67,71,261		-
Indebtedness at the end of the financial year				
i. Principal Amount	-	39,67,69,432	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	189	-	-
Total (i+ii+iii)	-	39,67,71,261	-	-

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)
1	Gross Salary	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
2	Stock Option	Nil
3	Sweat equity	Nil
4	Commission	Nil
	- As % of profit	
	- Others, specify.....	
5	Others, please specify	
	Total (A)	Nil
	Ceiling as per the Act.	1% of the Net profits of the Company (exclusive of any fees payable to directors for attending meetings of the Board or Committee thereof provided that the amount of such fees does not exceed Rs. one lakh rupees per meeting of the Board or committee thereof.)

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors		Total amount
		RGS	KHV	
	1. Independent Directors			
	• Fee for attending board committee meetings	63,000	63,000	126,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	63,000	63,000	126,000
	2. Other Non-Executive Directors	Nil		
	• Fee for attending board committee meetings			
	• Commission			
	• Others, please specify			
		Nil		
	Total (2)	Nil		
	Total (B) = (1 + 2)			126,000

	Total Managerial Remuneration			126,000
	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 rupees 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				Nil
	- As % of profit - Others, specify	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 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, 2016, the Statement of Profit and Loss for the period from September 30, 2015 (Date of Incorporation) to March 31, 2016, the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these 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 standards and matters which are required to be included in the audit report.
5. We conducted our audit 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 financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)
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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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

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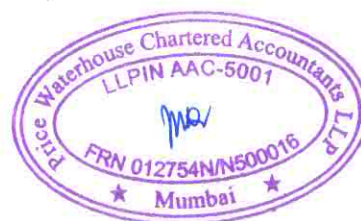
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2016, and its loss and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

9. 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 (hereinafter referred to as 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.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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:



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

- i. The Company does not have any pending litigations as at March 31, 2016 which would impact its financial position.
- ii. The Company has long-term contracts as at March 31, 2016 for which there were no material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended March 31, 2016.

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



Mehul Desai
Partner
Membership No. 103211

Mumbai
May 3, 2016

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph [10(f)] of the Independent Auditors' Report of even date to the members of Welspun Wasco Coatings Private Limited on the financial statements for the period ended March 31, 2016

Page 1 of 2

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, 2016 in conjunction with our audit of the financial statements of the Company for the period 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 [10(f)] of the Independent Auditors' Report of even date to the members of Welspun Wasco Coatings Private Limited on the financial statements for the period ended March 31, 2016

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, 2016, 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



Mehul Desai
Partner
Membership No. 103211

Mumbai
May 3, 2016

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph [9] 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 period ended March 31, 2016

Page 1 of 2

- 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 period and no material discrepancies have been noticed on such verification.
 - (c) The Company does not own any immovable properties as disclosed in Note 10 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified by the Management during the period and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (b) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. 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 income tax, service tax, duty of customs, 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, cess, service-tax and duty of customs which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph [9] of the Independent Auditors' Report of even date to the members of Welspun Wasco Coatings Private Limited on the financial statements for the period ended March 31, 2016

Page 2 of 2

- 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.
- 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 period, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/ provided for managerial remuneration. 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 Accounting Standard (AS) 18, 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 period 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



Mehul Desai
Partner
Membership Number: 103211

Mumbai
May 3, 2016

Welspun Wasco Coatings Private Limited
Balance Sheet

(Amount in Rupees)

Particulars	Note	As at March 31, 2016
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3	289,314,000
Reserves and surplus	4	(9,761)
Non-current liabilities		
Long-term borrowings	5	302,715,061
Current liabilities		
Short-term borrowings	6	94,054,371
Trade payables		
Total outstanding dues of micro enterprises and small enterprises and	7	5,198
Total outstanding dues of creditors other than micro enterprises and small enterprises	7	1,814,047
Other current liabilities	8	181,870,896
Short-term provisions	9	523,497
TOTAL		870,287,309
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	10	11,853,335
Capital work-in-progress	11	493,053,115
Non-current investments	12	35,730,280
Long-term loans and advances	13	15,027,042
Current assets		
Inventories	14	2,530,689
Cash and bank balances	15	303,447,624
Short-term loans and advances	16	8,277,268
Other current assets	17	367,956
TOTAL		870,287,309

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

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



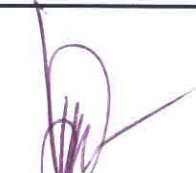
Mehul Desai
Partner
Membership No. 103211

