

NOTICE

NOTICE is hereby given that the 3rd Annual General Meeting of Welspun Wasco Coatings Private Limited will be held on **Tuesday, August 14, 2018** at the Registered Office of the Company at Survey No. 569, Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370 110 at 4:00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statements for the financial year ended March 31, 2018 together with Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Giancarlo Maccagno (DIN – 00949967), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ramanathan P R Singaram (DIN – 07283913), 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 2018-19 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. Vipul Mathur** (holding DIN 0007990476), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on January 22, 2018 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. Mathur 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.

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."

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 the provisions of Sections 196, 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, consents, sanctions as may be required under the Act or otherwise and based on the recommendation of the Nomination and Remuneration Committee, approval of the members be and is hereby accorded for appointment of **Mr. Vipul Mathur** (holding DIN 0007990476) as the Whole-time Director of the Company for a period of 5 years from January 22, 2018 to January 21, 2023, subject to retirement by rotation under Section 152 of the Companies Act, 2013, without any remuneration as opted by Mr. Mathur 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."

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies remuneration of Rs. 70,000 (Rupees Seventy Thousand Only) per annum to M/s. Kiran J. Mehta & Co., Cost Accountants for conducting audit of cost accounting records maintained by the Company for the financial year commencing on April 1, 2018.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Balkrishan Goenka, a Director of the Company be and is hereby elected as Chairman of the Board of Directors for a term of two years effective from October 21, 2017.

RESOLVED FURTHER THAT the Directors and Company Secretary be and are hereby singly and severally authorized to do all such acts and deeds as may be required to be done to give effect to this resolution."

**By Order of the Board
For Welspun Wasco Coatings Private Limited**

**Sd/-
Dharmesh Pardiwala
Company Secretary
ACS - 32069**

Place: Mumbai
Date: April 25, 2018

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

Item No. 2- Brief Resume of Mr. Giancarlo Maccagno.

Mr. Maccagno 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 other 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. 2 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. 2.

Item No. 3 - Brief Resume of Mr. Ramanathan P R Singaram

Mr. Singaram is the Chief Financial Officer of Wasco Energy Group of Companies, the Oil & Gas Division of Wah Seong Corporation Berhad ('WSC') and has been with the Group since June 2006. Mr. Rama is a Fellow of Association of Chartered Certified Accountants, United Kingdom and a member of Malaysian Institute of Accountants. He has overall responsibility for the finance function within the WSC Group with a reporting line to the Wasco Group Chief Executive Officer. Mr. Rama joined WSC as Head of Group Internal Audit in June 2006 and took up the role of Group Financial

Controller, Oil & Gas Division in June 2008. In 2009, Mr. Rama also took up additional responsibility for the regulatory reporting of WSC. Mr. Rama assumed his current role in WSC in July 2013. Mr. Rama also sits on the Board of a number of subsidiaries, associate and jointly controlled companies within the WSC Group.

Detail of Directorship and Membership/ Chairpersonship in other 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. Singaram, 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. Vipul Mathur.

The Board of Directors of the Company at its meeting held on January 22, 2018 has appointed Mr. Vipul Mathur (DIN: 0007990476) as the Whole Time Director of the Company for a period of 5 years starting from January 22, 2018 and ending on January 21, 2023.

Mr. Mathur, aged 48 years has Bachelor Degree in Science and has done MBA in Marketing. He is a well-known figure in the global pipe industry. Network of his acquaintances and relationships run across all geographies due to his warm personal style and long years of marketing experience (~28 years) in this product category. Mr.Mathur has been associated with Welspun Group since 2001 and has contributed significantly towards the growth of the Group by providing his leadership in roles in India and Middle East. He attributes his career success to hard-work and perseverance. Prior to his elevation as MD and CEO of Welspun Corp Limited (the parent Company), Mr Mathur was officiating as the COO for the parent Company.

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

Sr. No.	Names of the Company
1	Welspun Corp Limited-Managing Director & CEO
	Bodies Corporate outside India
2	Welspun Middle East Pipes LLC-Director
3	Welspun Middle East Pipe Coating LLC-Director
4	Welspun Middle East DMCC-Director

He does not hold any equity shares in the Company.

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

Except Mr. Mathur, 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.

Item No. 7 - Ratification of appointment and remuneration of Cost Auditor

Members are hereby informed that pursuant to the recommendation of the Audit Committee, the Board of Directors appointed M/s. Kiran J. Mehta & Co., Cost Accountants as cost auditors of the Company for conduct of the Cost Audit of the Company in terms of the requirements under applicable laws for the financial year commencing from April 1, 2018, at a remuneration as mentioned in the resolution No. 7 of the Notice.

Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration proposed to be paid to the Cost Auditor is required to be ratified by the members.

Members' approval is sought by way of ordinary resolution proposed under Item no. 7 of the accompanying Notice.

None of the directors / key managerial personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 8- Ratification of re-appointment of Mr. Balkrishan Goenka as the Chairman of the Company

Members are hereby informed that as per Clause 8.2 of the Shareholders Agreement dated August 25, 2015 and Article 213(7)(ii) of the Company, Mr. Balkrishan Goenka was appointed as a Non-Executive Chairman of the Company at the board meeting held on October 21, 2015 for a period of two years. However, in the board meeting held on October 23, 2017, Mr. Goenka was again re-appointed for a further period of 2 years w.e.f. October 21, 2017. The members are requested to ratify the appointment of Mr. Goenka for a further period of two years commencing from October 21, 2017 and ending on October 20, 2019.

Mr. Goenka is a prime architect of the Welspun Group. For over 30 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.

Members' approval is sought by way of ordinary resolution proposed under Item no. 8 of the accompanying Notice.

Except the above appointee, none of the directors / key managerial personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

**By Order of the Board
For Welspun Wasco Coatings Private Limited**

Place: Mumbai
Date: April 25, 2018

**Sd/-
Dharmesh Pardiwala
Company Secretary
ACS - 32069**

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 3rd Annual General Meeting of the Company held on **Tuesday, August 14, 2018** at Survey No. 569, Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110 at 4:00 p.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.

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014

CIN : - U28920GJ2015PTC084632

Name of the Company: WELSPUN WASCO COATINGS PRIVATE LIMITED

Registered Office : Survey No. 569, Welspun City, Village Versamedi, Taluka Anjar,
Dist. Kutch, Gujarat, Pin - 370110, India. Board No.: +91 2836 662079, Fax No. + 91 2836
279060, Email : companysecretary_wwcpl@welspun.com

Name of the member (s) : _____

Registered Address : _____

E-mail Id: _____

Folio No / Client ID

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DP ID

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I/ We _____ being the member(s) of Equity Shares of the
above named company, hereby appoint :

1. Name : _____
Address : _____
E-mail Id : _____
Signature : _____; or failing him

2. Name : _____
Address : _____
E-mail Id : _____
Signature : _____; or failing him

3. Name : _____
Address : _____
E-mail Id : _____
Signature : _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **3rd Annual General Meeting** of the Company to be held on **Tuesday, August 14, 2018 at 4:00 p.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. Giancarlo Maccagno (DIN - 00949967) as a director of the Company, liable to retire by rotation.		
3	Re-appointment of Mr. Ramanathan P R Singaram (DIN - 07283913) as a director of the Company, liable to retire by rotation.		
4	Ratification of appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountant as Statutory Auditors and fixing their remuneration.		
5	Appointment of Mr. Vipul Mathur (DIN: 07990476) as a director.		
6	Appointment of Mr. Vipul Mathur (DIN: 07990476) as a Whole-Time Director.		
7	Ratification of appointment and remuneration of Cost Auditor.		
8	Ratification of re-appointment of Mr. Balkrishan Goenka as the Chairman of the Company.		

