WCL /SEC/2016

October 3, 2016

BSE Ltd. **(Scrip Code-532144)** Listing Department, P. J. Towers, Dalal Street, Mumbai – 400 001.	**National Stock Exchange of India Ltd.** **(Symbol: WELCORP, Series EQ)** Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.

Dear Sir / Madam,

Sub.: Compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find attached Annual Report of the Company approved and adopted in the 21st Annual General Meeting of the Company held on Thursday, September 29, 2016 at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110.

Please take the same on record.

Thanking you.

Yours faithfully,
For Welspun Corp Limited

Welspun Corp Limited

Pradeep Joshi
Company Secretary
FCS - 4959

Welspun Corp Limited
Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India.
T : +91 22 6613 6000 / 2490 8000 F : +91 22 2490 8020
E-mail : companysecretary_wcl@welspun.com Website : www.welspuncorp.com
Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.
T : +91 2836 662222 F : +91 2836 279060
Corporate Identity Number: L27100GJ1995PLC025609

WELSPUN CORP
PIPES AND PLATES

WELSPUN CORP LIMITED

Corporate Identification Number (CIN) – L27100GJ1995PLC025609
Registered Office : Welspun City, Village Versamedi, Taluka Anjar,
Dist. Kutch, Gujarat, Pin – 370110, India.
Board No.: +91 2836 662079, Fax No. + 91 2836 279060,
Email : CompanySecretary_WCL@welspun.com, Website: www.welspuncorp.com
Corporate Office : Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg,
Lower Parel (West), Mumbai – 400013. Board : +91 -22-66136000 Fax: +91-22-2490 8020

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of Welspun Corp Limited will be held on Thursday, September 29, 2016 at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370 110 at 10:30 a.m. to transact the following businesses:

Ordinary Business:

1) To receive, consider and adopt the financial statements for the financial year ended March 31, 2016 and the reports of the Board of Directors and the Auditors thereon.

2) To consider declaration of dividend on Equity Shares.

3) To appoint a director in place of Mr. Rajesh Mandawewala (DIN 00007179), who retires by rotation, and being eligible, offers himself for re-appointment.

4) To appoint a director in place of Mr. Braja Mishra (DIN 00007089), who retires by rotation, and being eligible, offers himself for re-appointment.

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

   "RESOLVED THAT subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration Number with the Institute of Chartered Accountants of India - 012754N/N500016), as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by the Board of Directors."

Special Business:

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

   "RESOLVED that pursuant to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies remuneration of ₹ 6.00 lac (Rupees Six Lac Only) per annum to M/s. Kiran J. Mehta & Co., Cost Accountants for conducting audit of cost accounting records maintained by the Company for the financial year commencing on April 1, 2016.

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

7) To consider and, if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 42 and 71 of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions of the Act and the Rules framed thereunder, as may be applicable, and other applicable Guidelines and Regulations issued by the Securities and Exchange Board of India ("SEBI") or any other law for the time being in force (including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force) and in terms of the Articles of Association of the Company, approval of the Members of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to borrow from time to time, by way of securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures (NCDs) to be issued on Private Placement basis, in domestic and/or international market, in one or more series/tranches aggregating up to an amount not exceeding ₹ 1,500 crores (Rupees One Thousand Five Hundred crores only) (including ₹ 500 crores approved at the Annual General Meeting held on 31.08.2015), issuable / redeemable at discount / par/ premium, under one or more shelf disclosure documents, during the period of 1 (one) year from the date of this Annual General Meeting, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto; provided that the said borrowing shall be within the overall borrowing limits of the Company.

   RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

By Order of the Board

Sd/-

Pradeep Joshi

Company Secretary

FCS-4959

Place: Mumbai

Date: May 23, 2016

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND THE INFORMATION AS REQUIRED PURSUANT TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Item Nos. 3, 4 & 6
BRIEF RESUME OF DIRECTORS BEING APPOINTED / RE-APPOINTED

1. **Item No. 3 - Re-appointment of Mr. Rajesh Mandawewala.**
Mr. Mandawewala being one of the promoters of the Company is also a promoter of Welspun Group from its inception. Mr. Mandawewala qualified as a Chartered Accountant. Being also the Managing Director of Welspun India Ltd, a listed company of the group and Chairman of Christy, UK, he is in-charge of operations of the textile business and has enabled Welspun to develop a global reach in over 50 Countries.

Details of directorship /membership of the Committees of the Board of other companies are as under:
Directorship: He is also a director in Welspun India Limited, AYM Syntex Limited (Formerly known as Welspun Syntex Limited), Welspun Wintex Limited, Welspun Fintrade Private Limited, Welspun Steel Limited, Welspun Energy Private Limited, MGN Agro Properties Private Limited, Alspun Infrastructure Limited, Angel Power and Steel Private Limited, Welspun Enterprises Limited (Formerly known as Welspun Projects Limited), Welspun Global Brands Limited (Formerly known as Welspun Retail Limited), Welspun Renewables Energy Private Limited, The Cotton Textiles Export Promotion Council, Mandawewala Enterprises Limited (Formerly known as Welspun Logistics Raigad Limited)

Bodies Corporate outside India : Welspun Pipes Inc., Welspun Tubular LLC., Welspun Global Trade LLC., Welspun Holdings Private Limited, Welspun USA Inc., Welspun Home Textiles UK Limited, CHT Holdings Limited, Christy Home Textiles Limited, Welspun UK Limited, Christy 2004 Limited, E. R. Kingsley (Textiles) Limited, Christy UK Limited

Membership / Chairmanship of Committees: He is a member / chairman in the following Committees:

Audit Committee: Member - Welspun Renewables Energy Pvt. Ltd., Welspun Energy Pvt. Ltd.,

Nomination and Remuneration Committee: Chairman - Welspun Steel Limited and Member - Welspun Energy Pvt. Ltd.,

CSR Committee: Member - Welspun Corp Limited , AYM Syntex Limited (Formerly known as Welspun Syntex Limited), Welspun India Limited, Welspun Renewables Energy Private Limited, Welspun Energy Private Limited, Welspun Steel Limited and Welspun Enterprises Limited (Formerly known as Welspun Projects Limited)

Share Transfer and Investors' Grievance and Stakeholders Relationship Committee: Member - Welspun Corp Ltd., Welspun India Ltd. and AYM Syntex Limited (Formerly known as Welspun Syntex Limited)

Finance Committee: Member - Welspun Corp Limited, Welspun Renewables Energy Private Limited, Welspun Energy Private Limited, Welspun India Limited and Chairman - AYM Syntex Limited (Formerly known as Welspun Syntex Limited)

Budget Committee: Chairman - Welspun Corp Ltd.

International Trade Practices and Governance Committee: Member - Welspun Corp Ltd., Chairman - Welspun Enterprises Ltd. (Formerly known as Welspun Projects Limited)

He is holding 200 equity shares in the Company.

Except Mr. Mandawewala, being the appointee herein, none of the key managerial personnel or directors of the Company or their relatives may be deemed to be concerned or interested in this resolution.

Shareholders' approval is sought by way of ordinary resolution proposed under Item no. 3 of the accompanying Notice.

2. **Item No. 4 - Re-appointment of Mr. Braja Mishra.**
Mr. Mishra is a Graduate in Commerce with a Master's in Business Administration (MBA) in Marketing & Finance from the Aligarh Muslim University. He is a prominent figure in the industry with over 25 years of experience and possesses immense know-how regarding Oil and Gas - Steel Pipe manufacturing industry.

He joined Welspun in 1996 as General Manager, Marketing and within a short span took on the role of the CEO and Executive Director of the Company. In 2012, Mr. Mishra took over the reins of the Company, as the Managing Director of the Company. In the past, Business World has rated Mr. Mishra as the 6th most valuable CEO of Corporate India.

Details of directorship / membership of the Committees of the Board of other companies are as under:
Directorship: He is also a director in Ferro Tech India Private Limited , B&P Shipping & Chartering Services Private Limited, Ferro Tech Trading Private Limited, Sideco-Ferro Tech India Private Limited, Tarini Infrabuilders Private Limited, Welspun Wasco Coatings Private Limited, Welspun Middle East Pipe Coating Company LLC and Welspun Middle East Pipes Company LLC

Membership / Chairmanship of Committees: He is not a member of any Committee.

He holds 2,130,494 (0.80%) equity shares in the Company.

Except Mr. Mishra, being the appointee herein, none of the key managerial personnel or directors of the Company or their relatives may be deemed to be concerned or interested in this resolution.

Shareholders' approval is sought by way of ordinary resolution proposed under Item no. 4 of the accompanying Notice.

3. **Item No. 6 – Ratification of payment of remuneration to the Cost Auditors**
Members are hereby informed that pursuant to the recommendation of the Audit Committee, the Board of Directors appointed M/s. Kiran J. Mehta & Co., Cost Accountants as cost auditors of the Company for the financial year ending March 31, 2017, for conduct of the Cost Audit of the Company in terms of the requirements under applicable laws at a remuneration as mentioned in the resolution No. 6 of the Notice.

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

The Resolution at item No. 6 of the Notice is set out as an Ordinary Resolution for ratification by the members.

None of the directors / key managerial personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 6 of the Notice.

The Board recommends passing of the Ordinary Resolution at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

4. **Item No. 7 – Private Placement of Securities.**
In terms of section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the Rules), a Company shall not make Private Placement of its Securities unless the proposed offer of Securities or invitation to subscribe to Securities has been previously approved by the Members of the Company by a Special Resolution. In case of an offer or invitation for offer of Non-Convertible Debentures, the Company can pass a Special Resolution once a year for all the offers or invitations to be made for such Debentures during the year.

In order to augment resources for, inter alia, long / short term working capital, repayment of high cost debts or refinancing of existing NCDs, meet contingent obligation without any additional material burden on the financial cash-flows and for general corporate purposes, the Company may offer or

invite subscription for securities including but not limited to secured/unsecured redeemable Non-Convertible Debentures, in one or more series/ tranches on private placement, issuable/redeemable at discount/par/premium.

The Company seeks to pass an enabling resolution to borrow funds from time to time by offer of securities including but not limited to Non-Convertible Debentures for an amount not exceeding ₹ 1500 crores (Rupees One Thousand Five Hundred Crores only) (including ₹ 500 crores approved at the Annual General Meeting held on 31.08.2015), at a discount or at par or at a premium and at such interest as may be appropriate considering the prevailing money market conditions at the time of the borrowing.

The borrowing limit (apart from temporary loans obtained from the company's bankers in the ordinary course of business) approved by the shareholders vide the resolution dated September 11, 2014 is "Paid-up capital and free reserves plus ₹ 2,500 Crore (Rupees Two Thousand Five Hundred Crore Only)." As on 31st March, 2016, the aggregate of the paid-up capital and free reserves of the Company stood at ₹ 1,713.41 crores and the Company had outstanding long term borrowings of ₹ 1,602.55 crores. Hence, the approval sought for offer of securities including but not limited to Non-Convertible Debentures, shall be within the overall borrowing limits of the Company.

Accordingly, consent of the Members is sought for passing a Special Resolution as set out at Item No. 7 of the Notice.

None of the directors / key managerial personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

The Board recommends passing of the Special Resolution at Item No. 7 of the accompanying Notice for approval by the Members of the Company.

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY**. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

2. Proxy shall not have the right to speak and shall not be entitled to vote except on a poll.

3. A proxy can act on behalf of such number of member or members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, June 27, 2016 to Tuesday, June 28, 2016 (both days inclusive) for the purpose of determination of shareholders entitled to dividend for the year ended March 31, 2016.

5. All the correspondence pertaining to shareholding, transfer of shares, transmission etc. should be lodged at the Company's Share Registrar and Transfer Agent : Link Intime India Private Ltd., Unit: Welspun Corp Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078. Tel. No. 022-2596 3838, 022-2594 6970, Fax No. 022-2594 6969, email- rnt.helpdesk@linkintime.co.in.

6. Members are requested to immediately inform about their change of address, change of e-mail address or consolidation of folios, if any, to the Company's Share Registrar and Transfer Agent.

7. Securities and Exchange Board of India (SEBI) vide circular ref. no. CIR/CFD/DIL/7/2011 dated October 5, 2011 and the Regulation 32 of the SEBI (LODR), 2015 and the Companies Act 2013 allows that Companies can send full Annual Reports in electronic mode to its Members who have registered their e-mail addresses for the purpose. **Those shareholders who have not got their email address registered or wish to update a fresh email address may do so by submitting the attached E-mail Registration-Cum Consent Form to the Company or the Registrar and Transfer Agent of the Company consenting to send the Annual Report and other documents in electronic form at the said e-mail address.**

8. As part of the Green Initiative circulars issued by the Ministry of Corporate Affairs, the Notice and Annual Report of the Company is being sent to the shareholders at their respective e-mail addresses registered with the Company. However, shareholders requiring a physical copy of the Annual Report and Notice may write to the Company at the Corporate Office at 5th Floor, Welspun House, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. The Annual Report along with the Notice of the Annual General Meeting is available on the website of the Company, www.welspuncorp.com.

9. The physical copies of the Annual Report and other documents referred to in the Notice will be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting and during the meeting and copies thereof shall also be available at the Corporate Office of the Company.

10. The shareholders who wish to nominate, any person to whom his securities shall vest in the event of his death may do so by submitting the attached nomination Form to the Company or the Registrar and Transfer Agent of the Company. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation.

11. **Voting through electronic means**

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

    II. The facility for voting through ballot paper shall be made available at the General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

    III. The members who have cast their vote by remote e-voting prior to the General Meeting may also attend the General Meeting but shall not be entitled to cast their vote again.

    IV. The remote e-voting period commences on September 26, 2016 (9:00 am) and ends on September 28, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2016, may cast their vote by remote e-voting. A person who is not a member as on the cut-off date should treat this Notice for information purpose only. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

    V. The process and manner for remote e-voting are as under:

        A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Welspun Corp Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sanjayrisbud@yahoo.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of General Meeting [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the General Meeting:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD / PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 22, 2016.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 22, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the General Meeting.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the General Meeting through ballot paper.

XIII. Mr. Sanjay Risbud of M/s. S. S. Risbud & Co., Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the General Meeting but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.welspuncorp.com, notice board of the Company at the registered office as well as the corporate office and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the shares of the Company are listed.

By Order of the Board

Sd/-

Pradeep Joshi

Place: Mumbai — Company Secretary

Date: May 23, 2016 — FCS-4959

WELSPUN CORP
PIPES AND PLATES

WELSPUN CORP LIMITED

Corporate Identification Number (CIN) – L27100GJ1995PLC025609

Registered Office : Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat, Pin – 370110, India.
Board No.: +91 2836 662079, Fax No. + 91 2836 279060,
Email : CompanySecretary_WCL@welspun.com, Website: www.welspuncorp.com

Corporate Office : Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013.
Board : +91 -22-66136000 Fax: +91-22-2490 8020

PROXY FORM

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

Name of the Member/s : _____

Registered Address : _____

E-mail Id : _____

Folio No./ Client Id : _____

DP Id. : _____

I / We, _____

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

1 Name : _____
Address : _____
E-mail Id : _____
Signature : _____ Or failing him

2 Name : _____
Address : _____
E-mail Id : _____
Signature : _____ Or failing him

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

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on September 29, 2016 at 10.30 a.m. at the Registered Office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject of the Resolution	Voting	
		For	Against
1	Consider and adopt Audited Financial Statement, Report of the Board of Directors and Auditors thereon.		
2	Declaration of Dividend on Equity Shares.		
3	Re-appointment of Mr. Rajesh Mandawewala (DIN 00007179) as a director of the Company, liable to retire by rotation.		
4	Re-appointment of Mr. Braja Mishra (DIN 00007089) as a director of the Company, liable to retire by rotation.		
5	Ratification of appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountant as Statutory Auditors and fixing their remuneration.		
6	Ratification of payment of remuneration to the Cost Auditors		
7	Borrowing by offer of securities on a private placement basis		

Signed this _____ day of _____ 2016.

Signature of shareholder : _____

Signature of Proxy Holder(s) : 1. _____ 2. _____ 3. _____

Affix ₹ 1/- Revenue Stamp

Note:

1) Please complete all the details including details of member(s) in the above Box before submission.
2) It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.
3) **A proxy can act on behalf of such number of member or members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
4) The Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

WELSPUN CORP
PIPES AND PLATES

WELSPUN CORP LIMITED

Corporate Identification Number (CIN) – L27100GJ1995PLC025609

Registered Office : Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat, Pin – 370110, India.
Board No.: +91 2836 662079, Fax No. + 91 2836 279060,
Email : CompanySecretary_WCL@welspun.com, Website: www.welspuncorp.com

Corporate Office : Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013.
Board : +91 -22-66136000 Fax: +91-22-2490 8020

E-mail Registration-Cum-Consent Form

To,
The Company Secretary,
Welspun Corp Limited,
Welspun City, Village Versamedi,
Taluka Anjar, Dist. Kutch, Gujarat, Pin – 370110

I/ we the members of the Company do hereby request you to kindly register/ update my e-mail address with the Company. I/ We, do hereby agree and authorize the Company to send me/ us all the communications in electronic mode at the e-mail address mentioned below. Please register the below mentioned e-mail address / mobile number for sending communication through e-mail/ mobile.

Folio No.	:	DP – ID	:	Client ID	:
Name of the Registered Holder (1st)		:			
Name of the joint holder(s)		:			
		:			
Registered Address		:			
			Pin:		
Mobile Nos. (to be registered)		:			
E-mail Id (to be registered)		:			

Signature of the Shareholder(s)* _____

* Signature of all the shareholders is required in case of joint holding.

Route Maps

Route Map - Anjar Station to Welspun

Route Map-Gandhidham Station to Welspun

FORM NO. SH-13
NOMINATION FORM

(Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014)

To,
The Company Secretary,
Welspun Corp Limited
Welspun City, Village Versamedi,
Taluka Anjar, Dist. Kutch,
Gujarat, Pin – 370110.

I/ We_____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

2. PARTICULARS OF NOMINEE/S

(a) Name: _____

(b) Date of Birth: _____

(c) Father's/Mother's/Spouse's name: _____

(d) Occupation: _____

(e) Nationality: _____

(f) Address: _____

(g) E-mail id: _____

(h) Relationship with the security holder: _____

3. IN CASE NOMINEE IS A MINOR

(a) Date of birth: _____

(b) Date of attaining majority _____

(c) Name of guardian: _____

(d) Address of guardian: _____

Name _____

Address _____

Name of the Security Holder(s) _____

Signatures _____

Witness with name and address _____

Instructions

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the Shares are held jointly all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of Shares and in that event the name and address of the Guardian shall be given by the holder.
4. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
5. Transfer of Shares in favour of a nominee shall be a valid discharge by a Company against the legal heir(s).
6. Only one person can be nominated for a given folio.
7. Details of all holders in a folio need to be filled; else the request will be rejected.
8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
9. Whenever the Shares in the given folio are entirely transferred or dematerialised, then this nomination will stand rescinded.
10. Upon receipt of a duly executed nomination form, the Registrars & Transfer Agent of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
11. The nomination can be varied or cancelled by executing fresh nomination form.
12. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.
13. The intimation regarding nomination / nomination form shall be filed in duplicate with the Registrars & Transfer Agents of the Company who will return one copy thereof to the Shareholders.
14. For shares held in dematerialised mode nomination is required to be filed with the Depository Participant in their prescribed form.

WELSPUN CORP LIMITED

CIN : L27100GJ1995PLC025609
Registered Office : Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat, Pin – 370110, India. Board No.: +91 2836 662079, Fax No. + 91 2836 279060,
Email : CompanySecretary_WCL@welspun.com Website: www.welspuncorp.com
Corporate Office : Welspun House, 5th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013. Board : +91 -22-66136000 Fax: +91-22-2490 8020

ATTENDANCE SLIP

Name of the sole / first named member:

Address of sole / first named member :

Registered Folio no. :
DP ID no. / Client ID no.*

Number of shares held :

I hereby record my presence at the 21st Annual General Meeting of the Company to be held on Thursday, September 29, 2016 at the registered office of the Company at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110 at 10:30 am.

Signature of Shareholder/ Proxy Present

Note: Members are requested to fill up the attendance slip and hand it over at the venue of the meeting.

- Tear here -

The electronic voting particulars are set out below:

EVEN (E-voting event number)	User ID	Password / PIN

The remote e-voting period commences on Monday, September 26, 2016 at 9:00 am and ends on Wednesday, September 28, 2016 at 5:00 pm. The e-Voting module shall be disabled by NSDL for voting thereafter.

Please read the instructions annexed to the Notice dated May 23, 2016 of the 21st Annual General Meeting before exercising the vote. These detail and instructions forms integral part of the said Notice.

FORM A - Standalone

1.	Name of the Company	Welspun Corp Limited
2.	Annual financial statement for the year ended	March 31, 2016
3.	Type of Audit observation	Un Modified
4.	Frequency of observation	N.A.
5.	To be signed by - **Managing Director** Mr. Braja Mishra DIN : 00007089	
	CFO S.Krishnan	
	Auditor of the Company **For Price Waterhouse Chartered Accountants LLP** Firm Registration Number: (FRN 012754N/N500016) Mr. Mehul Desai Partner Membership No. 103211	Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Mumbai
	Audit Committee Chairman Mr. Ram Gopal Sharma DIN: 00026514	

WELSPUN CORP. LIMITED

FORM A - Consolidated

1.	Name of the Company	Welspun Corp Limited
2.	Annual financial statement for the year ended	March 31, 2016
3.	Type of Audit observation	Un Modified
4.	Frequency of observation	N.A.
5.	To be signed by - **Managing Director** Mr. Braja Mishra DIN : 00007089	
	CFO **S.Krishnan**	
	Auditor of the Company **For Price Waterhouse Chartered Accountants LLP** Firm Registration Number: (FRN 012754N/N500016) Mr. Mehul Desai Partner Membership No. 103211	Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Mumbai
	Audit Committee Chairman Mr. Ram Gopal Sharma DIN: 00026514	

WELSPUN CORP. LIMITED

ANNUAL REPORT 2015-2016
WELSPUN CORP LIMITED

Ready
FOR FUTURE

Resilient
TO WITHSTAND CHALLENGES

WELSPUN CORP
PIPES AND PLATES

Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Contents

The Welspun Corp Story 1-43

Introduction to Theme	1
The World of Welspun Corp	2
Products and Solutions	4
Eventful Journey	6
Diversified Global Presence	8
Strategic Framework	10
Financial Highlights	12
Chairman's Message	14
Sound Order Book	16
Deep Quality Focus	18
Technology Investments	20
Customer Appreciation	22
The Opportunity Landscape	24
Talent and Teamwork	26
Welspun 2.0	28
Corporate Social Value	30
Swachh Welspun Abhiyan	40
Awards & Recognition	42
Corporate Information	43

Governance Reports 44-100

Management Discussion and Analysis	44
Directors' Report	66
Corporate Governance Report	93

Financial Statements 101-188

CONSOLIDATED	
Independent Auditors' Report	101
Balance Sheet	106
Statement of Profit and Loss	107
Cash Flow Statement	108
Notes	110
STANDALONE	
Independent Auditors' Report	141
Balance Sheet	148
Statement of Profit and Loss	149
Cash Flow Statement	150
Notes	152

Revenue down by
2% Y-O-Y

Operating EBIDTA Margin up by
185 BPS Y-O-Y

Profit after tax up by
229% Y-O-Y

Operating EBIDTA up by
18% Y-O-Y

Scan this code with a QR reader app on your smartphone or tablet and know more about us

Despite global headwinds and a subdued domestic market scenario, we stayed on our course during the year.

2015-16 saw us performing with confidence and courage. Here is how.

- We secured and executed prestigious projects in the Middle East, Americas and South East Asia.
- We focused more on client engagement and added new clients to our portfolio.
- We worked on strengthening our order book on the basis of our experience and expertise.
- We invested in consistent technology upgradation to improve processes and make them seamless.

In addition, we sharpened the capabilities of our team and delivered on community expectations.

The year tested our mettle and the efficacy of our business model stands vindicated.

We are building Welspun 2.0 by innovating new products, collaborating with clients and elevating their overall experience.

We are resilient to withstand challenges and ready to leverage

Future Opportunities

THE WORLD OF WELSPUN CORP

Welspun Corp Ltd., is the flagship company of Welspun Group, which is among the world's largest welded line pipe manufacturing companies. In 2008, Welspun Corp Ltd. (WCL) was ranked as the second largest (large diameter) pipe producer by Financial Times, UK; and also been awarded 'The Emerging Company of the Year' by The Economic Times. Since then the total welded pipe capacity rose to 2.425 MMTPA, making us the largest player in the segment.

With a strong culture of 'Engineering Excellence,' WCL takes pride in manufacturing and supplying to some of the most critical pipelines in the world from its plants in India, Kingdom of Saudi Arabia and USA.

The Company has many credentials. It has supplied to one of the world's deepest pipeline projects (Independence Trail in Gulf of Mexico); one of the highest pipeline projects (Peru LNG); one of the longest pipeline (Canada to US); and the project involving supply of one of the heaviest pipe (56inch X 1.34inch in Persian Gulf). WCL has a list of esteemed clientele, which includes Chevron, Enterprise, ExxonMobil, GAIL, Hunt Oil, Kinder Morgan, PTTEP, Qatar Petroleum, Reliance, Saudi Aramco, Shell, Statoil, TOTAL and TransCanada to name a few.

With its headquarters at Mumbai, Welspun Corp's core manufacturing facilities are based in India, USA and Saudi Arabia.

US Facility

India Facility

Manufacturing Capacity

(in KMT)

	India			Saudi Arabia	United States of America	Total Capacity
Products	**Anjar**	**Dahej**	**Mandya**	**Dammam**	**Little Rock**	
LSAW	350	350				700
HSAW	500	50	150	300	350	1,350
ERW/ HFIW	200				175	375
Current Pipe Capacity	1,050	400	150	300	525	2,425
Plate & Coil	1,500					1,500

High Customer Acceptance

The acceptance of Welspun Corp Limited as the most reliable manufacturer of high quality line pipes is very high. This privilege is enjoyed by Welspun Corp in almost all customer segments across the world including Oil, Gas, Midstream and Downstream. Particularly for critical applications such as Offshore and Sour Service conditions, the acceptance is highly value added.

New Facilities

- A state-of-the-art Concrete Weight Coating plant is under commercialization. This facility shall provide a valuable capability to provide complete pipeline solution to the rapidly growing offshore segment.
- ERW facility (6" to 16" OD) at Anjar has been modified to produce the pipe lengths of 18 meters. This modification makes the company eligible to participate in the interstate Gas Transmission pipeline projects in Australia.

Focused Development of Product and Processes

- Continuous research work on development of suitable grades of steel and line pipes for critical applications such as Deep Sea installations, sour services etc.
- Cooperation with steel mills for development of critical grades of steel plate and coils for qualification of new sources.

Quality Excellence

- Installed Automatic Pipe Dimension Measurement System at L-SAW, Anjar plant.
- All facilities are accredited by API, ISO and OHSAS and employ best industry practices for ensuring world-class Quality of products and services along with high standards of operational and environmental safety.
- Comprehensive and integrated Traceability Systems.
- Total Quality Management.

Assured Steel Sourcing Practices

- State-of-the-art plate and coil mill at Anjar with high levels of capability to produce API grade plates and coils to provide integrated solutions to the esteemed customers.
- Sourcing of higher grades and critical service steel plates and coils from renowned mills in the world with proven capabilities.

Global Brand

- Demonstrated track record of servicing most complex and critical pipeline projects in the world.
- Preferred supplier of line pipe and coating systems to top tier Oil & Gas companies in the world.

Technological Prowess

The facilities employ high capacity, high precision, technologically advanced equipment and skilled and experienced personnel for addressing demanding requirements of worldwide customers with highest level of compliance.

Competitive Positioning

Due to economies-of-scale and reasonable cost of operations, WCL enjoys a competitive position in almost all customer segments and addressable geographies.

Innovative Solutions

Our strong emphasis on product reliability, improved processes and optimization of resources by systematic and committed investments deliver enhanced value to customers.

Customer Relationship Management

Highly customer focused approach in business development and proactive response to customer aspirations.

Key Business Facts

- Welspun Group has presence in over 50 countries.
- Distinguished clientele includes a majority of Fortune 100 companies.
- More than 26,000 strong workforce and over 1,00,000 shareholders.
- Numerous global and national accolades in business and operations.
- For over three decades, Welspun Group has been making history globally with a diversified portfolio of businesses, spanning pipes and plates, home textiles, renewable energy and infrastructure.
- State-of-the-art manufacturing facilities in India and overseas.
- Caters to global needs of partners with solutions backed by innovation and cutting-edge technology, keeping customers as the key focus.

