

SURESH SUREKA & Co.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun Construction Private Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statement of **Welspun Construction Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards required that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

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

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

Opinion

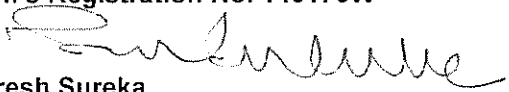


In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date

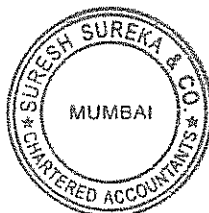
Report on Other Legal and Regulatory Requirements

4. In our opinion, the Company is exempted from application of the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 since it fulfills all the conditions stipulated under clause (2)(v) of paragraph 1 of the said order and hence the matters specified in paragraph 3 and 4 of the said Order are not applicable
5. 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 purpose of audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
 - c. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with books of accounts
 - d. In our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
 - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and to the best of our information and accordingly to the explanations give to us :
 - i. the Company does not have any pending litigations which would impact its financial position
 - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
SURESH SUREKA & CO.
Chartered Accountants
Firm's Registration No. 140173W


Suresh Sureka
Partner
Membership No. 34132

Place : Mumbai
Date : 29th May, 2015



Welspun Construction Private Limited
Balance Sheet as at 31st March 2015

Particulars		Note No.	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
	(a) Share Capital	2	100,000	100,000
	(b) Reserves and Surplus	3	(22,655)	(4,617)
2 Non- Current liabilities				
	(a) Long Term Borrowing	4	160,000,000	-
3 Current liabilities				
	(a) Other current liabilities	5	11,236	11,236
TOTAL			160,088,581	106,619
II. ASSETS				
1 Non-current assets				
	(a) Long-term loans and advances	6	160,000,000	-
2 Current assets				
	(a) Cash and cash equivalents	7	88,581	106,619
TOTAL			160,088,581	106,619
Notes Forming Part of Financial Statements		1-14		

As per our Report of even date
FOR SURESH SUREKA & CO.
Chartered Accountants
 Firm Registration No 140173W

FOR AND ON BEHALF OF THE BOARD



SURESH SUREKA

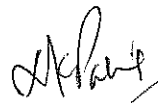
Partner

Membership No 34132



Place : Mumbai

Date: May 29, 2015



Devendra Patil

Director

DIN : 00062784

Place : Mumbai

Date : May 29, 2015



Abhishek Mandawewala

Director

DIN : 00737785

Welspun Construction Private Limited

Statement of Profit and Loss for the year ended 31 March 2015


Particulars	Note No.	Year ended 31 March 2015	Year ended 31 March 2014
		₹	₹
I. Revenue from Operations		-	-
II. Total Revenue		-	-
III. Expenses:			
Other expenses	8	18,038	13,703
Total expenses		18,038	13,703
IV. Profit (Loss) before tax		(18,038)	(13,703)
V. Tax expense:			
(1) Current tax (Income Tax -Short provision)		-	-
(2) Deferred tax		-	-
VI. Profit (Loss) for the period from continuing operations		(18,038)	(13,703)
VII. Profit/(loss) from discontinuing operations		-	-
VIII. Tax expense of discontinuing operations		-	-
IX. Profit/(loss) from Discontinuing operations (after tax)		-	-
X. Profit (Loss) for the period		(18,038)	(13,703)
XI. Earnings per equity share:	9		
Basic and Diluted		(1.80)	(1.37)
Notes Forming Part of Financial Statements	1-14		

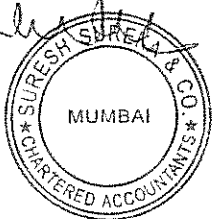
As per our Report of even date

FOR SURESH SUREKA & CO.