For and on behalf of the Board



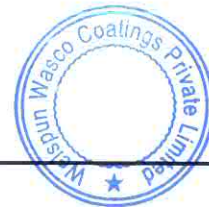
Ram Gopal Sharma
Director
Din : 00026514


Priya Pakhare
Company Secretary



Braja Mishra
Whole time Director
Din : 00007089

Date: May 3, 2016
Mumbai



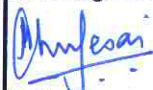
Welspun Wasco Coatings Private Limited
Statement of Profit and Loss

(Amount in Rupees)

Particulars	Note	September 30, 2015 (Date of Incorporation) to March 31, 2016
Other income	18	13,301,110
Total		13,301,110
Expenses:		
Other expenses	19	9,157,424
Total		9,157,424
Profit before depreciation/amortization, finance costs and tax		4,143,686
Depreciation and amortization expense	10	183,310
Finance costs	20	2,155,463
Profit before tax		1,804,913
Tax expense:		
Current tax		1,814,674
Loss for the period		(9,761)
Earnings per equity share: (Nominal value per Share Rs. 10) Basic and Diluted	27	(0.0003)
The accompanying notes are an integral part of the financial statements		

As per our attached report of even date

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



Mehul Desai
Partner
Membership No. 103211

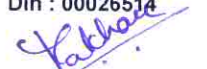
For and on behalf of the Board



Ram Gopal Sharma
Director
Din : 00026514



Braja Mishra
Whole time Director
Din : 00007089



Priya Pakhare
Company Secretary



Date: May 3, 2016
Mumbai

Welspun Wasco Coatings Private Limited
Cash Flow Statement

(Amount in Rupees)

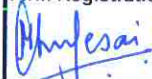
Particulars	September 30, 2015 (Date of Incorporation) to March 31, 2016
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	
Net Profit before tax	1,804,913
Adjustments for:	
Depreciation	183,310
Dividend income	(2,215,498)
Interest expenses	2,155,463
Interest Income	(5,243,511)
Operating Profit / (Loss) before working capital changes	(3,315,323)
Adjustments for	
Loans and advances	(8,322,268)
Trade Payables	1,819,245
Other current liabilities	793,502
Short term provision	523,497
Other current assets	(367,956)
Inventories	(2,530,689)
Cash generated from / (used in) operations	(8,084,669)
Taxes paid (net)	(11,399,992)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	(13,214,666)
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	
Purchase of fixed assets (including Capital Work-in-Progress)	(338,994,408)
Interest received	5,243,511
Dividend received	2,215,498
Purchase of long-term investments	(35,730,280)
NET CASH FROM / (USED IN) INVESTING ACTIVITY (B)	(367,265,679)
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	
Proceeds from Equity shares	289,314,000
Proceeds from long term borrowings	302,715,061
Proceeds from short term borrowings	94,054,371
Interest and other finance cost paid	(2,155,463)
NET CASH FROM / (USED IN) FINANCING ACTIVITY (C)	683,927,969
Net changes in Cash and Cash equivalents (A+B+C)	303,447,624
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalent at the end of the year	303,447,624

Notes:

1. The Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard 3 on Cash Flow Statements as notified under section 133, Companies (Accounting Standards) Rules, 2006 as amended.

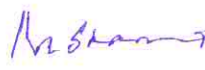
As per our attached report of even date

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



Mehul Desai
Partner
Membership No. 103211

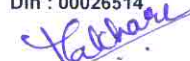
For and on behalf of the Board



Ram Gopal Sharma
Director
Din : 00026514



Braja Mishra
Whole time Director
Din : 00007089


Priya Pakhare
Company Secretary



Date: May 3, 2016
Mumbai

Welspun Wasco Coatings Private Limited
Notes to the financial statements

1 General Information

Welspun Wasco Coatings Private Limited (the "Company"), is a subsidiary of Welspun Corp Limited, 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.

2 Summary of Significant Accounting Policies

a Basis of preparation of financial statements

The Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply.

Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

b Tangible assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets which are equal to the useful lives prescribed under Schedule II to the Companies Act, 2013.

Asset	Useful Life
Office Equipment	5 Years
Computers	5 Years
Furniture and Fixtures	10 Years
Plant and Machinery	15 Years except Material Handling equipments which are depreciated over useful life of 12 years.
Other Building	3 Years

c Impairment of assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit). If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

d Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

e Inventories

Inventories are valued at lower of cost and net realizable value. The basis of determining cost for various categories of inventories is as follows:-

- Raw materials, Stores and Spares – Moving weighted average basis.
- Work-in-progress – Cost of raw materials plus direct labour plus other direct costs and other production overheads.
- Finished goods – Cost of materials plus direct labour plus other direct costs, production overheads and excise duty on such goods.