Signed this day of2018.

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 3rd Annual Report and audited financial statements for the financial year ended 31st March, 2018.

1. FINANCIAL RESULTS

Particulars	(Amount in Rs. Mn)	
	For the Financial Year ended	
	31.03.2018	31.03.2017
Income	1,331.24	18.08
Less: Total Expenses	1,432.12	100.82
Profit / (Loss) before tax	(100.88)	(82.74)
Less: Provision for tax - Current Tax		-
Profit / (Loss) After Tax	(100.88)	(82.74)
Profit / Loss For The Year Carried to Balance Sheet	(0.38)	(82.74)

2. PERFORMANCE

Performance highlights for the year under Report are as under:

Product	(in Cubic meter)	
	FY 2017-18	FY 2016-17
Coating of Pipes	4,611	Nil

3. RESERVES AND DIVIDEND

Your Directors do not recommend any dividend for the year ended March 31, 2018.

4. PUBLIC DEPOSITS

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

5. SHARE CAPITAL

The Company does not have any equity 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 at a remuneration as decided by the Board. Members are requested to consider their re-appointment as the Auditors of the Company and to fix their remuneration by passing an ordinary resolution under Section 139 of the Companies Act, 2013.

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

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. Lalitkumar Naik appointed as the Whole Time Director with effect from February 2, 2017 and resigned with effect from January 22, 2018.
- Mr. Vipul Mathur appointed as the Whole Time Director with effect from January 22, 2018.
- Mr. Dharmesh Pardiwala appointed as the Company Secretary of the Company with effect from April 25, 2018 in place of Mrs. Priya Pakhare who was the Company Secretary till April 06, 2018.

Pursuant to Section 160 of the Companies Act, 2013, the Company has received a notice from a member proposing Mr. Mathur 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. Giancarlo Maccagno and Mr. Ramanathan Singaram are retiring by rotation at the forthcoming Annual General Meeting and being eligible, they have been recommended for re-appointment by the Board.

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

B) Declaration by Independent Director(s).

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

C) Formal Annual Evaluation

The 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 2017-18, the annual performance evaluation was carried out by the Independent Directors, Nomination and Remuneration Committee and the Board, which included evaluation of the Board, Independent Directors, Non-independent Directors, Executive Directors, Chairman, Committees of the Board, Quantity, Quality and Timeliness of Information to the Board. All the results were satisfactory.

9. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Company's Board comprises of 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 2017-18	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	1/5	No	7	0	9	2M
2)	Mr. Giancarlo Maccagno	NE, NI	4/5	No	2	-	56	-
3)	Mr. K H Viswanathan	NE, I	5/5	Yes	6	-	-	3C, 5M

4)	Mr. Ramanathan P R Singaram	NE, NI	5/5	No	-	-	37	2M
5)	Mr. Ram Gopal Sharma	NE, I	4/5	No	7	1	-	4C, 5M
6)	Mr. Vipul Mathur [^]	E, NI	1/5	N.A.	1	-	3	-
7)	Mr. Lalitkumar Naik [#]	E, NI	4/5	No	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.

[^] Appointed as a member of the Board w.e.f. January 22, 2018

[#] Resigned from the Board w.e.f. January 22, 2018

5 meetings of the Board of Directors were held during the financial year 2017-18 on the following dates: April 28, 2017, June 14, 2017, July 31, 2017, October 23, 2017 and January 22, 2018.

In addition to the above, a meeting of the Independent Directors was held on March 26, 2018 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	3/4
Mr. K. H. Viswanathan	Member	4/4
Mr. Ramanathan P R Singaram	Member	4/4

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

4 meetings of the Audit Committee were held during the financial year 2017-18 on the following dates: April 28, 2017, July 31, 2017, October 23, 2017 and January 22, 2018.

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

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

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

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

c) NOMINATION AND REMUNERATION COMMITTEE

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

Name of the Member	Member/ Chairman	Number of Meetings Attended
Mr. Ram Gopal Sharma	Chairman	2/3
Mr. K. H. Viswanathan	Member	3/3
Mr. Ramanathan P R Singaram	Member	3/3

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

Three meetings of the Nomination and Remuneration Committee were held on April 28, 2017, June 14, 2017 and January 22, 2018.

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

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

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

Appointment of Directors:

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

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

- The remuneration to executive directors, Key Managerial Personnel and senior management personnel at the time of appointment shall be mutually agreed. The Committee shall consider top industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit..
- The Non-Executive directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the shareholders.
- The Non- Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. 100,000 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

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

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

11. PARTICULARS OF EMPLOYEES

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

Name	Designation	Date of Birth	Age (Years)	Date of Joining	Remuneration (drawn) Rs.	Qualification	Previous Company	Nature of Employment	% Of Equity Shares held in the Company	Relative of any Director/ Manager of the Company
Rizwan Talkhani	Vice President	19/10/1965	53	01/06/2017	6,420,279	B.Tech	Wasco Coatings Ltd.	Permanent	0%	No
Ashwin Chadamiya	Manager	19/12/1980	37	01/11/2017	487,305	B.Tech	Welspun Tubular LLC	Permanent	0%	No
Sandip Shishangiya	Manager	28/10/1982	35	01/11/2017	356,005	MBA	Welspun Tubular LLC	Permanent	0%	No
Kamlesh Singh	Engineer	01/08/1986	32	01/11/2017	177,325	B.Tech	Fresher	Permanent	0%	No
Tapan Raghuvanshi	Engineer	04/12/1992	25	01/11/2017	154,425	B.Tech	Fresher	Permanent	0%	No
Shubham Jain	Engineer	26/02/1992	26	01/11/2017	145,000	B.Tech	Fresher	Permanent	0%	No
Pankajkumar Prajapati	Foreman	26/06/1985	33	01/11/2017	145,000	ITI	Fresher	Permanent	0%	No
Nimmsinh Sodha	Operator	13/07/1986	32	01/11/2017	87,782	Non-Matric	Shiv Enterprises	Permanent	0%	No
Pravesh Kumar	Senior Fitter	22/08/1988	30	01/02/2018	43,858	ITI	Indian Steel Ltd.	Permanent	0%	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 2017-18.
- 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	2,20,000
2	Mr. Ram Gopal Sharma	1,65,000

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 2017-18.

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 had any pecuniary relationships or transactions vis-à-vis the Company.

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

14. EXTRACT OF THE ANNUAL RETURN

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

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

Conservation of energy:

Initiatives taken for conservation of energy, its impact are as under:

Description	Energy Saving Kwh/ p.a.	Saving in Cost (Rs. in million /p.a.)
Saving in No Load Power Loss during plant in idle days by switching Off main power for MHE-1, Batching Plant and Impeachment Panel.	24,501	0.153

(i)	The efforts made towards technology absorption	None
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	Not applicable
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a)	The details of technology imported	<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:	Yes
(d)	The expenditure incurred on Research and Development	Nil

Total foreign exchange used and earned:

Used : Rs. 35.91 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 25, 2018

Sd/-
Vipul Mathur
Whole Time Director
DIN - 0007990476

Sd/-
Ramgopal Sharma
Director
DIN - 00026514

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 Tradings Limited - Other related party	Transactional	Sale of concrete weight coated pipes	Omnibus approval		1,541.97
Welspun India Limited - Other related party		Sales of Stores & spares/ Bldg Material			0.08
Welspun Corp Limited - Joint Venturer					0.69
<u>Purchase of Fixed Assets :</u> Welspun Corp Limited - Joint Venturer	Transactional	Purchase of Laptop	Omnibus approval		0.04
<u>Purchase of Goods:</u> <u>Welspun Corp Limited - Joint Venturer</u>	Transactional	Purchase of Pipes	Omnibus approval		1,172.74
<u>Welspun Captive Power Generation Limited - Other related party</u>		Purchase of power			1.74
<u>Welspun Steel Limited - Other Related Party</u>		Purchase of Iron Ore			14.16
<u>Welspun Corp Limited - Joint Venturer</u>		Purchase of Machinery spares from Growthshop			2.21