PRODUCTS AND SOLUTIONS

HSAW Pipes

Helically welded pipes made from HR coils; used for onshore oil, gas and water transmission

24 – 140 inch diameter, moderate wall thickness

LSAW Pipes

Longitudinally welded pipes made from HR plates; used for onshore / offshore oil & gas transmission

16 – 60 inch diameter, high wall thickness

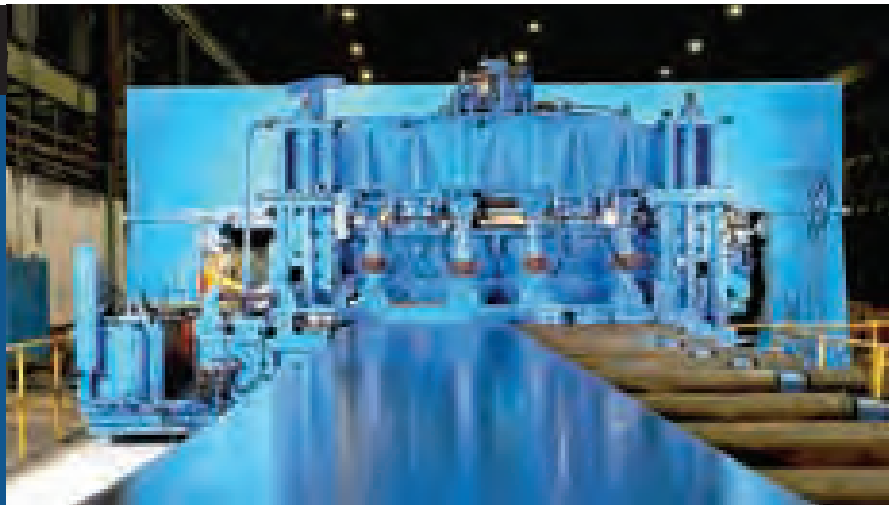
ERW/ HFIW Pipes

High-frequency electric welded pipes made from HR coils; used for downstream distribution of oil, gas & water

1.5 – 20 inch diameter, low/ moderate wall thickness

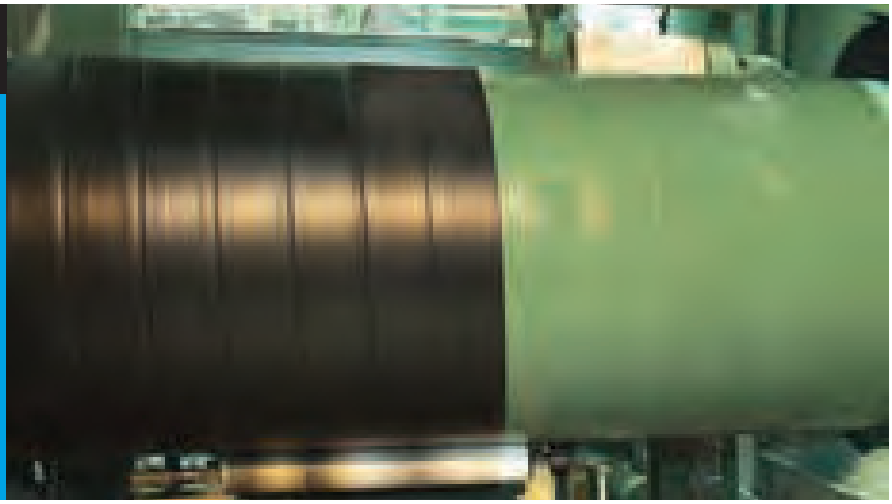
Plates & Coils

Provides WCL with vertical integration & competitive advantage in a few market segments



Coating Systems

Concrete Weight Coating, Single/Double layer Fusion Bonded Epoxy (FBE/DFBE/ ARO), 3LPE, 3LPP, Internal Solvent /Solvent free coating



Other services

Pipe bending, Double jointing, Stack pile & Inventory management

Eventful

1997
Diversification into Pipes business - SAW pipe unit at Dahej, Gujarat, India.

2001
JV with Eupec Coatings GmbH, Germany - Setting up of Pipe coating facility in Dahej, Gujarat.

2005
Setting up of Welspun City, Anjar - Home textile and pipe facilities expanded.

2008
- Acknowledged by The Financial Times, UK as the world's 2nd largest (Large Diameter) pipe manufacturer.
- Awarded 'Emerging Company of the Year 2008' for Corporate Excellence.
- Achieved Level II automation, rolled X-70API Grade of 4.5 meters wide. Double Jointing & Coating facility commissioned in Arkansas, USA.
- Additional 150,000 MTPA HSAW Mill commissioned at Anjar and Plate Mill made operational.

2009
350,000 MTPA HSAW pipes facility commissioned in Arkansas, USA. Coil Mill commissioned at Anjar.

2010
- Capacity expansions for LSAW by 350,000 MTPA in Anjar and for HSAW by 100,000 MTPA in Mandya.
- US$ 250 million raised through FCCB & QIP.
- Foray into infrastructure through investment in Welspun Projects Limited.
- Completed investment in the Middle East with 300,000 MTPA HSAW facility in Saudi Arabia.
- Change of name to 'Welspun Corp Limited.'

Journey

2011

- US$ 290 million raised through GDRs & CCDs. Plant in Saudi Arabia commenced production and Anjar LSAW facility was commissioned. Welspun Middle East was established in Dubai.
- Acquired 35% stake in Leighton Contractors (India) Private Limited.
- Awarded 'EEPC Top Exporter for the Year 2011' and 'IACC Best Indian Manufacturing Company in the US 2011'.

2012

Installation commenced for 175,000 MTPA HFIW mill in Arkanasas, USA. Capacity of existing 100,000 MTPA HSAW in Mandya further enhanced by 50%.

2013

- Highest ever pipe production, sales volumes and order booking at 1 million MTPA. 175,000 MTPA HFIW mill commissioned in Arkansas, USA; API certification received.
- Strategic demerger of Infra, DRI, Oil & Gas and Energy businesses into Welspun Enterprises Limited.

2014

- Sustained 1 million MTPA in pipe production, sales volumes and order booking.
- First order from Shell USA, single largest order from Saudi Arabia and strategic orders from Statoil, TOTAL & South Stream.
- Double Jointing plant and Internal & External Coating Plants commissioned in Saudi Arabia & Anjar, Gujarat respectively.

2015

- Record high production and sales volumes at Saudi Arabia facility with significantly improved financial performance.
- HFIW mill stabilized and operations streamlined at US facility. Revitalised operations at LSAW and Plate & Coil mills in India.

2016

- Set-up Concrete Weight Coating plant at Anjar.
- Surpassed 1 million MTPA in pipe production and sales volumes for the 4th consecutive year.
- Record production at Little Rock, USA facility.

Diversified Global Presence

Plant locations

1. Anjar, India
2. Dahej, India
3. Mandya, India
4. Little Rock, USA
5. Dammam, Saudi Arabia

Marketing Offices

1. Mumbai, India
2. Delhi, India
3. Houston, USA
4. Dammam, Saudi Arabia
5. Dubai, UAE

1
2
2
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3

STRATEGIC FRAMEWORK

At Welspun Corp Ltd., our strategic framework is designed to develop and maintain leadership in all businesses. We have inherent and proven capability to provide comprehensive pipeline solutions to our esteemed customers worldwide. With an expanded product portfolio and new offerings, we are fulfilling our customer's technical requirements on an end-to-end basis.

Our strategic initiatives are focused on:

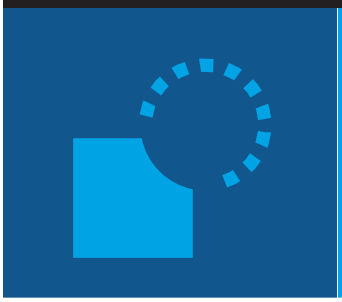
Development of value-added products and services

Engaging with customers for product development

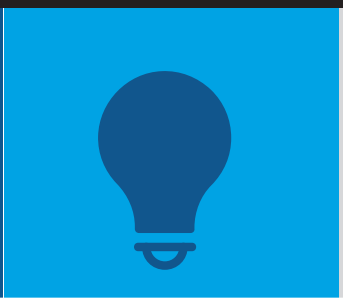
Continuous process optimization

The strategy framework shall be exercised considering every element of the business; and continuous evolution of new business opportunities, while consolidating our presence in existing markets with a customer-centric approach in each market. Quite a few strategic initiatives are being worked upon by us to explore the demands in more customer segments, where piping products and coating systems are used for diverse applications.

The business strategy objectives are clearly defined keeping in view the key growth elements such as

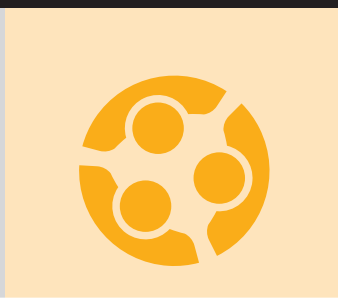


Differentiation
By providing highly customized products and solutions, making Welspun the one and only single-stop-solution provider



Innovation
Continuous improvement in product and processes to exceed customer expectations

Technology
To adopt advanced technological tools in every aspect of the business to deliver value



Collaboration
To actively participate in research development programs, partnering with customers, suppliers and consultants for developing requisite capability to service

We undertake structured leadership development programs across various levels to achieve a system driven and focused functional management; precisely in line with corporate business goals with efficient risk management and financial sustainability.

With global economies witnessing a slowdown and rebalancing, the business strategy needs to be versatile and ahead-of-real-time. Like many other businesses, the global line pipe market also sees an excess supply or overcapacity scenario; and the same coupled with sluggish demand from the energy sector creates an inevitable need of being in the top league of industry players for the line pipe industry leader like Welspun Corp.

Hence, the strategy framework provides a multi-dimensional roadmap for requisite preparedness to counter potential headwinds. With increasing localization drive in various nations by creating tariff and non-tariff barriers is a prominent area, which the strategy needs to take care of. Further, due to weakening downstream demands and limited access of energy segment to capital markets, the project awards are prone to inordinate delays. These delays, coupled with volatility in steel markets and also currency fluctuations make it extremely important for the business strategy to be backed up by strong market intelligence. Collaboration with customers, suppliers, and among team members is critical.

The strategy takes into account precise forecasts, customer relationship management, development of new markets and new customer segments, continuous look out for collaboration opportunities, faster response to customer's needs, continuous honing of all functional skills of the organization for increasing optimization, development of an active and consistent representation network worldwide; and also strong demonstration of most efficient, disciplined and ethical business practices.

FINANCIAL HIGHLIGHTS

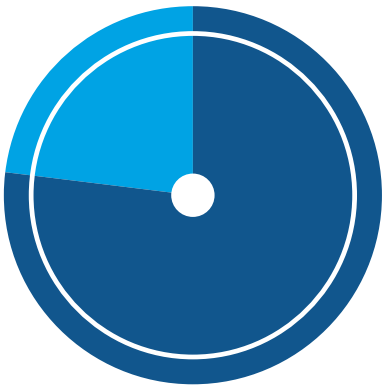
WCL crossed 1 million MT mark in terms of pipe sales/ production volumes for the fourth consecutive year. Profitability improved during the year on back of better quality of orders executed.

DIVERSIFIED BUSINESS ACROSS REGIONS & PRODUCTS

SALES BY TYPE (%)

LSAW 19% HSAW 66% ERW 15%

SALES BY INDUSTRY SEGMENT (%)



Oil & Gas 77% Water 23%

SALES BY PLANT (%)

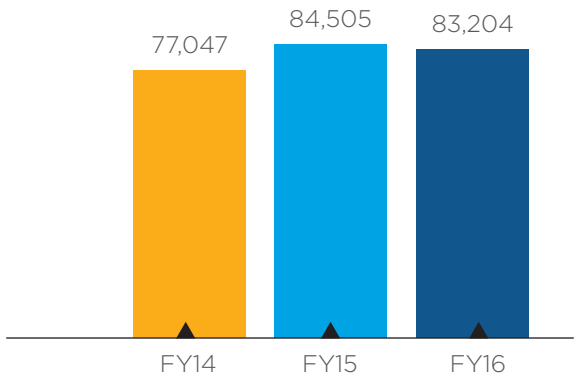
India 46% US 36% Saudi 18%

SALES BY REGION (%)

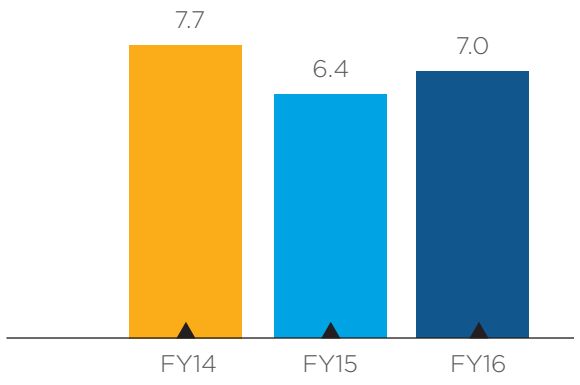
EU & MENA 30% Americas 41%

India & APAC 29%

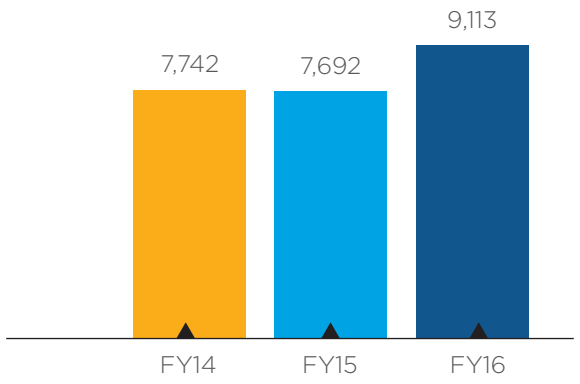
REVENUE (₹ Mn)



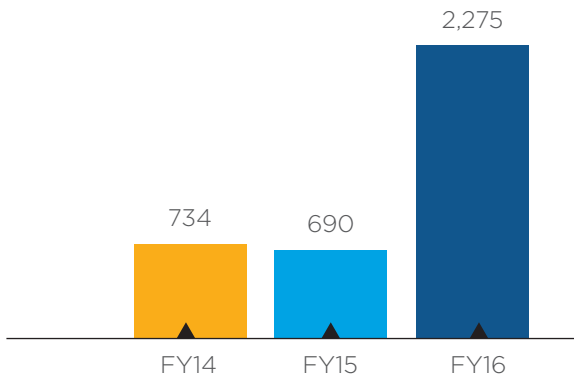
EBITDA PER TON (₹ '000)



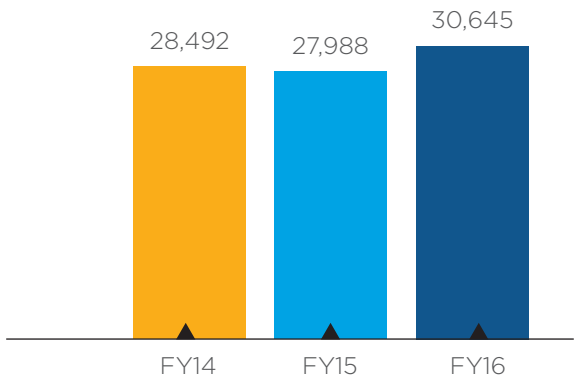
OPERATING EBITDA (₹ Mn)



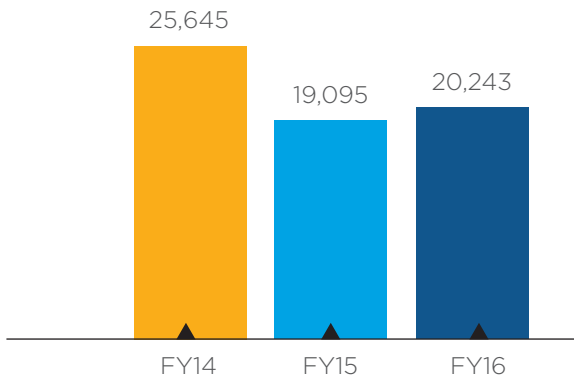
CONSOLIDATED PAT (₹ Mn)



NET WORTH (₹ Mn)



NET DEBT (₹ Mn)



CHAIRMAN'S MESSAGE

At Welspun, we believe in continuously redefining our capabilities and armed with Welspun 2.O we are 'Ready' to capture opportunities posed by changing business environments. Over the last year, we continued our investment in technology to stay ahead of the curve in order to gain prestigious pre-qualifications.

Balkrishan Goenka, Chairman

My dear fellow stakeholders,
It gives me great pleasure to share that we closed FY16 on a positive note amid a volatile global economic scenario, especially in the energy segment. For the fourth consecutive year, we have surpassed the 1 million MT milestone in production and sales. We have expanded our reach into new markets such as Bolivia, Argentina and Brazil. Your Company continues to set new standards by executing some of the most prestigious projects, and I am confident it will continue to do so in the years ahead.

WELSPUN 2.O

Friends, I am happy to share that we now have a new vision, mission and values and are undertaking initiatives to transform Welspun into an institution. As we have taken the first step towards this journey that we call Welspun 2.O, we have adopted 'Leading Tomorrow Together' as our new philosophy for the Group. With our philosophy driving all our actions and objectives, we are continuously re-inventing ways to elevate client experiences through collaboration and by launching innovative products with cutting-

edge technology as the backbone to achieve inclusive growth.

Business scenario

FY16 witnessed turmoil in the global energy market, coupled with a stagnant domestic situation, which put the Company's ability to test. Despite the challenging business environment, we have emerged 'Resilient' and have completed over 1 million MT of global pipes sales. Today, we have an order book of another 1 million MT spread across geographies. This highlights the efficacy of our business model, coupled with customer delight, which has helped us stay the course through this turbulent period and consolidate our leadership across markets.

In our quest to enhance operations and expand our product range, we have added Concrete Weight Coating to our product portfolio. Our facility is capable of coating pipes up to 18 meter in length, making us the world's second player with this capability. The mill will be capable of continuous OD measurement, which makes us the only player in India to have such a capability. Combined with automatic wire mesh application and fog cure system, we are India's only player with an all-weather coating capability.

Technology

We believe in continuously redefining our capabilities and armed with Welspun 2.O we are 'Ready' to capture opportunities posed by the changing business environments. Over the last year, we continued our investment in technology to stay ahead of the curve in order to gain prestigious pre-qualifications. I am delighted to share that, we have commissioned the path-breaking APDMS (Automatic Pipe Dimension Measurement System) at our Anjar facility. Going forward, APDMS will measure pipe dimensions without human intervention; and will provide accuracy, which is unmatched in the industry.

This will allow us to provide greater insights about the product to our customers thereby imparting tremendous value and ensure better quality of field welds. Taking our focus on technology forward, we are to commission another initiative called Covacsis. This will enable automatic capturing of quality data, such as Hydro Testing, UT and lab data directly to SAP without any human intervention. This will enable us to deliver a product, which is unmatched in quality and yet sustainable to the highest degree possible.

Customer centricity

Customer is central to whatever we set out to achieve at Welspun. With this vision we are in process of launching a new initiative, Cloud for Customer (C4C), which will allow us to engage our customer from tendering to order fulfillment stage. This will enable us to serve our customer in best possible and transparent way and leave an everlasting experience of engagement with Welspun.

Collaboration

We have been actively collaborating with our vendors to help them improve product quality and the availability of requisite steel grades. We are also actively partnering with our customers to help them reduce cost through efficient management of pipe materials and inventories and optimization of product selection. Our new initiative Ariba will help us in achieving this vision and developing a long-term and sustainable relationship with our suppliers.

Building a responsible business

Sustainability

In order to fulfill the Clean Environment campaign by the Government of India and our sustainable water requirements, we have taken a significant step this year towards water recycling. We have entered into a concession agreement with Anjar, Gandhidham - Adipur Nagar Palika and are in the process of setting up a 30 MLD sewage treatment plant with the necessary allied works, in order to recycle and reuse the wastewater generated in these cities. This would enable recycling and reusing of sewage water which will be used for our operations thus decreasing the intake of freshwater for our manufacturing processes.

Inclusive growth

We have worked tirelessly in uplifting and empowering communities. Taking forward the Government's vision of turning every village into a 'Smart Village', I am happy to share that we instituted our very first Smart Village at Versamedi in Anjar, Gujarat. Based on the principle of 5Es, we are securing education for children, empowering communities with livelihoods, providing essential infrastructure and e-connectivity with a focus on environment and health.

Our consistent efforts have been to grow as a true global leader. We are constantly focusing on investing in technologies to improve product quality, add value to all our stakeholders by way of creating solutions that are safe and effective and foster sustainability for our business and environment.

I now take this opportunity to express my sincere gratitude to our Board of Directors, our Management, our dedicated employees and our esteemed customers and suppliers, bankers and investors, for their unrelenting dedication, support and commitment to Welspun.

Sincerely,

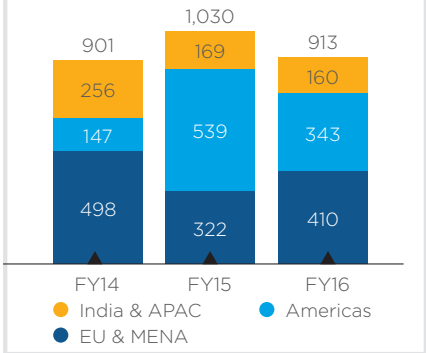
Best Regards,
Balkrishan Goenka

Sound Order Book

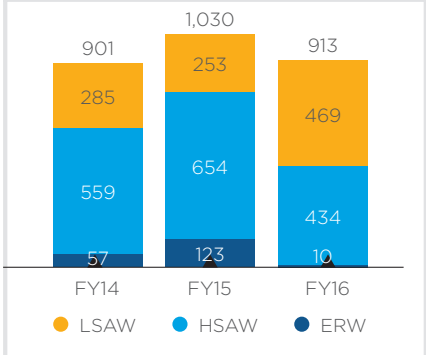
makes us resilient and future-ready

FY 15-16 was an eventful year for us at Welspun Corp. Despite a challenging business environment globally for the fourth consecutive year, we have crossed 1 million MT mark by achieving total sales of 1.075 million MT. In the total sales pie, Indian, American and Saudi Arabian facilities contributed 0.5 million MT, 0.4 million MT and 0.2 million MT respectively.

ORDER BOOK BY REGION (KMT):



ORDER BOOK BY TYPE (KMT):



In FY 15-16, the conditions went on becoming severe with a continuous slide in oil prices, weaker gas demands and struggling economies, resulting in projects getting suspended and shelved globally. While many line pipe producers went out of business and many others struggled to stay afloat, we were able to not only secure and execute some of the prestigious projects in the Middle East, Americas and South East Asia, but have also achieved some prestigious pre-qualifications; and have made quite a few new customers.

Major orders executed in FY 15-16

- Supplied 150 km of X60 Grade 42" LSAW line pipe with external 3LPE coating to Iraq for a major development of crude export pipeline; this project is of a high strategic importance for Iraq.
- A long distance cross-country natural gas pipeline in South America serviced by supplying 32" and 24" LSAW Line Pipe reinforces our presence and track record in the region.
- A project in the Middle East serviced by supplying critical application Sour Service line pipe, 26" Dia. with 3LPP and DFBE coating with stringent technical requirements against tough competition from integrated global players.
- Extremely challenging offshore pipeline project in the Gulf of Mexico; it was won on the basis of a high level of commitment compliance to highly challenging technical requirements; and delivered to one of the most reputed customers in USA.
- Another milestone project secured from South East Asia, which required multi-product production and delivery management with highest level of cost effectiveness against high competition from the established players of the Far East region.
- Another milestone project secured from a regular customer in USA for a long distance Gas pipeline as a part of transnational pipeline and successfully serviced by supply of approximately 400 KM of HSAW line pipe produced in long pipe lengths from Little Rock facility in USA.
- A large contract secured from regular customer in USA for a long distance interstate oil pipeline successfully serviced by supply of over 900 KM of HSAW line pipe with stringent logistical management involving supply to nine different locations in the country.
- A project of National importance in the Middle East region involving manufacturing and supply of very large diameter HSAW line pipes successfully serviced from Welspun Middle East, KSA – the very first of its kind in the GCC region.

Orders booked in FY 15-16

Despite challenging industry scenario, we were able to maintain a healthy order book throughout the year and into the new fiscal year. We booked about 1.012 million MT of orders during the year.

- Successfully secured a long distance offshore Sour Gas Transmission Pipeline Project involving supply of 115 KM of 42" LSAW line pipe with extra high wall thickness and highly stringent mechanical, chemical and dimensional requirements.
- Another expression of the confidence of the largest Oil producer of the world in Welspun Corp for a cross country sales Gas Pipeline in the Middle East region.
- One of the most prestigious interstate gas pipeline project secured for the supply of approximately 500 KM of 42" HSAW and LSAW line pipes; with external FBE Coating with highly challenging logistical conditions in difficult terrains of North East of USA.
- A prestigious project for the supply of 30" LSAW line pipes for transnational sub-sea pipeline for oil export in the Middle East region to be serviced from Indian facilities.
- One of the most challenging Offshore Sour Service Gas Pipeline project as a part of a highly strategic gas field expansion awarded to Welspun Corp by a prestigious customer in the Middle East due to demonstrated capability and capacity in the past; setting higher standards of product quality vis-à-vis global peers.
- One of the challenging contracts for the supply of X70 and X80 Grade large diameter, long length LSAW Line Pipes for a high pressure Gas Transmission pipeline project in USA secured from a reputed and regular customer.

Deep Quality Focus

makes us resilient and future-ready

Ever since inception, our efforts were dedicated towards value creation by an uncompromising focus on the quality of our products and processes.

While all facilities of Welspun Corp Ltd. have valid certifications ISO:9001, ISO:14001 and OHSAS:18001, there are various Quality/ Management Initiatives, which are continuously undertaken.

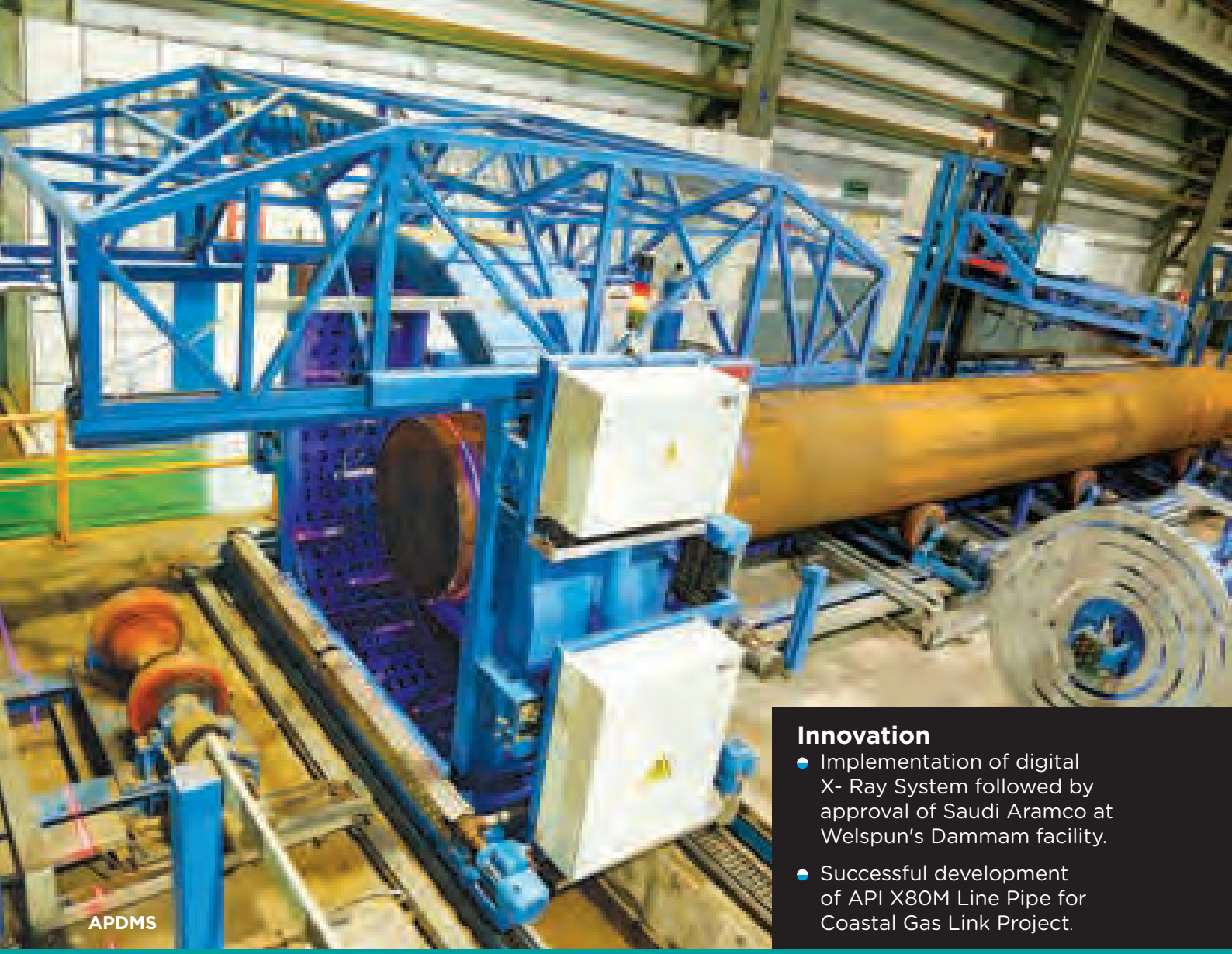
Some of the initiatives are listed as under:

- Total Productive Management (TPM) - Aiming at Zero-Down-Time of the equipment and laboratory resources.
- 7 S' Implementation Project.
- Quality Circle & KAIZEN - For collective achievement and ownership of quality.
- Technology & Knowledge Sharing Workshop - For overall quality awareness within the organization.
- Corporate Quality Surveillance & Process Audit (CQSA) - For total compliance to the Standard Operating Procedures.
- Standardization of Plant System Operating Procedures (SOPs) across global facilities of Welspun - For uniform quality culture across the organization.
- Integration of Inspection and testing Automation/ NDE systems with SAP - To eliminate manual interference for complete data authenticity and traceability.
- Development and Implementation of Re-evaluation/ Audit of approved vendors for: Steel Plates and Coils, Welding Consumables - Wire and Flux, Coating Material - FBE, Adhesive, HDPE and HDPP.

Quality certifications & Quality accreditation

In addition to the Quality Certifications like ISO and API, Welspun Corp Ltd. avails membership with Globally renowned Quality and Standards Organizations like:

- ASQ (American Society of Quality), The President (QA&TS) is the Current Honorable Chairman for ASQ- LMC Mumbai Chapter.
- ASME (American Society of Mechanical Engineers).
- NACE- International (National Association of Corrosion Engineers).
- TMS (The Minerals, Metals & Materials Society).
- IIM (Indian Institute of Metals) - Metallurgy & Material Engineering [Life Member].
- ITA, India Chapter (International Tube Association, India).
- SFA (Society of Failure Analysis) - Life Time Member.
- INGAA-USA (Interstate Natural Gas Association of America).
- AIMA (All India Management Association).



Innovation

- Implementation of digital X- Ray System followed by approval of Saudi Aramco at Welspun's Dammam facility.
- Successful development of API X80M Line Pipe for Coastal Gas Link Project.

Technology Investments

make us resilient and future-ready

At Welspun, we are steadily raising our bar through consistent technology upgradation to strengthen our operational ecosystem. We are equipping ourselves with advanced technologies to improve our processes and ensure better product quality.

Initiatives implemented during FY 15-16

L-SAW, Anjar

- Automatic pipe transfer – by transfer trolley & Hampelmann.
- Pipe vacuum cluster system to lift and shift multiple pipes.
- Installation of Heavy Duty tack welding (≤Ø36") & Forming press upgradation for extreme D/T off shore pipe line projects
- Automatic pipe dimension measurement system (APDMS).

L-SAW Coating, Anjar

- Modification of internal coating facility for small diameter pipe from Ø8$^5/_8$"- Ø16".

ERW-16", Anjar

- Upgradation for 18 meter capability to tap the US and Australian market.

CWC, Anjar

- Concrete weight coating plant with impingement process to enter new market segment.

Yard Management, Little Rock, USA

- Additional rail spur laid to ensure parallel loading of large diameter and small diameter pipes, ensuring online loading of pipes.
- Multiple pipe handling with 'cluster vacuum lifting system' to prevent handling damages for small diameter pipes.

Small diameter coating, Little Rock, USA

- Capacity enhancement to match the increasing demand of HFW Coated pipes.