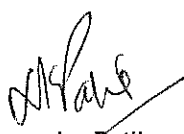
Chartered Accountants

Firm Registration No 140173W


SURESH SUREKA
 Partner
 Membership No 34132
 Place: Mumbai
 Date: May 29, 2015



FOR AND ON BEHALF OF THE BOARD


Devendra Patil
 Director
 DIN : 00062784


Abhishek Mandawewala
 Director
 DIN : 00737785

Place : Mumbai

Date : May 29, 2015

Welspun Construction Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Current Year		Previous Year	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		(18,038)		(13,703)
Adjustments for:				
Depreciation and amortisation expense	-	-	-	-
Operating profit before working capital changes		(18,038)		(13,703)
Adjustments for:				
Trade payables and other liabilities	-	-	2,809	2,809
Cash generated from operations		(18,038)		(10,894)
Taxes paid		-		-
Net cash from operating activities		(18,038)		(10,894)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital Advance Paid		(160,000,000)		-
Net cash used in investing activities		(160,000,000)		-
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term borrowings		160,000,000		-
Net cash from / (used) in financing activities		160,000,000		-
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(18,038)		(10,894)
Cash and cash equivalent at beginning of year		106,619		117,513
Cash and cash equivalent at end of year		88,581		106,619
Net increase/(decrease) as disclosed above		(18,038)		(10,894)

Significant accounting policies

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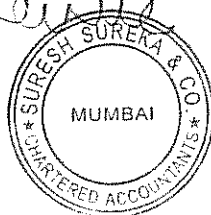
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

FOR SURESH SUREKA & CO.
Chartered Accountants
Firm Registration No 140173W

FOR AND ON BEHALF OF THE BOARD

SURESH SUREKA
Partner
Membership No 34132



Devendra Patil
Director
DIN : 00062784

Abhishek Mandawewala
Director
DIN : 00737785

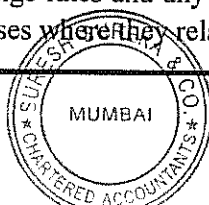
Place : Mumbai
Date : May 29, 2015

Place : Mumbai
Date : May 29, 2015

WELSPUN CONSTRUCTION PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2015

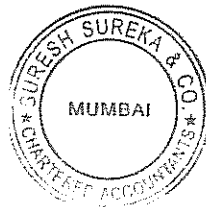
Note No	Particulars
1	<p>SIGNIFICANT ACCOUNTING POLICIES</p> <p>a. Accounting Convention These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of Companies Act 2013 read with rule 7 of Companies (Accounts) Rules 2014, till the Standard of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013.</p> <p>b. Use of Estimates The preparation of Financial Statements in accordance with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as of the date of financial statements and the reported income and expenses during the year. Actual results could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.</p> <p>c. Investments Investments intended to be held for more than a year, from the date of acquisition, are classified as long term and are carried at cost. Provision for diminution in value of investments is made to recognize a decline other than temporary. The cost includes cost of investment plus charges such as brokerage, fees, duties, and reduced by pre-acquisition dividends.</p> <p>d. Revenue Recognition Revenue from sales is recognized when significant risks and rewards of ownership are transferred to customer.</p> <p>e. Taxes on Income Current tax is measured as the amount expected to be paid / recovered from the taxation authorities, using the applicable tax rates & tax law. The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent period are recognized as deferred tax assets or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realized. Deferred tax assets are recognized on carried forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.</p> <p>f. Foreign Currency Transactions: Foreign Currency transactions are recognized at the rate of exchange on the date of transaction. Foreign Currency assets and liabilities at the year end to the extent not covered by forward contracts are realigned at the year end exchange rates and any difference on realignment is recognized in the profit and loss account, except in cases where they relate to fixed assets.</p>



WELSPUN CONSTRUCTION PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2015

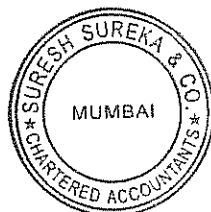
Note No	Particulars
	<p>g. Provisions, Contingent Liabilities and Contingent Assets A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed in the financial accounts. Contingent assets are not recognized or disclosed in the financial statements.</p> <p>h. Earnings per share Basic earning per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during period.</p> <p>For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.</p>



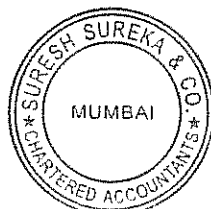
WELSPUN CONSTRUCTION PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2015

