

INDEPENDENT AUDITOR'S REPORT

To the Members of Besa Developers and Infrastructure Private Limited

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

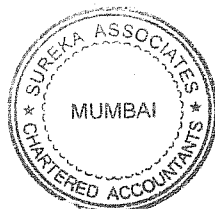
3. Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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



Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
 - (b) in the case of the Statement of Profit and Loss, of profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

5. In our opinion, the Company is exempted from application of the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 since it fulfills all the conditions stipulated under clause (2)(v) of paragraph 1 of the said order and hence the matters specified in paragraph 3 and 4 of the said Order are not applicable
6. As required by section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
 - c. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with books of accounts
 - d. In our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.

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





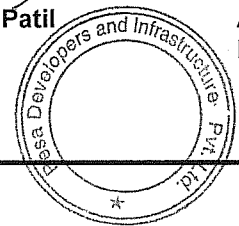

Suresh Sureka
Partner

Membership No. 34132
Place : Mumbai
Date : 16 April 2015







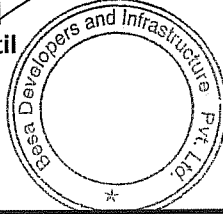
BESA DEVELOPERS AND INFRASTRUCTURE PRIVATE LIMITED

Balance Sheet as at March 31, 2015

Particulars	Note No.	As At 31-Mar-15 Rs.	As At 31-Mar-14 Rs.
I. Equity and Liabilities			
Shareholders' Funds			
a) Share Capital	1	1,00,000	1,00,000
b) Reserves and Surplus	2	(1,46,30,686)	(1,46,86,672)
Non-Current liabilities			
a) Long-Term borrowings	3	1,55,56,072	1,55,56,072
Current liabilities			
a) Other Current liabilities	4	20,280	11,236
b) Short Term Provision	5	3,703	-
Total		10,49,369	9,80,636
II. Assets			
Non-Current assets			
a) Non-current investments	6	1,000	1,000
b) Long-term loans and advances	7	-	8,49,863
Current assets			
a) Cash and bank balances	8	10,42,165	1,29,773
b) Short-term loans and advances	9	6,204	-
Total		10,49,369	9,80,636
Notes Forming Part of Financial Statements	1-13		
As per our attached Report of even date			
For Sureka Associates		For and on behalf of the Board	
Firm Registration No 110640W			
Chartered Accountants			
			
Suresh Sureka		Devendra Patil	Ashok Jain
Partner		Director	Director
Membership No 34132			
Place : Mumbai			
Date : April 16, 2015			
			

BESA DEVELOPERS AND INFRASTRUCTURE PRIVATE LIMITED

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

Particulars	Note No.	Year Ended 31-Mar-15 Rs.	Year Ended 31-Mar-14 Rs.
Other Income	10	1,06,877	-
Total Revenue		1,06,877	-
Expenses			
Finance Costs	11	1,201	7,447
Other Expenses	12	36,510	28,832
Total Expenses		37,711	36,279
Profit before Tax		69,166	(36,279)
Tax Expense			
- Current Tax		13,180	-
- Deferred Tax		-	-
Profit/ (Loss) for the Year		55,986	(36,279)
Earnings/ (Loss) Per Share (Rs.) Basic & Diluted		5.60	(3.63)
Notes Forming Part of Financial Statements	1-13		
As per our attached Report of even date			
For Sureka Associates		For and on behalf of the Board	
Firm Registration No 110640W			
Chartered Accountants			
			
Suresh Sureka		Devendra Patil	Ashok Jain
Partner		Director	Director
Membership No 34132			
Place : Mumbai			
Date : April 16,2015			
			

BESA DEVELOPERS AND INFRASTRUCTURE PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	31-Mar-15		31-Mar-14	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/(LOSS) BEFORE TAX		69,166		(36,279)
ADJUSTMENT FOR:				
INTEREST INCOME	(1,06,877)		-	
FINANCE EXPENSES	1,201		7,447	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(1,05,676)		7,447
ADJUSTMENT FOR:		(36,510)		(28,832)
LOAN AND ADVANCES	8,51,414		15,60,607	
TRADE PAYABLES	7,494		(14,60,607)	
CASH GENERATED FROM OPERATIONS		8,58,908		1,00,000
LESS: DIRECT TAXES PAID		8,22,398		71,168
		(7,927)		-
		8,14,471		71,168
EXTRA ORDINARY ITEMS:				
NET CASH FLOW FROM OPERATING INCOME		8,14,471		71,168
B. CASH FLOW FROM INVESTING ACTIVITIES:				
INVESTMENTS IN FIXED DEPOSITS	-		-	
INTEREST RECEIVED	99,123		-	
NET CASH FLOW FROM INVESTING ACTIVITIES		99,123		-
C. CASH FLOW FROM FINANCING ACTIVITIES				
FINANCE EXPENSES PAID	(1,201)		(7,447)	
NET CASH USED IN FINANCING ACTIVITIES		(1,201)		(7,447)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		9,12,392		63,721
CASH AND CASH EQUIVALENTS OPENING BALANCE		1,29,773		66,052
CASH AND CASH EQUIVALENTS CLOSING BALANCE		10,42,165		1,29,773
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		9,12,392		63,721

