SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,
MATUNGA ROAD (W), MUMBAI 400 016.
TEL.: 2430 6150, 2432 7608
EMAIL: suresh@surekas.com

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WELSPUN BUILD-TECH PRIVATE LIMITED (Formerly known as Welspun Construction Private Limited)

Report on the Standalone Indian Accounting Standards (Ind As) Financial Statements

1. We have audited the accompanying Standalone Financial Statements of **WELSPUN BUILD-TECH PRIVATE LIMITED(Formerly known as Welspun Construction Private Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period then ended, and a summary of significant accounting policies and other explanatory information (together referred to as "Standalone Indian Accounting Standards (Ind As) Financial Statements", which we have signed under reference to this report.

Management's Responsibility for Standalone Indian Accounting Standards (IndAs) 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 Indian Accounting Standards (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 Standalone Indian Accounting Standards (Ind As) 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 Standalone Indian Accounting Standards (Ind As) Financial Statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made there under 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 there under.

5. We conducted our audit of the standalone Indian Accounting Standards (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 standalone Indian Accounting Standards (Ind AS) Financial Statements are free from material misstatement.

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6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Indian Accounting Standards (Ind As) Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Indian Accounting Standards (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 standalone Indian Accounting Standards (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 standalone Indian Accounting Standards (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 standalone Indian Accounting Standards (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 standalone Indian Accounting Standards (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 loss (including other comprehensive income), its cash flows and the changes in equity for the period ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("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 standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act

e. on the basis of written representations received from the directors as on March 31, 2018, and 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.

SUREKA ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

g. with respect to the other matters to be included in the 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 as at March 31, 2018 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 SUREKA ASSOCIATES
Chartered Accountants
Firm Registration No. 110640W

Suresh Sureka
Partner
Membership No. 34132

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date : 8th May, 2018

SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,
MATUNGA ROAD (W), MUMBAI 400 016.
TEL.: 2430 6150, 2432 7608
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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 Build-Tech Private Limited** (Formerly known as Welspun Construction Private Limited) on the financial statements as of and for the year ended March 31, 2018

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

1. We have audited the internal financial controls over financial reporting of **Welspun Build-Tech Private Limited** (Formerly known as Welspun Construction 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

SUREKA ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm's Registration No. 110640W

Suresh Sureka
Partner
Membership No. 34132

SUREKA ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 8th May, 2018

SUREKA ASSOCIATES
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,
MATUNGA ROAD (W), MUMBAI 400 016.
TEL.: 2430 6150, 2432 7608
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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of **Welspun Build-Tech Private Limited (Formerly known as Welspun Construction 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 detail and situation of fixed assets.

(b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.

(c) The title deed of immovable properties is held in the name of the company.

ii. The Company does not have any inventory. Hence, the question of verification thereof does not arise.

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. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its business.

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 income tax and service tax, and is regular in depositing undisputed statutory dues, 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, duty of excise or value added tax which have not been deposited on account of any dispute.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted on any dues to debenture holders as at the balance sheet date. The Company has not taken any loans or borrowings to any financial institution or bank or Government.

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of term loans nor by way of initial public offer.

SUREKA ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

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 Company has not paid nor provided for any managerial remuneration during the year.

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

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

For and on behalf of
SUREKA ASSOCIATES
Chartered Accountants
Firm's Registration No. 110640W

Suresh Sureka
Partner
Membership No. 34132

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 8th May, 2018

Welspun Build-Tech Private Limited
(Formerly known as Welspun Construction Private Limited)

Balance Sheet as at March 31, 2018

(Rupees in lakhs)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	4	1,709.82	1,709.82
(b) Financial assets			
(i) Loans		-	-
Total non-current assets		**1,709.82**	**1,709.82**
2. Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	5	0.99	0.28
(ii) Loans	6	0.39	0.39
(b) Other current assets	7	0.02	-
Total current assets		**1.40**	**0.67**
		1.40	**0.67**
Total assets		**1,711.23**	**1,710.49**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8A	1.00	1.00
Instruments entirely equity in nature	8B	1,711.78	1,711.78
Other equity	8C	(3.80)	(3.47)
Total equity		**1,708.98**	**1,709.31**
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
Total non-current liabilities		-	-
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	9	2.05	1.05
(ii) Other financial liabilities	10	0.18	0.14
(b) Other current liabilities	11	0.02	-
Total current liabilities		**2.25**	**1.19**
Total equity and liabilities		**1,711.23**	**1,710.49**

Notes forming part of the financial statements (Refer note 1 to 23)

As per our report of even date attached.