HFW, Little Rock, USA

- New up-graded design break-down roll, pre-edge bending, fin pass toolings and turks head to ensure smooth forming of a pipe.
- Installation of upgraded design, new beveling heads and toolings to eliminate frequent quality issues.
- Installation of inline leveller before edge milling as a special process to tackle erratic behaviour of X70M grade raw material from different source.

Large diameter coating, Little Rock, USA

- Process improvement to reduce powder mound and re-work in coating.

Spiral, Kingdom of Saudi Arabia

- OD welding station upgradation to ensure right weld profile and improve mechanical properties with sustainable quality.

DJ, Kingdom of Saudi Arabia

- DJ weld quality improvement for higher thickness pipes with the induction of additional welding wire in tandem to eliminate quality issues.

Launched in FY 15-16

L-SAW, Anjar

- Plate shot blaster - To ensure rust free pipes and reduction in weld defects.
- SAP integration of quality data online from critical machines.

ERW-16", Anjar

- Automatic online pipe OD marking system at Cut-off.
- Automatic offline pipe ID marking system at final inspection.

L-SAW Coating, Anjar

- FBE/DFBE coating facility upgradation to improve overall efficiency & quality of the system, reduce wastage of material.

L-SAW, Dahej

- Capability enhancement of Tack welding machine by replacement with heavy duty jack actuators & modification of damaged housing.
- Implementation of ID/OD washing system (boom type) to minimize weld defect.
- Installation of Digital Flat panel at RTR.

Spiral & DJ, Kingdom of Saudi Arabia

- SAP integration of quality data online from critical machines.
- New heavy duty pre-bending & leveler for SPM#1.
- De-coiler modification & provision of heavy duty snubber roll.
- Induction heating system for DJ.

HFW, Little Rock, USA

- Error free pipe traceability system.

Future initiatives

- Induction bending and bend coating facility upgradation
- Automated stencilling system for spiral and large diameter coating at Little Rock, USA
- Automated pipe dimension measurement system at spiral plant, Little Rock, USA for OD, OOR and length to eliminate human error and manpower optimisation.
- Online auto tack weld defect identification and reinforcement welding at SPM#1, Kingdom of Saudi Arabia to eliminate weld defects in tack welding subjected to manual repair, reduction of manpower and subsequent defects on pipe welding.
- Automated stencilling and pipe traceability system for spiral and coating, Kingdom of Saudi Arabia to de-risk from issues related to laying contractors and customer end concerns.
- Upgradation of flux management system to cater to offshore project requirement at L-SAW, Dahej
- Installation of IUT systems at L-SAW, Dahej

Customer Appreciation

makes us resilient and future-ready

Our strategic initiatives are designed to address the varied expectations of a wide cross-section of customers across the world. It also enhances our brand reputation and recall and helps generate repeat business.

We live by a customer-first philosophy at Welspun

Inspiring recognition

Very impressive facilities and highly competent personnel. It was a great learning experience for me as well.
-**Russell Scoles, Spectra Energy**

It was good chance to see the mills and other Welspun facilities. We found it big and interesting and very well arranged.
-**Hamid Muotoq, South Oil Company, Iraq**

Have visited several times and as always impressed with continuous maintenance of high standards.
-**Renil Antony, Metal One**

Excellent team of people, outstanding quality.
-**Richard Ross, Technip**

The presentation and the plant tour were wonderful and very informative. You also listened to our concerns and have demonstrated a great understanding of our requirements.
-**Hassan Alamsour, Saudi Aramco**

Customers repose faith in our efforts; and this is the result:

- Coating qualification of Welspun's Coating facility at Dammam - KSA by TransCanada Pipelines Limited with customized standardization of Raw Material Technical Specification (RMTS) for steel and coating materials.
- Successful mill qualification for Offshore and Sour Service (28" OD x 20.6 WT minimum) from Eni.

We actively engage with customers, and have deep discussions with them on a variety of issues. We share our knowledge and insights with them, and they, in turn, help us gear up for new product features.

- Technical Manual for the Hot Induction Bending and Bends Coating is being prepared for submission to worldwide customers.
- Joint Industrial Projects (JIPs): Welspun Corp Ltd. is the Steering Committee member for following Joint Industrial projects of DNV.GL.
  - JIP-LBZ [Joint Industrial Project of DNV GL on 'Local Brittle Zone'].
  - JIP_SENT [Joint Industrial Project of DNV GL on "Standardization of SENT Test for Sour Service Environments"].
- Successful pilot production of LSAW line pipe for deep sea installation for Golfinho Offshore Gas Pipeline Project in Mozambique.
- Welspun participated as one of the sponsor of the 'COROCN 2015'-Conference & Exhibition held at Chennai Trade Centre, Tamil Nadu, India during November 19th to 21st 2015.

The opportunity landscape

Although the global economic scenario is passing through a phase of sluggishness and volatility, there are credible reasons for optimism, going forward.

Opening of Iranian Market

Traditionally, Iran had been an attractive market for Indian producers. The lifting of the US and UN sanctions has now again opened the gateway to attractive business opportunities for Indian line pipe producers, particularly owing to a rich past supply record of Indian pipe mills to the Iranian market.

Opportunities in India

- In the Union Budget for 2016-17, the overall resource allocation for the Ministry of Water Resources has increased from ₹ 7,431 crore (in FY 15-16) to ₹ 12,517 crore. At the same time, the allocation for ground water has enhanced by 85%.
- There has been a major investment in Natural Gas Grid by the Ministry of Petroleum and Natural Gas.
- India is also seeking to double its existing gas pipeline infrastructure of 15,000 km, as the Government aims to provide a clean energy source to consumers.
- The national perspective plan, released by the Prime Minister at the Maritime India Summit, aims to promote port-led development. At least 150 projects have been identified - infrastructure development (₹ 4 lakh crore), industrial investment (power, steel, manufacturing, ₹ 8 lakh crore), augmentation of coastal shipping and inland waterways to reduce logistics cost (₹ 35,000-40,000 crore).

Global Opportunities

- Deepwater gas pipeline development from the Middle East to India.
- Heavy oilfield developments in the Middle East Region, particularly in Kuwait and Saudi Arabia and in Alberta, Canada.
- Refining capacity expansion in the Middle Eastern market, particularly in Saudi Arabia, the UAE and Kuwait.
- Petroleum product pipeline expansion in East Africa.
- Crude/heavy oilfield development in East Africa.
- Deep sea gas blocks development in East and South Africa.
- Gas Master Plan (GMP) development in West Africa.
- Major offshore gas field development in South East Asia.
- More than 10 upcoming LNG terminals in the US for LNG exports.
- Transnational national gas export pipelines in the US.
- Natural gas fields and transmission network developments in South America.

Talent and Teamwork

makes us resilient and future-ready

Our Group vision of Welspun 2.0 is built on our core values - Customer Centricity, Collaboration, Technology and Inclusive Growth. We aim to build a sustainable organization by adopting our core values and embedding them in our people processes and practices.

HR Operating Model

We have been able to augment our HR Operating Model by transforming our key HR processes - Talent Sourcing, Employee Engagement, Employee Development and Performance & Rewards to give our employees one of the best employment experiences. It is important that all HR processes and initiatives are developed as a part of an overarching people strategy, which is aligned with, and designed to help achieve organizational objectives.

One of our key focus areas has been to identify talent and develop a leadership pipeline in the organization. We have implemented a focused Talent Identification process that profiles the organization's existing talent pool in a well-defined and scientific manner through interventions, such as 360-degree feedback and Leadership Potential Assessments.

Development programs, in collaboration with premier institutes like ISB, INSEAD and MIT are customized to the needs of individual employees, based on their development needs. For the middle and senior management teams, specific learning and leadership development initiatives have been developed in the domains of people management, emotional intelligence, customer relationship management, professional and personal excellence to help sustain a pool of critical leadership capability.

'Smart leaders' is an intensive four-month intervention, spanning three phases, and group learning through live projects that reinforce knowledge gained in training sessions through on-the-job implementation. To enable identified leaders and client-facing managers sharpen their business etiquette, presentation and communication we rolled out 'Express to Impress' by Dale Carnegie. It is a program that integrates the essentials and intentions to be an organized professional presenter.

We put in place a New Reward management approach (market linked increments) and an Annual Incentive Mechanism (AIM) designed to reward employees who contributed to the Company's success over the year. We have also undertaken a job evaluation initiative, where roles have been evaluated using one of the world's most widely used and accepted systems, to identify unique roles and their relationships and relative position to other roles in the organization. This data will be used to redesign our grading systems into a uniform system across the globe.

Employee engagement is another area where several initiatives have been put in place, and various communication forums were active during the year. The Monthly Departmental Meetings (MDM) and town halls with the MD were started to share business updates with employees, build employee connect and to address any of their concerns. HR town halls, on the floor communications, HR at doorstep, inter-department cricket tournaments and various other means have been used to engage employees on various people related initiatives, with the objective to help us build ourselves into a 'Great Place to Work'!

A 24x7 Welspun Employee Assistance Program (WEAP) in partnership with ICAS, one of the world's leading providers of wellbeing programs, has been put in place. Under this program our employees can call for counselling and assistance on a range of issues that are on their mind and impact their wellbeing.

Our inclusive growth agenda helps to achieve diversity ratio at our workplace; and we have been successful in improving the same at leadership level. Our growth journey remains incomplete without our commitment to society and the community we do our business in.

As a Company, we are committed to provide every Welspunite, current and future, an enriching Welspun experience.

WELSPUN 2.0
TOMORROW TAKES WINGS TODAY

During the year, we embarked on a historic, transformative journey that has the potential to shape Welspun Corp of the future.

Our journey is inspired from our fundamental abilities: an ambition to grow big and our risk-taking capability. This spirit essentially defined our growth till 2015. However, as we prepare to address the markets, customers and growth strategies for the future, we embarked on a new journey, a journey we call Welspun 2.0. We are gradually equipping ourselves for the future with renewed goals and revolutionary initiatives.

OUR VISION

Delight our customers through innovation and technology, achieve inclusive and sustainable growth to remain eminent in all our businesses.

By 2020, we aim to be amongst:

The top 2 value creators in each of our business

The top 10 most respected Indian brands

OUR PHILOSOPHY

Leading
Integrity, Dare to Risk, Speed

Tomorrow
Innovation, Technology, Customer Centricity

Together
Inclusive Growth, Collaboration, Adaptability

Way of life

A clear and ambitious vision is the bedrock of strong and uncompromising values. These values then shape a whole new way of life. At Welspun, we have identified some key attributes that we must all consciously build into our daily routine. These will help us change our approach to work and achieve our mission together.

Our Core Values

Customer Centricity

We understand our customers and always act in their best interest. We make them central to everything we do and share their stories across the organisation. We live by a customer-first philosophy and prioritise them over everyone else.

Technology

We embrace technology to elevate performance. We are working with colleagues and are simplifying processes to make technology work for us. We are adapting to change willingly to make things better in the future.

Collaboration

We are working together towards common goals that put Welspun first. We are developing a strong sense of connect and trust with people we work with across teams and are willingly sharing credit and success with those who helped us along the way. We are breaking down silos between departments and work as One Welspun.

Inclusive Growth

We are committed to giving back to the society. We consciously aim to build and enhance Corporate Social Value by contributing our bit towards the community and the environment. We are making Welspun an employer of choice for women through progressive policies. We are also consciously working towards increasing the women workforce by 20% across the Group, by the year 2020.

"We have always been ahead of our competition because of our high level of commitment and team-work. Whatever, Welspun is today is because of each and every Welspunite's hard work and dedication. As I see the rich potential in the team that we have all built and as we focus on our 2020 vision, I am extremely proud and confident. I know that my dream of Welspun becoming an institution will become a reality."

- BK Goenka
Chairman,
Welspun Group

WELSPUN20

Accepting Future

We are committed to being relevant... through technology and innovation, by responding to customer needs and by encouraging our people to dare to risk. We are finding new ways to work, shape a new culture and create a sustainable enterprise. We are fulfilling our social responsibilities and will continue to foster women empowerment at all times.

WELSPUN CORP
PIPES AND PLATES

Corporate Social Value... Creation by focusing on 3Es

Virtuous cycle of social development at Welspun

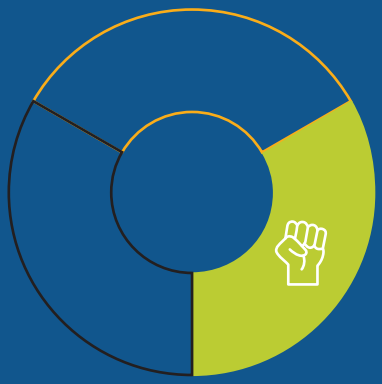
Education
- Child and adult education
- Interventions

Environment & Health
- Sustainability Focus
- Health Camps
- Mobile Medical Vans
- Natural/recycled products
- 300K trees planted
- Rainwater harvesting

Empowerment
- Vocational training
- Employability

Global Women's Economic Empowerment Initiative

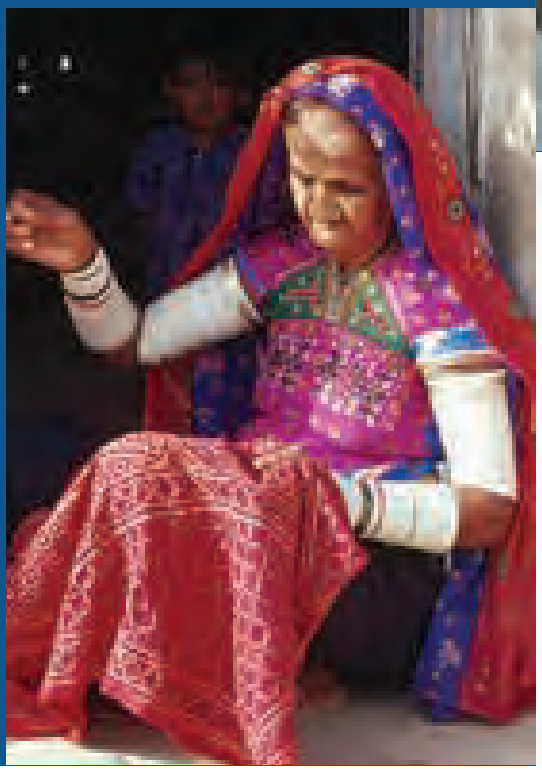
Welspun works with Walmart's SWASTI foundation for Women Empowerment and Training. Through his partnership, we have successfully trained 2,335 women in foundation-level course and another 519 women in advanced level course.



Empowerment

We believe in empowering the community to improve their lives, through enhancing their skills and positively impacting their livelihoods.

We strive to make people active partners. We champion social entrepreneurship through our programs that empower women and our own people. Going ahead, we will continue to innovate, strengthen our ongoing CSR activities and expand the scope and coverage of our programs. Our initiatives for the local women offer innovative and sustainable solutions to address the myriad social challenges associated with a growing India. We add value by leveraging our expertise serving the women through offering them opportunities at our various vocational centres.



WOMEN EMPOWERMENT AT CSR

WELSPUN
Foundation for Health & Knowledge

8	Vocational Centers to train women in cutting & stitching
219	Women were employed at the Group's textile unit after completion of training at the vocational centre
141	Women Engaged across our vocational centers
748	Women Trained in stitching at the vocational centers
3,486	Average Earning per women per month across all vocational centers
5,41,681	Total Bed Sheets produced till date
12,90,128	Total Number of Products developed across all vocational centers
1,32,97,599	Total Earning of women beneficiaries of the vocational centers

Education

Education can change lives for the better. Over the course of the next five years, by 2020, we plan to extend the reach of our education projects to all Government schools in Anjar.

41
Government schools at Anjar

60
Para teachers at Anjar

Our key initiatives in promoting education include:

- Welspun Vidya Mandir at Anjar focuses on providing quality education to 1,500 students, upto standard XII and following the CBSE curriculum. Extracurricular activities such as community engagement, welfare programs, art and crafts are integrated into a holistic learning approach.
- Quality Education Project at 41 Government schools in Anjar reaches out to over 10,000 students.
- Deployment of 60 Para teachers at Anjar.
- 'Smart Classes' installed in all 28 schools in Anjar to deliver the curriculum in an engaging and interactive audio-visual format. Libraries, furniture and televisions to aid teaching through audio-video mediums were installed in primary schools at Kudregundi & Holalu villages in Mandya.
- 3 Adult Literacy Classes for 175 women at 3 villages - Ratnal, Sinugra and Satapar.
- Vocational training at a Secondary School in Ratnal, Anjar where 55 students from the 9th grade are being trained.

Pushing ahead with a meaningful growth agenda

We are proud of our CSR achievements. Nevertheless, there is a lot of ground to cover and our priorities for FY 16 have opened up a world of possibilities. Our targets for FY 16 include substantial growth across Social Development goals and we remain confident of positively affecting several more lives.

We will expand hostels for girl students, add Smart Villages, extend Skill Development capabilities and strengthen the Global Women Empowerment initiative.

Environment & Health

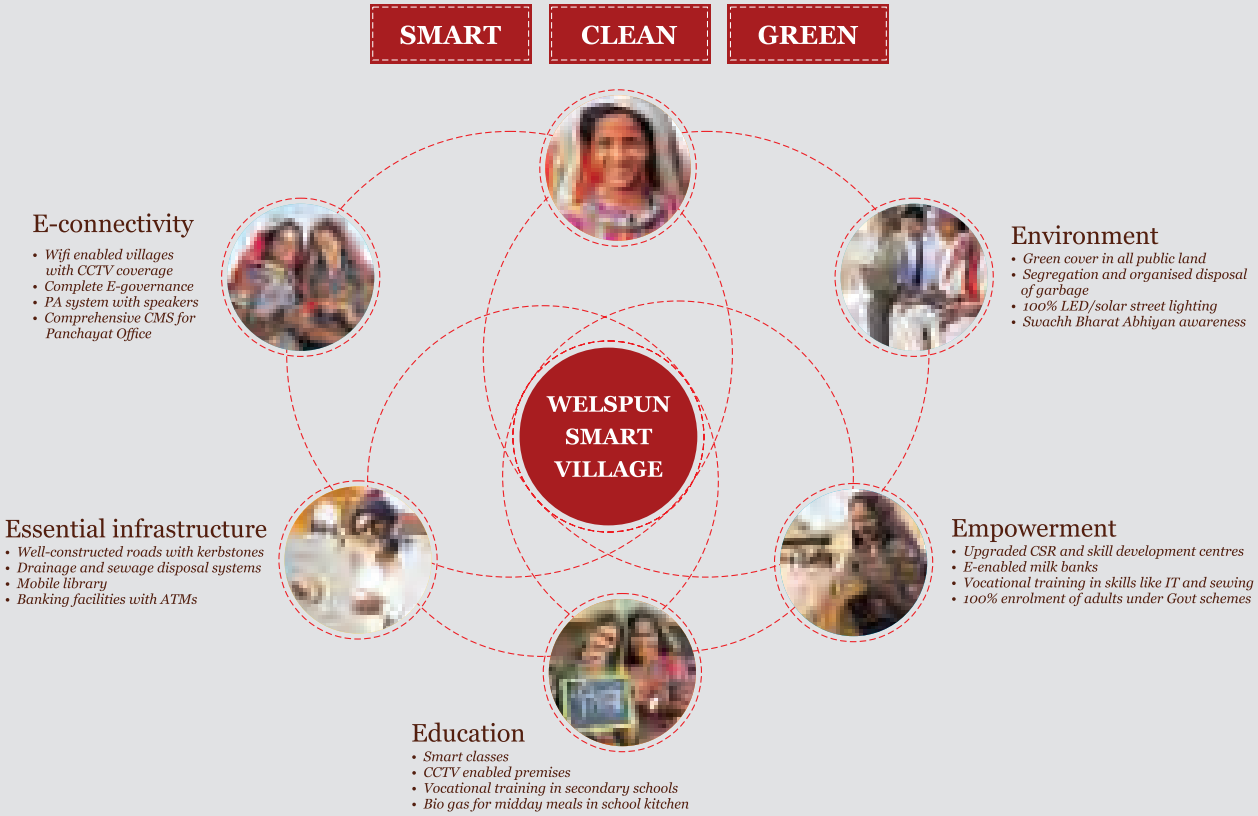
Some of our initiatives in the Environment and Health segment include setting up of RO plants around our facilities, conducting health camps, providing mobile health vans, constructing sanitation facilities, planting of trees and bio-diversity drives.

Our efforts comprised

- Partnered Anjar, Gandhidham - Adipur Nagar Palika to build a sewage treatment plant (STP) at Anjar. The project will recycle and treat wastewater generated in the two cities. The total water requirement at the Anjar plant will be met by processed water from the STP. We intend to decrease our dependency on freshwater consumption which would increase the availability of freshwater for the communities around us.
- Created awareness among communities to plant trees and distributed saplings.
- Green Village program: 8,000 saplings planted in 14 villages of Anjar Taluka.
- 200 saplings planted at 2 govt. schools in Mandya.
- Beach Cleanup drive at Juhu beach by employees after Ganesh Chaturthi.

Leading a helping Hand

- Mobile Health Vans (MHV) have been deployed in partnership with another NGO. The MHV is a moving dispensary manned by a qualified doctor, pharmacist and a social worker. It is fully equipped with medicines and diagnostic tools and can travel to rural villages to provide basic healthcare facilities. MHVs reach out to 17 villages with a target of over 20,000 individuals.
- Health Camps were conducted to address specific healthcare concerns. We provide healthcare support facilitated by specialists and trained doctors through periodic medical check-ups, diagnosis camps, blood donation drives, and awareness sessions on maternal healthcare, child care, malnourishment, HIV/AIDS, hygiene and sanitation.
- To promote hygiene and sanitation, 1,500 toilets have been constructed at 18 villages in Anjar, Gandhidham and Rapar Taluka.
- Blindness Control Program for elderly people where 468 individuals were screened and 85 referred for eye surgery.
- Facilitated a Pulse Polio Drive in association with District Government Health Department across Mandya District.
- Community based RO plants installed in 4 villages - Versamedi, Satapar, Lakhapar and Ambapar and 1,250 LPH installed in Versamedi Primary School, providing pure drinking water to over 20,000+ villagers and around 700 school children.



Our Smart Village

In line with the Government's vision for smart villages in India, we have instituted our first smart village at Versamedi at Anjar (Gujarat). With a focus on 5Es our efforts to improve our villages include a focus on essential infra, e-connectivity, empowerment, environment and education. We plan to replicate this model to more villages in the coming years.

Transformation of Versamedi Village
A Case Study

Versamedi village in Kutch district, Gujarat has about 1,500 households and a total population of about 6,000 people. We entered this village with a vision to convert it into a smart village in collaboration with the Versamedi Gram Panchayat and identified various gaps in the process. Our attempt at bringing about a change at the grassroots level enabled us to look over those grey areas and move ahead in a strong and sturdy manner.

Our planning phase involved a lot of interaction with the locals as well as a comparative research analysis to ensure best results. We started off with a detailed interaction with the Sarpanch and other prominent people of Versamedi to understand the aspirations of the villagers. It helped us create a detailed checklist of existing facilities along with keeping the aspirations and features that can be incorporated, in mind. The models of other smart villages like Punsari were studied in detail and a visit was arranged for the Sarpanch and a few selected villagers to sensitize them about this new concept. After a huge round of research, a detailed plan including budget and source of funding was formulated which brought us a step closer to our vision.

Some of the activities that were initiated under our 5E model are as follows:

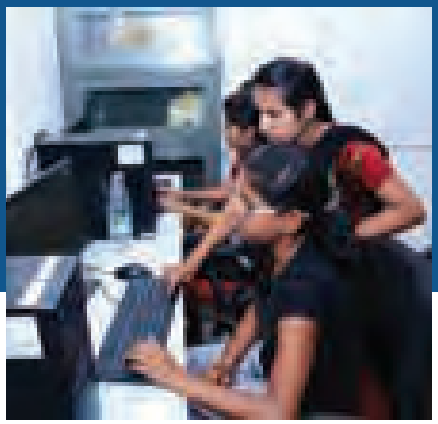
Education
School Renovation, SMART Class, AANGANWADI - Pre Primary center for village children.

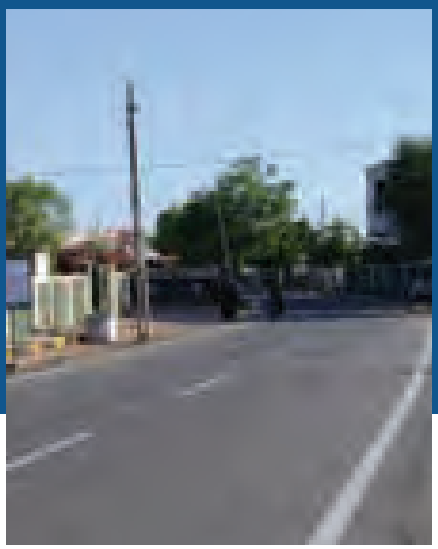
Empowerment
Vocational Center, Kaushalya Vardhan Kendra (K.V.K.), ITI Center, Mobile Library.

Environment & Health
Health Programs, Green & Clean Village (Plantation of approx. 5,000 Trees & Shrubs), Development of lawn, Public Health Center, 2 community based RO plants (500 LPH) have been installed in 2 different locations of village - 1 RO plant of 250 LPH is installed at Primary School, Biogas Plant (Installation of 1*60 m^3/day capacity IB Plant at Versamedi – Construction Ongoing).

Essential Infra
LED Lighting, Construction of New Roads, Development of Sports Complex - Yoga, Gym, Basketball & Volleyball, New Shopping Complex, New Bus Stands, Posters and Banners (22 signboards & 50 awareness boards installed).

E-Connectivity
WIFI (Total 8 WiFi Zones created to facilitate internet access facility), PA System (Entire Village is covered with 52 speakers for centralized public announcement from CMS Room), CCTV (32 cameras installed to monitor all the critical locations of the village from CMS Room & Smart Terminal), website (Website www.varsamedi.com was launched to keep people updated about the village information - population, geographical area, governing body, history, current facilities etc.).





Versamedi village in Kutch district, Gujarat has about 1,500 households and a total population of about 6,000 people.

Transformation through implementation of Swachh Welspun Abhiyan at WCL Anjar

Welspun Corp, Anjar launched Swachh Welspun Abhiyan focusing on 3 aspects.

1) **Housekeeping** through implementation of - 7S work practices.
2) **Waste management** with 3R and D system i.e. Reduce, Reuse, Recycle and Disposal.
3) **Green Welspun** – Carbon emission and tree plantation drive.

1) Housekeeping

Methodology

WCL - Anjar adopted a 7S approach. It is cyclic methodology with 7 pillars of Sort, Set in order, Shine, Standardize, Safety, Spirit and Sustain.

The planned and structured top driven approach was adopted to achieve a massive turnaround of the unit in terms of work culture.

Steps taken to implement 7S

An organization structure was formed with Apex committee consisting of President Quality and Technical services, Business unit head and Unit head.

- One 7S coordinator and one consulting agency were appointed.
- A master plan was prepared for execution.
- The entire Pipe division Unit was divided into 13 plants.
- A 7S organization was formed in each plant with 1 plant coordinator and a steering committee consisting of department heads.
- Each plant was divided in zones.
- An extensive training drive was undertaken to ensure training of all the employees. It involved 4 hours' classroom training followed with 2 hours' on job training.

Review

Weekly meetings were planned for tracking the progress at Unit level and plant level.

Audits

To monitor the quality of implementation a separate team of auditors from various fields was formed with one principle auditor as leader.

- A separate training of the WCL Anjar auditors was conducted to ensure the quality and uniformity of audits across the Unit.
- The auditors were selected from production, maintenance, quality, logistics and commercial department.

Mahashapath program was organized where more than 1,000 employees jointly took the 7S oath

- The rotational cross plant audits were conducted on a monthly basis and then reduced to once in two months.
- The progress report was reviewed by the apex steering committee and the top management in monthly review meeting which kept the momentum of the drive alive.
- During each phase of implementation, gap analysis was done and the abnormalities were recorded and closed.
- Almost 4,000+ areas of improvements were identified and more than 3,500 were attended to.

Prize distribution at the plant

Employee Engagement

To ensure involvement of all the employees, a slogan completion was organized. The appealing slogans were appreciated with prizes. The slogans were then converted into posters with signatures of the employees. These posters were displayed in all the zones.

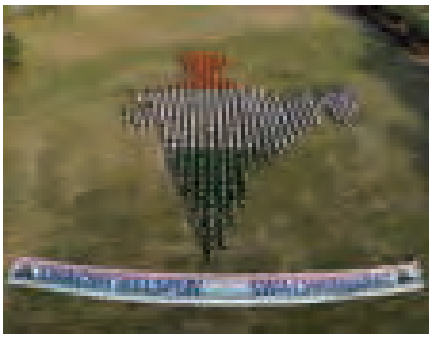
A Mahashapath program was organized where more than 1,000+ employees jointly took the 7S oath.

Several mass awareness sessions and focused meetings were arranged.

These activities are still ongoing thereby strengthening the 7S culture for sustenance and are spreading to the other units of the organization as well.

2) Waste Management

The waste generated in the plant was reviewed and data was collected for water, food and energy waste. Based on the same, some potential areas of improvement were identified. The main focus was on energy saving. Initiatives were taken in a systematic manner to reduce waste.



3) Green Welspun

The plant area was reviewed to identify potential to create green zones. A layout was prepared and the projected green zones were marked in it. Targets were set to develop the green zone by tree plantation and lawn development.

Results and effectiveness –

At the end of one year since implementation, it is significantly observed by customers, stakeholders and industry experts that **"Welspun's Anjar Unit has excelled in plant operations with the help of motivated employees and the changes are visible in the Unit"**.

This activity has resulted in the beginning of a significant cultural change in the unit.

75,000 square foot of land area was made ready for plantation and hundreds of trees were planted along with lawn development.

The unit has won the prestigious **"Gold Award"** at the national level, organized by **Greentech Foundation** for outstanding achievements in safety management by adopting best practices during the year 2014.

The plant was also conferred the following accolades at the **'Welspun Excellence Awards 2014-15'**.

- **Welspun Best Manufacturing Facility Award - Welspun Corp Limited, Anjar**
- **Welspun Best SWA Initiative Award - Welspun Corp Limited, Anjar**

Awards & Recognition

Certificate of Honor & Certificate of Appreciation for achieving 3.7 Mn Accident Free Man-hours during the year 2014-15 from Directorate of Industrial Safety & Health Gujarat State.

Welspun Corp Ltd., Anjar unit was conferred with the Certificate of Appreciation for good practices at the 4th **FICCI Quality Systems Excellence Award for Manufacturing,** 2015.

Welspun Corp Ltd., Dahej unit was awarded **Prashansa Patra** for implementing occupational safety and health (OSH) management systems & procedures effectively alongwith achieving good performance in OSH by National Safety Council, India.