<u>Turn Key pipeline Services - Other related party</u>		Purchase of Machinery spares			1.76
<u>Interest Paid:</u>	Annual				
<u>Welspun Corp Limited - Joint Venturer</u>		Interest on Term loan @ 10.75%	21.10.2015		35.51
<u>Wasco Coatings Limited - Joint Venturer</u>		Interest on Term loan @ 3.75%	21.10.2015		11.57
<u>Rent paid :</u>	Annual				
Welspun Corp Limited - Joint Venturer		Lease Rent	21.10.2015		7.79
Welspun Anjar Sez Limited - Other related party		Lease Rent	28.04.2017		2.72
<u>Loan taken during the year:</u>	Transactional				
<u>Welspun Corp Limited - Joint Venturer</u>		Term loan Received	21.10.2015		98.04
<u>Wasco Coatings Limited - Joint Venturer</u>		Term loan Received	21.10.2015		95.97

Sd/-
Vipul Mathur
Whole Time Director
DIN - 0007990476

Sd/-
Ramgopal Sharma
Director
DIN - 00026514

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	Lalitkumar Naik # (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.	Vipul Mathur @ (Nominee of Welspun Corp Limited)	-	-	-	-	-	-	-
Key Managerial Personnel								
8.	Gaurav Merchant - CFO	-	-	-	-	-	-	-
9.	Priya Pakhare-CS%	-	-	-	-	-	-	-
10.	Dharmesh Pardiwala&							

Resigned from the Board w.e.f. January 22, 2018

@ Appointed on the Board w.e.f. January 22, 2018

% Resigned w.e.f. April 6, 2018

& Appointed w.e.f. April 25, 2018.

V. INDEBTEDNESS

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

(Amt in Rs. million)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	208.41	489.53	-	697.94
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.58	-	-	0.58
Total (i + ii + iii)	208.99	489.53	-	698.52
change in indebtedness during the financial year.				
• Addition	-	195.01	-	195.01
• Reduction	33.32	-	-	33.32
Net change	33.32	195.01	-	228.33
Indebtedness at the end of the financial year				
i. Principal Amount	175.09	684.54	-	859.63
ii. Interest due but not paid	-	5.85	-	5.85
iii. Interest accrued but not due	0.76	-	-	-
Total (i+ii+iii)	175.85	690.39	-	866.24

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. Lalitkumar Naik)@	Whole time Director (Mr. Vipul Mathur)#
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 January 22, 2018

Whole time director with effect from January 22, 2018.

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	165,000	220,000	385,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	165,000	220,000	385,000
2.	Other Non-Executive Directors	Nil		
	• Fee for attending board committee meetings			
	• Commission			
	• Others, please specify			
	Total (2)	Nil		
	Total (B) = (1 + 2)			385,000
	Total Managerial Remuneration			385,000
	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, 2018, 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.



Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)
Mumbai - 400 028
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

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

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, 2018, and its total comprehensive loss (comprising of loss and other comprehensive income), its cash flows and the changes in equity for the year 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 (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 (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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

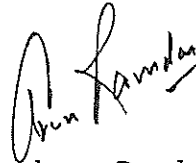
To the Members of Welspun Wasco Coatings Private Limited

Report on the Financial Statements

Page 3 of 3

- (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, 2018 which would impact its financial position - Refer note 37.
 - ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2018.
 - 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, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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



Arunkumar Ramdas
Partner
Membership No. 112433

Place: Mumbai
Date: April 25, 2018

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 year ended March 31, 2018

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

1. We have audited the internal financial controls with reference to financial statements of Welspun Wasco Coatings Private Limited (the "Company") as of March 31, 2018, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Price Waterhouse Chartered Accountants LLP

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 year ended March 31, 2018

Page 2 of 2

Meaning of Internal Financial Controls with reference to financial statements

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

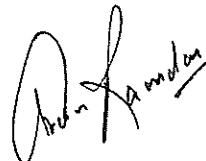
Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Arunkumar Ramdas
Partner
Membership No. 112433

Place: Mumbai
Date: April 25, 2018

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 year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. 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 generally regular in depositing undisputed statutory dues in respect of tax deducted at source, though there has been a slight delay in a few cases, and is regular in depositing other undisputed statutory dues, including provident fund, sales tax, service tax, duty of customs, value added tax, cess, goods and service tax with effect from July 01, 2017 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, sales tax, service tax, duty of customs, value added tax and goods and service 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.



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 year ended March 31, 2018

Page 2 of 2

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans has been applied, on an overall basis, for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions has been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to that extent, the provision of Clause 3(xiii) of the Order are not applicable to the Company.
- 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 them. 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 25, 2018

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

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3	646.41	603.98
Capital work-in-progress	3	0.66	1.75
Intangible assets	3	0.12	-
Financial assets			
Investments	4	39.35	37.55
Deferred tax assets (net)	5	-	-
Other non-current assets	6(a)	0.05	0.98
Total non-current assets		686.59	644.26
Current assets			
Inventories	7	38.85	10.08
Financial assets			
Cash and cash equivalents	8	19.00	7.14
Bank balances other than cash and cash equivalents	9	329.00	266.67
Current tax assets (net)	10	2.75	1.25
Other current assets	6(b)	10.73	25.82
Total current assets		400.33	310.96
Total assets		1,086.92	955.22
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	289.31	289.31
Other equity			
Reserves and surplus	12	(183.90)	(82.64)
Total equity		105.41	206.67
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	13(a)	684.54	489.53
Provisions	14(a)	0.54	0.01
Government grants	15	74.35	-
Total non-current liabilities		759.43	489.54
Current liabilities			
Financial liabilities			
Borrowings	13(b)	175.09	208.41
Trade payables	16	5.24	12.47
Other financial liabilities	17	33.02	36.54
Provisions	14(b)	0.14	-
Government grants	15	5.45	-
Other current liabilities	18	3.14	1.59
Total current liabilities		222.08	259.01
Total liabilities		981.51	748.55
Total equity and liabilities		1,086.92	955.22

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



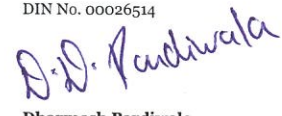
Vipul Mathur
Wholetime Director
DIN No. 07990476



Ram Gopal Sharma
Director
DIN No. 00026514



Gaurav Merchant
Chief Financial Officer



Dharmesh Pardiwala
Company Secretary
ACS - 32069

Place: Mumbai
Date: April 25, 2018




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

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	19	1,307.14	2.70
Other operating revenue	20	6.97	-
Other income	21	17.13	15.38
Total income		1,331.24	18.08
Expenses			
Cost of materials consumed	22	1,237.27	2.11
Changes in inventories of work-in-progress and finished goods	23	(1.89)	-
Employee benefit expenses	24	35.37	21.72
Depreciation and amortisation expense	25	50.93	7.84
Other expenses	26	56.37	36.88
Finance costs	27	54.07	32.27
Total expenses		1,432.12	100.82
Loss before tax		(100.88)	(82.74)
Income tax expense			
- Current tax	28	-	-
- Deferred tax	28	-	-
Total income tax expense		-	-
Loss for the year (A)		(100.88)	(82.74)
Other comprehensive loss (B)			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations, net of tax		(0.38)	-
Total comprehensive loss for the year (A+B)		(101.26)	(82.74)
Loss per equity share			
- Basic and diluted loss per share (Rs.)	35	(3.49)	(2.86)