FOR AND ON BEHALF OF BOARD

Devendra Patil
Devendra Patil
DIRECTOR

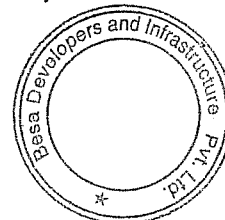
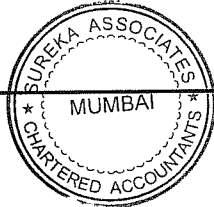
Ashok Jain
Ashok Jain
DIRECTOR

AUDITORS CERTIFICATE

We have verified the above cash flow statement of BESA DEVELOPERS AND INFRASTRUCTURE PRIVATE LIMITED derived from the audited annual financial statement and the books and records maintained by the company for the years ended 31st March, 2014 and 31st March, 2015 and found the same in agreement there with.

For Sureka Associates
Firm Registration No 110640W
Chartered Accountants

Suresh Sureka
Suresh Sureka
Partner
Membership No 34132
Place : Mumbai
Date : April 16, 2015



BESA DEVELOPERS AND INFRASTRUCTURE PRIVATE LIMITED
Significant Accounting Policies and Notes Forming Part of Financial Statements

1) Significant Accounting Policies

- a) **Basis of Accounting:**
 These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of Companies Act 2013 read with rule 7 of Companies (Accounts) Rules 2014, till the Standard of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 2013.

The financial statements are prepared on a going concern basis. The Company's management believes that the Company will continue to operate as a going concern and meet all its liabilities as they fall due for payment, based on the letter of support received from one of the principal shareholder confirming that they would continue to provide support, financial or otherwise, to ensure that the Company continues to operate as a going concern and meet all its liabilities as they fall due for payment.

- b) **Use of estimates:**
 The preparation of financial statements in accordance with the generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, disclosures of contingent liabilities as of the date of financial statements. Actual result could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

c) **Investments**

Investments intended to be held for more than a year, from the date of acquisition, are classified as long term and are carried at cost. Provision for diminution in value of investments is made to recognize a decline other than temporary. Current investments are stated at cost or fair value whichever is lower.

The cost includes acquisition charges such as brokerage, fee, duties, and reduced by pre-acquisition dividends.

b) Notes Forming Part of Financial Statements

1 Share Capital

Share Capital	Particulars	As At	As At
		31-Mar-15 Rs.	31-Mar-14 Rs.
Authorized	10,000 Equity Shares of Rs. 10 each (Previous Year 10,000)	1,00,000	1,00,000
		1,00,000	1,00,000
Issued, Subscribed and Paid Up	10,000 Equity Shares of Rs. 10 each, fully paid up (Previous Year 10,000)	1,00,000	1,00,000
		1,00,000	1,00,000

(b) **Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Shares outstanding as at the opening of the year	10,000	1,00,000	10,000	1,00,000
Add: Shares Issued during the year	-	-	-	-
Shares outstanding as at closing of the year	10,000	1,00,000	10,000	1,00,000

(c) **Details in respect of each class in the company held by the holding company and its associates**

Name of shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
Holding Company				
Welspun India Ltd	10,000	100	10,000	100
Total	10,000	100	10,000	100

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

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Welspun India Ltd	10,000	100	10,000	100
TOTAL	10,000	100	10,000	100

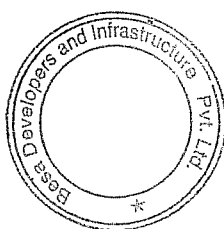
(e) **Terms/right attached to Equity shares**

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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 2 : Reserves and Surplus

Surplus in the Statement of Profit and Loss
 Balance as at the beginning of the year
 Add : Profit/ (Loss) for the year
 Net Profit / (Loss)



	As At 31-Mar-15 Rs.	As At 31-Mar-14 Rs.
	(1,46,86,672)	(1,46,50,393)
	55,986	(36,279)
	(1,46,30,686)	(1,46,86,672)



Note 3: Long -term borrowings**Unsecured**Interest free Loans and advances from related parties
- Welspun India Limited (Holding Company)