International Safety Award with Merit from British Safety Council, United Kingdom for the year 2015.

NACE International Corrosion Awareness Award for 2013 & 2014 - In the Category for Excellent Material Research and Corrosion Testing facilities.

Welspun Corp Ltd., Mandya unit was awarded **Prashansa Suraksha Puraskara** by National Safety Council, Karnataka Chapter for outstanding achievement in Occupational Health and Safety Management.

CORPORATE INFORMATION

Company Identification Number: L27100GJ1995PLC025609
Date of Incorporation: 26th April 1995
Date of Being Listed on Stock Exchange:
BSE: 27th March 1997
NSE: 4th December 2003

Type of Business: Manufacturing of Steel Pipes, Plates, Coils and generation of Power
Registered Capital: ₹ 2,500 million
Paid Up Capital: ₹ 1,326.13 million divided into 265,226,109 equity shares of ₹ 5/- each fully paid-up
Par Value/Share: ₹ 5/- each
Securities Registrar & Transfer Agent:
Link Intime India Private Ltd.
C – 13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400078

Registered Office
"Welspun City"
Village Versamedi, Tal. Anjar,
Dist Kutch, Gujarat – 370110, India
Tel: +91 – 2836-662079
Fax: +91 – 2836 – 279060

Corporate Office
Welspun House, 5th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013, India
Tel: +91 – 22 – 6613 6000/ 2490 8000
Fax: +91 – 22 – 2490 8020/21
E-mail: CompanySecretary_wcl@welspun.com
Website: www.welspuncorp.com

Manufacturing Units of the Company & its subsidiaries
Village Jolva & Vadadla, Near Dahej, Taluka : Vagra, Dist. Bharuch, Gujarat – 370110.
Village Versamedi, Tal – Anjar, Dist – Kutch, Gujarat – 370110.
KIADB Industrial Area, Gejjalagere, Taluka Maddur, Dist. Mandya, Karnataka – 571428

Manufacturing Units of the Subsidiaries
9301, Frazier Pike, Little Rock, Arkansas 72205, USA
2nd Ind City Dammam, Kingdom of Saudi Arabia, P.O. Box 12943, Postal Code 31483.
Village Versamedi, Tal - Anjar, Dist - Kutch, Gujarat – 370 110.

Stock exchanges where the Company's securities are listed
BSE Ltd.
Phiroze Jeejeebhoy Towers, Dalal Steet,
Mumbai – 400 001

The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

Singapore Exchange Securities Trading Limited (the "SGX-ST")
2 Shenton Way, #19-00 SGX Centre 1,
Singapore – 068804

Bankers
Andhra Bank
Bank of Baroda
Bank of India
Canara Bank
Citibank N.A.
Corporation Bank
ICICI Bank Limited
IDBI Bank Ltd
Oriental Bank of Commerce
Punjab National Bank
Standard Chartered Bank
State Bank of Bikaner & Jaipur
State Bank of India
State Bank of Travancore
Union Bank of India
DBS Bank Ltd.
EXIM Bank Ltd.

Board of Directors
Mr. Balkrishan Goenka
Chairman, Non-Executive

Mr. Braja Mishra
Managing Director

Mr. Rajesh R. Mandawewala
Director

Mr. Mukul Sarkar
Nominee Director of Exim Bank Ltd.

Mr. Mintoo Bhandari
Nominee Director of Insight Solutions Ltd.

Mr. Atul Desai
Director

Mr. Raj Kumar Jain
Director

Mr. K. H. Viswanathan
Director

Mr. Ram Gopal Sharma
Director

Mr. Nirmal Gangwal
Director

Mr. Utsav Baijal
Nominee Director of Insight Solutions Ltd.

Mrs. Revathy Ashok
Director

Mr. S. Krishnan
Chief Financial Officer

Mr. Pradeep Joshi
Company Secretary

Auditors
Price Waterhouse Chartered Accountants LLP

Key Management Team
Mr. Rajesh R. Mandawewala
Group Managing Director

Mr. Braja Mishra
Managing Director

Mr. Akhil Jindal
Director, Group Finance & Strategy

Mr. Godfrey John
BU Head, India & APAC

Mr. Vipul Mathur
Chief Operating Officer

Mr. T . S. Kathayat
President - Head QA & TS, India & KSA

Mr. Rajeev Singh
President - Chief Human Resource Officer

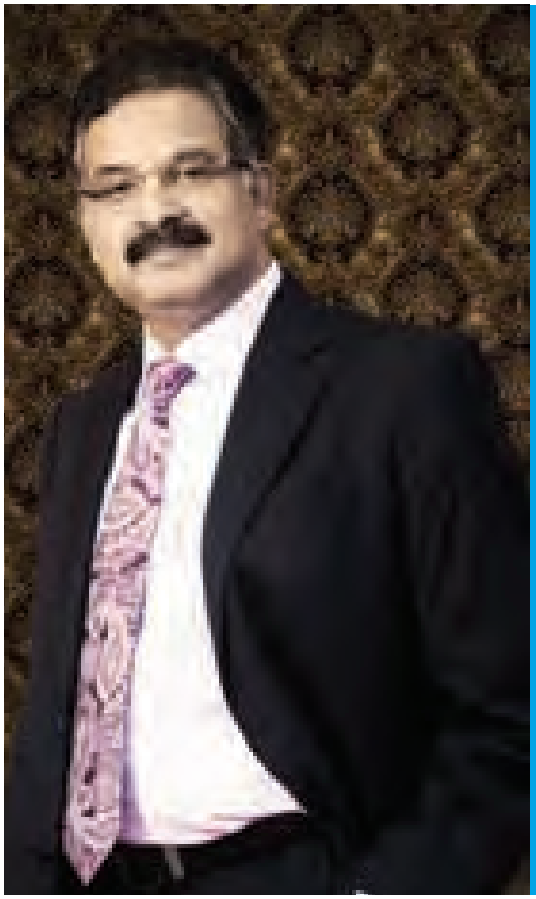
Mr. Gaurang Desai
BU Head PCMD & Chief Supply Chain Officer

Mr. S. Krishnan
Chief Financial Officer

Mr. Prasanta Mukherjee
Chief Technical Officer

Mr. Abdullah S. Al-Zahrani
Chief Executive Officer, Welspun Middle East

MANAGEMENT DISCUSSION AND ANALYSIS



FY2015-16 has been another milestone year having achieved volumes of 1+ million MT for the fourth successive year. Our endeavour to enhance our customer reach across global markets, increased utilisation of our plates/ coil capacity and focus on strengthening the balance sheet also helped achieve improved financial results.

The latter half of the financial year witnessed significant turmoil in global energy markets having a cascading effect on the near-term outlook for line-pipe demand, making the business environment more challenging and impacting margin quality of the order-book. However, driven by our global operations, presence in the major markets, continuous efforts towards client engagement and investment in a state-of-the-art CWC plant, we continue to explore growth opportunities without diluting our focus on financial discipline.

Subject to conducive regulatory environment and stable local demand, Plate and Coil mill utilisation can further improve in the year ahead.

B. K. Mishra
Managing Director,
Welspun Corp Limited

The Management Discussion and Analysis (MD&A) should be read in conjunction with the Audited Consolidated Financial Statements of Welspun Corp Limited ("Welspun" or the "Company"), and the notes thereto for the year ended 31 March 2016. This MD&A covers Welspun's financial position and operations for the year ended 31 March 2016. Amounts are stated in Indian Rupees unless otherwise indicated. The numbers used in the analysis are on a consolidated basis, the corresponding number for the previous year have been regrouped and reclassified wherever necessary.

Forward-Looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Company Overview

Welspun Corp Ltd (WCL) is a leading manufacturer of large diameter pipes globally, offering a one-stop solution for all line pipe related requirements with its wide product range of high grade line pipes, meeting stringent specifications and modern state-of-the-art global manufacturing facilities in India, USA and Saudi Arabia for Longitudinal (LSAW), Spiral (HSAW) and High Frequency Induction Welded (HFIW)/ Electric Resistance Welded (ERW).

WCL also has a plate and coil mill facility in India, which enhances its backward integration; and also its ability to meet pipe as well as other customer requirements across markets. Welspun's list of clients coming from among the Fortune 100 companies includes bellwethers of the oil and gas sector (Shell, Saudi Aramco, TOTAL, Chevron, Energy Transfer, South Oil Company, Exxon Mobile, British Gas, Kinder Morgan, TransCanada, Enbridge to name a few). The Company is a preferred vendor to over 50 major oil and gas companies, enhancing its ability to participate and bid in key projects globally.

Global Economic Overview

This year, global economic activity remained largely subdued. Growth in emerging market and developing

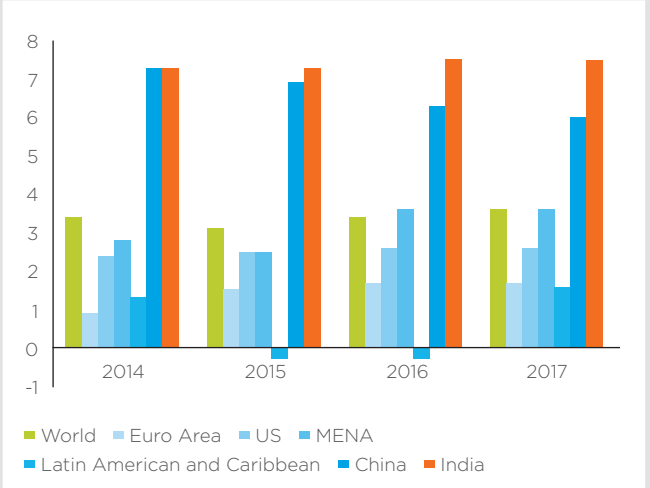
economies - while still accounting for over 70% of global growth - declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Three key transitions continue to influence the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery, even as several other major advanced economies continue to ease monetary policy.

Overall, financial conditions within advanced economies remained very accommodative. Prospects of a gradual increase in policy interest rates in the United States as well as bouts of financial volatility, amid concerns about emerging market growth prospects have contributed to tighter external financial conditions. The result is declining capital flows, and further currency depreciations in many emerging market economies.

Headline inflation has broadly moved sideways in most countries; but with renewed declines in commodity prices and weakness in global manufacturing weighing on prices of traded goods, it is likely to soften again. Core inflation rates remain well below inflation objectives in advanced economies. Mixed inflation developments in emerging market economies reflect the conflicting implications of weak domestic demand and lower commodity prices vis-à-vis marked currency depreciations over the past year.

India's economy continues to perform better than the emerging peers; and the external position remains comfortable largely helped by the lower commodity and energy prices. Stability in the political environment and the government's pro-reform approach continue to strengthen confidence of entrepreneurs and investors. Higher infrastructure spending, increased fiscal devolution to states, reforms in the oil and gas space, and other fiscal reforms are expected to improve investor sentiment and business outlook.

Chart 1: Global real GDP growth rates (constant currency)

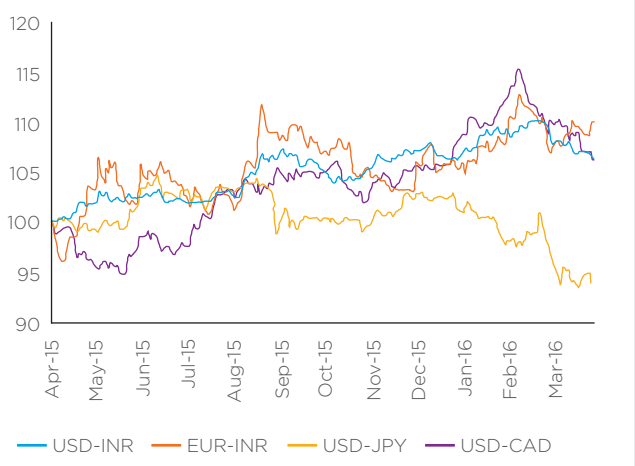


Source: IMF Report – January 2016

Foreign Exchange

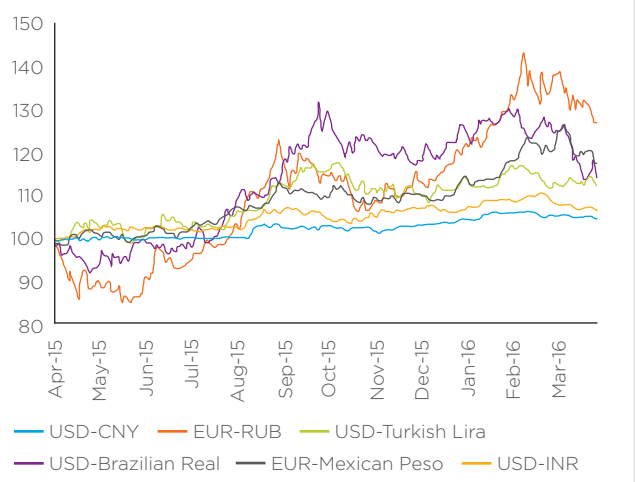
During FY 2015, across the emerging and developed markets, the global trend of currencies weakening against the USD had rare exceptions. JPY appreciated against USD mostly January 2016 onwards; this would reduce export competitiveness of Japanese linepipe players. Significant depreciation of EUR, benefited European linepipe players.

Chart 2: % Depreciation of major developed market currencies



Source: Bloomberg

Chart 3: % Depreciation of major emerging market currencies



Source: Bloomberg

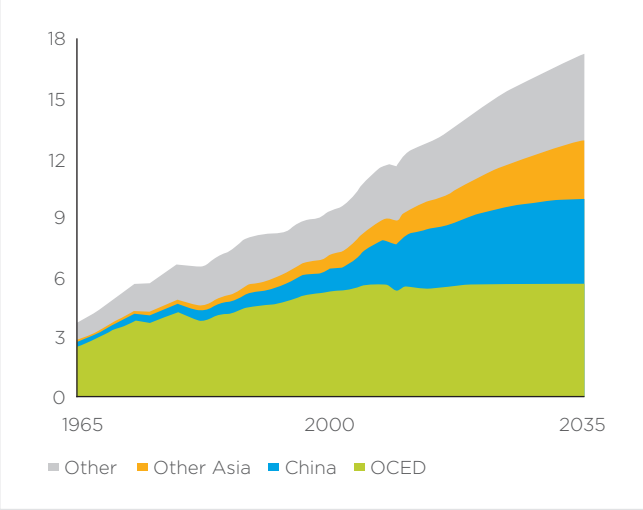
In other emerging market currencies, major depreciation of the Turkish Lira, Brazilian Real and Russian Rouble significantly enhanced the competitive edge of suppliers from these markets. In this scenario, the INR was fairly benign across the year with depreciation @ 6%, thus increasing the competitive pressures on Indian supplies.

Global Energy Demand

Energy is vital to virtually every aspect of modern life. Around the clock, around the globe, people rely on energy to get to work, prepare meals, pursue business endeavours, communicate and much more. Energy comes in many forms — from gasoline to natural gas to electricity — each with properties well suited for particular applications. Global energy demand is largely determined by growth in population and GDP as well as industrial activities. Given the worldwide subdued economic environment, energy intensity (energy used per unit of GDP) is expected to decline by 2.1% annually over 2015-35.

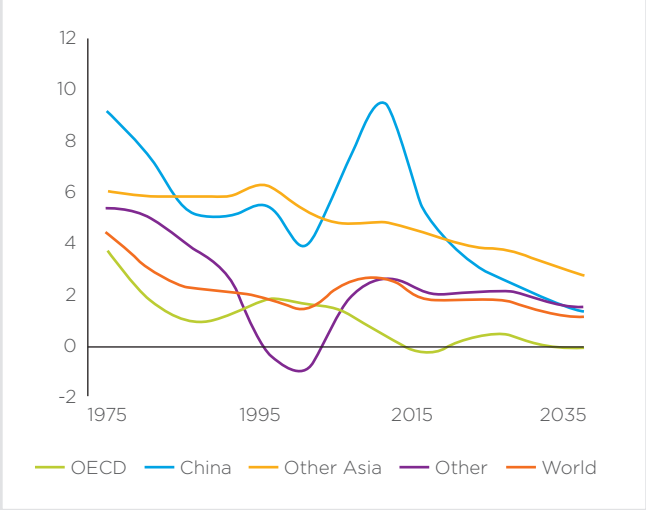
Global energy demand is expected to grow by around 34% by 2035. This demand growth will be exclusively from the rapidly growing non-OECD economies; demand in OECD economies is expected to stagnate. Among OECDs, China would continue to be the largest consumer, albeit the rate of growth would continue to slow down rapidly. The sharp de-growth in China's energy demand is partially offset by an escalation in other developing countries. With a fast developing economy and an aspirational society, India is likely to account for over a quarter of the growth in global energy demand during 2025-2035, double its contribution over the past decade.

Chart 4: Energy consumption by region
(Billion toe)



Source: BP Energy Outlook 2035, 2016 edition.

Chart 5: Energy consumption growth by region
(10 year average, % per annum)



Source: BP Energy Outlook 2035, 2016 edition.

Fossil fuels are projected to provide the majority of the world's energy needs, meeting 60% of the increase in energy demand till 2035. Renewables and non-conventional fossil fuels are expected to take a larger share of the demand pie, along with gas. The demand for gas is rising significantly as it is the cleanest fossil fuel; and going forward, it is expected to meet as much of the increase in demand as coal and oil combined.

The Oil Scenario

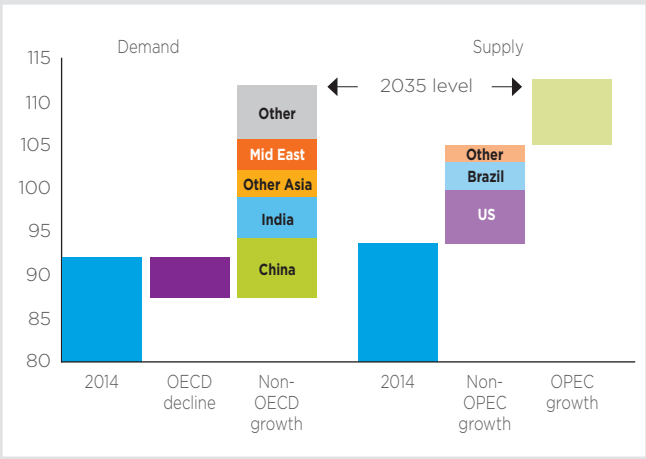
Oil prices declined considerably during 2015, reflecting expectations of sustained increase in production by the Organization of the Petroleum Exporting Countries (OPEC) members surpassing consumption.

Lower oil prices strain the fiscal positions of fuel exporters and weigh on their growth prospects, while supporting household demand and lowering business energy costs in importers; especially in advanced economies, where price declines are fully passed on to end users.

Although a decline in oil prices should support global demand given a higher propensity to spend by oil importers vis-à-vis oil exporters several factors currently have dampened the positive impact of lower oil prices. Financial strains in many oil exporting economies is impacting their domestic demand. The oil price decline has had a notable impact on investment in oil and gas extraction. Finally, the escalation in consumption by oil importers has so far been somewhat weaker than evidence from past episodes of oil price declines would have suggested. This possibly reflects continued deleveraging in some of these economies. Limited pass-through of price declines to consumers may also have been a factor in several emerging market and developing economies.

The oil market is expected to rebalance gradually, with the current low level of prices, bolstering demand and dampening supply. Global liquids demand (oil, biofuels, and other liquids) increases by around 20 Mb/d, to reach 112 Mb/d by 2035. The increased demand comes from emerging economies, with China and India accounting for over half of the escalation. In contrast, oil consumption in OECD economies continues its secular decline (-5 Mb/d). Non-OPEC supply accounts for the majority of the supply increase, growing by 11 Mb/d, while OPEC increases by 7 Mb/d. The net increase in non-OPEC supply comes from the Americas: US shale, Brazilian deepwater and Canadian oil sands.

Chart 6: Oil: Mismatch in demand-supply
(Mb/d)



Source: BP Energy Outlook 2035, 2016 edition.

Global oil consumption is projected to reach 109.8 Mb/d by 2040. Demand increases by just over 18.4 mb/d over the period 2014–2040. OECD consumption is projected to fall to 37.8. Mb/d in 2040, the lowest since 1985. US demand falls 24 Mb/d to 20.6 Mb/d from 2013 to 2040. Non-OECD consumption will reach 67 Mb/d by 2040 with demand in China growing to 18.8 Mb/d in 2040. India and the Middle East are the next largest contributors. Although China provides the largest increment to liquids demand over the outlook period, its growth volumes are slow relative to those observed over the last 10 years. The outlook for long-term oil demand is presented in Table below.

World Oil Demand Outlook, 2014 – 2040 (mb/d)

	Levels							Growth
	2014	2015	2020	2025	2030	2035	2040	2014-2040
OECD America	24.2	24.5	24.6	23.7	22.6	21.4	20.2	-4.0
OECD Europe	13.5	13.6	13.3	12.8	12.3	11.8	11.3	-2.2
OECD Asia Oceania	8.1	8.1	7.7	7.4	7.0	11	1141	-1.8
OECD	45.8	46.2	45.6	43.9	41,9	39.9	37.8	-8.0
Latin America	5.6	5.7	6.2	6.6	6.9	7.2	7.5	1.9
Middle East & Africa	3.7	3.8	4.2	4.7	5.1	5.6	6.1	2.4
India	3.8	3.9	4.7	5.7	6.9	8.3	9.6	5.8
China	10.5	10.8	12.4	13.9	15.4	16.7	18.0	7.5
Other Asia	7.5	7.7	8.6	9.6	10.7	11.6	12.3	4.8
OPEC	9.3	9.5	10.2	10.8	11.5	12.1	12.6	3.3
Developing countries	40.3	41.4	46.4	51.4	56.5	61.5	661	25.8
Russia	3.4	3.4	3.4	3.5	3.5	3.5	3.4	0.0
Other Eurasia	1.8	1.8	2.0	2.2	2.3	2.4	2.4	0.6
Eurasia	5.2	5.2	5.5	5.7	5.8	5.9	5.8	0.6
World	91.3	92.8	97.4	100.9	104.3	107.2	109.8	18.4

Source: OPEC - World Oil Outlook 2015 Report.

The Gas Scenario

Gas enjoys around a quarter share in the global primary energy mix, behind oil and coal. The United States, Russia, China and Iran are the world's largest gas consumers. The largest producers are Russia, the United States, Canada, Qatar and Iran.

The growth of gas consumption has been weaker than expected in recent years, as gas has been crowded out by cheaper and more abundant coal; and, in Europe, also by rapid growth in renewables. But the recent lukewarm demand is not expected to persist, with global gas demand projected to grow by 1.8% annually over 2015-30.

Amid falling prices and budget cuts, the US gas industry is showing an unparalleled ability to absorb shocks. US gas production increased robustly last year; and has remained on an upward trend. While cash flows of companies are falling, producers are responding by quickly pushing the profit squeeze downstream. Service costs have already dropped substantially; and further reductions are likely, which should attenuate the impact of low oil prices on drilling programmes. Overall, the dynamic and flexible nature of the US gas supply chain is allowing the industry to efficiently adjust to changing market conditions. Production growth in core areas of prolific shale gas formations is set to prove resilient to low oil prices.

Geopolitical conflict between Russia (Europe's largest gas exporter) and Ukraine (Europe's most important transit country) is having major repercussions on trade, financial and energy relationships in the region. Public perception of and policy makers confidence in gas is deteriorating, while a growing sense of urgency in regard to enhancing Europe's security of supply can be detected. Major strategic shifts in Russia's gas export policy are visible as well. Russia's efforts to lock in export agreements with China have intensified,

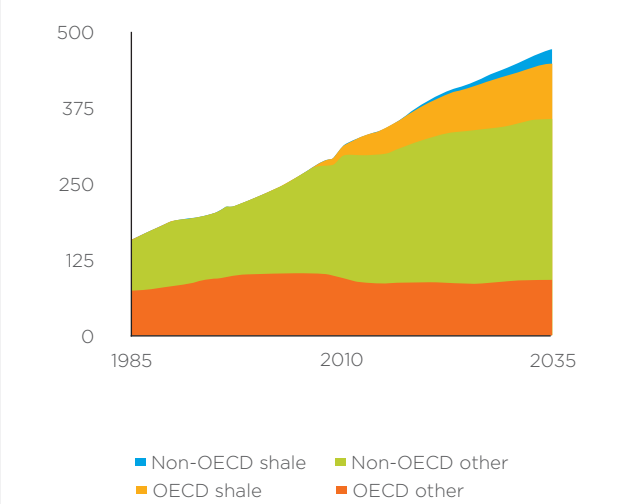
reflecting Russia's strategic choice to diversify to the East. China is on track to emerge as Russia's largest export market, ahead of Germany and Turkey, over the medium term.

Natural Gas Scenario

As per BP 2035 Energy Outlook, 2016 Edition, the demand for natural gas is expected to grow by 1.8% annually. This robust demand growth is helped by ample supplies and supportive environmental policies. The majority of the increase in demand comes from emerging economies, with China and India together accounting for around 30% of the increase; and the Middle East over 20%. The increased use of gas in emerging markets is fairly evenly split between the use in the industrial sector, as these economies continue to industrialize, and use for power generation. In contrast, growth in OECD gas consumption is more concentrated in the power sector.

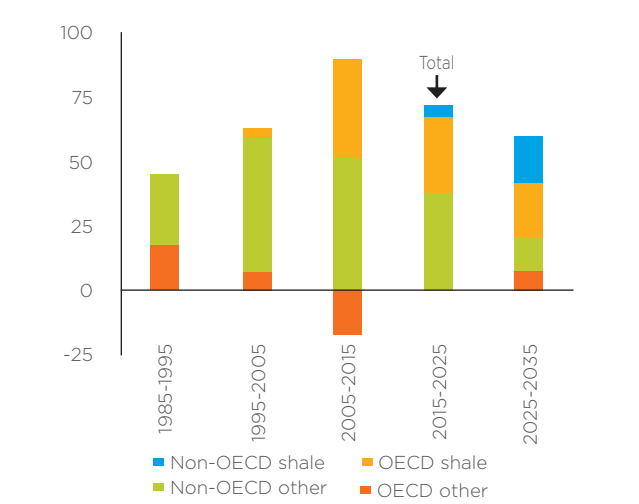
The escalation in global gas supplies is roughly evenly split between increases in conventional production and shale gas. Much of the hike in conventional production comes from non-OECD countries, with marked increases in the Middle East, China, and Russia. Shale gas grows strongly (5.6% p.a.) throughout the outlook, with the share of shale gas in total production increasing from just over 10% in 2014 to nearly a quarter by 2035. In the first half of the outlook period, almost all of the growth in shale output stems from the US. China is expected to be the largest contributor to growth in shale gas production by 2035.

Chart 7: Gas production by type and region
(Bcf/d)



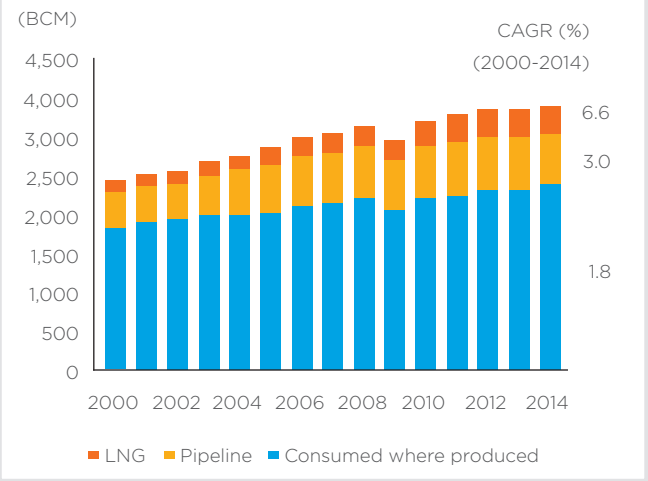
Source: BP Energy Outlook 2035, 2016 Edition.

Chart 8: Ten year increments in gas production
(Bcf/d)



Source: BP Energy Outlook 2035, 2016 Edition.

Chart 9: Global Gas Trade, 2000-2014

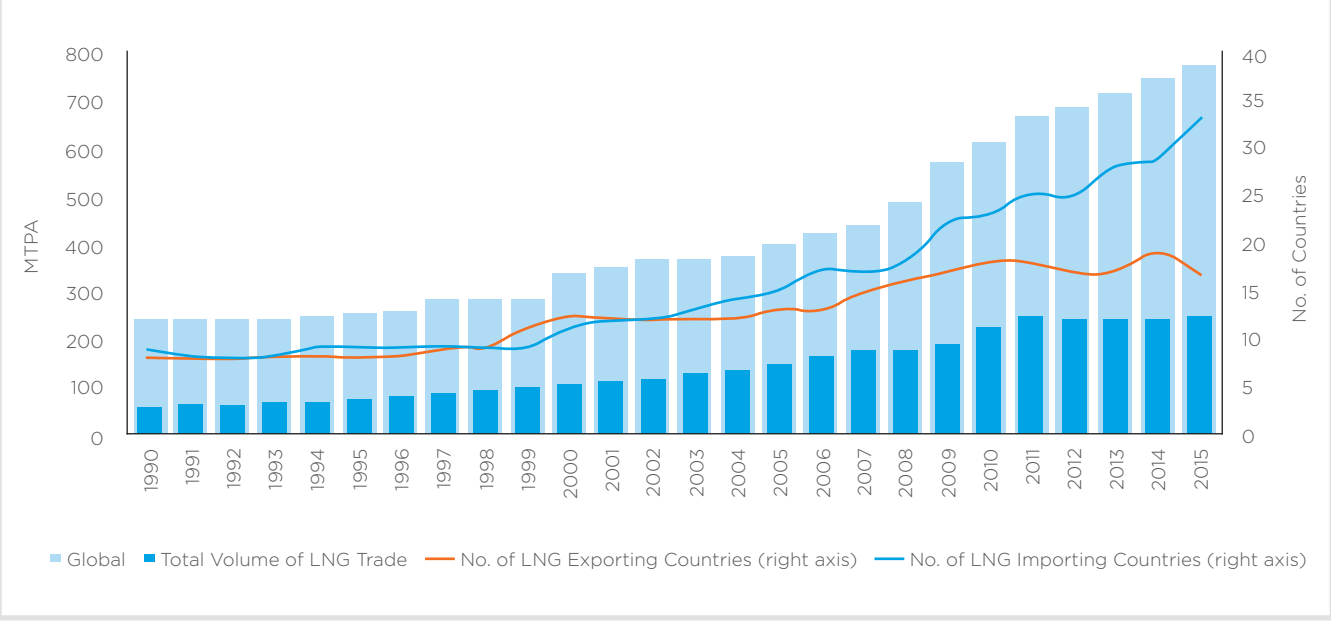


Source: IHS, BP Statistical Review of World Energy.