FOR SUREKA ASSOCIATES
Chartered Accountants
FRN : 110640W

Suresh Sureka
Partner
Membership No: 34132

Place: Mumbai
Date: 8th May 2018

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sandeep Garg
Director
DIN : 00036419

Shriniwas Kargutkar
Director
DIN : 06926585

Welspun Build-Tech Private Limited
(Formerly known as Welspun Construction Private Limited)

Statement of Profit and Loss for the year ended March 31, 2018

(Rupees in lakhs)

		Note	Year ended March 31, 2018	Year ended March 31, 2017
I.	Income			
	Revenue from operations		-	-
	Finance income		-	-
	Other income		-	-
	Total income		-	-
II.	Expenses			
	Finance costs	12	0.05	0.01
	Other expenses	13	0.28	1.41
	Total expenses		**0.33**	**1.42**
III.	**Profit before exceptional items and tax (I-II)**		**(0.33)**	**(1.42)**
IV.	Exceptional items (net)		-	-
V.	**Profit before tax (III + IV)**		**(0.33)**	**(1.42)**
VI.	Tax expense			
	- Current tax		-	-
	- Deferred tax charge / (credit)		-	-
	Total tax expense / (credit)		-	-
VII.	**Profit for the year (V -VI)**		**(0.33)**	**(1.42)**
VIII.	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	- Remeasurement gain/(losses) on defined benefit plan		-	-
	- Income tax effect on the above		-	-
	Other comprehensive income for the year (net of tax)		-	-
IX.	**Total comprehensive income for the year (VII+VIII)**		**(0.33)**	**(1.42)**
	Earnings per share (Face value Rs 10 each)	18		
	Basic EPS (in Rs)		(3.30)	(14.23)
	Diluted EPS (in Rs)		(0.00)	(0.01)

Notes forming part of the financial statements (Refer note 1 to 23)

As per our report of even date attached.

FOR SUREKA ASSOCIATES
Chartered Accountants
FRN : 110640W

For and on behalf of the Board of Directors

Suresh Sureka
Partner
Membership No: 34132

Sandeep Garg
Director
DIN : 00036419

Shriniwas Kargutkar
Director
DIN : 06926585

SUREKA ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 8th May 2018

Welspun Build-Tech Private Limited
(Formerly known as Welspun Construction Private Limited)

Statement of changes in equity for the year ended March 31, 2018

8A Equity share capital

(Rupees in lakhs)

	Amount
Balances as at March 31, 2016	1.00
Changes in equity share capital	-
Balances as at March 31, 2017	1.00
Changes in equity share capital	-
Balances as at March 31, 2018	1.00

8B Instrument entirely equity in nature
Equity component of Compulsorily Convertible Debentures

(Rupees in lakhs)

	Amount
Balances as at March 31, 2016	1,711.78
Instrument entirely equity in nature	-
Balances as at March 31, 2017	1,711.78
Instrument entirely equity in nature	
Balances as at March 31, 2018	1,711.78

8C Other equity

(Rupees in lakhs)

	Retained earnings	Total other equity
Balances as at March 31, 2016 (A)	(2.04)	(2.04)
Profit for the year	(1.42)	(1.42)
Other comprehensive income for the year	-	-
Total comprehensive income for the year (B)	(1.42)	(1.42)
Equity component of Compulsorily Convertible Debentures	-	-
Balances as at March 31, 2017 (C = (A + B))	(3.47)	(3.47)
Profit for the year	(0.33)	(0.33)
Other comprehensive income	-	-
Total comprehensive income for the year (D)	(0.33)	(0.33)
Balances as at March 31, 2018 (E = (C + D))	(3.80)	(3.80)

Notes forming part of the financial statements (Refer note 1 to 23)

As per our report of even date attached.

