

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WELSPUN FLOORING LIMITED

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

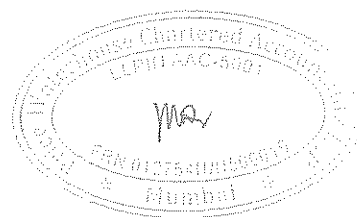
1. We have audited the accompanying financial statements of **Welspun Flooring Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period from March 01, 2016 (date of incorporation) to March 31, 2017, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no. LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754114500016 (ICAI registration number before conversion was 01275411)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Flooring Limited

Report on the Financial Statements

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss (including other comprehensive income), its cash flows and the changes in equity for the period from March 01, 2016 (date of incorporation) to March 31, 2017.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

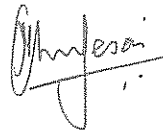


Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT
To the Members of Welspun Flooring Limited
Report on the Financial Statements
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- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company does not have any pending litigations as at March 31, 2017 which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period from March 01, 2016 (date of incorporation) to March 31, 2017.
 - iv. The disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Company - Refer Note 3.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/500016



Mehul Desai
Partner
Membership Number: 103211

Mumbai
April 25, 2017

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Welspun Flooring Limited on the financial statements as of and for the period from March 01, 2016 (date of incorporation) to March 31, 2017

Page 1 of 2

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

1. We have audited the internal financial controls over financial reporting of Welspun Flooring Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the period from March 01, 2016 (date of incorporation) to March 31, 2017.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Welspun Flooring Limited on the financial statements as of and for the period from March 01, 2016 (date of incorporation) to March 31, 2017

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Meaning of Internal Financial Controls Over Financial Reporting

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

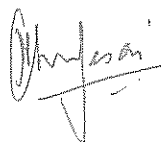
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/500016



Mehul Desai
Partner
Membership Number: 103211

Mumbai
April 25, 2017

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Welspun Flooring Limited on the financial statements as of and for the period from March 01, 2016 (Date of incorporation) to March 31, 2017.

1. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty 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, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute.
2. 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.
3. Matters specified in clauses (i), (ii), (iii), (iv), (v), (vi), (viii), (ix), (xi), (xii), (xiii), (xiv), (xv) and (xvi) of paragraph 3 of the CARO, 2003 do not apply to the Company.

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



Mehul Desai
Partner

Membership Number: 103211

Mumbai
April 25, 2017

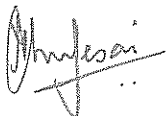
WELSPUN FLOORING LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

	Notes	As At March 31, 2017 (Rs. in hundreds)
ASSETS		
Non-current assets		
Non-current assets	2	1,700.00
Total non-current assets		1,700.00
Current assets		
(a) Financial Assets	3	
Cash and cash equivalents		9,394.12
Total current assets		9,394.12
Total assets		11,094.12
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	4(a)	70,980.00
Other Equity		
Reserves and surplus	4(b)	(99,777.83)
Share application money pending allotment		32,000.00
Total equity		3,202.17
LIABILITIES		
Current liabilities		
(a) Financial Liabilities		
(i) Trade payables	5	4,557.48
(b) Other current liabilities	6	3,334.47
Total liabilities		7,891.95
Total Equity and Liabilities		11,094.12

The above balance sheet should be read in conjunction with the accompanying notes.

This is the Balance Sheet referred to in our report of the even date.

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



Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 25, 2017

For and on behalf of the Board of Directors



Altaf Jiwani
Director
DIN: 05166241

Place: Mumbai
Date: April 25, 2017



D. K. Patil
Director
DIN: 00062784

WELSPUN FLOORING LIMITED

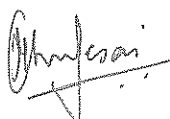
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM MARCH 01, 2016 (DATE OF INCORPORATION) TO
MARCH 31, 2017

	Note No.	For the period from March 01, 2016 (date of incorporation) to March 31, 2017
		(Rs. in hundreds)
Revenue From Operations		-
Total Revenue		-
Expenses		
Other expenses	7	92,106.74
Finance costs	8	166.09
Total expenses		92,272.83
Loss before Taxation		(92,272.83)
Income Tax Expense		
- Current Tax		-
- Deferred Tax		-
Total Income Tax Expense		-
Loss after Taxation		(92,272.83)
Other Comprehensive Income		-
Total Comprehensive Income		(92,272.83)
Earnings per equity share (Rs.) (Nominal value per share: Rs. 10)	13	
Basic earning per share		(0.29)
Diluted earning per share		(0.29)

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

This is the Statement of Profit and Loss referred to in our report of the even date.