Liquefied Natural Gas

LNG accounts for 10% of total gas demand globally. Total LNG trade reached 244.8 MT in 2015, up 4.7 MT from 2014. This marks the largest year ever for LNG trade, surpassing the previous high of 241.5 set in 2011. The start-up of several new projects in Australia and Indonesia drove higher supply, ramping up significantly to offset outages in Yemen, Egypt and Angola. Although the Pacific Basin remains the largest demand source, growth was driven by Europe and the Middle East; both regions saw new countries become importers in 2015.

Chart 10: LNG Trade Volumes, 1990-2015



Source: International Gas Union, World LNG Report 2016.

2015 LNG Trade Review

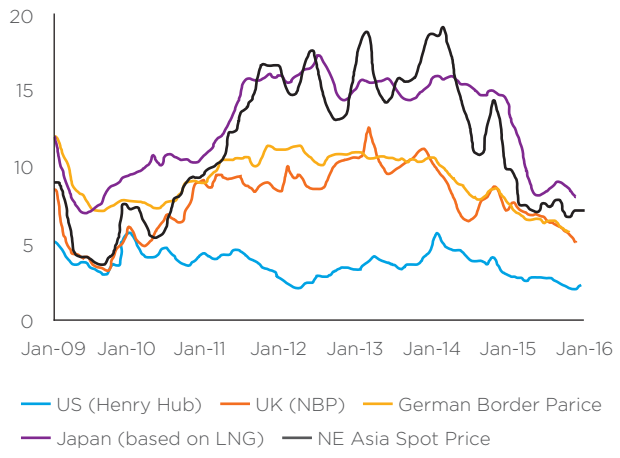
Global LNG Trade	LNG Exporters & Importers	LNG Re-Exports	LNG Prices
+4.7 MTPA Growth of global LNG trade	+4 Number of new LNG markets in 2015	-1.7 MT Contraction in re-exports in 2015	-$7.18 Change in average Northeast Asian spot price in MMBtu
Global LNG trade reached an all-time high of 247 MT, rising above the previous high of 242 MT set in 2011 For the first time since 2010, Europe led overall demand growth, followed by the Middle East	No new countries began exporting in 2015, but 4 new markets - Egypt, Jordan, Pakistan, and Poland - imported their first cargoes Two markets - Egypt and Angola - ceased sending out cargoes in 2015, though Angola is expected to return to the market in early 2016	Although three new markets re-exported cargoes in 2015, total re-exports fell owing to diminished cross-basin arbitrage potential The number of countries re-exporting LNG in 2015 rose to 12 with the addition of the UK, Singapore, and India	The drop in oil prices and a looser supply market led to a -50% decline in Northeast Asian spot prices in 2015, falling from an average $15.01/MMBtu in 2014 to $7.83 Although the Pacific basin maintained its premium over Atlantic markets, differentials narrowed significantly

Source: International Gas Union, World LNG Report 2016.

The low oil prices have clear knock-on effects on upstream investments. Oil and gas companies are responding to the new market environment by cutting capital expenditure programs. Budgets for 2015 have already shrunk, but in the absence of a meaningful price recovery, deeper cuts will follow. Companies are refocusing on core assets, while putting large investments through a much tougher vetting process. Amid squeezed cash flows, more costly, low-return projects will be cancelled.

Due to its capital-intensive nature, the liquefied natural gas (LNG) industry faces an uphill challenge. The projects currently under construction today are set to come on stream broadly as planned, as large upfront capital costs have already been incurred. Beyond that, however, new LNG plants will struggle to get off the ground. Today LNG prices simply do not cover the capital costs of new plants. Several projects have already been scrapped or postponed; and casualties will rise if prices do not recover. Final investment decisions (FID) taken in the next 24 months will determine the amount of incremental LNG supplies available in the early part of the next decade.

Chart 11: Monthly Average Regional Gas Price ($/mmbtu)



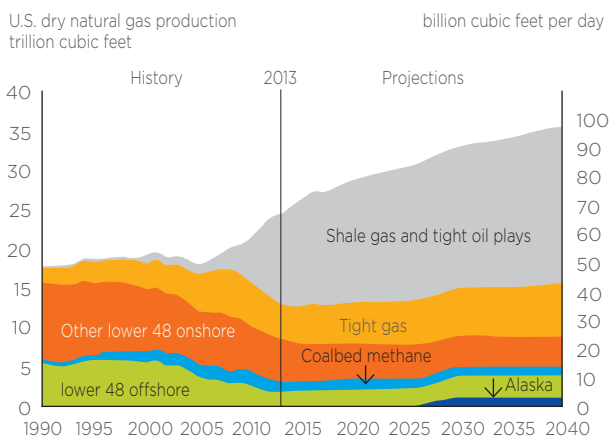
Source: International Gas Union, World LNG Report 2016.

Shale Gas

Unconventional sources (shale) are an important source of oil and natural gas in the United States, Canada, Europe, Asia and Australia.

Tight oil and shale gas production in the US has been positive in terms of production growth and cost control. US tight oil production is expected to plateau in the 2030s at nearly 8 Mb/d, accounting for almost 40% of the total US oil production. US shale gas is expected to grow by around 4% annually over the next two decades. This causes US shale gas to account for around three-quarters of the total US gas production in 2035; and almost 20% of global output.

Chart 12: Shale Resources remain the dominant source of U.S. natural gas production growth



Source: IHS, BP Statistical Review of World Energy.

Globally, shale gas is expected to grow by 5.6% annually between 2014 and 2035, well in excess of the growth of total gas production. As a result, the share of shale gas in global gas production more than doubles from 11% in 2014 to 24% by 2035. As with the past 10 years, the growth of shale gas supply is dominated by North American production, accounting for around two-thirds of the increase in global shale gas supplies. But over the outlook period, we expect shale gas to expand outside North America, most notably in Asia Pacific and particularly in China, where shale gas production reaches 13 Bcf/d by 2035.

In the United States, one of the keys to increasing natural gas production has been advances in the application of horizontal drilling and hydraulic fracturing technologies. These technologies have made it possible to develop the country's vast shale gas resources; and have contributed to a near doubling of estimates for the country's technically recoverable natural gas resources over the past decade.

Tight gas, shale gas, and coal-bed methane resources in Canada and China account for more than 80% of total domestic production in 2040.

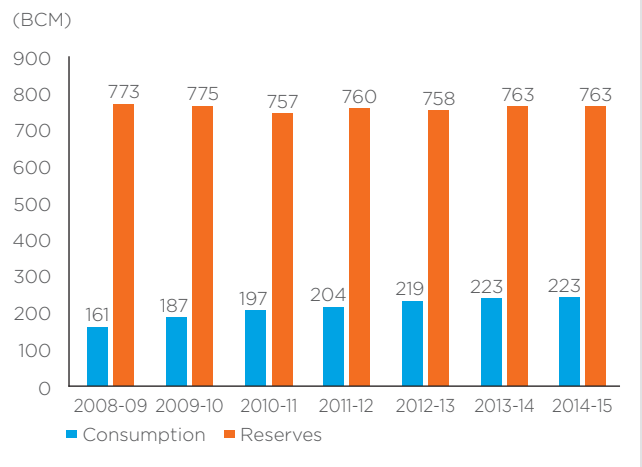
India

India (world's fourth largest energy consumer, after USA, China and Russia) accounts for around 5% of the world's energy consumption. The country is set to contribute around one-quarter of the total to the projected rise in global energy demand over 2015-2040. The country's total energy demand is expected to rise significantly by 2040, propelled by a large-sized economy and demographic expansion.

With energy use declining in many developed countries and China entering a much less energy-intensive phase in its development, India has emerged as a major driving force in global trends. India's oil demand is likely to approach 10 mb/d by 2040. Natural gas consumption also is expected to triple to 175 bcm (although, at 8% in 2040, it still plays a relatively limited role in the overall energy mix).

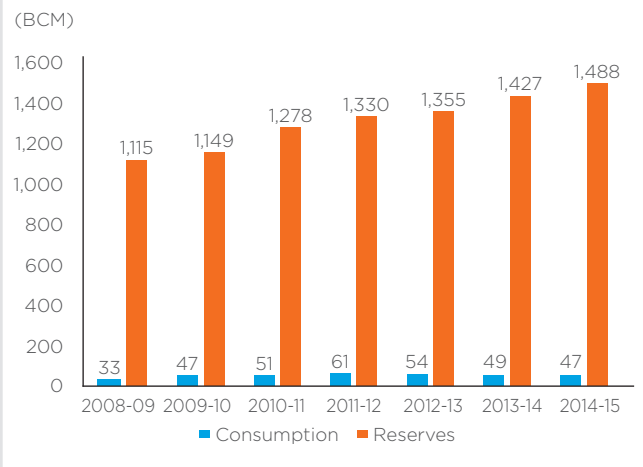
In March 2016, Hydrocarbon Exploration and Licensing Policy (HELP) replaced the extant policy regime for exploration and production of oil and gas -New Exploration Licensing Policy (NELP), which has been in existence for 18 years. HELP is expected to improve traction in ultra deep exploration and hence boost linepipe demand in domestic market.

Chart 13: Proven reserves and annual consumption in India: Crude Oil



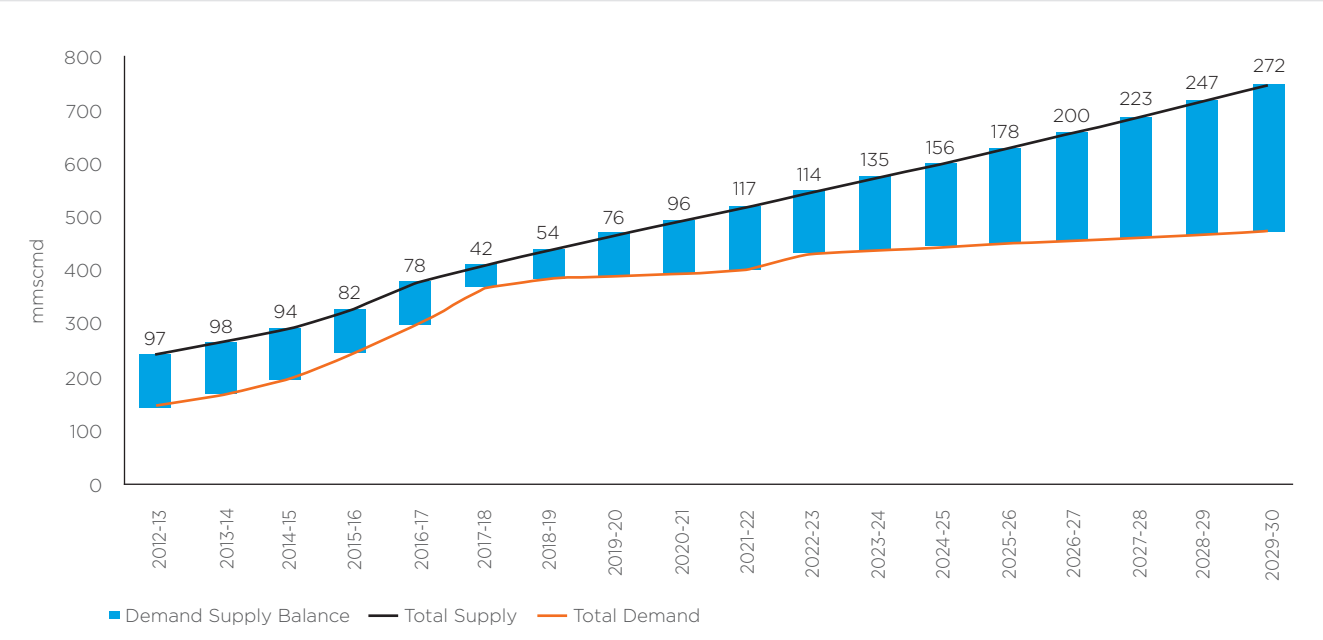
Source: Indian Petroleum and Natural Gas Statistics 2014-15, Ministry of Petroleum and Natural Gas.

Chart 14: Proven reserves and annual consumption in India: Natural Gas



Source: Indian Petroleum and Natural Gas Statistics 2014-15, Ministry of Petroleum and Natural Gas.

Chart 15: India's Current Demand (Optimistic) – Domestic Supply Scenario



Source: PNGRB, Vision 2030: Natural Gas Infrastructure in India.

Global Steel Linepipe Industry

In total, almost 3.6 million kilometres of oil and gas pipeline network is present worldwide (as per MBR, 2015), 70% of which is in two countries - USA and Russia. A further 8 countries (Canada, China, Ukraine, Argentina, UK, Iran, Mexico, and India) take the cumulative total to 82% of the world network by length (Source MBR study 2015 report).

Large Diameter Steel pipes market, though encountering overcapacity conditions at present, is expected to witness steady growth (around 3% CAGR over 2014-2020; Source: MBR 2015) in the upcoming years, driven by the implementation of new pipeline projects globally.

The global pipeline demand as per Simdex for projects over the next 4 years is estimated at about

997 projects, resulting in an opportunity for supplies of more than US$ 388 billion across geographies as presented in the table below:

Region	No of Projects	ESTTonnage (KMT)	Project Value (BN $)
North America	395	12,052	43
Middle East	84	25,451	77
Latin America	83	15,234	68
Europe	162	10,168	33
Australia	61	9,841	30
Asia	120	18,672	83
Africa	92	7,610	55
Total	**997**	**99,028**	**388**

Source: Simdex data as on May 2016.

Domestic Linepipe Demand

Domestic linepipe market continues to be dominated by various water projects being implemented by government/ quasi-government bodies in various states including Madhya Pradesh, Gujarat, Tamil Nadu, Karnataka and Andhra Pradesh. More than 2 million MT of linepipe projects are expected to be executed over next few years.

In oil & gas segment, the implementation of 15,000 Kms gas grid project is moving slow. However, it is expected that over coming years, the project would gain momentum.

The capacity of pipeline network in India is planned to reach 815 MMSCMD in 2029-30. In addition to the trunk lines, regional gas pipelines similar to the intra-state network of Gujarat, are recommended for highly industrialised states. It is expected that going forward the Southern and Northern part of India would catch up with the Western part in terms of pipeline infrastructure, while Eastern and North Eastern parts of the country would lag behind; and would require policy boost for industrial development to attract more investments. The total demand from CGD sector is expected to grow from 15.3 MMSCMD in 2012-13 to 85.6 MMSCMD in 2029-30 at 10.7 % CAGR.

Welspun's FY16 Highlights

Strong execution despite global challenges

Our global operations and presence in major markets has enabled the Company to achieve over 1 million MT of sales and production volume for the fourth year in a row, a record across the global linepipe industry.

Healthy order book maintained (913K MT; ₹ 51 billion)

The order book at the beginning of FY17 at 913K MTs is valued at ₹ 51 Billion. Despite a challenging business environment during the year, we have been able to book new orders of approx 1 million MTs. This has been made possible by WCL's global manufacturing base and reach across major markets. Most large new order booked during FY16 highlights WCL's technical leadership and strong brand equity in linepipe market. Outlook for the Indian market also has improved; and this should help the Company to further build on this order book during the next FY.

US Facilities

The HFIW mill has produced and sold 90K MT and Coating of 1.4 Million sq.mtrs which is highest ever since we started the operations. During this FY 15-16, plant was able to establish the planned productivity and executed few of the stringent specification orders.

The Spiral mill has produced and sold 298K MT and Coating of 2.8 Million sq.mtrs. During FY 15-16, plant has executed one of the most logistically challenging projects. Also, highest production per day was achieved as 16,324 feet for 30" and 20,512 sq.mtrs for 30".

India Facilities

Anjar

During the year, we formed a 51:49 JV with Wasco Energy Ltd ("Wasco"), a wholly owned subsidiary of Wah Seong Corporation Berhad, Malaysia. Welspun Wasco Coatings Private Limited is setting up a state-of-the-art Concrete Weight Coating (CWC) Plant at Anjar. This venture will augment WCL's offering to the market duly supported by Wasco's strong credentials in CWC business globally.

The LSAW Mill serviced global customers of Oil & Gas across a range of mid and large-sized orders and also successfully demonstrated the trial for 22" OD & 39 mm WT X65 (D/T Ratio of 14.3) to a prestigious client. The Spiral Mills were largely engaged in the domestic market especially in the water/ irrigation segment. This facility was awarded "Certificate of appreciation for good practices in 4th FICCI Quality Systems Excellence Award for Manufacturing-2015". Anjar facility has also been conferred with – "International Safety Award with Merit" from British Safety Council, United Kingdom for 2015. Various developmental projects pertaining to technology up-gradation and innovation are underway to ensure truly world-class manufacturing, which would make Anjar as one of the best linepipe manufacturing units across the globe.

The upward trend in production and profitability, at Plate and Coil Mill Division (PCMD) continued during FY 15-16 as well. A lot of efforts were invested in streamlining mill capacity and capability which enabled the mill to increase its market share in Indian Steel Industry. In addition to our captive consumption for linepipes, PCMD has already entered into Wind Tower & Structural Plate markets and created a niche place.

Dahej

The LSAW Mill completed some major orders pertaining to Oil & Gas sector and the Spiral mill executed orders for the domestic water sector. This facility has been awarded 'Prashansa Patra' for implementing Occupational Safety and Health (OSH) management systems and procedures effectively along with achieving good performance in OSH by National Safety Council, India.

Mandya

In FY 15-16, Spiral mill executed orders pertaining to the Water/Irrigation segment. With outlook in the Indian market, especially in the water segment improving, this mill is expected to have higher volumes and improved performance in FY 16-17. In 2015, this facility has been awarded 'Prashansa Suraksha Puraskara' by the National Safety Council, Karnataka Chapter for outstanding achievement in Occupational Health and Safety Management.

Saudi Facilities

The Company was awarded its first export order in FY 15-16, thereby increasing the geographical reach of the product. Also it was the first time ever that 12/18/24 MTR FBE Coated Pipe was exported out of Dammam Port. During FY 15-16, the spiral mill has produced a total quantity of 200K MT and Coating of 2.48 Million sq.mtrs.

Multi locational linepipe manufacturing facilities complemented with coating capability

The Company's multi-locational linepipe capacity remains at 2.425 million MTPA, which includes LSAW capacity of 0.70 million MTPA, 1.35 million MTPA of HSAW and ERW/HFIW capacity of 0.375 million MTPA. The Company has coating facilities in all three countries besides the Plate and Coil Mill capacity in India, details as below:

(in '000 tons)

	India			Saudi Arabia	United States of America	
Products	**Anjar**	**Dahej**	**Mandya**	**Dammam**	**Little Rock**	**Total Capacity**
LSAW	350	350				700
HSAW	500	50	150	300	350	1,350
ERW/ HFIW	200				175	375
Current linePipe Capacity	1,050	400	150	300	525	2,425
Plate & Coil	1,500					1,500

Global Customer Base and Reach

The Company has major O&G players as clients across the globe; and is serving them with manufacturing facilities in India, the US and Saudi Arabia and marketing operations in India, Dubai and Houston. WCL's local presence in the major markets and ability to quickly respond to customer requirements across many markets has made your Company a supplier of choice for most customers.

Prepayment of Foreign Currency Loan and Buyback of Non-Convertible Debentures

During FY16, The Company has prepaid the balance outstanding Foreign Currency Loan of US$ 25.31 Million (₹ 167.37 Crore) in Oct'15. Further the Company has also bought back its own Non-Convertible Debentures of ₹ 49 Crore in Oct'15. This prepayment as well as buyback was met from the internal accruals without any refinancing to achieve overall objective of debt reduction ensuring stronger financial statements.

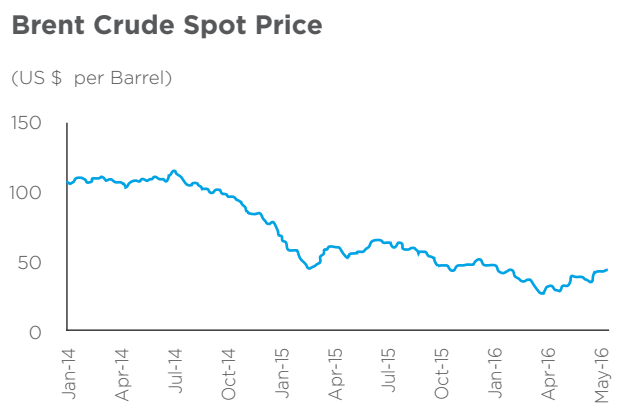
Ranked 50th in the ET list of best CSR companies in India

WCL has been ranked 50th in the recent ET list of best CSR companies in India taking initiatives towards the development of Social Environment at all its plants and providing a better working environment to its employees across all locations.

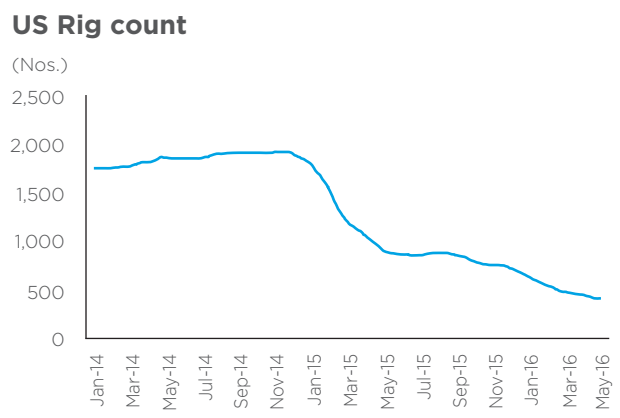
SWOT Analysis

Strengths	Weakness	Opportunities	Threats
• Global reach + Brand + Clientele + supply chain base • Technical capability (incld. deep water and Sour service capability + track record • Strong balance sheet • Diversified product portfolio (incld. CWC) • Experienced Management Team	• Low capacity utilisation in India • Realtively low fixed asset turnover/ RoCE/ RoE	• New products/ applications (incld. CWC) • New geographies/ clients • Increasing complexity of pipeline specifications • India - water and oil & gas • Plate & Coil Mill (enabling regulatory scenario)	• Turmoil in global energy market • Tariff / non tariff barriers favoring local players • Delay in projects • Volatile commodity prices • Relatively lower margins on order book

Chart 16: Long-term outlook is positive, near-term business environment remains challenging



Source: EIA



Source: EIA

Business environment remains challenging with very low gas prices and high volatility in oil markets. While the short term impact is evidenced in some cuts and delays in existing project capex and related spends; it has also led to a delay effect in launching new projects.

The sharp drop in US rig count will have an impact on some key segments of the North American market. However, pipeline demand would get a boost once the market starts witnessing signs of revival; as it remains most preferred medium and cost-efficient means of transporting oil and gas over rail and road and companies try to reduce costs.

Mexico is moving towards a natural gas driven economy with strong linepipe demand outlook for the foreseeable future. There are clear indications of preference to local players and the technical requirements will need participation by global majors.

Geopolitical constraints causing a significant delay to a major cross-country pipeline across North America has dampened sentiment for similar large projects. Similar geopolitical developments in the European market leading to cancellation of a major project have impacted linepipe mills in Europe and Asia. However, discussions on alternate pipelines in the European and Asian markets will provide an interesting opportunity for global linepipe mills.

The Middle East continues to be a region with high potential. However, the 30% cut in capex announced by Saudi Aramco and increased local competition makes the Saudi outlook challenging. In the African region, Mozambique offers potential upside.

The universal trend of global currencies depreciating vis-à-vis the US dollar has encompassed developed market currencies (Euro, JPY, Canadian $) and developing market currencies (Turkish Lira, Russian Rouble, Chinese Yuan, Brazilian Real); and the relatively lesser depreciation of the INR has aggravated the competitive intensity in the global markets.

India could turn out to be a high growth area in the near term – activity on 15,000 KMs Gas pipeline projects has just begun; several state water projects in the country is a positive for the industry. In the Asia-Pacific region, potential demand from Thailand, Malaysia and Indonesia could boost regional demand. Vietnam and Myanmar are new markets with large potential oil and gas reserves.

The Company is well poised to address these opportunities, suitably blending its global reach and local capabilities.

Risks and Concerns

The key risks for the Company are:

- **Economic Risks:** The macroeconomic outlook continues to be challenging in India as well as in other key markets where the Company operates. Economic slowdown may affect the order book position of the Company, affecting capacity utilisation, sales and profitability. The Company has commenced the year with a strong order book position and is capable to withstand this risk based on its past records.

- **Interest Rate Risk:** Interest expenses are part of the finance costs. Therefore any major upward fluctuation in interest rates leads to an increase in the cost of debt for the Company. The interest rate risks are mitigated to an extent through fixed interest rates on some borrowings.

- **Legal Risks related to tax structure:** The Company is liable to pay tax on profits, sales tax, excise duty, service tax, and other applicable taxes. Any changes in tax legislation could lead to an increase in tax payments and, as a result, to a lowering of financial results.

- **Steel prices:** WCL face risk on steel pricing (the basic raw material for us) which we consider in bidding for any project / tender and more so since our business is a long gestation one with minimum time taken from bid submission to award, varying from 4/6 months to even a year or two. We try to mitigate this risk by way of arranging back to back pre-tender tie-ups with our selected group of pre-approved steel mills (thru their nominated trading channel) at the time of bidding for a project or tender - on Price as well as quantity allocation, with the tacit understanding that in case we happen to be the successful bidder, we will immediately confirm our order of steel on them. In some markets, we do undertake channel sales where the Company is exposed to steel price fluctuation. However, the contribution of such business to overall revenue is not significant.

- **Volatile crude oil and gas prices:** Volatility in crude oil and very low gas prices create uncertainty for oil & gas producers, regarding the viability of new exploration. This, in turn, could create an uncertain future demand for linepipes in the oil & gas segment.

- **Competition:** Increased competition in all segments from other players may have an impact on business and profitability. While the potential demand for new oil and gas pipelines remains high in most of the Company's markets, there have been considerable delays in decisions in many projects on account of factors such as policy uncertainty and environmental concerns, among others. This has led to fewer than expected projects coming to the market, resulting in a high level of competition. The Company has a strong order book; and hence the Company's focus will be on profitability rather than winning orders at any cost.

- **Currency Risks:** The Company's foreign currency exposures are largely denominated in US dollars. Volatility in the rupee exchange rate against major currencies, including the US dollar will have an adverse impact. Although the Company has implemented a well-defined hedging policy, foreign exchange fluctuations could affect reported results.

- **Quality Risks:** The Company is required to produce high-quality products in line with stringent requirements of clients. Despite best efforts even a small deviation and resultant rejection of some products may have a larger impact as the cost of raw materials and other overheads may impose an additional cost for the Company.

Human Resources

Our group vision of Welspun 2.0 is built on our core values- Customer Centricity, Collaboration, Technology and Inclusive Growth. We aim to build a sustainable organization by adopting our core values and embedding them in our people processes and practices.

HR Operating Model

We have been able to augment our HR Operating Model by transforming our key HR processes - Talent Sourcing, Employee Engagement, Employee Development and Performance & Rewards to give our employees one of the best employment experiences. It is important that all HR processes and initiatives are developed as part of an overall people strategy which is aligned with, and designed to assist in the achievement of the organizational strategy and goals.

One of our key focus areas has been to identify talent & develop a leadership pipeline in the organization. We have implemented focused Talent Identification process that profiles the existing talent of the organization in a defined and scientific manner through interventions such as 360 degree feedback and Leadership Potential Assessments.

Development programs, in collaboration with premier institutes like ISB, INSEAD & MIT are customized to the needs of the individual employees- based on their development needs. For the middle and senior management teams, specific learning and leadership development initiatives have been developed in the domains of people management, emotional intelligence, customer relationship management, professional and personal excellence to help sustain a pool of critical leadership capability.

An in-house signature 'Smart leaders', an intensive intervention spread over four months with classroom sessions spread over 3 phases and group learning through live projects that reinforce knowledge gained in the training sessions through implementation on the job. To enable identified leaders and client facing managers sharpen their business Etiquette, presentation and communication we rolled out 'Express to impress' by Dale Carnegie is a program that integrates the essentials and intentions to be an organized professional presenter.

We put in place a New Reward management approach (market linked increments) and an Annual Incentive Mechanism (AIM) designed to reward employees who contributed to the success of the Company over the year. We have also undertaken a Job Evaluation initiative, where roles have been evaluated using one of the world's most widely used and accepted systems, to identify unique roles and their relationships and relative position to other roles in the organization. This data will be used to redesign our grading systems into a uniform system across the globe.

Employee engagement is another area where several initiatives have been put in place, and various communication forums were active during the year. The Monthly Departmental Meetings (MDM) and Town halls with the MD were started to share business updates with employees, build employee connect and to address any of their concerns. HR Town halls, on the floor communications, HR at doorstep, inter-department Cricket tournaments and various other means have been used to engage employees on various people related initiatives, with the objective to help us build ourselves into a 'Great Place to Work'!

A 24*7 Welspun Employee Assistance Program (WEAP) in partnership with ICAS, one of the world's leading providers of wellbeing programs has been put in place, where our employees can call for counselling and assistance on a range of issues that are on their mind and impact their wellbeing.

Our inclusive growth agenda include bringing in a better Gender diversity ratio at or workplace and we have been successful in improving the same at leadership level. Our growth journey remains incomplete without our commitment to society and the community we do our business in.

As a Company, we are committed to provide every Welspunite, current and future, an enriching Welspun experience.

Internal Control and Adequacy

Management of the Company ensures that the internal control system is adequate and commensurate with the size and scale of the Company's operations and designed to provide reasonable assurance that assets are safeguarded and transactions are rightly executed and recorded in accordance with management authorization and accounting policies. The existing policies are subject to periodic reviews to align with the changing business needs, improve governance and to enhance compliance with evolving regulation.

All the records are adequately maintained for preparation of financial statements and other financial information. Apart from internal controls, the Company also audits the efficiency and security of its operations, its information technologies and data, in accordance with the global standards. The Audit Committee of the Company met fourteen times during this year to review internal audit reports as well as the internal control systems and financial disclosures.

Discussion of Financial Analysis

This discussion on Financial Analysis is for consolidated financials of the Company. The Company, together with its subsidiaries, is engaged in the business of Production and Coating of High Grade Submerged Arc Welded Pipes, Hot Rolled Steel Plates and Coils during FY 15-16. FY15, numbers are shown on comparable basis for all statement of Profit and Loss and Balance Sheet items discussed below.

The highlights of the financial year were:

- Achieved 1 million plus MT mark for the fourth consecutive year in production and Sales, despite the challenging global macro economic conditions.
- There was record high production and sales volumes in US facility which significantly improved financial performance. Spiral mill was running at full throttle after it underwent a major revamp in H1 FY15 to improve productivity, enhance efficiency, reduce costs and reset the mill capabilities.
- Plate and coil mill improved operating performance during the year.
- FY16 revenue was at ₹ 83,204 million.
- Pipe production volume for FY16 stood at 1,119 K tones, flat Y-o-Y.
- Pipe Sales volume for FY16 stood at 1,100 K tones – marginally lower Y-o-Y. The capacity utilization was over 46% against 47% in the previous year. The installed capacity of pipes is 2.425 million MTPA, making the Company one of the largest line pipe companies in the world.