Net realisable value is the estimate of the selling price in the ordinary course of the business less the estimated costs of completion and the estimated costs necessary to make the sale.



Welspun Wasco Coatings Private Limited
Notes to the Financial Statements

f Foreign currency transactions

(a) Initial Recognition

On initial recognition all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Subsequent Recognition

As at the reporting date non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

(c) All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items the Company has adopted following policy:

i) Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset which would be depreciated over the balance life of the asset.

ii) In other cases the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset/ liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

g Revenue recognition

a) Sale of goods: Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract.

Other Income

b) Dividend income is recognised when the right to receive dividend is established.

c) Interest income is recognized on a time proportion basis taking into account outstanding amount and the applicable interest rates.

h Operating Leases

Leases in which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of Profit and Loss on a straight-line basis over the period of the lease.

i Provisions, contingent liabilities and contingent assets

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

j Current and deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

k Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period. Earning considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of the equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus share, other than the conversion of the potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

l Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

m Use of estimates

The Preparation of the financial statement in accordance with generally accepted accounting principles requires the management to make estimates and assumption that affect the reported assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from those estimates. Any revision of such accounting estimates is recognized prospectively in current and future period.



3. Share capital

Particulars	As at
Authorised 30,000,000 Equity Shares of Rs. 10 each	300,000,000
Total	300,000,000
Issued, subscribed and fully paid up shares 28,931,400 Equity Share of Rs. 10 each fully paid up	289,314,000
Total	289,314,000

a) Reconciliation of number of shares

Particulars	As at	
	Number of Shares	Amount
Equity shares outstanding at the beginning of the period	-	-
Add: Shares Issued during the period	28,931,400	289,314,000
Equity shares outstanding at the end of the period	28,931,400	289,314,000

b) Rights, Preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for

c) Shares held by the holding Company:

Name of Shareholder	As at
Welspun Corp Limited	14,755,014
Total	14,755,014

d) Details of Shareholders holding more than 5% shares of the aggregate shares in the Company

Name of Shareholders	As at	
	Number of Shares	%
Welspun Corp Limited	14,755,014	51
Wasco Coatings Limited	14,176,386	49
Total	28,931,400	100

4. Reserves and surplus

Particulars	As at
Surplus in the Statement of Profit and Loss	
Balance as per last financial statement	-
Profit/(Loss) for the year	(9,761)
Net surplus/ (Deficit) in the Statement of Profit and Loss	(9,761)
Total	(9,761)



Welspun Wasco Coatings Private Limited
Notes to the Financial Statements

5. Long-term borrowings

Particulars	As at
Unsecured Loans	
- Loans [Refer Note (a) below]	302,715,061
- From Banks	
- From Other Parties	
Total	302,715,061

5.1. Long Term Provisions

Particular	As at
Provision for Compensated Absences	-
Total	-

a) Loan from other parties

i) Loan from Welspun Corp Limited amounting to Rs. 156,954,061. The loan carries interest rates of 10.75%. The loan is repayable in 3 equal annual instalments beginning from March 31, 2019.

ii) Loan of USD 2,200,000 equivalent to Rs. 145,761,000 from Wasco Coatings Limited. The loan carries interest rates of 3.75%. The loan is repayable in 3 equal annual instalments beginning from February 26, 2019.

6. Short-term borrowings

Particulars	As at
Unsecured Loans Repayable on demand	
Buyers' Credit	94,054,371
Total	94,054,371

7. Trade payables

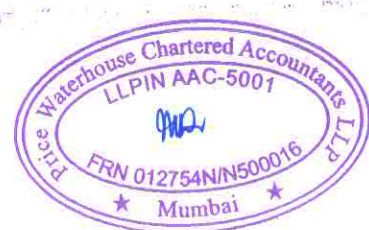
Particulars	As at
Trade Payables	
(a) Total outstanding dues of micro enterprises and small enterprises (Refer note 26) and	5,198
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,814,047
Total	1,819,245

8. Other current liabilities

Particulars	As at
Interest accrued but not due on borrowings	1,829
Other Payables	
Sundry Creditors for Capital Goods	181,077,394
Statutory dues	791,673
Advances from customers	-
Employee Benefits payable	-
Total	181,870,896