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

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

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


Arunkumar Ramdas
 Partner
 Membership No. 112433

For and on behalf of the Board


Vipul Mathur
 Wholetime Director
 DIN No. 07990476


Ram Gopal Sharma
 Director
 DIN No. 00026514


Gaurav Merchant
 Chief Financial Officer


Dharmesh Pardiwala
 Company Secretary
 ACS - 32069

Place: Mumbai
 Date: April 25, 2018



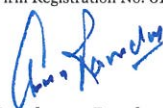
Welspun Wasco Coatings Private Limited
Statement of cash flows
(All amounts in Rupees million, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows used in operating activities		
Loss before tax	(100.88)	(82.74)
Adjustments for		
Depreciation expense	50.93	7.84
Interest expenses	50.98	28.37
Interest income	(15.33)	(13.67)
Net unrealised exchange differences	(4.22)	(37.71)
Fair valuation gain on investment	(1.80)	(1.71)
	<u>(20.32)</u>	<u>(99.62)</u>
Changes in operating assets and liabilities		
Decrease in other non-current assets	0.93	-
Increase in inventories	(28.77)	(7.55)
Decrease/(increase) in other current assets	15.09	(17.54)
Increase in provisions	0.29	0.01
(Decrease)/ increase in trade payables	(7.23)	10.67
(Decrease)/ increase in other financial liabilities	-	8.50
Increase in other current liabilities	1.55	0.80
Cash used in operations	<u>(38.46)</u>	<u>(104.73)</u>
Taxes paid (tax deducted at source)	1.50	1.77
Net cash used in operating activities (A)	<u>(39.96)</u>	<u>(106.50)</u>
Cash flows used in investing activities		
Payments for property, plant and equipment	(14.74)	(234.36)
(Investment in)/proceeds from maturity of fixed deposit (net)	(62.33)	30.80
Interest received	15.33	13.67
Net cash outflow used in investing activities (B)	<u>(61.74)</u>	<u>(189.89)</u>
Cash flow from financing activities		
Interest paid	(44.95)	(27.79)
Proceeds from non-current borrowings (net)	192.23	191.25
(Repayment)/ proceeds from current borrowings (net)	(33.72)	133.72
Net cash inflow from financing activities (C)	<u>113.56)</u>	<u>297.18)</u>
Net increase in cash and cash equivalents (A+B+C)	11.86	0.79
Cash and cash equivalents at the beginning of the year	7.14	6.35
Cash and cash equivalents at the end of the year	<u>19.00)</u>	<u>7.14)</u>

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

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

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


Arunkumar Ramdas
Partner
Membership No. 112433

Place: Mumbai
Date: April 25, 2018

For and on behalf of the Board


Vipul Mathur
Wholetime Director
DIN No. 07990476


Ram Gopal Sharma
Director
DIN No. 00026514


Gaurav Merchant
Chief Financial Officer


Dharmesh Pardiwala
Company Secretary
ACS - 32069



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 April 01, 2016		289.31
Changes in equity share capital during the year	11	-
Balance as at March 31, 2017		289.31
Changes in equity share capital during the year	11	-
Balance as at March 31, 2018		289.31


B. Other equity

	Reserves and surplus	Total other equity
	Retained Earnings	
Balance as at April 01, 2016	0.10	0.10
Loss for the year	(82.74)	(82.74)
Total comprehensive loss for the year	(82.74)	(82.74)
Balance as at March 31, 2017	(82.64)	(82.64)
Loss for the year	(100.88)	(100.88)
Other comprehensive loss	(0.38)	(0.38)
Total comprehensive loss for the year	(101.26)	(101.26)
Balance as at March 31, 2018	(183.90)	(183.90)


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


Vipul Mathur
 Wholetime Director
 DIN No. 07990476


Ram Gopal Sharma
 Director
 DIN No. 00026514


Gaurav Merchant
 Chief Financial Officer


Dharmesh Pardiwala
 Company Secretary
 ACS - 32069

Place: Mumbai
 Date: April 25, 2018



Welspun Wasco Coatings Private Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018
and the statement of profit and loss for the year ended March 31, 2018

Background

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

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

These financial statements are presented in rupees and are authorised for issue by the directors on April 25, 2018.

Note 1: Significant accounting policies

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

(a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

(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.

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

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

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added tax, good and service tax (GST) and amounts collected on behalf of third parties.

The Company recognizes 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.
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.



Welspun Wasco Coatings Private Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018
and the statement of profit and loss for the year ended March 31, 2018

(e) Income tax

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

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

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

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

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

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

(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 raw material and stores and spares is determined on weighted average basis. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

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

(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.

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.



Welspun Wasco Coatings Private Limited
Notes annexed to and forming part of the balance sheet as at March 31, 2018
and the statement of profit and loss for the year ended March 31, 2018

(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.

(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.

(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.

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.



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(l) Property, plant and equipment

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

(m) 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.

(n) 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.

(o) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete prepare the asset for its intended use or sale. Qualifying assets are assets that are necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

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(p) 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.

(q) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Gratuity obligations

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

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

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

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

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

Defined contribution plans

Provident fund and employee pension scheme

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

(r) Government Grants

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

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to income are government grants other than those related to assets.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented either under "other operating revenue" or are deducted in reporting the related expense.

Government grants relating to the purchase of property, plant and equipment are included in liabilities as "Government grants" and are credited to profit or loss over the periods and in proportion in which depreciation expense on those assets is recognised.

(s) Contributed Equity

Equity shares are classified as equity.

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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 (note 36).

(ii) Diluted earnings per share

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

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

(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.

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

Useful life:

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

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

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

Impairment:

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

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA, calculated as adjusted operating profit before depreciation and amortisation;
- long-term growth rates and
- the selection of discount rates to reflect the risks involved.

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

Recognition of deferred assets

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



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Note 3: Property, plant and equipment (PPE)

	Buildings	Plant and machinery	Office and other equipments	Computer equipments	Furniture and fixtures	Total	Intangible assets (software)	Capital work-in-progress (CWIP)
Year ended March 31, 2017								
Gross carrying amount								
Opening gross carrying amount as at April 01, 2016	0.96	9.73	0.74	0.02	0.58	12.03	-	493.05
Additions	-	-	-	-	-	-	-	118.27
Transfer from CWIP to PPE	116.36	484.32	1.82	1.78	3.82	608.10	-	(608.10)
Exchange differences (Refer note (i) below)	-	(8.13)	-	-	-	(8.13)	-	-
Disposals	-	-	-	-	-	-	-	(1.47)
Closing gross carrying amount as at March 31, 2017	117.32	485.92	2.56	1.80	4.40	612.00	-	1.75
Accumulated depreciation and amortisation								
Opening accumulated depreciation and amortisation as at April 01, 2016	0.08	0.07	0.02	-	0.01	0.18	-	-
Depreciation and amortisation charge during the year	1.56	5.87	0.20	0.08	0.13	7.84	-	-
Disposals	-	-	-	-	-	-	-	-
Closing accumulated depreciation and amortisation as at March 31, 2017	1.64	5.94	0.22	0.08	0.14	8.02	-	-
Net carrying amount as at March 31, 2017	115.68	479.98	2.34	1.72	4.26	603.98	-	1.75
Year ended March 31, 2018								
Gross carrying amount								
Opening gross carrying amount as at April 01, 2017	117.32	485.92	2.56	1.80	4.40	612.00	-	1.75
Additions	-	86.01	0.01	0.04	-	86.06	-	6.00
Transfer from CWIP to PPE	3.71	1.51	0.42	0.89	0.30	6.83	0.12	(6.95)
Exchange differences (Refer note (i) below)	-	0.72	-	-	-	0.72	-	-
Disposals	-	-	-	-	(0.25)	(0.25)	-	(0.14)
Closing gross carrying amount as at March 31, 2018	121.03	574.16	2.99	2.73	4.45	705.36	0.12	0.66
Accumulated depreciation and amortisation								
Opening accumulated depreciation and amortisation as at April 01, 2017	1.64	5.94	0.22	0.08	0.14	8.02	-	-
Depreciation and amortisation charge during the year	9.92	39.13	0.54	0.76	0.58	50.93	-	-
Disposals	-	-	-	-	-	-	-	-
Closing accumulated depreciation and amortisation as at March 31, 2018	11.56	45.07	0.76	0.84	0.72	58.95	-	-
Net carrying amount as at March 31, 2018	109.47	529.09	2.23	1.89	3.73	646.41	0.12	0.66