Chart 17: Production and Sales in KMT – Pipes

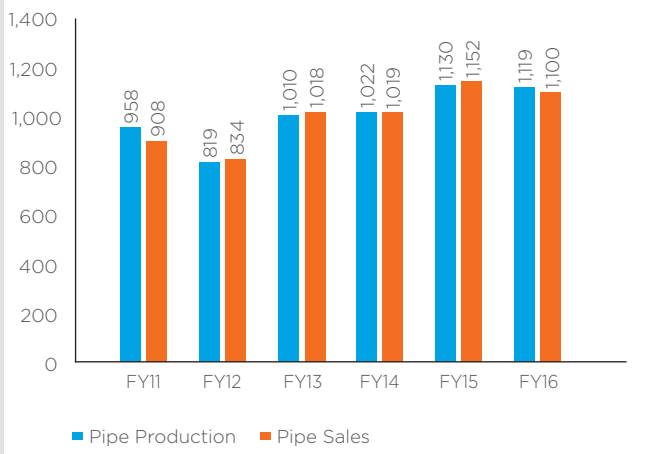
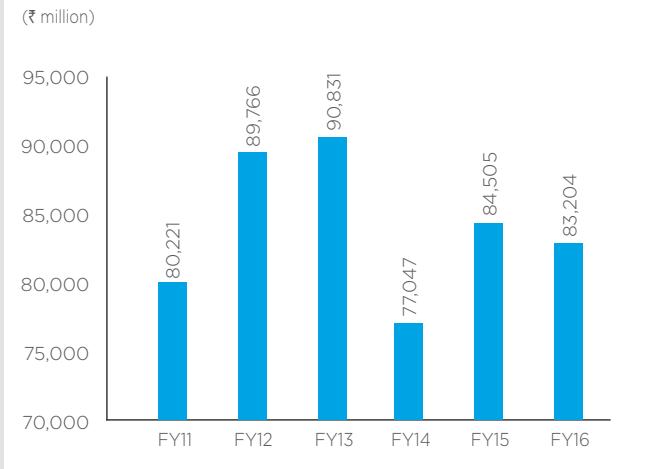


Chart 18: Consolidated Revenues



Breakup of various cost items as a percentage of Sales (Consolidated)

Particulars	FY 15-16		FY 14-15	
	(₹ million)	(%)	(₹ million)	(%)
Sales	83,204	100%	84,505	100%
Cost of goods sold	51,039	61.3%	58,365	69.07%
Employee Benefit Expenses	7,558	9.1%	5,909	7.0%
Manufacturing & Other Expenses				
- Store & spares consumed	2,169	2.6%	1,729	2.0%
- Coating & other Job charges	699	0.8%	2,218	2.6%
- Power, fuel & water charges	1,311	1.6%	1,102	1.3%
- Freight Material handling charges	6,166	7.4%	3,469	4.1%
- Product Compensation & Claims	8	0.0%	77	0.1%
- Exchange Difference (Net)	1,570	1.9%	-	-
- Other expenses	3,711	4.46%	3,214	3.8%
Total Manufacturing & Other Expenses	15,633	18.8%	11,809	14.0%
Total Expenses	74,231	89.2%	76,083	90.0%
Other Income	1,376	1.7%	1,086	1.3%
Reported EBITDA	10,349	12.4%	9,508	11.3%
Finance Costs	2,637	3.2%	2,830	3.3%
Depreciation	4,542	5.5%	4,365	5.2%
PBT (Profit before Tax)	3,171	3.8%	2,313	2.7%
Tax Expenses	809	1.0%	177	0.2%
PAT before Minority Interest	2,361	2.8%	2,136	2.5%
Minority Interest	-87	-0.1%	(1,445)	-1.7%
Profit After Tax	2,275	2.7%	691	0.8%

1. **Revenue**
   Total sales stood at ₹ 83,204 million in FY16 as compared to ₹ 84,505 million in FY15, a decline of 2%, primarily on account of flat volumes and lower steel price.

2. **Cost of goods sold**
   Cost of goods sold decreased by 12.6% to ₹ 51,039 million in FY16 from ₹ 58,365 million in FY15 mainly due to lower raw material prices. Cost of material consumed as a percentage to Net Sales has also decreased from 69.1% in FY15 to 61.3% in FY16.

3. **Manufacturing and other expenses**
   Manufacturing, transportation and other expenses increased by 32% which stood at ₹ 15,633 million in FY16 as compared to ₹ 11,809 million in FY15. The increase is mainly on account of exchange difference, and higher freight and material handling expenses.

4. **Employee Benefit Expenses** increased by 28% to ₹ 7,558 million in FY16 from ₹ 5,909 million in FY15 primarily on account of annual increments and incentive payment across all geographies, forex translation impact of salaries paid at overseas locations and increase in managerial remuneration.

5. **Finance Costs**
   Finance costs decreased by 7% to ₹ 2,637 million in FY16 from ₹ 2,830 million in FY15 due to reduction of long-term borrowings, mainly includes pre-repayment of Foreign Currency Loans and buy-back of Non-Convertible Debentures.

6. **Depreciation/Amortization charge**
   Depreciation/amortization charges increased 4% to ₹ 4,542 million in FY16 from ₹ 4,365 million in FY15 mainly due to forex translational impact in respect of overseas subsidiaries.

7. **Margins**
   a. **EBITDA Margins**
      EBITDA for FY16 is ₹ 10,349 million, as compared to ₹ 9,508 million for FY15 an increase of 9% mainly due to better realizations. Adjusted for unrealized foreign exchange loss of ₹ 139 million and non-operational income, of ₹ 1,376 million Operational EBITDA stood at ₹ 9,113 million in FY16 as compared to ₹ 7,692 million in FY15.

b. PAT Margin

Profit after tax before minority interest is ₹ 2,361 million in FY16 as compare to ₹ 2,136 million in FY15 and Profit after Tax post minority interest stood at ₹ 2,275 million in FY16 after sharing profits to minority of ₹ 87 million.

Consolidated Balance Sheet

(₹ Million)

Particulars	FY 2015-16	FY 2014-15	Change
EQUITIES AND LIABILITIES			
Shareholder's funds			
Share capital	1,326	1,316	10
Reserve and surplus	29,319	26,672	2,647
NETWORTH	30,645	27,988	2,657
Minority Interest - Equity Shares	2,553	2,486	67
Minority Interest - Preference Shares	1,076	1,076	(0)
Non-current liabilities			0
Long-term borrowings	23,991	26,160	(2,169)
Deferred tax liabilities (Net)	5,454	5,697	(243)
Other Long term liabilities	1,539	645	893
Long-term provisions	465	420	45
Current liabilities			0
Short-term borrowings	8,395	1,884	6511
Trade payables	16,211	24,634	(8,424)
Other current liabilities	5,104	3,968	1,136
Current Portion of Long Term debt	2,558	2,162	396
Short-term provisions	319	1,055	(735)
Total	**98,309**	**98,175**	**134**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	44,567	46,489	(1,922)
Intangible assets	115	125	(9)
Capital work-in-progress	855	801	54
Goodwill On Consolidation	5	5	(0)
Total Fixed Assets	**45,542**	**47,420**	**(1,878)**
Non-current investments	329	265	64
Long-term loans and advances	1,175	1,338	(163)
Other non-current assets	26	58	(32)
Current assets			0
Current investments	7,364	7,783	(420)
Inventories	16,176	22,082	(5,906)
Trade receivables	16,218	11,301	4,918
Cash and Bank balances	7,337	3,327	4,009
Short-term loans and advances	3,182	3,437	(255)
Other current assets	960	1,164	(204)
Total	**98,309**	**98,175**	**134**

1. **Surplus Funds**
Temporary surplus funds are invested in short term securities such as mutual funds and government securities. Nevertheless, in order to achieve higher growth and value creation for the stakeholders, the Company aims to retire high cost debt to improve overall profitability and strengthen the balance sheet.

2. **Capital Deployment**
During FY16, capital deployment was flat at ₹ 98,309 million vs. ₹ 98,175 in FY15. Reduction in Net Total Fixed Assets was more than compensated by higher Current Assets.

3. **Networth**
Networth at the end of FY16 increased by ₹ 2,657 million to ₹ 30,645 million largely due to profit during the year.

The details of Net worth are as under:

a. **Share Capital**
The number of shares is 265,226,109 (face value of ₹ 5 each) as at 31st March 2016; increased by 2,050,029 shares due to issue of shares under Employees Stock Option Scheme (ESOP) to the Managing Director of the Company.

b. **Reserves and Surplus**

i) Capital Reserve on Consolidation: The balance as of 31st March, 2016 amounted to ₹ 153 million which is same as in the previous financial year.

ii) Securities Premium account stands at ₹ 7,772 million, marginally higher than ₹ 7,645 million at end-FY16 due to addition of ₹ 128 million on account of premium on issue of shares under Employees Stock Option Scheme.

iii) Debenture Redemption Reserve: Debenture Redemption Reserve stands at ₹ 1,142 million at the end of FY 16 which is same as in the previous financial year.

iv) Statutory Reserve increased marginally from ₹ 405 million to ₹ 424 million due to reserve created as per the law of Kingdom of Saudi Arabia.

v) Hedging Reserve Account stands at ₹ 49 million as at 31st March 2016 vs. negative of ₹ 423 million last financial year. The Group has adopted AS-30 on Hedge Accounting and accordingly gain of ₹ 399 million (Gain of ₹ 129 million in FY15) has been transferred to Profit and Loss Account. Also, ₹ 73 million was recognized in Hedging Reserves during the year.

vi) The Balance in General Reserve as on 31st March 2016 stands at ₹ 53 million which is same as in the previous financial year.

vii) Profit and Loss account: The balance retained in the Profit and Loss Account as on 31st March 2016 has increased by ₹ 2,095 million to ₹ 19,442 million, mainly on account of profit for the year amounting to ₹ 2,275 million and appropriation of dividend and dividend distribution tax of ₹ 160 million.

4. **Loan funds**
The Gross debt at the end of FY16 stands at ₹ 34,943 million up by ₹ 4,738 million over the previous year. The components included in gross debt are long term borrowings of ₹ 23,991 million, current portion of long-term borrowings of ₹ 2,558 million, and short term borrowings of ₹ 8,395 million at the end of FY16.

Major movements during the year are:

i. The overall long-term borrowings and current portion of long-term debt has gone down by ₹ 1,774 million, primarily due to pre-repayment of Foreign Currency Loans (₹ 1,673.7 million in Oct'15) and buy-back of Non-Convertible Debentures (₹ 490 million).

ii. The short term borrowings have increased by ₹ 6,511 million mainly due to increase in working capital loans.

Cash & Bank Balances and liquid/current investments for FY16 have increased by ₹ 3,589 million to ₹ 14,700 million from ₹ 11,111 million in FY15.

Net debt increased by ₹ 1,149 million and stands at ₹ 20,243 million as of 31st March 2016 after accounting for cash & bank balances and liquid investments.

Net Debt to Networth ratio is at 0.66x indicating a strong Balance Sheet.

5. **Fixed Assets**
Net block of fixed assets (including CWIP) decreased by ₹ 1,878 million to ₹ 45,542 million in FY16 due to depreciation impact. The fixed assets in rupee terms increased as a result of forex translation of fixed assets in overseas subsidiaries.

6. **Inventory**
The overall inventory decreased by ₹ 5,906 million to ₹ 16,176 million mostly due to decrease in raw materials by ₹ 6,234 million for execution of current orders, decrease in finished goods by ₹ 139 million, increase in Stores and spares bly ₹ 108 million and increase in Work-in-progress by ₹ 359 million.

On account of the above, the inventory turnover days have decreased from 95 days of Net Sales in FY15 to 71 days of Net Sales in FY16.

7. **Trade Receivables**
Trade Receivables increased by ₹ 4,918 million to ₹ 16,218 million in FY16. Sundry Debtors are at 71 days (49 days in FY15) of net sales during the year.

8. **Cash, Bank Balances and Current Investments**
Cash, Bank Balances and Current Investments at the end of FY16 stand at ₹ 14,700 million as compared to ₹ 11,111 million at the end of FY15.

9. **Long-Term Loans and Advances**
Long-term loans and advances decreased by ₹ 163 million to ₹ 1,175 million in FY16. Below is the breakup of the change in long-term loans and advances from FY15 to FY16.

- Increase in capital advances by ₹ 24 million to ₹ 69 million.
- Decrease in deposits by ₹ 3 million to ₹ 427 million.
- Decrease in other loans and advances recoverable in cash and kind, balances with government authorities (advance taxes) by ₹ 184 million to ₹ 679 million.

10. **Short-Term Loans and Advances**
Short-term loans and advances decreased by ₹ 255 million to ₹ 3,182 million from FY15 to FY16 mainly due to the following changes:

- Increase in advances recoverable in cash or kind by ₹ 37 million.
- Decrease in balances with government authorities on account of direct and Indirect taxes by ₹ 488 million.
- Increase in pre paid expenses by ₹ 32 million.
- Decrease in export benefits receivable by ₹ 412 million.
- Increase in Receivable from Related Parties by ₹ 596 million.
- Decrease in receivable towards claim by ₹ 21 million.

11. **Other Current Assets**
Other current assets decreased by ₹ 201 million to ₹ 960 million in FY16. The change was largely due to ₹ 620 million decrease in other receivable from related parties and ₹ 244 million increase in other receivable from other parties.

12. **Trade Payables**
Trade payables have gone down by ₹ 8,424 million to ₹ 16,211 million in FY16 from ₹ 24,634 million in FY15, primarily on account of ₹ 8,272 million decrease in acceptances in FY16.
Trade payables are at 71 days (106 days in FY15) of Net Sales.

13. **Cash Conversion Cycle**
Cash conversion cycle for the current year increased to 71 days compared to 38 days for FY15; this was largely due to increased Sundry Debtor Days and reduced Trade Payable Days.

14. **Liquidity**
We broadly define liquidity as our ability to generate sufficient funds from both internal and external sources to meet our obligations and commitments. Our primary liquidity requirements have been to finance our working capital requirements for our operations and for capital expenditures and investments. We have financed our capital requirements primarily through funds generated from our operations, equity/equity related issuance and borrowings.

Cash Flows

The table below summarizes our cash flow for the year ended March 31, 2016:

	Year ended March 31, 2016
Net cash generated from operating activities	(1,549)
Net cash generated from investing activities	173
Net cash used in financing activities	1,973
Net change in Cash and Bank Balances	597

DIRECTORS' REPORT

To,
The Members,
Welspun Corp Limited

Your directors have pleasure in presenting the 21st Annual Report of your Company along with the Audited Financial Statement for the financial year ended March 31, 2016.

1. Financial Results

(₹ in million)

Particulars	Standalone		Consolidated	
	For the year ended		For the year ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Revenue from operations (Net)	37,853.85	49,489.39	83,204.36	84,504.87
Profit before finance cost, depreciation & tax	3,058.41	4,300.87	10,349.41	9,508.03
Less : Finance costs	1,926.60	2,128.05	2,636.78	2,830.28
Profit before depreciation & tax	1,131.81	2,172.82	7,712.63	6,677.75
Less: Depreciation/Amortization	2,475.26	2,427.78	4,542.04	4,365.04
Profit before tax for the year	(1,343.45)	(254.96)	3,170.59	2,312.71
Less : Provision for tax for earlier year	-	77.48	(78.28)	77.48
Current Tax	-	-	1,265.21	91.52
MAT Credit Entitlement	-	(77.48)	-	(77.48)
Deferred Tax	(409.83)	(97.90)	(377.77)	85.93
Profit/(loss) after tax for the year (after Minority Interest)	(933.62)	(157.06)	2,274.74	690.41
Add : balance brought forward from previous year	9,355.55	9,835.49	17,346.78	17,290.82
Profit available for appropriation	8,421.93	9,513.45	19,621.52	17,816.25
Transfer to Statutory Reserve	-	-	(19.38)	(311.57)
Proposed Dividend on equity shares & tax	(159.61)	(157.90)	(159.61)	(157.90)
Equity dividend & tax of earlier years	(0.48)		(0.48)	
Balance carried forward to the next year	8,261.84	9,355.55	19,442.05	17,346.78

2. Performance Highlights

Production highlights for the year under Report are as under:

(Qty in MT)

	Standalone		Consolidated	
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Pipes	521,207	618,858	1,119,444	1,130,323
H. R. Plates & Coils	234,571	109,147	234,571	109,147

3. Reserves and Dividend

In view of the losses during the financial year under Report, the Board does not propose any amount for transfer to reserves.

The Board is pleased to recommend a dividend @ 10% for the year ended March 31, 2016 i.e. ₹ 0.50 per equity share of ₹ 5/- each fully paid-up out of the accumulated profits. In respect of the dividend declared for the previous financial years, ₹ 4.15 million remained unclaimed as on March 31, 2016.

4. Internal Controls

Your Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material impact on your Company's operation.

5. Subsidiary/Joint Ventures/Associate Companies and their performance

The Company has 10 subsidiaries. A report on the performance and financial position of each of the subsidiaries and joint venture companies included in the consolidated financial statement is presented in Form AOC-1 annexed to this Report as Annexure - 1.

6. Deposits

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

7. Auditors

(i) Statutory Auditors:

Your Company's Auditors M/s. Price Waterhouse Chartered Accountants LLP, who have been appointed up to the conclusion of the 24th Annual General Meeting, subject to ratification by the members of the Company at every Annual General Meeting, have given their consent to continue to act as the Auditors of the Company for the remaining tenure. Members are requested to consider their re-appointment as the Auditors of the Company and to fix their remuneration by passing an ordinary resolution under Section 139 of the Companies Act, 2013.

(ii) Cost Auditors:

M/s. Kiran J. Mehta & Co, Cost Accountants (Firm Registration No. 000025), are proposed to be appointed as the Cost Auditors under Section 148 of the Companies Act, 2013. The members are requested to approve their remuneration by passing an ordinary resolution pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2015.

(iii) Secretarial Auditors:

The Board of Directors has re-appointed M/s. M Siroya and Company, Practicing Company Secretary, as the Secretarial Auditor of your Company for the year 2016-17.

8. Auditors' Report

(a) Statutory Auditors' Report

The Auditors' observations read with Notes to Accounts are self-explanatory and therefore do not call for any comment.

(b) Cost Audit Report

The Company had appointed M/s. Kiran J. Mehta & Co., Cost Accountants as the Cost Auditors of the Company for the financial year 2015-16. The Cost Audit Report for the year 2014-15 was e-filed on September 16, 2015. The Cost Audit for the financial year 2015-16 is in progress and the report will be e-filed to the Ministry of Corporate Affairs, Government of India, in due course.

(c) Secretarial Audit Report

Secretarial Audit Report given by M/s. M Siroya and Company, Company Secretaries is annexed with the Report as Annexure 2.

9. Share Capital & Listing

(A) Issue of equity shares with differential rights

The Company does not have any equity shares with differential rights and hence disclosures as required in Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 are not required.

(B) Issue of sweat equity shares

During the year under Report, the Company has not allotted any sweat equity and hence no disclosure is required under rule 8 (13) of Companies (Share Capital and Debentures) Rules, 2014.

(C) Issue of employee stock options

During the year 2014-15, the Company granted stock options to the Managing Director of the Company in terms of the Employment Agreement and the resolution passed by the members of the Company at the Extra Ordinary General Meeting held on August 6, 2012.

The particulars required to be disclosed pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 and Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are given below:

a	Options granted		2,050,029
b	Options vested (excluding vested portion of lapsed Options)		2,050,029
c	Options exercised		2,050,029
d	Total number of equity shares arising as a result of exercise of Options		2,050,029
e	Options lapsed		Nil
f	Exercise Price		₹ 1 per equity share
g	Variation of terms and conditions		N.A.
h	Money realized by exercise of Options		₹ 2,050,029
i	Total number of Options in force		Nil
j	Employee wise details of options granted to	Key Managerial Personnel	a. 2,050,029 to the Managing Director
		Other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	b. Nil
		Employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	c. Nil
k	Diluted EPS		₹ (3.54) as compared to ₹ (0.60) of last year
l	Weighted-average exercise prices		₹ 1 per equity share
m	Weighted-average fair values of options		₹ 64.97 (as per Black Scholes Model)

Difference in employee compensation cost based on intrinsic value and fair value:
The Company has adopted intrinsic value method for valuation and accounting of the aforesaid stock options as per SEBI (Share Based Employee Benefits) Regulations, 2014.

Had the Company valued and accounted the aforesaid stock options as per the Black Scholes Model, the net loss for the year would have been lower by ₹ (3.42) million and the diluted earnings per share would have been ₹ (3.53) per share instead of ₹ (3.54) per share.

(D) Disclosure of Shares held in suspense account under Clause F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Outstanding Balance in the suspense account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from suspense account during the year		Transferred/Credited during the year		Balance outstanding	
No of shareholders	No of Shares	No of shareholders	No of Shares	No of shareholders	No of Shares	No of shareholders	No of Shares
211	53,480	2	280	2	280	209	53,200

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

(E) Listing with the stock exchanges.

The Company's equity shares are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Secured Non-Convertible Debentures are listed on the BSE Limited. The Global Depository Receipts are listed at Singapore Securities Trading Limited (SGX-ST).

Annual listing fees for the year 2015-16 have been paid to BSE, NSE and SGX-ST.

10. Extract of the annual return

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is attached to this Report as Annexure – 3.

11. Conservation of energy, technology absorption and foreign exchange earnings and outgo. Conservation of energy

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

	Energy Saving KwH/ p.a.	Saving in Cost (₹ /p.a.)
Pipe Mill – Dahej		
Installation of 30 W LED fixture at "Crossroad Display Board in place of 150 W metal halide lamps	7,735	55,145
Plate and Coil Mills - Anjar		
Optimum operation of air blower in furnace area [Installed 2 nos. 315 kW each] during rolling.	825,552	55,72,476
Saving in utility area by major pipe repairing work in De-Scaling and Laminar Headers along with De-Scaling Headers (Primary and Secondary) Nozzle Replacement. Water pumping reduced in totality.	1,061,784	71,67,044
Fuel savings by adding Burn-All Fuel Additive in Furnace oil.	33,960 Liter [HFO]	74,700
Replacement of 38 nos CFLs with 18 nos of LED lights	1,152 /(4 months)	7,776
Pipe Mill – Anjar		
Master & Slave Drive Load Sharing in Main Pinch Roll.	18,036	121,742
FUT wagon HPP motor,	14,636	332,751
Indexer HPP motor,	29,882	
Chips conveyor motors turn OFF in auto after 5 minutes if mill is idle.	4,779	
Interlock provided for mill brush motors to stop when mill is in idle condition	3,871	26,127
Replacement of Halogen light, Flood Light with LED light at End Facing Machine and at Forming Mill.	2,443	16,488
Running 15 HP cooling tower raw water recirculate pump in night hours instead of 75 HP pump	82,432	556,417
VFD installation at 8 HP Inspection Bed Conveyors, 24 HP MUT Conveyors, 16 HP MPI Conveyors, 10 HP Marketing Bed Conveyors	5,274	35,603
Replacement of 400 Watt MHL fittings by 90 Watt LED fittings.	3,647	24,614
Loading time reduction in hydro tester high pressure pumps (45kw).	16,853	113,756
Switching outdoor lighting with clock ON/OFF timer.	2,920	19,710
Big Dia blasting inlet HPP motor power consumption reduction from 9.5 Kw (4+5.5) to 7.5 Kw	3,774	25,476
Big Dia Final HPP 22Kw motor & Small Dia blasting HPP 4kw motor made automatic OFF	22,048	148,824
Timer provision to HPP & interlocking it with relief valve operation in Internal Dia.	6,182	41,731
Reduction of Air Blower Running hours and in idle time.	6,250	42,185
Reduction of Quenching Zone Exhaust fan Running Hours when idle.	3,246	21,909
Replaced Turbine motor with suitable size of motor.	15,423	104,104
To run Air Blower only during blowing.	20,563	138,802
Reduction in pipe handling time in Internal Coating.	59,884	404,216
Reduction in High Mast Lighting Fixtures	3,456	23,328
Reduction in idle running of Hydraulic Power Pack Handling (Indexers and conveyors).	945	6,379
Pipe Mill – Mandya		
Reduce compressor air consumption	9,900	70,000
Running only ID/OD 1 & 2 machine only when Offline 02 No. ID/OD machine are running	120,000	840,000
Utilization of Hydrotestors effectively	12,000	84,000

		2015-16	2014-15
	A. POWER AND FUEL CONSUMPTION		
1	**ELECTRICITY**		
(A)	**Purchased**		
	UNIT (IN '000S) – MWH	79,684	68,385
	TOTAL COST (RS IN LACS)	5,202	4,729
	RATE/UNIT (RS)	6.53	6.92
(B)	**OWN GENERATION**		
(I)	**THROUGH D.G. SET (CPP)**		
	GENERATOR UNIT (IN '000S) – MWH	16,084	15,252
	UNITS GENERATOR PER UNITS OF FUEL		
	COST/UNIT (RS)	19.57	21.39
(II)	**THROUGH STEAM TURBINE / GENERATOR**		
	GENERATOR UNIT (IN '000)	13,343	10,846
	TOTAL COST (RS IN LACS)	534	634
	COST/UNIT (RS/KG)	4.00	5.84
2	**COAL AND LIGNITE**		
(I)	**COAL -(GENERATION OF STEAM)**		
	UNIT (IN '000S) – MT	17,241	21,325
	TOTAL AMOUNT (RS IN LACS)	544	722
	RATE/UNIT(IN' '000) (₹/KG)	3.16	3.39
(II)	**OTHERS- LIGNITE & LIME STONE(FOR GENERATION STEAM)**		
	UNIT (IN '000S) – MT	-	1,342
	TOTAL AMOUNT (₹ IN LACS)	-	36
	RATE/UNIT(IN' '000) (₹/Kg)	-	2.69
3	**FURNACE OIL**		
	QUANTITY (K. Ltrs.)	10,823.09	4,452
	TOTAL AMOUNT (₹ IN LACS)	2,306.04	1,588
	AVERAGE RATE COST/UNIT (₹/Ltr)	21.31	35.67
4	**LPG**		
	QUANTITY MT	217.88	-
	TOTAL AMOUNT (₹ IN LACS)	81.44	-
	AVERAGE RATE COST/UNIT -₹/MT	37378	-

		2015-16	2014-15
	B. CONSUMPTION PER UNIT OF PRODUCTION PRODUCTS		
(i)	**NAME OF PRODUCT – WELDED PIPES**		
	ELECTRICITY - UNITS – KWH	174.50	118.26
(ii)	**NAME OF PRODUCT – M.S. PIPES (ERW)**		
	ELECTRICITY - UNITS – KWH	85.88	92.26
(iii)	**NAME OF PRODUCT – POWER**		
	STEAM - UNITS - MT/MWH	6.44	14.92
(iv)	**NAME OF PRODUCT – M.S. PLATE**		
	ELECTRICITY - UNITS – KWH	152.42	142.00
	FURNACE OIL (K. Ltrs)	52.76	40.79
(v)	**NAME OF PRODUCT – H.R. COIL**		
	ELECTRICITY- UNIT	99.39	97.27
	FURNACE OIL (K.LTRS)	44.50	40.79

01	**Technology absorption**	Not Applicable
02	**Research & Development**	
A	Specific areas in which R&D is carried out by the Company:	**Anjar Pipe Mill:** 1. Development of LSAW pipes of X60 for sour-service applications from cut-to-length sheets. 2. Development of very low Diameter/thickness LSAW X65 pipes for offshore sour service applications. 3. Dual Approach for Internal Coating of Gas Pipelines: Improved Flow and Corrosion Resistance. 4. Properties enhancement of hot induction bends made by Thermo Mechanical Control Pipes. **Anjar Coating Plant:** 1. Development of Pipe Insulation coatings (4/5/7 Layer Insulation coatings). 2. Development of Fusion Bonded Epoxy / 3 Layers coatings of Bends. 3. Developments of Liquid coatings of Pipes. 4. Development of New coating Materials for alternate sources.
B	Benefits derived as a result of the above R&D.	**Anjar Pipe Mill:** 1. Cost reduction on account of raw material without compromising the quality. 2. To fulfill the need for catering the stringent pipes for transportation of gas/liquid from remote and difficult to access field. 3. Increased coating life of pipes used for gas/liquid transportation. 4. Very good quality bends at low cost using Thermo Mechanical Control Pipes. **Anjar Coating Plant:** 1. One stop solutions for customers for all its pipe needs. 2. Alternate cost effective and better quality coating materials. 3. New Customer approvals. 4. Increased coating life of pipes used for gas/liquid transportation.
C	Future plan of action	**Anjar Pipe Mill:** 1. Development of API 5L X70M PSL2 plates in-house in the Plate Mill for both high strain based design and conventional design pipes. 2. Development of quench and tempered hot induction bends without transition zones and with and without coating for in Pipe Bending Mill of Anjar. 3. Development of API 5L LSAW pipes of Grade 550/X80M for onshore sweet service gas pipelines. 4. Use of new wire and flux for low temp toughness and very low hardness in SAW pipes.
03	**Expenditure on R&D**	
	(a) Capital	NIL
	(b) Recurring	₹ 12.18 million
	(c) Total	₹ 12.18 million
	(d) Total R&D expenditure as a percentage of total turnovers.	0.06%

Foreign exchange earnings and outgo:

Total foreign exchange used and earned.	Used : ₹ 25,604.80 million Earned : ₹ 8,596.63 million

12. Corporate Social Responsibility (CSR)

Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this Report as Annexure 4.

13. Directors and Key Managerial Personnel

(A) Changes in Directors and Key Managerial Personnel

Since the last report, no change took place in the Board of Directors and Key Managerial Personnel.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajesh Mandawewala and Mr. Braja Mishra are retiring by rotation at the forthcoming Annual General Meeting and being eligible, they have been recommended for re-appointment by the Board.