9. Short-term provisions

Particulars	As at
Provision for taxes (Net of advance tax and tax deducted at source Rs. 1,291,177)	523,497
Total	523,497



10. Tangible assets

Particulars	Gross Block		Balance as At	Opening as on 30th	Depreciation/Amortisation		Upto March 31, 2016	Net Block As at March 31,
	Additions from	Deletions from			During the period	Deletions		
Tangible Assets								
Buildings	958,446	-	958,446	-	77,950	-	77,950	880,496
Plant & Machinery	9,730,547	-	9,730,547	-	69,656	-	69,656	9,660,891
Furniture & Fixture	575,931	-	575,931	-	7,717	-	7,717	568,214
Vehicle	-	-	-	-	-	-	-	-
Office Equipments	750,936	-	750,936	-	27,653	-	27,653	723,283
Computers	20,785	-	20,785	-	334	-	334	20,451
Total	12,036,645	-	12,036,645	-	183,310	-	183,310	11,853,335



Welspun Wasco Coatings Private Limited
Notes to the Financial Statements

11. Capital work-in-progress

Particulars	As at
Capital work in progress - Assets under Construction (Refer Note 28 for exchange difference capitalised as per amended Accounting Standard -11)	493,053,115
Total	493,053,115

12. Non-current investments

Particulars	As at
Trade Investments (Valued at cost unless stated otherwise)	
	35,730,280
A. Trade investments - Unquoted	
i) Other investments	
Welspun Captive Power Generation Limited	
664,804 Equity Shares of Rs. 10 each fully paid up	13,575,300
2,215,498 10% Preference Shares of Rs. 10 each fully paid up	22,154,980
Total	35,730,280

13. Long-term loans and advances

Particulars	As at
(Unsecured, considered good)	
Capital Advances	14,982,042
- Subsidiary	
- Others	
Security Deposits	
Loan to related party	
Sales Tax Deposit	45,000
Balances with Government Authorities	-
Advance Tax (Net of Provision of Rs.)	-
Total	15,027,042

14. Inventories

Particulars	As at
Raw materials	2,530,689
Work-in-progress	
Finished goods	
Stores and spares	-
Goods In Transit	-
Total	2,530,689



Welspun Wasco Coatings Private Limited
Notes to the Financial Statements

15. Cash and bank balances

Particulars	As at
Cash and cash equivalents	
Cash on hand	10,910
Bank balances:	
In current accounts	6,336,714
Other Bank Balances	
Deposits with maturity more than three months but less than twelve months	297,100,000
	303,447,624
Other bank balances	
Deposits having original maturity period of more than three months but less than	
Total	303,447,624

16. Short-term loans and advances

Particulars	As at
(Unsecured, considered good)	
Loan & Advance Related Party - Current	-
Advance to Employees	-
Prepaid Expenses	-
Balances with Government Authorities	8,277,268
Loans and Advances to Others	-
Total	8,277,268

17. Other current assets

Particulars	As at
Mark to Market gain on forward Contract	-
Interest Receivable	
- Fixed Deposit	367,956
- VAT Refund	-
Total	367,956



Welspun Wasco Coatings Private Limited
Notes to the Financial Statements

18. Other income

Particulars	September 30, 2015 to
Interest Income	
- On bank deposits	5,243,511
Dividend Income	
- From Others	2,215,498
Net gain on foreign currency transaction and translation	5,842,101
Provision written back on Gratuity	-
Profit on Sale of Investment	-
Miscellaneous Income	-
Total	13,301,110

19. Other expenses

Particulars	September 30, 2015 to
Stores and spares consumed	-
Labour Charges	35,308
Coating and Other Job Charges	-
Commission on Sales	-
Freight, Material handling and Transportation	-
Survey Fees	-
Rent	2,855,834
Repair and Maintenance	-
Insurance	-
Rates and Taxes	3,420,951
Travelling and Conveyance	505,618
Directors' sitting fees	130,350
Donation	-
Payment to Auditors	
Audit Fee	1,000,000
Tax Audit Fee	-
Other Services	-
Reimbursement of expenses	-
Expenditure towards corporate social responsibility activities	-
Legal and Professional fees	533,176
Membership and Subscription	95,000
Security charges	52,080
Communication	-
Net loss on foreign currency transaction and translation	-
Provision for doubtful debt	-
Miscellaneous expenses	529,107
Preliminary Expenses written off	-
Total	9,157,424