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

Capital work-in-progress
As at March 31, 2017
As at March 31, 2018

1.75
0.66

Notes:

(i) Contractual obligations

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

(ii) Exchange differences

In accordance with para D13AA of Ind AS 101 First time adoption of Indian Accounting Standards and the option available in the Companies (Accounting Standards) (Second Amendment) Rules, 2011, vide notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, the Company has adjusted the exchange rate difference arising on long term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, to the cost of the asset. Accordingly, the Company has adjusted exchange loss of Rs. 0.72 (March 31, 2017: gain of Rs. 8.13) to the cost of property, plant and equipment as the long term monetary items relate to depreciable capital asset.



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

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
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, 2017: 664,804) equity shares of Rs. 10 each	17.20	15.40
Total investment in equity instruments	<u><u>17.20</u></u>	<u><u>15.40</u></u>
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, 2017: 2,215,498) 10% non-cumulative redeemable preference shares of Rs. 10 each	22.15	22.15
Total investment in preference shares	<u><u>22.15</u></u>	<u><u>22.15</u></u>
Total non-current investments	39.35	37.55
Aggregate amount of unquoted investments	39.35	37.55

Note 5: Deferred tax assets (net)

The balance comprises temporary differences attributable to:

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
Deferred tax assets		
- Tax losses (business loss)	37.58	28.61
- Employee benefit obligations	0.23	-
- Others	0.66	-
	<u><u>38.47</u></u>	<u><u>28.61</u></u>
Set-off of deferred tax liabilities pursuant to set-off provisions		
Deferred tax liabilities		
- Property, plant and equipment	38.12	28.44
- Financial assets at fair value through profit or loss	0.35	0.17
	<u><u>38.47</u></u>	<u><u>28.61</u></u>
Deferred tax assets (net)	<u><u>-</u></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)	Employee benefit obligations	Others	Total deferred tax asset	Property, plant and equipment	Financial assets at fair value through profit or loss	Total deferred tax liabilities	
As at April 01, 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)	-
Charged/(Credited) to profit and loss	8.97	0.23	0.66	9.86	(9.68)	(0.18)	(9.86)	-
As at March 31, 2018	37.58	0.23	0.66	38.47	(38.12)	(0.35)	(38.47)	-



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Note 6: Other assets

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
(a) Non-current		
Capital advances	-	0.93
Balance with statutory authorities	0.05	0.05
Total other non-current assets	<u>0.05</u>	<u>0.98</u>
(b) Current		
Balance with statutory authorities	9.89	23.79
Prepaid expenses	0.63	0.71
Advance to employees	0.04	1.17
Advance to suppliers	0.17	0.15
Total other current assets	<u>10.73</u>	<u>25.82</u>

Note 7: Inventories

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
Raw materials (refer note below)	29.07	8.07
Stores and spares	7.89	2.01
Finished Goods	1.89	-
Total inventories	<u>38.85</u>	<u>10.08</u>

Note: Details of inventories in transit included above

Raw materials	-	1.62
Total inventories in transit	<u>-</u>	<u>1.62</u>

Note 8: Cash and cash equivalents

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
Balances with banks		
- in current accounts	17.83	6.00
Deposits with maturity of less than three months (including interest accrued)	1.14	1.11
Cash on hand	0.03	0.03
Total cash and cash equivalents	<u>19.00</u>	<u>7.14</u>

Note 9: Bank balances other than cash and cash equivalents

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
Deposits with maturity of more than three months but less than twelve months (including interest accrued) (refer note below)	329.00	266.67
Total of bank balances other than cash and cash equivalents	<u>329.00</u>	<u>266.67</u>

Note: Fixed deposits of Rs. 209.70 (March 31, 2017: Rs. 246.35) are earmarked towards working capital facilities.

Note 10: Current tax assets/ (liabilities) (net)

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
Opening balance	1.25	(0.52)
	1.50	1.77
Total of current tax assets (net)	<u>2.75</u>	<u>1.25</u>



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Note 11: Equity share capital

Authorised equity share capital

	Par value (in Rs.)	Number of shares	Amount
As at April 01, 2016	10.00	30,000,000	300.00
Increase during the year	-	-	-
As at March 31, 2017	10.00	30,000,000	300.00
Increase during the year	-	-	-
As at March 31, 2018	10.00	30,000,000	300.00

(i) Movements in issued equity share capital

	Number of shares	Amount
As at April 01, 2016	28,931,400	289.31
Increase during the year	-	-
As at March 31, 2017	28,931,400	289.31
Increase during the year	-	-
As at March 31, 2018	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

	As at March 31, 2018	As at March 31, 2017
Equity shares:		
Welspun Corp Limited	14,755,014	14,755,014
Wasco Coatings Limited	14,176,386	14,176,386

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

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% holding	Number of shares	% holding
Equity shares:				
Welspun Corp Limited	14,755,014	51.00%	14,755,014	51.00%
Wasco Coatings Limited	14,176,386	49.00%	14,176,386	49.00%

Note 12: Reserves and surplus

	As at March 31, 2018	As at March 31, 2017
Retained earnings (refer note below)	(183.90)	(82.64)
Total reserves and surplus	(183.90)	(82.64)

Retained earnings

	As at March 31, 2018	As at March 31, 2017
Opening balance	(82.64)	0.10
Loss for the year	(100.88)	(82.74)
Other comprehensive loss	(0.38)	-
Closing balance	(183.90)	(82.64)



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Note 13: Borrowings	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
(a) Non-current		
Unsecured		
Term loan		
Loan from joint venturers (refer note (a) below and note 33)	684.54	489.53
Total non-current borrowings	<u>684.54</u>	<u>489.53</u>
(b) Current		
Loans repayable on demand		
Secured		
From banks		
Buyer's credit (Refer note (b) below)	175.09	208.41
Total current borrowings	<u>175.09</u>	<u>208.41</u>

Note (a): Loan from joint venturers

i) Loan from Welspun Corp Limited amounting to Rs. 354.11 (March 31, 2017: Rs 256.07). The loan carries interest rates of 10.75% which shall be payable biannually on September 30 and March 31 every year. The loan is repayable in 3 equal annual installments commencing from September 2020 (i.e. after the expiry of 3 years from the end of quarter of the last utilisation date).

ii) Loan of USD 5.07 million (March 31, 2017: USD 3.60 million) equivalent to Rs. 330.43 (March 31, 2017: Rs. 233.46) from Wasco Coatings Limited. The loan carries interest rates of 3.75% which shall be payable biannually on September 30 and March 31 every year. The loan is repayable in 3 equal annual installments commencing from July 2020 (i.e. after the expiry of 36 months from the last utilisation date).