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

(B) Declaration by Independent Director(s)

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

(C) Formal Annual Evaluation

As done last year, this year also, the Company followed the same evaluation process with specific focus on the performance vis-à-vis the plans, meeting challenging situations, performing leadership role within, and effective functioning of the Board. The evaluation process invited, through IT enabled platform, and graded responses to a structured questionnaire for each aspect of the evaluation viz. time spent by each of the directors; accomplishment of specific responsibilities and expertise; conflict of interest; integrity of the Director; active participation and contribution during discussions. For the financial year 2015-16, the annual performance evaluation was carried out which included evaluation of the Board, independent directors, non-independent directors, executive directors, Chairman, Committees of the Board, quantity, quality and timeliness of information to the Board. The independent directors evaluated all non-independent directors, the Board, the Committees, the Chairman and the information to the Board. The Nomination and Remuneration Committee and the Board evaluated performance of the independent directors, the Board itself, the Chairman, the Executive Director, the Committees of the Board, the information provided to the Board. All results were satisfactory.

(D) Committees of the Board of Directors

Information on the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship, Share Transfer and Investor Grievance Committee and meetings of those committees held during the year is given in the Corporate Governance Report.

14. Particulars of outstanding loans, guarantees and investments under Section 186 are as under:

Investment in	Amount (₹ in million)
Welspun Pipes Inc.	0.44
Welspun Tradings Limited	50.22
Welspun Pipes Limited	0.50
Welspun Captive Power Generation Ltd	258.27
Welspun Mauritius Holdings Ltd.	1,288.87
Welspun Wasco Coatings Private Ltd	147.55
Standard Chartered Bank ADR	34.77
Rated Bonds issued by Banks/ FIs	6,169.70
"AAA" Rated Corporate Bonds	250.00
Corporate Guarantees	
Welspun Middle East Pipe Coating Company LLC	353.47
Welspun Middle East Pipes Company LLC	2,439.43
Welspun Tradings Limited	7,936.44
Loans	
Welspun Pipes Inc	927.57
Welspun Wasco Coatings Private Ltd	156.95

The corporate guarantees were given to secure credit capital facilities availed by the subsidiaries of your Company.

15. Particulars of contracts or arrangements with related parties

All related party transactions that were entered into during the year under Report were on an

arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The Company's policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Except for payment of sitting fees to the non-executive directors and payment of remuneration to the executive director, none of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Disclosures as required under the Companies Act, 2013 are given in Form AOC-2 annexed as Annexure 5 to this Report.

16. Managerial Remuneration

a. Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	The ratio of remuneration of the MD to the median remuneration was: 555.89 times (Including value of ESOP exercised by him).
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Managing Director : 23.83% (Including value of ESOP exercised) CFO – 15.78% CS - 30.25%
(iii)	The percentage increase in the median remuneration of employees in the financial year;	11.13%
(iv)	The number of permanent employees on the rolls of the Company;	2,818
(v)	The explanation on the relationship between average increase in remuneration and the Company performance;	The revenue decreased during the financial year by 23.51% and the net loss increased by 494.39% over the previous financial year. The aggregate remuneration of employees other than Key Managerial Personnel grew by 7.87% over the previous financial year. This was in line with the market benchmarks and the Company's policy for attracting and retaining talent. The aggregate increase in the remuneration* of Key Managerial Personnel was 22.73% over the previous financial year. * including value of sweat equity & ESOP exercised by the Managing Director. This was in accordance with the agreement entered in to with the Managing Director as approved by the shareholders at the general meeting held on August 6, 2012.
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Remuneration to the KMP is 5.90% (including value of ESOP exercised by the Managing Director) of the EBITDA for 2015-16.

(vii)	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The market cap of the Company increased from ₹ 14,159.77 million to ₹ 26,177.82 million. The P/ E ratio changed from 89.75 times to 27.88 times. The share price increased by 590.90% in comparison to the rate at which the Company came out with the public issue in February, 1997 (taking in to consideration the reorganization of capital done in March, 2005)
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	7.87% - aggregate remuneration of employees excluding KMP. 22.73% - aggregate remuneration of KMP (including value of Sweat Equity and ESOP exercised by the MD). Justification: ESOPs were in accordance with the Agreement entered in to with the Managing Director as approved by the shareholders at the general meeting held on August 6, 2012.
(ix)	Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company;	Remuneration to the MD – 4.93% (including value of ESOP exercised); CFO – 0.85%; and CS – 0.13% of the EBITDA for the Financial year 2015-16.
(x)	The key parameters for any variable component of remuneration availed by the directors;	Not applicable
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	Not applicable
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company	YES, Employees increment in remuneration is based on the individual performance and Company performance for the Financial year.

b. Details of every employee of the Company as required pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under (in alphabetical order):

Name	Designation	Age	Date of Joining	Gross Salary Received (₹)	Qualification	Previous company	Nature of employment	% of equity shares held in the company	Relative of any director/ manager of the company
Akhil Jindal	Director – Group Finance & Strategy	46	1-Jul-04	21217620	BE & MBA	S. Kumars Ltd.	Permanent	Nil	No
Braja Mishra	Managing Director	53	26-Apr-12	51,282,327 plus value of ESOP perquisite 99,349,179	MBA	Ferro Tech India Pvt. Ltd.	Permanent	0.80	No
Brig. Atul Kumar Wahi	President – Central Services	60	16-Jul-12	6543221	BE (Civil), Master of Management Science, Course of Defense Management.	Indian Army	Permanent	Nil	No
Deepak Chauhan	Director - Legal	44	16-Dec-10	21084048	B Com/LLB/ LLM	GVK Power & Infrastructure Ltd.	Permanent	Nil	No
Gaurang Desai	President – BU India & APAC	44	1-Nov-08	9315499	MBA (Finance) / BE Mech	Gala Precision Ltd.	Permanent	Nil	No
Gaurav Merchant	Vice president – Finance	43	15-Jan-14	6459153	B Com/MBA	Essar Steel Limited	Permanent	Nil	No
Godfrey John	Director – Supply Chain Management	51	11-June-12	19600333	MBA	Ferro Tech India Pvt. Ltd.	Permanent	Nil	No
Ketan Patel	Sr. VP – Accounts & Taxation	46	03-Nov-15	3441898	B.Com / CA/ICWA	JSW Steel Limited	Permanent	Nil	No
L. T. Hotwani	Director - Direct Taxation, Insurance & Corporate Accounts	63	01-Nov-06	15911790	B.Com	Welspun Steel Limited	Permanent	Nil	No
Navin Agarwal	VP – Chairman's Office	43	2-Jun-08	7285361	MBA (Finance)	Mahindra & Mahindra Limited	Permanent	Nil	No
Prasanta Mukherjee	Chief Technical Officer	54	2-May-99	23864668	BE	Kilburn Engineering Limited	Permanent	Nil	No
Paras Jain	Sr. VP – Indirect Taxation	58	16-Jan-06	6433102	M.Com, FCA	Maral Overseas Limited	Permanent	Nil	No
Rajeev Singh	CHRO (President – HCGA)	42	6-Dec-14	9314120	BE Met/ MPM &IR	BG Group	Permanent	Nil	No
Rupak Ghosh	Sr. VP – Finance & MIS	47	29-Oct-07	7278519	ICWA/ CA	Blue Star Limited	Permanent	Nil	No
S Krishnan	Chief Financial Officer	54	3-Jun-13	26313357	M. Com, LLB-Part I, A.C.A, A.C.S, A.I.C.W.A	United Phosphorus Limited	Permanent	Nil	No
Shrinivas Durge	Sr. VP – Operations	56	10-Nov-10	6347820	BE, Mechanical	Lloyd Steel Industries Limited	Permanent	Nil	No
Sunil Singhal	Sr. VP – Projects & Technology	53	30-Jul-08	7226533	BE Mechanical	Ispat Industries Limited	Permanent	Nil	No
Suresh Darak	President – Indirect Taxation	48	2-Jan-08	8231478	B Com/ DITM	Reliance Industries Limited	Permanent	Nil	No
T. S. Kathayat	President – QA & TS	44	1-Aug-10	9182241	BSC/DME/MBA	Jindal Organization	Permanent	Nil	No
Vipin Gandhi	VP – IT	48	25-Oct-06	6552212	BE, MBA	Ashok Leyland Limited	Permanent	Nil	No

c. Managing Director of the Company was not in receipt of any commission from the Company and at the same time, remuneration or commission from the Company's Subsidiary Company.

d. Particulars of remuneration to the executive directors including the details of remuneration paid/payable to the executive directors for the financial year 2015-16 are as under:

Name of the Director	Salary & Allowance	Perquisites	Commission	Service Contract/ Tenure	performance linked incentives	Notice Period	Severance Fees	Stock Option	Pension
Mr. Braja Mishra- Managing Director	₹ 50.00 million	₹ 1.28 million Plus Value of ESOP Perquisite ₹ 99.35 million.	Nil	Yes. 5 years from April 26, 2012	Nil	1 month	Nil	2,050,029 options issued at a price of ₹ 1 carrying right to subscribe for equal number of equity shares of ₹ 5 each fully paid-up. Entire Options exercised on February 5, 2016.	Nil

No remuneration or perquisite was paid to, and no service contract was entered into with, or stock options granted to, but the sitting fees were paid to the following directors/ nominating institutions for attending meetings of Board / Committees of the Board.

	Name of the Director	Sitting Fees (₹)
1	Mr. K. H. Viswanathan	700,000
2	Mr. Rajkumar Jain	668,000
3	Mr. Ram Gopal Sharma	678,000
4	Mr. Nirmal Gangwal	168,000
5	Mr. Mukul Sarkar (Nominee of Exim Bank)	66,000
6	Mr. Mintoo Bhandari	110,000
7	Mr. Utsav Baijal	96,000
8	Mrs. Revathy Ashok	174,000
9	Mr. Atul Desai	132,000

The above mentioned sitting fee paid to the non-executive directors was within the limits prescribed under the Companies Act, 2013 for payment of sitting fees. Hence prior approval of the members as stipulated under Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was not required.

None of the directors had any transaction with the Company.

17. Shareholding of the Directors of the Company as on March 31, 2016

Name of the Director	No of shares	%
Mr. Balkrishan Goenka	140	0.00
Mr. Rajesh Mandawewala	200	0.00
Mr. Braja Mishra	2,130,494	0.80
Mr. Ram Gopal Sharma	2,100	0.00
Mr. Atul Desai	200	0.00

Except the above, none of the other Directors hold any shares or convertible securities in the Company.

18. Corporate Governance Certificate

The Compliance certificate obtained from M/s. JMJA & Associates LLP, Company Secretaries regarding compliance of conditions of corporate governance as stipulated in Chapter IV read with relevant Schedule to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with this Report.

19. Risk management policy

With its fast and continuous expansion in different areas of businesses across the globe, the Company is exposed to plethora of risks which may adversely impact growth and profitability. The Company recognizes that risk management is of concern to all levels of the businesses and requires a structured risk management policy and process involving all personnel. With this objective the Company had formulated structured

Risk Management Policy thereby to effectively address such risks namely, strategic, business, regulatory and operational risks. The Policy envisages identification of risks by each business segment and location, together with the impact that these may have on the business objectives. It also provides a mechanism for categorization of risks into Low, Medium and High according to the severity of risks. The risks identified are reviewed by a committee of senior executives and the Managing Director of the Company and appropriate actions for mitigation of risks are advised; the risk profile is updated on the basis of change in the business environment.

For the key business risks identified by the Company please refer to the Management Discussion and Analysis annexed to this Report.

20. Familiarization program for Independent Director

The details of familiarization program (for independent directors) are disclosed on the Company's website and a web link thereto is: http://www.welspuncorp.com/system/downloads/attachments/000/000/147/original/Familiarisation_program.pdf?1442920868.

21. Code of Conduct

The Company has Code of Conduct for Board members and senior management personnel. A copy of the Code has been put on the Company's website for information of all the members of the Board and management personnel.

All Board members and senior management personnel have affirmed compliance of the same.

A declaration signed by the Managing Director of the Company is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2015-16."

Sd/-
Braja Mishra
Managing Director
DIN: 00007089

22. Miscellaneous Disclosures

During the year under Report, there was no change in the general nature of business of your Company.

No material change or commitment has occurred which would have affected the financial position of your Company between the end of the financial year of your Company to which the financial statements relate and the date of the Report.

No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future.

Your Company has not made any provision of money for the purchase of, or subscription for, shares in your Company, to be held by or for the benefit of the employees of your Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required.

Further, the Board of your Company approved the Policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace at its meeting held on January 27, 2014 and formed the Internal Complaints Committee for each locations of your Company. No case of sexual harassments was reported to the Internal Complaints Committee during the year under Report.

23. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, your directors hereby confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis;

e. being a listed company, the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

Your directors thank the Government Authorities, Financial Institutions, Banks, Customers, Suppliers, Shareholders, Employees and other business associates of the Company, who through their continued support and co-operation, have helped as the partner in your company's progress and achievement of its objectives.

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
DIN No.00270175

Place: Mumbai
Date: May 23, 2016

ANNEXURE 1

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees in million)

1. Sl. No.		1	2	3	4	5	6	7	8
2.	Name of the subsidiary	Welspun Tradings Limited	Welspun Pipes Limited	Welspun Mauritius Holdings Limited	Welspun Pipes Inc.(see note 3)	Welspun Middle East Pipes LLC	Welspun Middle East Pipes Coating LLC	Welspun Middle East DMCC	Welspun Wasco Coatings Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	USD*	USD*	SAR#	SAR#	USD*	INR
5.	Share capital	50.13	0.50	1,561.46	1,076.89	1,343.76	596.65	3.36	289.31
6.	Reserves & surplus	521.95	(0.11)	601.76	10,380.99	3,298.40	(650.91)	(73.93)	(0.01)
7.	Total assets	6,238.61	0.40	3,157.93	25,073.32	14,778.91	2,958.07	78.03	870.29
8.	Total Liabilities	5,666.53	0.01	994.70	13,615.44	10,136.74	3,012.33	148.61	580.98
9.	Investments@	180	Nil	Nil	Nil	Nil	Nil	Nil	35.73
10.	Turnover	12,386.29	Nil	Nil	37,654.81	12,207.19	1,268.36	Nil	Nil
11.	Profit before taxation	124.47	(0.03)	144.97	3,894.92	178.85	(211.90)	(7.76)	1.80
12.	Provision for taxation	42.78	Nil	13.65	1,180.52	19.60	(0.1)	Nil	1.81
13.	Profit after taxation	81.70	(0.03)	131.32	2,714.40	198.44	(211.80)	(7.76)	(0.01)
14.	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
15.	% of shareholding	100.00%	100.00%	89.98%	100.00%	50.01%	50.01%	100.00%	51%

*USD
Closing Rate USD 1=INR 66.255
Average Rate USD 1=INR 65.461

#SAR
Closing Rate SAR 1=INR 17.668
Average Rate SAR 1 = INR 17.456

1. Names of subsidiaries which are yet to commence operations – Welspun Wasco Coatings Private Limited
2. Names of subsidiaries which have been liquidated or sold during the year – N.A.
3. Includes performance of step down subsidiaries viz. Welspun Tubular LLC and Welspun Global Trade LLC.

@ Excluding investments in subsidiaries.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not applicable

ANNEXURE 2

Form No. MR-3

Secretarial Audit Report
For The Financial Year Ended March 31, 2016
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Welspun Corp Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Welspun Corp Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

(i) The Companies Act, 1956 (the Old Act) and the rules made thereunder, as may be applicable;

(ii) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 w.e.f. May 15, 2015;

(c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(g) The Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002;

(h) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. December 1, 2015); and

(vii) As confirmed by the management, there are no other laws specifically applicable in relation to the business of the Company.

Based on representation made by the Company and its officers, the Company has adequate system and process in place for compliance under the other applicable Laws, Acts, Rules, Regulations, Circulars, Guidelines and Standards. Major heads/groups of Acts, laws, Rules, Regulations, Guidelines and Standards as applicable to the Company are given below:

(i) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;

(ii) Acts as prescribed under Direct Tax and Indirect Tax;

(iii) Acts prescribed under prevention and control of pollution;

(iv) Acts prescribed under environmental protection;

(v) Land Revenues Act of respective States;

(vi) Labour Welfare Act of respective States; and

(vii) Such other Local laws etc. as may be applicable in respect of various offices of the Company.

We have also examined compliance with the applicable clauses of the following:

(i) The Equity Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

(ii) The Debt Listing Agreement entered into by the Company with BSE Limited; and

(iii) Secretarial Standards issued by the Institute of Company Secretaries of India, w.e.f. July 1, 2015.

During the period under review the Company has complied with the provisions of the Act, Old Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and none of the board members dissented to any resolutions/ recommendations during the year.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has undertaken following event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

(i) On 28th April, 2015,the Board approved increase in working capital limit by 900 Crores thus making total limits to ₹ 5,500 Crore from last year's working capital limit of ₹ 4,600 Crores;

(ii) On 31st August, 2015,the members at their Annual General Meeting approved, inter-alia, the following:

(a) Dividend at the rate of 10% on 263,176,080 Equity Shares of ₹ 5 each fully paid-up of the Company aggregating to ₹ 131,588,040;

(b) Modification of Schedule II to the Articles of Association of the Company; and

(c) Borrowing by Issue of Securities on Private Placement Basis upto ₹ 500 Crores.

(iii) On 9th February, 2016, the Board approved allotment of 2,050,029 equity shares of ₹ 5 each fully paid up under Welspun Managing Director ESOP Plan.

For **M Siroya and Company**
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157

Date: May 23, 2016
Place : Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A herewith and forms an integral part of this report.

"ANNEXURE A"

To,
The Members,
Welspun Corp Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M Siroya and Company**
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157

Date: May 23, 2016
Place : Mumbai

ANNEXURE 3

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	:	L27100GJ1995PLC025609
ii.	Registration Date	:	April 26, 1995
iii.	Name of the Company	:	Welspun Corp Limited
iv.	Category / Sub Category of the Company	:	Public Company/ Company having Share Capital and Limited by Shares
v.	Address of the Registered office and contact details	:	Welspun City, Village Versamedi, Taluka Anjar. Dist. Kutch, Gujarat-370110. Contact: The Company Secretary, Tele. No.: 02836-662079 Email : companysecretary_wcl@welspun.com
vi.	Whether listed company	:	Yes.
vii.	Name, address and contact details of Registrar and Transfer Agent, if any	:	**M/s. Link Intime India Private Limited** (Formerly known as : Intime Spectrum Registry Limited) Unit : Welspun Corp Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078. Email : rnt.helpdesk@linkintime.co.in Tele. No.: +91-22-25946970 Fax No. : +91-22–25946969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are Welded Pipes (NIC code – 2431), % to total turnover of the Company 95.15%.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Welspun Tradings Limited	U72200GJ2001PLC039513	Subsidiary	100%	2(87)(ii)
2	Welspun Pipes Limited	U27108MH2007PLC171855	Subsidiary	100%	2(87)(ii)
3	Welspun Pipes Inc	Not Applicable	Subsidiary	100%	2(87)(ii)
4	Welspun Tubular LLC	Not Applicable	Subsidiary	100%	2(87)(ii)
5	Welspun Global Trade LLC	Not Applicable	Subsidiary	100%	2(87)(ii)
6	Welspun Middle East DMCC	Not Applicable	Subsidiary	100%	2(87)(ii)
7	Welspun Middle East Pipes LLC	Not Applicable	Subsidiary	50.01.%	2(87)(ii)
8	Welspun Middle East Pipe Coating LLC	Not Applicable	Subsidiary	50.01%	2(87)(ii)
9	Welspun Mauritius Holdings Limited	Not Applicable	Subsidiary	89.98%	2(87)(ii)
10	Welspun Wasco Coatings Private Limited	U28290GJ2015PTC084632	Subsidiary	51%	2(87)(ii)

IV. SHARE HOLDING PATTERN (equity share capital break-up as percentage of Total Equity).

i. Category-wise share holding

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				
		Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	% change during the year
(A)	**Shareholding of Promoter and Promoter Group**									
1	**Indian**									
(a)	Individuals/ Hindu Undivided Family	342	-	342	0.00	342	-	342	0.00	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	
(c)	Bodies Corporate	94,753,883	-	94,753,883	36.00	102,434,550	-	102,434,550	38.62	2.62
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	
(e)	Any Others(Specify)	-	-	-	-	-	-	-	-	
	Sub Total(A)(1)	**94,754,225**	**-**	**94,754,225**	**36.00**	**102,434,892**	**-**	**102,434,892**	**38.62**	**2.62**
2	**Foreign**									
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	
b	Bodies Corporate	6,300,000	-	6,300,000	2.39	6,300,000	-	6,300,000	2.38	(0.01)
c	Other individual	-	-	-	-	-	-	-	-	
d	Qualified Foreign Investor	-	-	-	-	-	-	-	-	
e	Any Others(Specify)	-	-	-	-	-	-	-	-	
	Sub Total(A)(2)	**6,300,000**	**-**	**6,300,000**	**2.39**	**6,300,000**	**-**	**6,300,000**	**2.38**	**(0.01)**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)									
		101,054,225	-	101,054,225	38.40	108,734,892	-	108,734,892	41.00	2.60
(B)	**Public shareholding**									
1	**Institutions**									
(a)	Mutual Funds/ UTI	2,447	-	2,447	0.00	4,373,524	-	4,373,524	1.65	1.65
(b)	Financial Institutions / Banks	21,759,296	-	21,759,296	8.27	21,740,682	-	21,740,682	8.20	(0.07)
(c)	Central Government/ State Government(s)		-		-		-		-	
(d)	Venture Capital Funds		-		-		-		-	
(e)	Insurance Companies	270,000	-	270,000	0.10	270,000	-	270,000	0.10	-
(f)	Foreign Institutional Investors	16,216,273	-	16,216,273	6.16	14,519,826	-	5,182,497	1.95	(4.21)
(g)	Foreign Venture Capital Investors		-		-		-		-	
(h)	Qualified Foreign Investor		-		-		-		-	
(i)	Any Other (specify)		-		-		-		-	
	Sub-Total (B)(1)	**38,248,016**	**-**	**38,248,016**	**14.53**	**40,904,032**	**-**	**31,556,703**	**11.90**	**(2.63)**

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				
		Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	% change during the year
B 2	**Non-institutions**									
(a)	Bodies Corporate									
	(i) Indian	26,375,266	9,335	26,384,601	10.03	19,621,193	9,335	19,630,528	7.40	(2.63)
	(ii) Overseas	35,038,889	7,503,832	42,542,721	16.18	42,542,721	-	42,428,889	16.00	(0.18)
(b)	Individuals									
I	Individual shareholders holding nominal share capital up to ₹ 1 lakh	15,258,323	615,242	15,873,565	6.03	12,821,784	384,031	13,205,815	4.98	(1.05)
II	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	13,680,388	-	13,680,388	5.20	14,126,479	-	14,126,479	5.33	0.13
(c)	Qualified Foreign Investor		-		-		-		-	
(d)	Any Other (specify)		-		-		-		-	
(d-i)	Unclaimed Shares	53,480	-	53,480	0.02	53,200	-	53,200	0.02	-
(d-ii)	Clearing member	416,311	-	416,311	0.16	607,884	-	607,884	0.23	0.07
(d-iii)	Non Resident Indians	566,035	55,370	621,405	0.24	494,421	55,370	549,791	0.21	(0.03)
(d-iv)	Hindu Undivided Family	68,000	-	68,000	0.03	1,954,599	-	1,954,599	0.74	0.71
(d-v)	Trust	1,000	-	1,000	0.00	4,000	-	4,000	0.00	-
(d-vi)	Foreign Portfolio Investor (Corporate)	1,206,368	-	1,206,368	0.46	9,337,329	-	9,337,329	3.52	3.06
	Sub-Total (B)(2)	**92,664,060**	**8,183,779**	**100,847,839**	**38.32**	**101,563,610**	**448,736**	**101,898,514**	**38.42**	**0.10**
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**130,912,076**	**8,183,779**	**139,095,855**	**52.85**	**130,016,481**	**448,736**	**133,465,217**	**50.32**	**(2.53)**
	TOTAL (A)+(B)	**231,966,301**	**8,183,779**	**240,150,080**	**91.25**	**241,751,373**	**448,736**	**242,200,109**	**91.32**	**0.07**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group		-		-		-		-	
(2)	Public	23,026,000	-	23,026,000	8.75	23,026,000	-	23,026,000	8.68	(0.07)
	GRAND TOTAL (A)+(B)+(C)	**254,992,301**	**8,183,779**	**263,176,080**	**100.00**	**264,777,373**	**448,736**	**265,226,109**	**100.00**	

ii. Shareholding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	%of shares pledged / encumbered to total shares	
1	B.K.Goenka	140	0.00	Nil	140	0.00	Nil	0.00
2	R.R.Mandawewala	200	0.00	Nil	200	0.00	Nil	0.00
3	Dipali Goenka	2	0.00	Nil	2	0.00	Nil	0.00
4	B.K.Goenka Trustee B.K.Goenka Family Trust	5	0.00	Nil	5	0.00	Nil	0.00
5	Krishiraj Trading Limited	52,912,858	20.11	Nil	59,979,691	22.61	Nil	2.50
6	Welspun Mercantile Limited.	14,477,701	5.50	Nil	14,477,701	5.46	Nil	(0.04)
7	Welspun Wintex Limited	13,336,576	5.07	Nil	13,336,576	5.03	Nil	(0.04)
8	Welspun Investments and Commercials Ltd.	5,233,000	1.99	Nil	5,233,000	1.97	Nil	(0.02)
9	Welspun Infra Developers Pvt. Ltd.	5,743,743	2.18	Nil	6,357,577	2.40	Nil	0.22
10	Welspun Fintrade Pvt. Ltd.	3,050,000	1.16	Nil	3,050,000	1.15	Nil	(0.01)
	Total of Co-Promoters (A)	**94,754,225**	**36.01**	**Nil**	**102,434,892**	**38.62**	Nil	**2.61**
11	Intech Metals S. A.	6,300,000	2.39	Nil	6,300,000	2.38	Nil	(0.01)
	Total of Co-Promoters (B)	**6,300,000**	**2.39**	**Nil**	**6,300,000**	**2.38**	**Nil**	**(0.01)**
	Total of Promoters (A+B)	**101,054,225**	**38.40**	**Nil**	**108,734,892**	**41.00**	**Nil**	**2.60**

iii. Change in Promoters' shareholding

	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	101,054,225	38.40	-	-
Date-wise increase / decrease in promoters' shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	25.06.2015 acquired 5,673,411 equity shares from open market	2.16% of then paid up share capital of the Company	106,727,636	40.55
	26.06.2015 acquired 175,572 equity shares from open market	0.07% of then paid up share capital of the Company	106,903,208	40.61
	29.06.2015 acquired 610,100 equity shares from open market	0.23% of then paid up share capital of the Company	107,513,308	40.85
	28.10.2015 acquired 671,584 equity shares from open market	0.26% of then paid up share capital of the Company	108,184,892	41.10
	15.03.2016 acquired 550,000 equity shares from open market	0.08% of then paid up share capital of the Company	108,734,892	41.00
At the end of the year			108,734,892	41.00

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	At the end of the year (or on the date of separation, if separated during the year)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Granele Limited*	35,038,889	13.33	35,038,889	35,038,889	13.21
2	JP Morgan Chase Bank, Na*	23,026,000	8.75	23,026,000	23,026,000	8.68
3	Life Insurance Corporation Of India*	19,277,980	7.33	19,277,980	19,277,980	7.26
4	Mentor Capital Limited	8,174,529	3.11			
	Transaction (purchase / sale) during April 1, 2015 to March 31, 2016	1,228,591		9,428,620	9,428,620	3.55
5	Simba Asia Ltd.	7,503,832	2.85			
	Transaction (purchase / sale) during April 1, 2015 to March 31, 2016	(113,832)		7,390,000	7,390,000	2.79
6	Akash Bhanshali	3,983,506	1.51			
	Transaction (purchase / sale) during April 1, 2015 to March 31, 2016	588,801	0.21	4,572,307	4,572,307	1.72
7	DSP Blackrock Micro Cap Fund	0	0	-	-	-
	Transaction (purchase / sale) during April 1, 2015 to March 31, 2016	4,371,819	1.65	4,371,819	4,371,819	1.65
8	Dimensional Emerging Markets Value Fund	1,885,967	0.72	-	-	-
	Transaction (purchase / sale) during April 1, 2015 to March 31, 2016	412,810	0.15	2,298,777	2,298,777	0.87
9	Polus Global Fund	0	0	-	-	-
	Transaction (purchase / sale) during April 1, 2015 to March 31, 2016	1,730,000	0.65	1,730,000	1,730,000	0.65
10	Authum Investment And Infrastructure Limited	0	0	-	-	-
	Transaction (purchase / sale) during April 1, 2015 to March 31, 2016	1,500,000	0.57	1,500,000	1,500,000	0.57
11	Nippon Investment And Finance Company Private Ltd.	1,1824,149	4.49	-	-	-
	Transaction (purchase / sale) during April 1, 2015 to March 31, 2016	(1,1824,149)	(4.49)	-	-	-
12	Edgbaston Asian Equity Trust	4,636,385	1.76	-	-	-
	Transaction (purchase / sale) during April 1, 2015 to March 31, 2016	(4,636,385)	(1.76)	-	-	-
13	Orange Mauritius Investments Limited	1,890,000	0.72	-	-	-
	Transaction (purchase / sale) during April 1, 2015 to March 31, 2016	(1,890,000)	(0.72)	-	-	-

* change in the % of holding due to increase in the issued and paid-up share capital of the Company due to allotment of Equity shares during the Financial year under Report.

v. Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Name of the Director / KMP	Shareholding at the beginning of the year		Date-wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.).	Cumulative shareholding during the year.		At the end of the year (or on the date of separation, if separated during the year)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Directors								
1	B.K.Goenka	140	0.00	-	140	0.00	140	0.00
2	Rajesh Mandawewala	200	0.00	-	200	0.00	200	0.00
3	Braja Mishra	227,781	0.09	09.02.2016 – 2,050,029 equity shares allotted upon exercise of employee stock option	2,277,810	0.86	-	-
				03.03.2016 – Sold 67,922 equity shares in the open market	2,209,888	0.83	-	-
				04.03.2016 – Sold 8,470 equity shares in the open market	2,201,418	0.83	-	
				17.03.2016 – Sold 50,000 equity shares in the open market	2,151,418	0.81	-	-
				18.03.2016 – Sold 519 equity shares in the open market	2,150,899	0.81	-	-
				23.03.2016 – Sold 20,405 equity shares in the open market	2,130,494	0.80	2,130,494	0.80
4	Atul Desai	200	0.00	-	200	0.00	200	0.00
5	K.H.Viswanathan	-	-	-	-	-	-	-
6	Mintoo Bhandari	-	-	-	-	-	-	-
7	Mukul Sarkar	-	-	-	-	-	-	-
8	Nirmal Gangwal	277,074	0.105	19.05.2015 – Sold 51,332 equity shares in the open market	225,742	0.09	-	-
				25.05.2015 – Sold 225,742 equity shares in the open market	-	-	-	-
9	Rajkumar Jain	-	-	-	-	-	-	-
10	Ramgopal Sharma	2,100	0.00		2,100	0.00	2,100	0.00
11	Revathy Ashok	-	-	-	-	-	-	-
12	Utsav Baijal	-	-	-	-	-	-	-
Key Managerial Personnel								
13	S. Krishnan-CFO	12,000	0	-	12,000	0	12,000	0
14	Pradeep Joshi-CS	1	0.00	-	-	0.00	1	0.00

V. INDEBTEDNESS

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

(₹ in million)

		Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year					
i.	Principal Amount	19,493.63	18.66	Nil	19,512.29
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	381.00	-	-	381.00
Total (i + ii + iii)		**19,874.63**	**18.66**	**Nil**	**19,893.29**
change in indebtedness during the financial year.					
•	Addition	-	-	-	-
•	Reduction	2,575.60	8.37	-	2,583.97
Net change		**2,575.60**	**8.37**	**-**	**2,583.97**
Indebtedness at the end of the financial year					
i.	Principal Amount	16,953.05	10.29	Nil	16,963.34
ii.	Interest due but not paid	-	-	-	-
iii.	Interest accrued but not due	345.98	-	-	345.98
Total (i+ii+iii)		**17,299.03**	**10.29**	**Nil**	**17,309.32**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

A. Remuneration to Managing Director, whole-time directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of the Managing Director
		Mr. Braja Mishra
1	Gross Salary	₹ 50 million p.a.
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	₹ 100.63 million*
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil
2	Stock Option*	2,050,029 Stock Options carrying option to subscribe for equal number of equity shares of ₹ 5 each fully paid-up at a price of ₹ 1 per share. Exercised during the year.
3	Sweat equity	Nil
4	Commission as % of profit	Nil
5	Others, specify..... Others, please specify	Nil
	Total (A)	**₹ 150.63 million**
	Ceiling as per the Act.	In terms of the Circular No. 7/ 2015 dated April 10, 2015 issued by the Ministry of Corporate Affairs, the Company can pay the remuneration to the Managing Director for his remaining tenure (including for the year 2014-15) in accordance with terms and conditions approved by Company as per relevant provisions of Schedule XIII of earlier Act even if the part of his tenure falls after April 1, 2014 and hence in terms of the Schedule XIII of the earlier Act read with Notifications dated July 14, 2011 and August 16, 2012 the Managing Director is eligible to receive remuneration for remaining period including the financial year 2014-15 in terms of the approval granted by the shareholders at its meeting held on August 6, 2012 without any further approval.