1,55,56,072 1,55,56,072

1,55,56,072 1,55,56,072**Note 4 : Other Current Liabilities**

Provision for Expenses

20,280 11,236

20,280 11,236**Note 5 : Short Term Provision**

Provision for Taxation (Net of Advance tax)

3,703 -

3,703 -**Note 6 : Non - current investments****Trade and Unquoted at Cost**

Investments in equity instruments

100 (100) Equity Shares of Rs 10 each, fully paid up of
Weltreat Enviro Management Organisation

1,000 1,000

1,000 1,000**Note 7 : Long-term loans and advances****Unsecured, considered good**

TDS Receivable

- 8,49,863

- 8,49,863**Note 8 : Cash and bank balances****Cash and cash equivalents**

Balances with Scheduled Banks

- In Current Accounts

Andhra Bank

2,838 3,546

Indusind Bank

1,73,532 1,10,432

Cash on Hand

15,795 15,795

Other Bank balances

Bank deposits with more than 12 months maturity

8,50,000 -

10,42,165 1,29,773**Note 9 : Short-term loans and advances****Unsecured, considered good**

Interest Receivable

6,204 -

6,204 -**Note 10: Other Income****Interest income**

Interest from banks on:

Deposits

47,390

Interest on income tax refund

59,487 -

1,06,877 -**Note 11 : Finance Costs****Other borrowing costs**

Discounting and Bank Charges

1,201 7,447

1,201 7,447**Note 12 : Other Expenses**

Legal and Professional Charges

23,710 2,000

Advertisement Charges

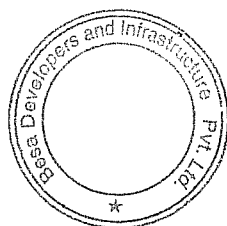
- 5,000

Rates & Taxes

1,400 10,596

Auditors' Remuneration

11,400 11,236

36,510 28,832

Note 13 : Other Significant Notes**a Related Party Disclosure:-**

As per Accounting Standard 18, the disclosure for related parties as defined in the accounting standard is given below.

ii Key Management Personnel

Shri Devendra Patil	Director
Shri Ashok Jain	Director

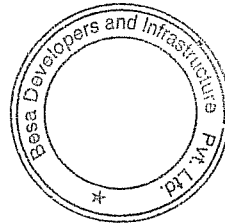
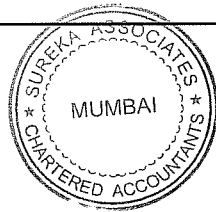
ii) Related parties with whom transaction have taken place during the year and balance outstanding as on the last day of the year

Welspun India Ltd.(Holding Company)
Welspun Project Ltd.
Welspun Developers and Infrastructure Ltd.

PARTICULARS	Amount in Rs		
	Welspun India Ltd	Welspun Project Ltd	Welspun Developers and Infrastructure Ltd
Transactions during the year			
Loans, Advances and Deposits received	-	-	-
	(2,20,15,60,607)	-	-
Repayment Loans, Advances and Deposits received	-	-	-
	(2,98,17,03,271)	-	-
Purchase of Investment	-	-	-
	-	(1,00,000)	(2,20,00,00,000)
Sale of Investment	-	-	-
	(2,98,18,03,271)	-	-
Closing Balance			
Loans, Advances and Deposits received	15,60,607	-	-
	(15,60,607)	-	-
Interest on Loan payable	1,39,95,465	-	-
	(1,39,95,465)	-	-

Previous year figures are given in brackets

Note: Related Parties are as disclosed by the Management and relied upon by the auditors.



Note 13 : Other Significant Notes

b Audit Fees :

Particulars	(Amount In Rs.)	
	2014-15	2013-14
Audit Fee	11,400	11,236

- c In terms of AS 22 - Accounting for Taxes on Income, Deferred Tax Assets should be recognised only to the extent that there is reasonable certainty of availability of future taxable income against which such deferred tax assets can be realised. However, in view of the uncertainty, the Company has not created the deferred tax assets in previous years.
- d Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. However, in view of the uncertainty, the Company has not recognised MAT credit as an assets during the year.
- e In the opinion of the board the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business and Provision for all the known liabilities have been made in the accounts.
- f Previous year figures have been regrouped/ rearranged/ recast wherever considered necessary to confirm to this year's classification. Figures in brackets pertain to previous year.
- g Other additional information pursuant to provisions of the Companies Act, 2013, has not been furnished as the same is either nil or not applicable.

For Sureka Associates
Firm Registration No 110640W
~~Chartered Accountants~~

Suresh Sureka
Partner
Membership No 34132
Place : Mumbai
Date : April 16 ,2015



For and on behalf of the Board

Devendra Patil
Director

Ashok Jain
Director