Note (b): Buyer's credit

Buyer's credit outstanding as at March 31, 2018 - Rs. 175.09 (March 31, 2017: Rs. 208.41) is secured against margin money deposits held with the bank.

Note (c): Net debt reconciliation

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
Cash and cash equivalents	19.00	7.14
Non-current borrowings	(684.54)	(489.53)
Current borrowings	(175.09)	(208.41)
	<u>(840.63)</u>	<u>(690.80)</u>

	Cash and cash equivalents [A]	Non-current borrowings* [B]	Current borrowings [C]	Total [D] = [A] - [B] - [C]
Net debts as at April 01, 2016	6.35	(302.72)	(94.06)	(390.43)
Cash flow	0.79	(191.25)	(133.72)	(324.18)
Foreign exchange adjustments (net)	-	4.44	19.95	24.39
Interest expenses	-	(26.80)	(1.57)	(28.37)
Interest paid	-	26.80	0.99	27.79
Net debts as at March 31, 2017	7.14	(489.53)	(208.41)	(690.80)
Interest accrued as at March 31, 2017	-	-	(0.58)	(0.58)
Cash flow	11.86	(192.23)	33.72	(146.65)
Foreign exchange adjustments (net)	-	(2.78)	(0.40)	(3.18)
Interest expenses	-	(47.08)	(3.90)	(50.98)
Interest paid	-	41.23	3.72	44.95
Net debts as at March 31, 2018	19.00	(684.54)	(175.09)	(840.63)
Interest accrued as at March 31, 2018	-	(5.85)	(0.76)	(6.61)

* Includes current maturities of long-term borrowings

Note 14: Provisions

(a) Non-current	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>
Gratuity (Refer note (ii) to (vi) below)	0.54	0.01
Total provisions	<u>0.54</u>	<u>0.01</u>
(b) Current		
Leave obligations (Refer note (i) below)	0.14	-
Total provisions	<u>0.14</u>	<u>-</u>

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



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Notes:

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

(ii) Post-employment obligations - Gratuity

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

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

(iii) Balance sheet amounts - Gratuity

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

	March 31, 2018	March 31, 2017
Present value of obligation		
Opening balance	0.01	-
Current service cost	0.15	0.01
Interest cost	-	-
Total amount recognised in profit or loss	0.16	0.01
Total amount recognised in other comprehensive income	0.38	-
Closing balance	0.54	0.01
Non current	0.54	0.01

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

	As at March 31, 2018	As at March 31, 2017
Unfunded plans	0.54	0.01
Deficit of gratuity plan	0.54	0.01

(iv) Significant actuarial assumptions are as follows:

	March 31, 2018	March 31, 2017
Discount rate	7.81%	7.55%
Salary growth rate	6.00%	6.00%

(v) Sensitivity analysis

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

Assumptions	Impact on defined benefit obligation							
	Change in assumption		Increase in assumption				Decrease in assumption	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017*	March 31, 2018	March 31, 2017*		
Discount rate	0.50%	0.50%	Decrease by	(0.03)	-	Increase by	0.02	-
Salary growth rate	0.50%	0.50%	Increase by	0.02	-	Decrease by	(0.01)	-

(vi) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 5 years (2017 - 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*	-	-	-	-
March 31, 2018	0.02	0.02	0.10	0.14

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

Note 15: Government grants

	As at March 31, 2018	As at March 31, 2017
Opening balance	-	-
Grants during the year (refer note below)	86.01	-
Less: Recognised in the statement of profit and loss (refer note 20)	6.21	-
	79.80	-
Non Current	74.35	-
Current	5.45	-

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



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Note 16: Trade payables (refer note 36)

	As at March 31, 2018	As at March 31, 2017
Trade payables to related parties (refer note 33)	0.99	7.64
Trade payables to others	4.25	4.83
Total trade payables	<u>5.24</u>	<u>12.47</u>

Note 17: Other financial liabilities

	As at March 31, 2018	As at March 31, 2017
Current		
Interest accrued but not due on borrowings (refer note 33)	6.61	0.58
Capital creditors	26.03	27.46
Derivatives not designated as hedge		
Foreign exchange forward contracts	0.38	8.50
Total other current financial liabilities	<u>33.02</u>	<u>36.54</u>

Note 18: Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Statutory dues including provident fund and tax deducted at source	3.07	1.59
Employee dues payable	0.07	-
Total other current liabilities	<u>3.14</u>	<u>1.59</u>



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Note 19: Revenue from operations

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2017</u>
Sale of products		
- Finished goods	1,307.14	2.70
Total revenue from operations	<u><u>1,307.14</u></u>	<u><u>2.70</u></u>

Note 20: Other operating revenue

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2017</u>
Scrap sales	0.76	-
Government grants	6.21	-
Total other operating revenue	<u><u>6.97</u></u>	<u><u>-</u></u>

Note 21: Other income

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2017</u>
Interest income from fixed deposits	15.33	13.67
Fair valuation gain on investment	1.80	1.71
Total other income	<u><u>17.13</u></u>	<u><u>15.38</u></u>

Note 22: Cost of materials consumed

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2017</u>
Raw materials at the beginning of the year	8.07	2.53
Add: Purchases	1,258.27	7.65
	1,266.34	10.18
Less : Raw material at the end of the year	29.07	8.07
Total cost of materials consumed	<u><u>1,237.27</u></u>	<u><u>2.11</u></u>

Note 23: Changes in inventories of work-in-progress and finished goods

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2017</u>
Opening Balance		
Work-in-progress	-	-
Finished goods	-	-
	-	-
Closing Balance		
Work-in-progress	-	-
Finished goods	1.89	-
	1.89	-
Total Changes in inventories of finished goods and work-in-progress	(1.89)	-



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Note 24: Employee benefit expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	35.07	21.69
Contribution to provident and other funds (Refer note below)	0.08	0.02
Gratuity (refer note 14)	0.15	0.01
Staff welfare expenses	0.07	-
Total employee benefit expense	35.37	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.

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

	Year ended March 31, 2018	Year ended March 31, 2017
Employers' Contribution to Provident Fund and Employee's Pension Scheme	0.08	0.02
Total expense recognised in the Statement of Profit and Loss	0.08	0.02



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Note 25: Depreciation and amortisation expense

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2017</u>
Depreciation of property, plant and equipment	50.93	7.84
Amortisation of intangible assets	-	-
	*	
Total depreciation and amortisation expense	<u>50.93</u>	<u>7.84</u>

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

Note 26: Other expenses

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2017</u>
Consumption of stores and spares	9.01	2.64
Labour charges	2.34	1.32
Coating and other job charges	0.96	0.40
Water and electricity charges	3.13	0.69
Freight, material handling and transportation	2.77	0.15
Rental charges (Refer note 34(b))	8.99	11.44
Rates and taxes	0.26	1.46
Repairs and maintenance		
- Plant and machinery	0.35	0.01
- Buildings	0.75	0.44
- Others	2.46	6.03
Travel and conveyance	2.58	4.38
Telephone and communication charges	0.02	0.02
Legal and professional fees	3.65	1.69
Foreign exchange difference (net)	12.19	0.91
Insurance	0.68	0.86
Directors' sitting fees (refer note 33)	0.39	0.36
Printing and stationery	0.06	0.11
Security charges	1.39	1.01
Membership and subscription	0.04	0.04
Vehicle expenses	0.40	0.34
Payments to auditors (refer note below)	2.47	1.87
Miscellaneous expenses	1.48	0.71
Total other expenses	<u>56.37</u>	<u>36.88</u>