FOR SUREKA ASSOCIATES
Chartered Accountants
FRN : 110640W

Suresh Sureka
Partner
Membership No. 34132

Place: Mumbai
Date: 8th May 2018

SUREKA ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sandeep Garg
Director

DIN : 00036419

Shriniwas Kargutkar
Director

DIN : 06926585

Welspun Build-Tech Private Limited
(Formerly known as Welspun Construction Private Limited)

Statement of Cash Flow for the year ended March 31, 2018

(Rupees in lakhs)

		As at March 31, 2018		As at March 31, 2017	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		(0.33)		(1.42)
	Add : finance expenses		0.05		-
	Operating profit before working capital changes		**(0.28)**		**(1.42)**
	Adjustments for:				
	Trade and other receivables	(0.02)		(0.39)	
	Trade payables and other liabilities	0.06		0.91	
			0.05		0.51
	Cash generated/ (used) from operations		**(0.23)**		**(0.91)**
	Taxes paid		-		-
	Net cash from/ (used) in operating activities		**(0.23)**		**(0.91)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Fixed Assets (Purchased)/ Sold		-		-
	Dividend received		-		-
	Interest received		-		-
	Net cash from/ (used) in investing activities		-		-
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Finance expenses		(0.05)		-
	Short term borrowing		1.00		-
	Net cash from / (used) in financing activities		**0.95**		-
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		**0.72**		**(0.91)**
	Cash and cash equivalent at beginning of year		**0.28**		**1.19**
	Cash and cash equivalent at end of year		0.99		0.28
	Net increase/(decrease) as disclosed above		**0.72**		**(0.91)**

Notes forming part of the financial statements (Refer note 1 to 23)

As per our report of even date attached.

FOR SUREKA ASSOCIATES
Chartered Accountants
FRN : 110640W

Suresh Sureka
Partner
Membership No: 34132

Place: Mumbai
Date: 8th May 2018

SUREKA ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of the Board of Directors

Sandeep Garg
Director
DIN : 00036419

Shriniwas Kargutkar
Director
DIN : 06926585

Welspun Build-Tech Private Limited
(Formerly known as Welspun Construction Private Limited)

Notes forming part of the financial statements

1 Corporate information

Welspun Build-Tech Private Limited (formerly known as Welspun Construction Private Limited) ('WBTPL' or 'the Company') is a wholly owned subsidiary company of Welspun Enterprises Limited. The Company is engaged into infrastructure development.

The separate financial statements (hereinafter referred to as "Financial Statements") of the Company for the financial year 2017-18 were authorised for issue in accordance with a resolution of board of directors on May 08, 2018

2 Basis of preparation of financial statements

The financial statements are prepared on going concern basis in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities which have been measured at fair value (Refer accounting policy regarding financial instruments)

The financial statements are presented in INR, except when otherwise indicated.

3 Significant accounting policies

i) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

• Expected to be realized or intended to be sold or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realized within twelve months after the reporting period, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:
• It is expected to be settled in normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.
The company has identified 12 months as its operating cycle.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

a) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

SUREKA ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

a) Interest income

For all debt instruments measured at amortized cost and interest bearing financial assets classified as fair value through other comprehensive income, interest income is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in 'Other Income' in the statement of profit and loss.

b) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) Exceptional items

On certain occassions,the size ,type or incidence of an item of income or expense, pertaining to the ordinary activities of the company ,is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

iv) Property, Plant and Equipment

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its previous GAAP financial statements as deemed cost at the transition date, viz , 1 April 2015.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

v) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting the statement of profit and loss if there has been a change in the estimate of recoverable amount.

vi) Taxes on income

a) Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognized in profit or loss except to the extent that the tax relates to items recognized in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