20. Finance costs

Particulars	September 30, 2015 to
Interest on borrowing	1,942,177
Other borrowing costs	213,286
Total	2,155,463



Welspun Wasco Coatings Private Limited
Notes to the financial statements

21. Capital and other commitments

a) Capital commitments (Amount in Rupees)

Particulars	As at March 31, 2016
Total amount payable by the Company under a non-cancellable agreement with a vendor	70,685,856

b) Other commitments (Amount in Rupees)

Particulars	As at March 31, 2016
Performance guarantees given by banks to custom authority	17,100,000

22. Related party disclosures

a) Enterprise where control exist

Holding Company
Welspun Corp Limited

II Subsidiary Company
Nil

b) Enterprise which exercises significant influence

Wasco Coatings Limited

c) Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise

Name of the Person	Nature of Relationship
B. K. Goenka *	Director

d) Key Management Personnel:

Name of the Related Party	Nature of Relationship
Braja Mishra *	Director

* No transactions during the year

e) Enterprises over which any person described in (c) is able to exercise significant influence.

Name of related party
Welspun Steel Ltd
Welspun Captive Power Generation Limited

(Amount in Rupees)

	Transactions	Balances
	September 30, 2015 to	As at
Holding Company		
Welspun Corp Limited		
Purchases of capital goods	54,097,192	(16,479,143)
Rent paid	2,793,000	
Issue of Equity shares	147,550,140	
Loan taken	156,954,061	(156,954,061)
Interest paid on loan	1,433,012	
Advance received	11,459,292	
Reimbursement of Expenses Payable	7,121,909	(849,998)
Other related party		
Wasco Coatings Limited		
Issue of equity shares	141,763,860	
Loan taken	145,761,000	(145,761,000)
Interest paid on loan	509,165	
Welspun Steel Limited		
Purchase of equity shares of Welspun Captive Power Generation Limited	13,575,300	
Purchase of preference shares of Welspun Captive Power Generation Limited	22,154,980	
Welspun Captive Power Generation Limited		
Dividend received	2,215,498	

Negative amounts in "Balances" represent payable

23. Segment reporting

In accordance with Accounting Standard-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company's business activity is "Coating of steel pipes" and it has no other primary reportable segments. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability and total cost incurred to acquire segment assets, is as reflected in the Financial Statements as of and for the year ended March 31, 2016.

24. Operating lease

The Company has entered into cancellable lease arrangements for land which is renewable by mutual consent on mutually agreeable terms. The lease rentals of Rs. 2,793,000 have been included under the head Rent under Note 19 in the Statement of Profit and Loss.

25. Value of imports on CIF basis

(Amount in Rupees)

Particulars	September 30, 2015 to
Capital Goods	307,463,347



26. Micro, Small and Medium Enterprises

Disclosure of amount due to suppliers under 'The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)' as at 31st March is as
(Amount in Rupees)

Particulars	As at
Principal amount due to suppliers under MSMED Act, 2006	5,198
Interest accrued and due to suppliers under MSMED Act, on the above amount	-
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	433,987
Interest due and payable to suppliers under MSMED Act, for payments already made	2,024
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act.	2,024

27. Earnings per share

Particulars	September 30, 2015 to
Profit after Taxation (Rupees)	(9,761)
Weighted average number of shares	28,931,400
Earnings Per Share (Rupees) Basic and Diluted	(0.0003)
Face Value Per Share (Rupees)	10

28. Foreign 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 11 May 2011 (as amended on 29 December 2011 and further clarification dated 9 August 2012) issued by the Ministry of Corporate Affairs. Accordingly, the Company has adjusted exchange gain amounting to Rs. 5,038,000 to the cost of fixed assets.

29. Derivative instruments outstanding as at March 31, 2016 :

The Company is exposed to foreign currency fluctuations on foreign currency assets/ liabilities, receivables/payables denominated in foreign currency. As at the Balance Sheet date, following foreign currency exposures are not hedged by a derivative instrument or otherwise:

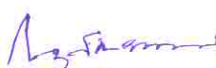
Particulars	As at
Short term Payables / Borrowings	94,054,371
Long term Payables / Borrowings	145,761,000


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


Mehul Desai
Partner
Membership No. 103211

Date: May 3, 2016
Mumbai

For and on behalf of the Board


Ram Gopal Sharma
Director
Din : 00026514


Braja Mishra
Whole time Director
Din : 00007089


Priya Rakhare
Company Secretary

Date: May 3, 2016
Mumbai