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



Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 25, 2017

For and on behalf of the Board of Directors



Altaf Jiwani
Director
DIN: 05166241

Place: Mumbai
Date: April 25, 2017



D. K. Patil
Director
DIN: 00062784

WELSPUN FLOORING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM MARCH 01, 2016 (DATE OF INCORPORATION) TO MARCH 31, 2017

a. Equity Share Capital

Particulars	Notes	Amount (Rs. in hundreds)
Issue of equity share capital during the period		70,980.00
Balance as at March 31, 2017	4 (a)	70,980.00

b. Other Equity

(Rs. In hundreds)

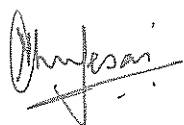
Particulars	Notes	Share Application money pending allotment	Reserves and Surplus	Total Equity
			Retained earnings	
Loss for the period	4 (b)	-	(92,272.83)	(92,272.83)
Share issue expense		-	(7,505.00)	(7,505.00)
Share application money pending allotment		32,000.00	-	32,000.00
Balance as at March 31, 2017		32,000.00	(99,777.83)	(67,777.83)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the Statement of Changes in Equity referred to in our report of even date.

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

For and on behalf of the Board of Directors



Mehul Desai
Partner
Membership No. 103211



Altaf Jiwani
Director
DIN: 05166241



D. K. Patil
Director
DIN: 00062784

Place: Mumbai
Date: April 25, 2017

Place: Mumbai
Date: April 25, 2017

CASH FLOW STATEMENT FOR THE PERIOD FROM MARCH 01, 2016 (DATE OF INCORPORATION) TO
MARCH 31, 2017

	For the period from March 01, 2016 (date of incorporation) to March 31, 2017
	(Rs. in hundreds)
A. CASH FLOW USED IN OPERATING ACTIVITIES	
Net Profit Before Tax	(92,272.83)
Adjustments for :	
Discounting and bank charges	166.09
	<u>166.09</u>
Operating Loss Before Working Capital Changes	<u>(92,106.74)</u>
Change in operating assets and liabilities :	
Increase in trade and other payables and provisions	4,557.48
(Increase) in other non current assets	(1,700.00)
Increase in other current liabilities	3,334.47
	<u>6,191.95</u>
Cash Generated from Operations	<u>(85,914.79)</u>
Income Tax paid	-
Net Cash inflow used in Operating Activities	<u>(85,914.79)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES	<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from issue of equity shares	70,980.00
Proceeds from application money pending allotment for equity shares	32,000.00
Share issue expense	(7,505.00)
Interest and Other Finance Expenses	(166.09)
Net Cash Flow from Financing Activities	<u>95,308.91</u>
Net increase in Cash and Cash Equivalents (A + B + C)	<u>9,394.12</u>
Cash and Cash Equivalents at the beginning of the period	-
Cash and Cash Equivalents at the end of the period	<u>9,394.12</u>
Net Increase in Cash and Cash Equivalents	<u>9,394.12</u>

Note :

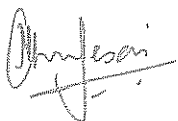
The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

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

This is the Cash Flow Statement referred to in our report of the even date.

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

For and on behalf of the Board of Directors



Mehul Desai
Partner
Membership No. 103211



Altaf Jiwani
Director
DIN: 05166241



D. K. Patil
Director
DIN: 00062784

Place: Mumbai
Date: April 25, 2017

Place: Mumbai
Date: April 25, 2017

General Information

Welspun Flooring Limited (hereinafter referred as "the Company") is a public limited company incorporated on March 01, 2016 and domiciled in India. The address of its registered office is Survey No. 76, Village Morai, Tal. Vapi, Dist Valsad, Gujarat - 396191, India. The Company is incorporated with its main objective to carry business of manufacturing and selling of rugs and carpets.