SUREKA ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

b) Deferred tax

Deferred income tax is recognized on all temporary differences which are the differences between the carrying amount of an asset or liability in the statement of financial position and its tax base except when the deferred income tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax liabilities are recognized for all taxable temporary differences; and deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date and based on the tax consequence which will follow from the manner in which the Company expects, at financial year end, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to item recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liability and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

vii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

viii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

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ix) Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. when discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

b) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurence or non occurence of one or more uncertain future events beyond the control of the Company or a present obligation which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cas4es where there is a liability that cannot be recognized because it cannot be measured reliably. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent asset is not recognized, but its existence is disclosed in the financial statements.

x) Leases

Operating Lease :
Lease of assets under which all the risks and rewards of ownership are effectively retained by the lesser are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

xi) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

a) Initial recognition and measurement
Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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b) Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:
i) Debt Instruments measured at amortised cost
ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
iii) Debt instruments measured at fair value through profit or loss (FVTPL)
iv) Equity instruments measured at FVTOCI or FVTPL

Debt instruments
The subsequent measurement of debt instruments depends on their classification. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

i) Debt instruments measured at amortised cost

Debt instruments 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 the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii) Debt instruments measured at FVTOCI
Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in the OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is disclosed as interest income in the statement of profit and loss using the effective interest rate method.

iii) Debt instruments measured at FVTPL
Debt instruments that do not meet the criteria for amortised cost or FVTOCI 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 and is not part of a hedging relationship is recognised and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity instruments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and Loss.

B. Derecognition of financial assets
A financial asset is derecognised only when
i) The Company has transferred the rights to receive cash flows from the financial asset or
ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

C. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:
i) Financial assets measured at amortised cost
ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to
i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve after the reporting date) or

ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on twelve months ECL.

D. Financial liabilities

a) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial liability at initial recognition. All financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss.

b) Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories.
i) Financial liabilities measured at amortised cost
ii) Financial liabilities measured at FVTPL (fair value through profit or loss)

i) Financial liabilities measured at amortised cost

After initial recognition, financial liability are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

ii) Financial liabilities measured at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are carried in the statement of profit and loss at fair value with changes in fair value recognized in the statement of profit and loss.

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c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

xii) Fair value measurement

The Company measures financial instruments, such as, investment in debt and equity instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• in the principal market for the asset or liability, or
• in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers, if any, have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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Notes forming part of the financial statements

4 Property, plant and equipment (Amount in Lakhs)

	Freehold Land	Total
Gross carrying amount (cost)		
As at March 31 2016	**1,685.92**	**1,685.92**
Additions	23.90	23.90
As at March 31, 2017	**1,709.82**	**1,709.82**
Additions	-	-
As at March 31, 2018	**1,709.82**	**1,709.82**

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Financial assets

5 Cash and cash equivalents

(Amount in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- In current accounts	0.99	0.28
Total	0.99	0.28

6 Current financial assets - loans

	As at March 31, 2018	As at March 31, 2017
(Unsecured considered good, unless otherwise stated)		
Security deposit	0.40	0.39
Total	0.40	0.39

7 Other current assets

	As at March 31, 2018	As at March 31, 2017
Balance with government authorities - Indirect tax	0.00	-
Prepaid expenses	0.02	-
Total	0.02	-

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8A Share capital and other equity

8A(a) - Equity share capital

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised share capital		
10,000 (10,000 31 March 2017) Equity Shares of Rs.10 each	1.00	1.00
Issued, subscribed and paid up		
10,000 (10,000 31 March 2017) Equity Shares of Rs.10 each fully paid up	1.00	1.00
Total	**1.00**	**1.00**

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(i) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the last five years immediately preceding the reporting date

Particulars	As at March 31, 2018	As at March 31, 2017
Equity shares allotted as fully paid up for consideration other than cash	Nil	Nil
Equity shares allotted as fully paid up bonus shares	Nil	Nil
Equity shares bought back	Nil	Nil

(ii) Shares held by holding/ ultimate holding companies and / or their subsidiaries/ associates

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited	10,000	100%	10,000	100%