Note No	Particulars	As at			
		31 March 2015 ₹	31 March 2014 ₹		
2	Share Capital				
	Authorised 10,000 Equity Shares of Rs. 10 each (Previous Year 10,000)	100,000	100,000		
	Issued, Subscribed & Paid up 10,000 Equity Shares of Rs. 10 each, fully paid up (Previous Year 10,000)	100,000	100,000		
	Total	100,000	100,000		
(b) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the reporting period					
	Particulars	As at 31 March 2015		As at 31 March 2014	
		Number		Number	
	At the beginning of the period	10,000	100,000	10,000	100,000
	Outstanding at the end of the period	10,000	100,000	10,000	100,000
(c) Shares held by holding/ultimate holding company and /or their subsidiaries					
Out of Equity Shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:-					
	Particulars	31 March 2015		31 March 2014	
		No. of shares held	% of holding	No. of shares held	% of holding
	Holding company				
	Welspun Enterprises Limited (Formerly known as Welspun Projects Limited)	10,000	100%	-	-
(d) Details of Shareholders holding more than 5% shares					
	Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Welspun Mercantile Limited	-	-	3,000	30%
	Welspun Wintex Limited	-	-	3,000	30%
	Welspun Enterprises Limited (Formerly known as Welspun Projects Limited)	10,000	100%	-	-
	Welspun Realty Private Limited	-	-	4,000	40%
	TOTAL	10,000	100%	10,000	100%
(e) Terms / rights attached to equity shares					
The company has only one class of equity shares having a face value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The dividend, if any proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.					
In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.					
3	Reserves And Surplus				
	Surplus				
	Profit & Loss Account				
	Balance as per last Balance Sheet		(4,617)	9,086	
Add: Net Profit/(Net Loss) for the current period		(18,038)	(13,703)		
	Total	(22,655)	(4,617)		
		(22,655)	(4,617)		



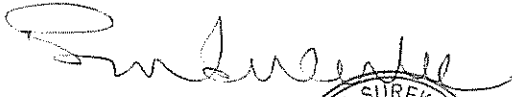
Note No	Particulars	As at	As at
		31 March 2015 ₹	31 March 2014 ₹
4	Long Term Borrowing Un Secured Convertible Debenture 16,00,000 unsecured 0% Compulsirily Convertible Debenture of Rs. 100/- each fully paid up. Each debenture shall be Converted into 10 equity Share of Rs. 10/- each at the end of the Five (5) years from the date of allotment	160,000,000	-
	Total	160,000,000	-
5	Other Current Liabilities Audit fees payable	11,236	11,236
	Total	11,236	11,236
6	Long Term Loan & Adaances Unsecured, considered good Capital advances Astone Realty LLP	160,000,000	-
	Total	160,000,000	-
7	Cash and Cash Equivalent Cash and Cash Equivalent Balance with Banks - In Current Accounts	88,581	106,619
	Total	88,581	106,619
8	Other Expenses Professional Fees Filing Fees Auditors remuneration: Audit Fees Bank charges	3,872 2,100 11,236 830	1,200 600 11,236 667
	Total	18,038	13,703
9	Earning Per Share For the purpose of calculation of Basic and Diluted Earning Per Share the following amounts are considered :		
	Basic and diluted Earnings Per Share		
	Net profit after tax attributable to equity shareholders (Rs.)	(18,038)	(13,703)
	Weighted average number of equity shares outstanding during the year (No.)	10,000	10,000
	Nominal value of share (Rs.)	10	10
	Basic and diluted earnings per share (Rs.)	(1.80)	(1.37)
10	In the opinion of the Management, the current assets, loans & advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated. Provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.		
11	Current tax is provided based on the tax rates and laws applicable in the previous year.		
12	Audit Fees		
	Particulars	As at 31 March 2015	As at 31 March 2014
	Audit fees	11,236	11,236
13	Other additional information pursuant to provisions of the Companies Act, 2013, has not been furnished as the same is either nil or not applicable.		



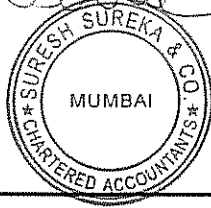
14 Previous year's figures have been regrouped, rearranged, wherever necessary to confirm to the current year's presentation.

As per our report of even date attached
FOR SURESH SUREKA & CO.
Chartered Accountants
Firm Registration No 140173W

FOR AND ON BEHALF OF THE BOARD



SURESH SUREKA
Partner
Membership No 34132



Place : Mumbai
Date: May 29, 2015



Devendra Patil
Director
DIN : 00062784

Place : Mumbai
Date : May 29, 2015



Abhishek Mandawewala
Director
DIN : 00737785