The financial statements were authorised for issue by the board of directors on April 25, 2017.

Note 1: Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of these financial statements.

1.1 Basis of preparation of financial statements

a) Compliance with Ind AS

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

b) Historical cost convention

The financial statements have been prepared on an accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value as stated in subsequent policies.

1.2 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.

Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

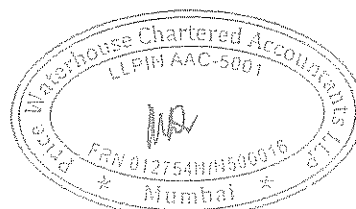
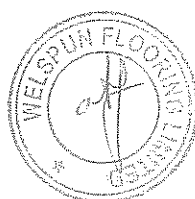
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Cash and cash equivalents

Cash and cash equivalents includes bank balances, cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



Financial liabilities

(i) Measurement:

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss. Liabilities from finance lease agreements are measured at the lower of fair value of the leased asset or present value of minimum lease payments.

(ii) 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 de-recognition 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 or loss.

(iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

1.3 Provisions

- a) Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

1.4 Contributed Capital

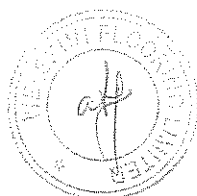
Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.5 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial period (Note 13).



Diluted earnings per share

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

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

1.6 Rounding of amounts

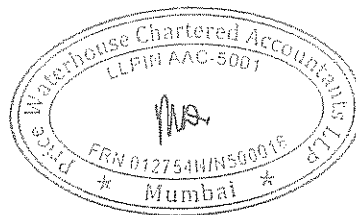
All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundreds with two decimal as per the requirement of Schedule III, unless otherwise stated.

1.7 New standards/ amendments to existing standards issued but not yet adopted

Following are the amendments to existing standards which have been issued by the Ministry of Corporate Affairs ('MCA') that are not effective for the reporting period and have not been early adopted by the Company:

Amendments to Ind AS 7, 'Statement of cash flows' on disclosure initiative:

The amendment to Ind AS 7 introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes (i.e. changes in fair values), Changes resulting from acquisitions and disposals and effect of foreign exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2017.



WELSPUN FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM MARCH 01, 2016 (DATE OF INCORPORATION) TO MARCH 31, 2017

	As At March 31, 2017 (Rs. in hundreds)
Note 2 : Non-current Assets	
Capital Advances to Others	1,700.00
Total	1,700.00

Note 3 : Cash and cash equivalents

Bank balances	
- In current accounts	9,394.12
Total	9,394.12

The details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016

During the period, the Company has not maintained the cash balance and thus the disclosure of specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016 is not applicable to the Company.

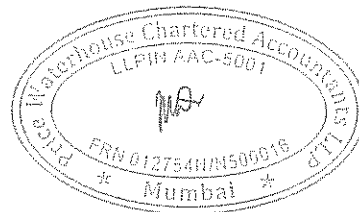
Note 4(a) : Equity share capital

Authorised Share Capital	Equity Shares of Rs. 10 each	
	Number of Shares	Amount (Rs. in hundreds)
Authorised share capital (Refer Note 4.1)	5,000,000	500,000.00
As at March 31, 2017	5,000,000	500,000.00

(i) Movements in Equity Share Capital	Equity Shares of Rs. 10 each	
	Number of Shares	Amount (Rs. in hundreds)
Issue during the period (Refer Note 4.2)	709,800	70,980.00
As at March 31, 2017	709,800	70,980.00

Terms and rights attached to equity shares

Equity shares have a par value of Rs. 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.



NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM MARCH 01, 2016 (DATE OF INCORPORATION) TO MARCH 31, 2017

(ii) Shares held by holding company (Holding company as defined in Ind AS-24:"Related Party Disclosure")

	Equity Shares of Rs. 10 each	
	Number of Shares	Amount (Rs. in hundreds)
Equity Shares :		
Welspun India Limited	709,800	70,980.00
	709,800	70,980.00

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

	As at March 31, 2017	
	Number of Shares	%
Equity Shares :		
Welspun India Limited	709,800	100.00

Note 4.1 - Increase in Authorised Share Capital

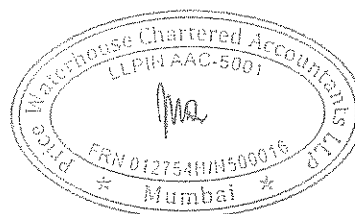
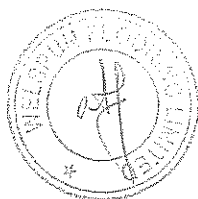
Pursuant to the Shareholder's resolution passed in extra ordinary general meeting held on August 05, 2016, the authorised equity share capital of the Company has been increased from Rs. 100,000 To Rs. 50,000,000 by creation of an additional equity shares 4,990,000 of Rs. 10 each.

Note 4.2 - Allotment of Shares

- 320,000 equity shares of Rs. 10 each have been allotted for cash pursuant to a resolution of the Board of directors in their meeting held on August 05, 2016.
- 229,800 equity shares of Rs. 10 each have been allotted for cash pursuant to a resolution of the Board of directors in their meeting held on November 18, 2016.
- 150,000 equity shares of Rs. 10 each have been allotted for cash pursuant to a resolution of the Board of directors in their meeting held on January 01, 2017.

Note 4.3 - Share application money pending allotment

The Company has received Rs. 3,200,000 towards share subscription money from its holding company, Welspun India Limited for which the allotment has been made on April 25, 2017.



WELSPUN FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM MARCH 01, 2016 (DATE OF INCORPORATION) TO
MARCH 31, 2017

As At
March 31, 2017

(Rs. In hundreds)

Note 4(b) : Reserves and surplus

Retained earnings	(99,777.83)
Total	<u>(99,777.83)</u>

Retained earnings	
Loss for the period	(92,272.83)
Less: Share issue expense	(7,505.00)
Closing Balance	<u>(99,777.83)</u>

Nature of reserves within equity

Retained earnings

Retained earnings represents the Company's cumulative earnings.

Current liabilities

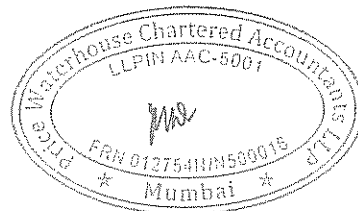
Note 5: Trade payables

- Total Outstanding Dues of Micro Enterprises and Small Enterprises [Refer Note below]	-
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	4,557.48
Total	<u>4,557.48</u>

Note : There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2017. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company.

Note 6: Other current liabilities

Statutory dues	3,334.47
Total	<u>3,334.47</u>



WELSRUN FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM MARCH 01, 2016 (DATE OF INCORPORATION) TO MARCH 31, 2017

For the period from
March 01, 2016 (date
of incorporation) to
March 31, 2017

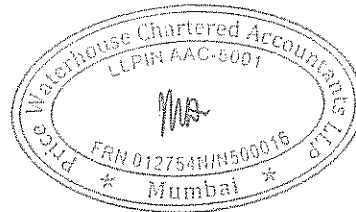
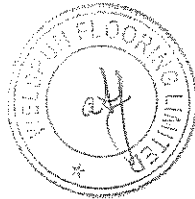
(Rs. in hundreds)

Note 7 : Other Expenses

Vehicle Hire Charges	1,926.67
Rates and Taxes	82.11
Legal and Professional Charges	77,468.54
Software Expenses	180.00
Auditors' Remuneration	
- As Auditors	5,000.00
Inauguration expenses	7,449.42
Total other expense	92,106.74

Note 8 : Finance Costs

Bank charges	166.09
Total finance cost	166.09



Note 9 : Fair value measurements

Financial instruments by category

(Rs. in hundreds)

	As at March 31, 2017		
	FVPL	FVOCI	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	9,394.12
Total financial assets	-	-	9,394.12
Financial liabilities			
Trade payables	-	-	4,557.48
Total financial liabilities	-	-	4,557.48

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the table.