(iii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited	10,000	100%	10,000	100%

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(iv) Reconciliation of the number of shares outstanding and the amount of the share capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	10,000	1.00	10,000	1.00
Add : Shares issued during the year	-	-	-	-
Number of shares at the end of the period	10,000	1.00	10,000	1.00

8A(b) - Other Equity

(i) Equity component of Compulsorily Convertible Debentures of Rs 100 each fully paid

(Amount in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of units	Amount	Number of units	Amount
Opening Balance	1,711,775	1,711.78	1,711,775	1,711.78
Add : Issued during the year			-	-
Total	**1,711,775**	**1,711.78**	**1,711,775**	**1,711.78**

The above table covers the equity component of the issued compulsorily convertible debentures.

Each 0% unsecured debenture shall be compulsorily convertible into 10 equity shares of Rs.10 each of the company at the end of the tenure.

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Securities premium reserve		
Retained earnings	(3.80)	(3.47)
Total	(3.80)	(3.47)

(ii) Retained earnings

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	(3.47)	(2.04)
Total Comprehensive income for the year	(0.33)	(1.42)
Closing balance	(3.80)	(3.47)

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9 Current financial liabilities - borrowings (Amount in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Loans repayable on demand		
- From related parties	2.05	1.05
Total	**2.05**	**1.05**

10 Current financial liabilities - others (Amount in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Creditors for expenses	0.18	0.14
Total	**0.18**	**0.14**

11 Other current liabilities (Amount in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Statutory dues payable	0.02	-
Total	**0.02**	-

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12 Finance costs (Amount in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Bank charges and other finance costs	0.05	0.01
Total	**0.05**	**0.01**

13 Other expenses (Amount in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Power, fuel and water charges	-	0.04
Rates and taxes	0.02	-
Insurance	0.05	0.06
Legal and professional fees	0.01	0.24
Payment to Auditor :-		
- As auditor	0.20	0.13
ROC filing fees	0.01	0.08
Security Charges	-	0.71
Miscellaneous expenses	-	0.14
Total	**0.28**	**1.41**

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14 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities . Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

The management has exercised judgements in determing whether the Company exercises control/ significant influence over the entity.

Estimates and assumptions

a) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

b) Useful lives and residual values

The Company uses Schedule II of Companies Act 2013 for estimating the useful lives and residual values of property, plant and equipment, Investment property and intangible assets at each financial year end.

c) Fair value measurement

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly(i.e. prices) or indirectly (i.e. derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

d) Standards Issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of Issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated

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15 Financial risk management objectives and policies

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

a) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize Company's position with regard to interest income and interest expenses and manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instrument in its total portfolio.

(i) Interest rate risk exposure

(Amount in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Variable rate borrowings	Nil	Nil

ii) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

(Amount in Lakhs)

Effect on Profit before tax	Year ended March 31, 2018	Year ended March 31, 2017
Interest rates : (Increase) by 50 basis points	Nil	Nil
Interest rates : Decrease by 50 basis points	Nil	Nil

Foreign Currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices of various currencies against the functional currency. However the Company is currently not exposed to foreign currency risk.

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements.

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The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at March 31, 2018

	Total	Less than 1 year	1 to 5 years
Financial Liabilities			
Borrowings	2.05	2.05	-
Other current financial liabilities	0.18	0.18	-
Total	**2.23**	**2.23**	-

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at March 31, 2017

	Total	Less than 1 year	1 to 5 years
Financial Liabilities			
Borrowings	1.05	1.05	-
Other current financial liabilities	0.14	0.14	-
Total	**1.19**	**1.19**	-

16 Capital Management

For the purpose of Company's capital management, capital includes issued capital and other equity reserves attributable to the shareholders. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants, if any.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

	As at March 31, 2018	As at March 31, 2017
Current financial liability - Borrowing	2.05	1.05
Other current financial liabilities	0.18	0.14
Less : cash and cash equivalents	(0.99)	(0.28)
Net Debt	**1.24**	**0.91**
Equity	1.00	1.00
Instruments entirely equity in nature	1,711.78	1,711.78
Other equity	(3.80)	(3.47)
Total Capital	**1,708.98**	**1,709.31**
Capital and net debt	**1,710.21**	**1,710.22**
Capital Gearing Ratio	0.07%	0.05%

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Notes forming part of the financial statements

17 Fair value measurements

On comparision by class of the carrying amounts and fair value of the Company's financial instruments, the carrying amounts of the financial instruments reasonably approximates fair.