Note:

Details of payments to auditors

As auditor:

Audit fee	1.35	1.25
Tax Audit	0.15	-

In other capacities:

Group reporting fees	0.60	0.60
Certification fees	0.33	-
Re-imbursement of expenses	0.04	0.02
Total	<u>2.47</u>	<u>1.87</u>



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Note 27: Finance costs

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2017</u>
Interest on:		
Term loans (refer note 33)	47.08	26.80
Current borrowings	3.90	1.57
Other finance charges	3.09	3.90
Total finance costs	<u>54.07</u>	<u>32.27</u>

Note 28: Income tax expense

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2017</u>
(a) Income tax expense		
Current tax	-	-
Deferred tax (refer note 5)	-	-
Total income tax expense	<u>-</u>	<u>-</u>

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

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2017</u>
Loss before tax	(100.88)	(82.74)
Tax at the Indian tax rate of 34.608%	<u>(34.91)</u>	<u>(28.61)</u>
<u>Tax effects of amounts which are not deductible (taxable) in calculating taxable income:</u>		
Tax losses for which no deferred tax was recognised	34.91	28.61
	<u>-</u>	<u>-</u>

(c) Tax losses

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2017</u>
Tax effects of unused tax losses for which no deferred tax has been recognised		
Unabsorbed depreciation (to be utilised for a indefinite period)	20.34	2.71
Unabsorbed business loss (to be utilised till AY 2025-2026)	12.77	50.35
Unabsorbed business loss (to be utilised till AY 2026-2027)	29.09	-
	<u>62.20</u>	<u>53.06</u>



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Note 29: Fair value measurements

Financial instruments by category

	March 31, 2018		March 31, 2017	
	FVPL	Amortised Cost	FVPL	Amortised Cost
Financial assets				
Investments				
- Equity instruments	17.20	-	15.40	-
- Preference shares	22.15	-	22.15	-
Cash and cash equivalents	-	19.00	-	7.14
Bank balances other than cash and cash equivalents	-	329.00	-	266.67
Total financial assets	39.35	348.00	37.55	273.81
Financial liabilities				
Borrowings (including interest)	-	866.24	-	698.52
Trade payables	-	5.24	-	12.47
Derivative financial liabilities	0.38	-	8.50	-
Capital creditors	-	26.03	-	27.46
Total financial liabilities	0.38	897.51	8.50	738.45

(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, 2018

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

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

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

Financial assets & 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
Financial liabilities				
Derivatives not designated as hedges				
Foreign exchange forward contracts	-	8.50	-	8.50
Total financial liabilities	-	8.50	-	8.50

Financial Assets & 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
Total financial liabilities	-	-	698.52	698.52

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

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

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Company has classified equity securities and unlisted preference shares which are valued using discounted cash flow analysis.



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

(ii) Valuation techniques used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the fair value of forward foreign exchange contracts is determined using forward exchange rates prevailing with Authorised Dealers dealing in foreign exchange.
- the fair value of unlisted equity instruments and unlisted preference shares are determined using discounted cash flow analysis.

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

The following table presents the changes in level 3 items for the years ended March 31, 2018 and March 31, 2017:

	Unlisted equity securities	Unlisted preference share	Total
As at April 01, 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
Gain recognised in profit or loss	1.80	-	1.80
As at March 31, 2018	17.20	22.15	39.35
Unrealised gain recognised in profit or loss related to assets held at the end of the reporting period			
March 31, 2018	1.80	-	1.80
March 31, 2017	1.71	-	1.71

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant unobservable inputs*	Probability weighted average		Sensitivity
	March 31, 2018	March 31, 2017		March 31, 2018	March 31, 2017	
Unquoted equity shares	17.20	15.40	Risk adjusted discount rate	10.62%	10.54%	The estimated fair value would increase/(decrease if - Discount rate were lower/(higher)
Unquoted preference shares	22.15	22.15	Risk adjusted discount rate	10.00%	10.00%	The estimated fair value would increase/(decrease if - Discount rate were lower/(higher)

(v) Valuation processes

The 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.

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

	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Borrowing (including interest)	866.24	866.24	698.52	698.52
Total financial liabilities	866.24	866.24	698.52	698.52

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

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



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Note 30: Financial risk management

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

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

(A) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. The Company has no trade receivables as at March 31, 2018 and March 31, 2017.

(B) Liquidity risk

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

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

(i) Financing arrangements

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

	March 31, 2018	March 31, 2017
Fixed rate		
Expiring within one year (shareholders' loan)	-	195.32
Floating rate		
Expiring within one year	-	191.59
Total	-	386.91

(ii) Maturities of financial liabilities:

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- (a) all non-derivative financial liabilities
- (b) net settled derivative financial instruments (not designated as hedge) for which the contractual maturities are essential for an understanding of the timing of cash flows.

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

As at March 31, 2018

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

As at March 31, 2017

Contractual maturities of financial liabilities	< 1 Year	1- 3 years	3- 5 years	> 5 years	Total	Carrying value
Non-derivatives						
Borrowings (including interest)	247.35	250.25	343.02	-	840.62	698.52
Trade payables	12.47	-	-	-	12.47	12.47
Other financial liabilities	27.46	-	-	-	27.46	27.46
Total non-derivative liabilities	287.28	250.25	343.02	-	880.55	738.45
Derivatives						
Forward contracts	8.50	-	-	-	8.50	8.50
Total derivative liabilities	8.50	-	-	-	8.50	8.50

(c) Market risk

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

(i) Foreign currency risk

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



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

(a) Foreign currency risk exposure

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

	As at March 31, 2018			As at March 31, 2017	
	USD	EUR	Others	USD	EUR
Financial liabilities					
Non-current borrowings	330.43	-	-	233.46	-
Other financial liabilities	-	24.00	-	-	20.58
Current borrowings	175.09	-	-	208.41	-
Trade payables	0.23	-	0.76	3.15	-
Derivatives not designated as hedges					
Forward contracts	(119.55)	-	-	(222.11)	-
Net exposure to foreign currency risk (liabilities)	386.20	24.00	0.76	222.91	20.58
Total Net exposure to foreign currency risk	(386.20)	(24.00)	(0.76)	(222.91)	(20.58)

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

	Amount in Rupees		Equivalent amount in USD (in millions)	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Liabilities				
Non-current borrowings	330.43	233.46	5.07	3.60
Other financial liabilities	24.00	20.58	0.37	0.32
Current borrowings	175.09	208.41	2.69	3.21
Trade payables	0.99	3.15	0.02	0.05
	530.51	465.60	8.15	7.18
Less: Forward Contract (USD-INR)	(119.55)	(222.11)	(1.83)	(3.42)
Net unhedge foreign currency exposure	410.96	243.49	6.32	3.76

(c) Sensitivity

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

	Impact on profit before tax	
	As at March 31, 2018	As at March 31, 2017
USD sensitivity		
INR/USD - Increase by 1% (March 31, 2017 - 1%)*	(3.86)	(0.01)
INR/USD - Decrease by 1% (March 31, 2017 - 1%)*	3.86	0.01
EUR sensitivity		
INR/EUR - Increase by 1% (March 31, 2017 - 1%)*	(0.24)	(2.23)
INR/EUR - Decrease by 1% (March 31, 2017 - 1%)*	0.24	2.23

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

(ii) Interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates arising principally on changes in LIBOR rates, which expose the Company to cash flow interest rate risk. During March 31, 2018 and March 31, 2017, the Company's borrowings at fixed and variable rates were mainly denominated in USD.