(Rs. in hundreds)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2017					
Financial assets					
Cash and cash equivalents	5	-	-	9,394.12	9,394.12
Total financial assets		-	-	9,394.12	9,394.12
Financial Liabilities					
Trade payables	3	-	-	4,557.48	4,557.48
Total financial liabilities		-	-	4,557.48	4,557.48

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Fair value of Financial assets and liabilities measured at amortised cost

(Rs. in hundreds)

	As at March 31, 2017	
	Carrying Amount	Fair Value
Financial Assets		
Cash and cash equivalents	9,394.12	9,394.12
Total	9,394.12	9,394.12
Financial liabilities		
Trade payables	4,557.48	4,557.48
Total	4,557.48	4,557.48

The carrying amount of trade payable and cash and cash equivalents are considered to be the same as their value, due to their short-term nature.



Note 10 : Financial Risk Management

The Company activities are exposed to liquidity risk and credit risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents	Aging analysis Credit ratings	Diversification of bank deposits, credit limits
Liquidity risk	Trade Payables and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines

The Company's risk management is carried out by a central treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

(i) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company uses other publicly available financial information to rate its financial institutions. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved periodically.

(B) Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Maturities of Financial liabilities

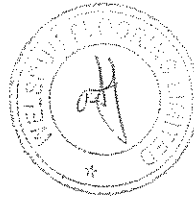
The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for trade payables and other liabilities:

The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2017

(Rs. in hundreds)

Contractual maturities of financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Trade payables	4,557.48	-	-	-	-	-	4,557.48
Total liabilities	4,557.48	-	-	-	-	-	4,557.48



WELSPUN FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM MARCH 01, 2016 (DATE OF INCORPORATION) TO MARCH 31, 2017

Note 11 : Related party transactions

(i) Names of related parties and nature of relationship:

11 (a)

Enterprise where control exists

Holding Company

Ultimate Holding Company*

Welspun India Limited

Krishiraj Trading Limited (up to September 27, 2016)

MGN Agro Properties Private Limited (with effect from September 28, 2016 and up to March 29, 2017)

Prasent Multiventure Private Limited (with effect from March 30, 2017)

* No transactions during the period

11 (b) Following are the transactions with related party during the period

Particulars	Holding Company
	For the period from March 01, 2016 (date of incorporation) to March 31, 2017 (Rs. in hundreds)
Issue of Shares	70,980.00
Share application money received	32,000.00



WELSPUN FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM MARCH 01, 2016 (DATE OF INCORPORATION) TO MARCH 31, 2017

Note 12 : Capital Commitments

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

Description	As at March 31, 2017 (Rs. in hundreds)
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	6,800.00

Note 13 : Earning per share

	For the period from March 01, 2016 (date of incorporation) to March 31, 2017
Basic and diluted earnings per share	(Rs.)
Earnings per share attributable to the equity holders of the Company	(0.29)
Loss for the period (Rs. in hundreds)	(92,272.83)
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (Number of shares)	314,983

Note 14 : Going Concern

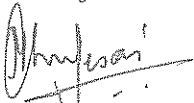
In view of the substantial erosion of the net worth of the Company, the holding company viz Welspun India Limited has informed the Company of its intention to provide financial support to the Company to meet its obligations as they fall due. On the basis of approved business plan, projected cash flows and aforementioned financial support letter, the financial statements have been prepared on a going concern basis.

Note 15 : Prior year figures

The accounts have been prepared from the date of incorporation i.e. March 01, 2016 to March 31, 2017. This being the first accounting period of the Company, previous year figures are not applicable.

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

For and on behalf of the Board of Directors



Mehul Desai
Partner
Membership No. 103211



Altaf Jiwani
Director
DIN: 05166241



D. K. Patil
Director
DIN: 00062784

Place: Mumbai
Date: April 25, 2017

Place: Mumbai
Date: April 25, 2017