Financial Instruments by category

(Amount in Lakhs)

	As at March 31, 2018		As at March 31, 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets (other than investment in subsidiaries, joint venture and associates)				
Current assets				
Cash and cash equivalents	-	0.99	-	0.28
Loans	-	0.40	-	0.39
Total financial assets	-	**1.39**	-	**0.67**
Financial liabilities				
Current liabilities				
Borrowings	-	2.05	-	1.05
Other financial liabilities	-	0.18	-	0.14
Total financial liabilities	-	**2.23**	-	**1.19**

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

Fair value of the cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to short term maturities of these instruments.

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18 Earnings per share (EPS)

(Amount in Lakhs)

		As at March 31, 2018	As at March 31, 2017
Net profit after tax available for equity shareholders	A	(0.33)	(1.42)
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	B	10,000.00	10,000.00
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares)	D = B+C	17,127,750.00	17,127,750.00
Basic earnings per share	A/ B	(3.30)	(14.23)
Diluted earnings per share	A/D	(0.00)	(0.01)

19 Segment Information

The Company is engaged in only one business segment ie infrastructure development. The Company is operating in a single geographical segment ie India.

20 Disclosure as required by Ind AS 24 - Related Party disclosures

a) Particulars of Holding Companies

Name of the entities	Extent of holding	
	As at March 31, 2018	As at March 31, 2017
Welspun Enterprises Limited (Formerly known as Welspun Projects Limited)	100%	100%

b) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	
Mr. Sandeep Garg	Director
Mr. Shriniwas Kargutkar	Director
Mr Vinoo Sanjay	Director

SUREKA ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

c) The following transactions were carried out with related parties in the ordinary course of business:

Nature of transactions	As at March 31, 2018	As at March 31, 2017
Application money received for Compulsorily Convertible Debentures (CCD) - Equity Component		
Welspun Enterprises Limited	-	111.76
Conversion of application money to CCD - Equity Component		
Welspun Enterprises Limited	-	111.76
Advances taken/ expenses incurred on behalf of the Company		
Welspun Enterprises Limited	1.00	2.05
Advances repaid/ written off during the year		
Welspun Enterprises Limited	-	1.00

Closing balances as at

Nature of transactions	As at March 31, 2018	As at March 31, 2017
Equity Component of Compulsorily Convertible Debentures		
Welspun Enterprises Limited	1,711.78	1,711.78
Payable at the end of the year		
Welspun Enterprises Limited	2.05	1.05

21 Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act"), certain disclosures relating to amounts due to micro, small and medium enterprises are required to be made. As the relevant information is not given or confirmed by such enterprises in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprises in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.

22 Details of loans given, investments made and guarantee given covered U/s 186 of the Companies Act, 2013

The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 (the 'Act') and hence the provisions of Section 186 of the Act related to loans/ guarantees given or securities provided are not applicable to the Company.

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Notes forming part of the financial statements

23 Figures for the previous year are re-classified/ re-arranged/ re-grouped, wherever necessary to be in conformity with the figures of the current year's classification/ disclosure.

As per our report of even date attached.

FOR SUREKA ASSOCIATES
Chartered Accountants
FRN : 110640W

Suresh Sureka
Partner
Membership No: 34132

Place: Mumbai
Date: 8th May 2018

SUREKA ASSOCIATES * CHARTERED ACCOUNTANTS * MUMBAI

For and on behalf of the Board of Directors

Sandeep Garg
Director
DIN : 00036419

Shriniwas Kargutkar
Director
DIN : 06926585