(a) Interest rate risk exposure

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

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed rate borrowings (share holder's loan)	684.54	489.53
Floating rate borrowings (Buyer's credit)	175.09	208.41

b) Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/ decrease in the fair value of the cash flow hedges related to borrowings.

	Impact on profit before tax	
	As at March 31, 2018	As at March 31, 2017
Interest rate increase by 10 basis points (March 31, 2017 - 10 basis points)*	0.18	0.21
Interest rate decrease by 10 basis points (March 31, 2017 - 10 basis points)*	(0.18)	(0.21)

* Holding all other variables constant



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Note 31: Capital management

(a) Risk management

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

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and
- 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, 2018	March 31, 2017
Net debt (total borrowings net of cash and cash equivalents and other bank balances)	511.63	424.13
Total equity	105.41	206.67
Net debt to equity ratio	4.85	2.05

(i) Loan covenants

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

(b) Dividends

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

Note 32: Segment information

(i) Description of segments and principal activities

The Company's chief operating decision maker is 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 customers is as follows:

For the year ended	Number of customers	Amount	% to revenue from operations
March 31, 2018	1	1,307.14	100%
March 31, 2017	1	2.70	100%

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

Revenue from external customers

	Year ended March 31, 2018	Year ended March 31, 2017
India	1,307.14	2.70

(v) The total of the non-current assets other than financial instruments and deferred tax assets (net) are located only in India as at March 31, 2018 and March 31, 2017.



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Note 33: Related party transactions

(a) Joint venturers

The Company is jointly controlled by the following entities:

Name	Type	Ownership interest	
		March 31, 2018	March 31, 2017
Welspun Corp Limited	Joint venturer	51%	51%
Wasco Coatings Limited	Joint venturer	49%	49%

(b) Key management personnel

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

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

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

(d) Transactions with related parties

The following transactions occurred with related parties:

	Type of relationship	Year ended March 31, 2018	Year ended March 31, 2017
Transactions with Welspun Corp Limited (WCL)	Joint venturer		
Sale of goods		-	3.04
Sale of Scrap		0.69	-
Sale of fixed assets		0.27	-
Sale of assets from CWIP		0.14	0.46
Purchase of fixed assets		0.04	11.87
Purchase of Pipes		1,172.74	-
Purchase of Plates		0.04	-
Purchase of Machinery Stores/ spares, other consumables		2.29	-
Jobwork Services incl pipe coating		0.91	-
Corporate Guarantee Commission paid		1.89	-
Interest paid on loan		35.51	20.26
Rent paid		7.79	8.77
Reimbursement of expenses to WCL		38.34	33.04
Loan taken during the year		98.04	99.11
Transactions with Wasco Coatings Limited	Joint Venturer		
Interest paid on loan		11.57	6.54
Reimbursement of expenses to Wasco Coatings Limited		-	1.02
Loan taken during the year		96.97	95.23
Transactions with Welspun Steel Limited	Entity under common control of joint venturer		
Sale of assets from CWIP		-	0.14
Purchase of goods		14.16	0.94



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

	Type of relationship	Year ended March 31, 2018	Year ended March 31, 2017
Transactions with Welspun Captive Power Generation Limited	Entity under common control of joint venturer		
Sale of assets from CWIP		-	0.67
Purchase of goods		1.74	0.16
Transactions with Welspun Tradings Limited	Entity under common control of joint venturer		
Sale of Pipes		1,541.97	-
Transactions with Welspun India Limited	Entity under common control of joint venturer		
Sale of assets from CWIP		-	0.15
Sale of Scrap		0.08	-
Transactions with Wasco Coatings Malaysia SDN BHD	Entity under common control of joint venturer		
Purchase of goods		-	2.42
Reimbursement of expenses to Wasco Coatings Malaysia SDN BHD		0.75	-
Transactions with Welspun Anjar SEZ Limited	Entity under common control of joint venturer		
Rent paid		2.72	4.22
Transactions with Welspun Foundation for Health & Knowledge	Entity under common control of joint venturer		
Sale of assets from CWIP		-	0.05
Transactions with Turn Key Pipeline Services B. V.	Entity under common control of joint venturer		
Purchase of goods		1.76	-
Transactions with Welspun Global Brands limited	Entity under common control of joint venturer		
Purchase of goods		0.04	-
Sitting fees paid	Key Managerial Personnel		
Mr. K H Vishwanathan		0.22	0.18
Mr. Ram Gopal Sharma		0.17	0.18

Note : Amount is inclusive of applicable taxes

(e) Disclosure of significant closing balances:

	Type of relationship	As at March 31, 2018	As at March 31, 2017
1) Trade payables			
Welspun Corp Limited	Joint venturer	-	4.48
Wasco Coatings Malaysia SDN BHD	Entity under common control of joint venturer	0.76	1.95
Wasco Coatings Limited	Joint venturer	0.23	1.21
Total trade payables		0.99	7.64
2) Non-current investments			
Welspun Captive Power Generation Limited (Equity shares)	Entity under common control of joint venturer	17.20	15.40
Welspun Captive Power Generation Limited (Preference shares)	Entity under common control of joint venturer	22.15	22.15
Total non-current investments		39.35	37.55
2) Borrowings			
Welspun Corp Limited	Joint venturer	354.11	256.07
Wasco Coatings Limited#	Joint venturer	336.28	233.46
Total borrowings		690.39	489.53

Amount includes interest accrued outstanding as at March 31, 2018 of Rs. 5.85 (March 31, 2017: Nil).

(f) Terms and conditions

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

Note 34: Commitments

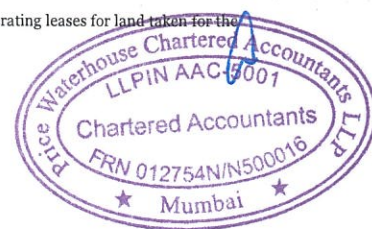
(a) Capital commitments

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

	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment	-	12.35

(b) Operating leases

Rental charges included in the statement of profit and loss for the year Rs. 8.99 (March 31, 2017: Rs. 11.44) primarily includes operating leases for land taken for the period of ten years, which are cancellable in nature.



Welspun Wasco Coatings Private Limited
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Note 35: Loss per share

	Year ended March 31, 2018	Year ended March 31, 2017
Loss attributable to the equity holders of the Company	(100.88)	(82.74)
Weighted average number of equity shares	28,931,400	28,931,400
Basic and diluted loss per share (Rs.)	(3.49)	(2.86)
Nominal value of an equity share	10.00	10.00

Note 36: Micro, Small and Medium Enterprises Development Act, 2006

Disclosure of amount due to suppliers under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)" is as under:

	As at March 31, 2018	As at March 31, 2017
Principal amount due to suppliers under MSMED Act	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-
Total	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	0.34
Interest due and payable to suppliers under MSMED Act, for payments already made	-	*
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	*

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



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Note 37: Contingent liability

There is no contingent liability as on March 31, 2018 and March 31, 2017.

Note 38: Specified bank notes

- i) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.
ii) Following are the details of holdings as well as dealings in Specified Bank Notes for the previous year ended March 31, 2017.

	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



Arunkumar Ramdas
Partner
Membership No. 112433

For and on behalf of the Board



Vipul Mathur
Wholetime Director
DIN No. 07990476



Ram Gopal Sharma
Director
DIN No. 00026514



Gaurav Merchant
Chief Financial Officer



Dharmesh Pardiwala
Company Secretary
ACS - 32069

Place: Mumbai
Date: April 25, 2018