* Value of ESOP – ₹ 99.34 million.

B. Remuneration to other directors

(₹ in million)

Sr. No.	Particulars of Remuneration	Name of Directors						Total amount
		RGS	KHV	RKJ	NG	RA	AD	
1	Independent Directors							
	Fee for attending board & committee meetings	0.678	0.700	0.668	0.168	0.174	0.132	2.520
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
Total (1)		**0.678**	**0.700**	**0.668**	**0.168**	**0.174**	**0.132**	**2.520**
		MS	**MB**	**UB**	**BKG**	**RRM**		
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	0.066	0.110	0.096	-	-		0.272
	Commission	-	-	-	-	-		-
	Others, please specify	-	-	-	-	-		-
Total (2)		**0.066**	**0.110**	**0.096**	**-**	**-**		**0.272**
Total (B) = (1 + 2)								**2.792**
Total Managerial Remuneration								**153.422**
Overall Ceiling as per the Act.		1% of the Net profits of the Company (exclusive of any fees payable to directors for attending meetings of the Board or Committee thereof provided that the amount of such fees does not exceed Rupees one lakh per meeting of the Board or committee thereof.)						

RGS - Ramgopal Sharma MS - Mukul Sarkar KHV - K.H.Viswanathan MB - Mintoo Bhandari RKJ - Rajkumar Jain UB - Utsav Baijal
NG - Nirmal Gangwal BKG - Balkrishan Goenka RA- Revathy Ashok RRM - Rajesh Mandawewala AD - Atul Desai

C. Remuneration to Key Managerial Personnel Other than Managing Director / Manager / Whole-Time Director.

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	Company Secretary	CFO	**Total**
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.				
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	N/A	3.91	26.31	**30.22**
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option	N/A	Nil	Nil	**Nil**
3	Sweat equity	N/A	Nil	Nil	**Nil**
4	Commission				
	- As % of profit	N/A	Nil	Nil	**Nil**
	- Others, specify.....				
5	Others, please specify	N/A	Nil	Nil	**Nil**
	Total	**N/A**	**3.91**	**26.31**	**30.22**

* the Company has appointed Managing Director and does not have any CEO.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			None		
Punishment			None		
Compounding			None		
A. DIRECTORS					
Penalty			None		
Punishment			None		
Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

ANNEXURE 4

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   The Company is not only committed to complying with regulations relating to Corporate Social Responsibility but also aims at creating Corporate Social value. The CSR vision is enshrined in the 3E's i.e.: (i) Education; (ii) Empowerment of women; and (iii) Environment and Health.

   These 3E's are implemented through:
   - The programs organized by a trust, Welspun Foundation for Health and Knowledge created by the group;
   - Tie-ups with Non-Governmental Organizations / Developmental Agencies / Institutions; and
   - Facilitating Government initiatives.

   The Company's CSR Policy is disclosed on the website of the Company, a web-link of which is as under: http://www.welspuncorp.com/system/downloads/attachments/000/000/075/original/WCL-CSR_Policy.pdf

2. The Composition of the CSR Committee.
   The Committee comprises of 3 non-executive directors as on date of this Report, viz. 1) Mr. Ram Gopal Sharma – an Independent Director as the Chairman; 2) Mr. Balkrishan Goenka-Member; and 3) Mr. Rajesh Mandawewala-Member, Mr. Pradeep Joshi-Company Secretary acts as the Secretary to the Committee.

3. Average net profit / (loss) of the Company for last three financial years: ₹ (113.54) million.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Nil.

5. Details of CSR spent during the financial year.
   a. Total amount to be spent for the financial year: Nil
   b. Amount unspent, if any: Nil
   c. Manner in which the amount spent during the financial year is detailed below:

Sr No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (Location)	Amount Outlay (Budget) project or programs wise (₹)	Amount spent on the projects or programs (Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads)	Cumulative expenditure. up to the date reporting period	Amount spent : Direct or through implementing agency
					Nil		

It is hereby confirmed by and on behalf of the Corporate Social Responsibility Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of the Board

Sd/-
Braja Mishra
Managing Director
DIN : 00007089

sd/-
Ram Gopal Sharma
Chairman of the Corporate Social Responsibility Committee
DIN : 00026514

ANNEXURE 5

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis. Not applicable**

2. **Details of material contracts or arrangement or transactions at arm's length basis which are more than 10% of the total transactions of the same type:**

Name(s) of the related party and nature of relationship	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any	Amount (₹ Million)
1) Sale of goods					
Welspun Tradings Limited	Ongoing	Based on transfer pricing guidelines	07.08.2014	Nil	10,798.82
Welspun Tubular LLC	Ongoing	Based on transfer pricing guidelines	07.08.2014	Nil	5,588.22
2) Interest Income					
Welspun Pipes Inc	15 months	Based on transfer pricing guidelines	16.01.2008	Nil	23.76
3) Dividend Income					
Welspun Captive Power Generation Limited	Not applicable	Not Applicable	10.11.2012	Nil	19.44
4) Guarantee Commission received					
Welspun Middle East Pipes Company LLC	5 years	Based on transfer pricing guidelines	30.06.2012	Nil	13.74
Welspun Energy Private Limited	7 years from the drawl of the facility.	Based on transfer pricing guidelines	27.01.2014	Nil	7.62
5) Purchase of goods and services					
Welspun Captive Power Generation Limited	Ongoing	Based on transfer pricing guidelines	28.01.2015	Nil	355.84
6) Sale of Fixed Assets					
Welspun Wasco Coatings Private Limited	One time	Based on transfer pricing guidelines	25.06.2015	Nil	8.36
7) Rent paid					
Welspun Realty Private Limited	3 years	Based on transfer pricing guidelines	07.08.2014	Nil	49.17
8) Investment in shares					
Welspun Captive Power Generation Limited	Not applicable	Not Applicable	10.11.2012	Nil	27.79
Welspun Wasco Coatings Private Limited	Not applicable	Not Applicable	25.06.2015	Nil	147.55
9) Loans, Deposits given					
Welspun Pipes Inc.	12 months	Based on transfer pricing guidelines	01.02.2012	Nil	1,232.32
Welspun Wasco Coatings Private Limited	3 Equal installments after expiry of 3 years from end of quarter after last utilization	Based on transfer pricing guidelines	25.06.2015	Nil	156.95

For and on behalf of the Board of Directors

Balkrishan Goenka
Chairman
(DIN : 00270175)

Place: Mumbai
Date: May 23, 2016

CORPORATE GOVERNANCE REPORT

I. PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors of the Company acts as a trustee and assumes fiduciary responsibility of protecting the interests of the Company, its members and other stakeholders. The Board supports the broad principles of Corporate Governance. In order to attain the highest-level good Corporate Governance practice, Board lays strong emphasis on transparency, accountability and integrity.

II. BOARD OF DIRECTORS

The Company's Board comprises of mix of executive and non-executive directors with considerable experience and expertise across range of fields such as finance, accounts, legal and general management and business strategy. Except the nominees appointed by EXIM Bank, Insight Solutions Limited (an Investor) and the independent directors, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 2013.

The composition and category of directors and relevant details relating to them are given below:

Name of the Director		Category	Board Meetings Attended during the Year 2015-16	Attendance at the Last AGM	No. of other Directorship (as last declared to the Company)			Member / Chairman in No. of Board/ Committees including other Companies (as last declared to the Company)@
					Pub.	Pvt.	Other Body Corporate	
(01)	Mr. Balkrishan Goenka-Chairman	P, NE	4/5	No	8	4	7	2M
(02)	Mr. Braja Mishra-Managing Director	E	5/5	No	2	5	2	-
(03)	Mr. Rajesh R. Mandawewala	P, NE	5/5	Yes	9	5	13	3M
(04)	Mr. K.H.Viswanathan	NE, I	5/5	Yes	5	-	-	2C, 6M
(05)	Mr. Rajkumar Jain	NE, I	5/5	Yes	5	1	-	2C, 4M
(06)	Mr. Ram Gopal Sharma	NE, I	5/5	Yes	7	1	-	5C, 8M
(07)	Mr. Nirmal Gangwal	NE, I	4/5	No			-	1M
(08)	Mr. Mukul Sarkar - Nominee EXIM Bank	NE, NI, L	2/5	No	-	-	-	-
(09)	Mr. Mintoo Bhandari – Nominee of the Investor*	NE, NI	2/5*	No	2	2	-	4M
(10)	Mr. Utsav Baijal- Nominee of the Investor	NE, NI	3/5	No	-	-	-	2M#
(11)	Mrs. Revathy Ashok	NE, I	4/5	No	7	2	-	2C, 6M
(12)	Mr. Atul Desai	NE, I	3/5	No	9	1	-	5C, 9M

@ Chairmanship/membership of the Audit Committee and the Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee alone considered

Alternate Director and member of the Committees in other company.
* 1 meeting attended by the Observer.
Abbreviations:
P = Promoter, I = Independent, NI = Non Independent, E = Executive Director, NE = Non-Executive Director, L = Lenders, C=Chairman, M=Member.

Five Meetings of the Board of Directors were held during the financial year 2015-16 on the following dates: April 28, 2015, July 21, 2015, November 14, 2015, February 1, 2016 and March 8, 2016.

In addition to the above, a meeting of the Independent Directors was held on March 17, 2016 pursuant to Section 149(8) read with Schedule V to the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said meeting was attended by Mr. Atul Desai, Mr. Nirmal Gangwal, Mr. K.H.Viswanathan, Mr. Rajkumar Jain, Mr. Ramgopal Sharma and Mrs. Revathy Ashok.

It is confirmed that there is no relationship between the directors inter-se.

III. AUDIT COMMITTEE

The Committee comprises of 4 non-executive directors having accounting and finance background. A majority of them are independent with the Chairman being an independent director. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Member/ Chairman	Number of Meetings Attended
Mr. Ram Gopal Sharma	Chairman	14/14
Mr. K.H.Viswanathan	Member	14/14
Mr. Rajkumar Jain	Member	14/14
Mr. Mintoo Bhandari*	Member	1/14*

* Appointed an observer to attend 13 meetings of the Committee.

The Company Secretary of the Company, Mr. Pradeep Joshi acts as the Secretary of the Committee.

14 meetings of the Audit Committee of the Board of Directors were held during the financial year 2015-16 on following dates: April 21, 2015, April 27, 2015, April 28, 2015, May 18, 2015, July 17, 2015, July 20, 2015, July 21, 2015, October 12, 2015, November 5, 2015, November 14, 2015, January 12, 2016, January 28, 2016, February 1, 2016, March 9, 2016.

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

Terms of Reference: The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

IV. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

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

V. NOMINATION AND REMUNERATION COMMITTEE

The Company had constituted the Nomination and Remuneration Committee consisting of non-executive directors majority of which are independent director. During the year under review, 2 meetings of the Committee were held on July 20, 2015 and November 5, 2015.

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

Composition of the Committee: The Committee comprises of 3 independent and non-executive directors and 1 non-independent and non-executive director as on date of this Report viz. Mr. Rajkumar Jain, Mr. K. H. Viswanathan, Mr. Ram Gopal Sharma and Mr. Mintoo Bhandari.

Remuneration Policy

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

Appointment of Directors

- While identifying persons who may be appointed directors, the Committee shall consider business of the Company, strength, weakness, opportunity and threats to company's business, existing composition of the board of directors, diversity, skills, expertise of existing directors and, background, skills, expertise, reputation and qualification possessed by persons being considered, specific requirements under Companies Act, 2013, standard listing agreement and any other laws as to composition of the Board.

- While identifying persons who may be appointed as independent directors, the Committee shall review their qualifications and suitability to ensure that such candidates will be able to function as directors 'Independently' and void of any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and other persons associated with the Company.

Remuneration of Directors, Key Managerial Personnel, senior management personnel

- The remuneration to executive directors, Key Managerial Personnel and senior management personnel at the time of appointment shall be mutually agreed. The Committee shall consider top industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit. The remuneration must motivate individuals to achieve benchmarks which must be aligned to the

vision of the Company. It may contain fixed pay. The management shall periodically find out the remuneration scale prevalent in the industry / peer group to the extent possible to find out if there is a need for revision in remuneration for retaining the talent.

- The Non-Executive directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the shareholders.

- The Non- Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 100,000 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- The Non-Executive Directors may be paid commission after complying with required provisions of the Companies Act, 2013.

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

VI. SHARE TRANSFER, INVESTORS' GRIEVANCE AND STAKEHOLDERS' RELATIONSHIP COMMITTEE.

The Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee is in accordance with the Section 178 of the Companies Act, 2013 and the Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to look into transfer of securities and redress investors' complaints and to review the functioning of the investors grievance redressal system.

The Chairman of the Committee is a Non-Executive Director. The composition of the Committee is given hereunder:

Name of the Member	Member/ Chairman
Mr. K. H. Viswanathan	Chairman
Mr. B. K. Goenka	Member
Mr. Rajesh R. Mandawewala	Member
Mr. Mintoo Bhandari	Member

Compliance Officer: Mr. Pradeep Joshi – Company Secretary.

Meetings of the Committee are held once in every fortnight or as and when required.

Number of Shareholders complaints / requests received during the year

During the year under review, total 71 shareholder's complaints were received. Break-up and number of complaints received under different category is given hereunder:

1. Non Receipt of Share Certificate : 4
2. Non Receipt of Dividend : 33
3. Non receipt of Annual Report : 23
4. Others : 11

All the complaints/requests received during the year under Report were resolved within the stipulated time to the satisfaction of the investors/ shareholders and no complaints were pending as on March 31, 2016 for more than 15 days. All the shares/debentures received for transfer/ transmission were transferred / transmitted and no transfer was pending as at March 31, 2016.

VII. GENERAL BODY MEETINGS

The details of Annual General Meetings held and the special resolutions passed in the last three years are given hereunder:

Meeting	Day & Date of the Meeting	Time	Place	Special Resolutions passed
18th Annual General Meeting	Tuesday, September 24, 2013	10.45 am	Registered Office at Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat – 370110	For payment of commission to Mr. B.K.Goenka, Non-executive Chairman @1% of the net profits of the Company for a period of 5 years starting from the financial year 2012-13.

Meeting	Day & Date of the Meeting	Time	Place	Special Resolutions passed
19th Annual General Meeting	Thursday, September 25, 2014	10.00 am	Same as above	• For appointment of independent directors viz. Mr. Ramgopal Sharma, Mr. K.H.Viswanathan, Mr. Nirmal Gangwal, Mr, Rajkumar Jain and Mrs. Revathy Ashok. • Authorising keeping of Register and index of Members separately for each class of equity and preference shares, register of debenture holders; and register of any other security holders at any other place in India outside the registered office of the Company. • For alteration of Articles of Association to align the same with the requirements under the Companies Act, 2013. • Approving of transactions with the related parties viz. Welspun Tradings Ltd. and Welspun Tubular LLC.
20th Annual General Meeting	Monday, August 31, 2015	1:00 pm	Same as above	• For alteration of Articles of Association to give effect to the changes warranted in the Schedule I to the Articles due to demerger of non-pipe business undertakings of the Company in to a separate company. • To borrow from time to time, by way of issue of securities including but not limited to secured/ unsecured redeemable Non-convertible Debentures (NCDs) and/ or Commercial Paper (CP) to be issued on Private Placement basis, in domestic and/or international market, in one or more series/tranches aggregating upto an amount not exceeding ₹ 500 crores during the period of 1 (one) year from the date of the Annual General Meeting.

During the year under Report, no resolutions were passed through postal ballot.

VIII. DISCLOSURE

a. Related Party Transactions

For materially significant related party transactions, refer Note No. 39 of Notes to Accounts annexed to the Financial Statement and Annexure 5 to the Directors' Report.

The Company's policy on dealing with Related Party Transactions as required under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed on the Company's website and a web link thereto is as under: http://www.welspuncorp.com/system/downloads/attachments/000/000/145/original/WCL_-_RPT_Policy_07.08.2014.pdf?1442916381.

b. Disclosure Pursuant to Regulation 34(3) of the SEBI (LODR), 2015.

For disclosures pursuant to Regulation 34(3), refer Note No. 40 of Notes to Accounts annexed to the Financial Statement.

c. Non-Compliance

There were no non-compliances by the Company and hence no penalties and strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory

authority, on any matter related to capital market, during the last 3 years.

d. Policy for determining 'material' subsidiaries.

The Company's policy on determining material subsidiaries as required under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed on the Company's website and a web link thereto is as under:

http://www.welspuncorp.com/system/downloads/attachments/000/000/144/original/Policy_on_Governance_of_Material_and_Other_Subsidiaries14.11.2015.pdf?1448439812

e. Detail of compliance with mandatory requirement and adoption of the non-mandatory requirements of the Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company is in compliance with the mandatory requirements mentioned under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable and in addition the Company adopted non-mandatory requirement mentioned at (A) - "The Board", (C) – "Modified Opinion(s) in Audit Report", (D) – "Separate posts of chairperson and chief executive officer"; and (E) – "Reporting of Internal Auditor" of Part E of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f. Disclosure of commodity price risks and commodity hedging activities.

For the detail of commodity price risks and commodity hedging activities as required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please refer para on "Risks and Concerns" in the Management Discussion and Analysis.

IX. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent out to the Stock Exchanges immediately after they are approved by the Board. The Company published its un-audited/audited financial results in Kutch Mitra (Gujarati edition), and Financial Express (English Edition).

These results are simultaneously posted on the website of the Company at www.welspuncorp.com. The official press release and the presentations made to investors or to the analyst are also available on the website of the Company.

X. GENERAL SHAREHOLDER INFORMATION

1. **Annual General Meeting shall be held on** Thursday, September 29, 2016 at 10:30 a.m. at the Registered Office of the Company at "Welspun City", Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat - 370110.

2. **Financial Year of the Company is 1st April to 31st March.**

3. **Date of Book Closure:** Monday, June 27, 2016 to Tuesday, June 28, 2016 (both days inclusive).

4. **Dividend payment date:** October 03, 2016 or any date thereafter.

5. **Listing on Stock Exchanges:** The Equity Shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited, Mumbai (BSE). The Secured Redeemable Non-convertible Debentures are listed on the BSE Limited and the Global Depository Receipts are listed on the Singapore Securities Trading Limited (SGX-ST).

Stock Code /Symbol for equity shares:

BSE Limited	: 532144
National Stock Exchange of India Limited	: WELCORP; Series: EQ
ISIN No. (For dematerialized shares)	: INE 191B01025

6. **Stock Market price data, high and low price of equity shares on the BSE Limited, Mumbai and the National Stock Exchange of India Limited are as under:**

	BSE		NSE	
Month	**High (₹)**	**Low (₹)**	**High (₹)**	**Low (₹)**
April – 2015	92.00	52.90	92.45	53.15
May-2015	95.00	79.60	95.25	79.70
June-2015	117.20	72.55	117.00	72.55
July-2015	148.50	110.15	149.00	110.10
August-2015	153.60	95.05	153.90	95.15
September-2015	120.95	86.50	120.95	86.50
October-2015	122.95	100.05	122.95	100.20
November-2015	118.50	90.60	118.80	90.45
December-2015	119.35	100.80	119.40	100.80
January-2016	116.80	81.55	116.60	81.65
February-2016	107.00	77.90	107.35	77.60
March-2016	106.30	80.00	106.40	79.65

7. **Performance in comparison to broad-based indices i.e. BSE - Sensex and NSE- S&P Nifty is as under:**

Month	BSE Index (Sensex)	Closing price of Share (₹)	NSE (S&P Nifty)	Closing price of Share (₹)
April – 2015	27,011.31	83.75	8,181.50	83.90
May-2015	27,828.44	82.90	8,433.65	83.20
June-2015	27,780.83	114.85	8,368.50	114.75
July-2015	28,114.56	145.60	8,532.85	145.80
August-2015	26,283.09	111.50	7,971.30	111.45
September-2015	26,154.83	114.95	7,948.90	114.80
October-2015	26,656.83	101.30	8,065.80	101.50
November-2015	26,145.67	117.45	7,935.25	117.45
December-2015	26,117.54	115.20	7,946.35	115.35
January-2016	24,870.69	100.25	7,563.55	99.80
February-2016	23,002.00	79.60	6,987.05	79.60
March-2016	25,341.86	98.35	7,738.40	98.70

8. The securities of the Company were not suspended from trading by any of the stock exchanges during the year under review.

9. **Registrar and Transfer Agent:** The Company has appointed Registrar and Transfer Agent to handle the share /debenture transfer / transmission work and to resolve the complaints of shareholders/ debenture holders. Name, address and telephone number of Registrar and Transfer Agent is given hereunder:

M/s. Link Intime India Private Limited
(Formerly known as : Intime Spectrum Registry Limited)
Unit : Welspun Corp Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078.
Email - rnt.helpdesk@linkintime.co.in
Tele. No.: +91-22-25946970
Fax No. : +91-22–25946969

10. **Debentures and Debenture Trustee**

The Secured Non-Convertible Debentures issued by the Company are listed on BSE with the following identification numbers:

BSE Scrip Code	ISIN Nos.
946799	INE191B07071
946864	INE191B07089
948244	INE191B07097
948245	INE191B07105
948249	INE191B07113
948250	INE191B07121
948505	INE191B07139

Debenture Trustee:
IDBI Trusteeship Services Limited,
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Near Custom House, Mumbai-400 001.

11. **Share / Debenture Transfer System:** Our Registrar and Transfer Agent registers securities sent for transfer in physical form within 15 days from the receipt of the documents, if the same are found in order. Securities under objection are returned within two weeks.

12. **Distribution of Shareholding:**
Shareholding Pattern as on March 31, 2016

Number of Shares	No. of shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares held
Upto – 500	54,269	90.06	6,144,935	2.32
501-1,000	3,126	5.19	2,472,262	0.93
1,001-2,000	1,345	2.23	2,037,618	0.77
2,001-3,000	489	0.81	1,248,438	0.47
3,001-4,000	199	0.33	710,089	0.27
4,001-5,000	185	0.31	870,278	0.33
5,001-10,000	289	0.48	2,183,567	0.82
10,001 and above	357	0.59	249,558,922	94.09
Total	**60,259**	**100.00**	**265,226,109**	**100.00**

13. **De-materialization of shares and liquidity:** As on March 31, 2016, 99.83% equity shares have been dematerialized and have reasonable liquidity on the BSE Limited and the National Stock Exchange of India Limited.

14. **Outstanding Employee Stock Options & GDR, conversion date and likely impact on equity share capital is as under:**

Outstanding as on 31.03.2016	Conversion date	Impact on equity share capital
23,026 Global Depository Receipts representing 2,3026,000 underlying equity shares of ₹ 5 each	Not applicable	Nil, as the underlying equity shares are already issued.

15. **Disclosure of Shares held in suspense account under Clause F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Refer to point No. 9 (D) to the Directors' Report.

16. **Plant locations of the Company and its subsidiaries**

i) Pipe and Plate & Coil Mill Plant - Village Versamedi, Tal-Anjar, Dist.-Kutch, Gujarat – 370110
ii) Pipe and Coating Plant - Village Jolva and Vadadla, Near Dahej, Tal: Vagra, Dist: Bharuch, Gujarat – 392130
iii) Concrete Weight Coating Plant - Village Versamedi, Tal-Anjar, Dist.-Kutch, Gujarat – 370110 (Subsidiary's plant in India)
iv) Pipe Plant - KIADB Industrial Area, Gejjalagere, Taluka Maddur, Dist. Mandya, Karnataka -571428
v) Pipe Coating, Double Jointing Plant - 9301 Frazier Pike, Little Rock, Arkansas 72205 (Subsidiary's plant in the US)
vi) Pipe and Coating Plant - Industrial City-2, Dammam-31483, Kingdom of Saudi Arabia (Subsidiary's plant in the KSA).

17. **Address for correspondence**
The Company Secretary,
Welspun Corp Limited
5th Floor, Welspun House,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.
Tel: +91-22-66136000; +91-22-24908000, Fax: +91-22-24908020 /21
e-mail: CompanySecretary_WCL@welspun.com

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE REPORT

To
The Members of
Welspun Corp Limited

We have examined the compliance of conditions of Corporate Governance by Welspun Corp Limited, for the year ended on March 31, 2016, as stipulated in the Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We state that in respect of investor grievances received during the year ended March 31, 2016, the Registrars of the Company have certified that as at March 31, 2016, there were no investor grievances remaining unattended/ pending for more than 15 / 30 days as the case may be.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **JMJA & Associates LLP,**
Company Secretaries

CS Mansi Damania
Designated Partner
Certificate of Practice No. 8120

Mumbai
May 23, 2016

INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Corp Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Welspun Corp Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company, its subsidiaries together referred to as "the Group") (refer Note 1(II)(h) to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with 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 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit 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 consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of 8 subsidiaries whose financial statements reflect total assets of ₹ 42,361.04 million and net assets of ₹ 22,814.55 million as at March 31, 2016, total revenue from operations (net) of ₹ 50,174.01 million, net profit of ₹ 3,159.43 million and net cash flows amounting to ₹ 937.81 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiaries included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditor The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

   (c) In our opinion, the aforesaid consolidated financial statements comply with The Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (d) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   (e) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(f) 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 information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations as at March 31, 2016 on the consolidated financial position of the Group.

ii) The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2016.

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

Mehul Desai
Partner
Membership Number: 103211

Mumbai
May 23, 2016

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9(e) of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the consolidated financial statements for the year ended March 31, 2016

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Welspun Corp Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies which are companies incorporated in India, are 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 the respective 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.

Auditor's 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") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2016, 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.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 1 subsidiary company which is incorporated in India, is based on the corresponding report of the auditors of that company. Our opinion is not qualified in respect of this matter.

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

Mehul Desai
Partner
Membership Number: 103211

Mumbai
May 23, 2016

CONSOLIDATED BALANCE SHEET

as at March 31, 2016

(₹ in million)

	Notes	2016	2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,326.13	1,315.88
Reserves and surplus	3	29,319.00	26,672.30
		30,645.13	**27,988.18**
Minority Interest - Equity shares		2,552.82	2,486.21
Minority Interest - Preference shares	2.1	1,076.44	1,076.44
Non-current liabilities			
Long-term borrowings	4	23,990.57	26,159.93
Deferred tax liabilities (Net)	5	5,453.95	5,696.62
Other long-term liabilities	6	1,538.55	645.31
Long-term provisions	7	464.75	420.22
		31,447.82	**32,922.08**
Current liabilities			
Short-term borrowings	8	8,395.28	1,883.80
Trade payables	9		
- Total outstanding due of micro enterprises and small enterprises		5.29	45.56
- Total outstanding due of creditors other than micro enterprises and small enterprises		16,205.21	24,588.57
Other current liabilities	10	7,661.79	6,129.67
Short-term provisions	11	319.05	1,054.53
		32,586.62	**33,702.13**
Total		**98,308.83**	**98,175.04**
ASSETS			
Non-current assets			
Fixed assets	12		
- Tangible assets		44,567.15	46,489.33
- Intangible assets		115.14	124.54
- Goodwill on consolidation		4.68	4.68
- Capital work-in-progress		855.10	800.83
Non-current investments	13	328.78	265.26
Long-term loans and advances	14	1,175.35	1,338.16
Other non-current assets	15	26.35	58.02
		47,072.55	**49,080.82**
Current assets			
Current investments	16	7,363.56	7,783.32
Inventories	17	16,175.87	22,082.09
Trade receivables	18	16,218.07	11,300.53
Cash and bank balances	19	7,336.64	3,327.48
Short-term loans and advances	20	3,182.21	3,437.27
Other current assets	21	959.93	1,163.53
		51,236.28	**49,094.22**
Total		**98,308.83**	**98,175.04**

The Notes are an integral part of these Consolidated Financial Statements.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Mumbai, 23 May 2016

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Braja Mishra
Managing Director
DIN No.00007089

S.Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2016

(₹ in million)

	Notes	2016	2015
Revenue			
Revenue from operations (Gross)	22	84,649.92	86,193.46
Less: Excise duty		1,445.56	1,688.59
Revenue from operations (Net)		**83,204.36**	**84,504.87**
Other income	23	1,375.73	1,085.92
Total		**84,580.09**	**85,590.79**
Expenditure			
Cost of materials consumed	24	51,259.29	58,120.59
Changes in inventories of finished goods and work-in-progress	25	(219.96)	244.23
Employee benefits expense	26	6,632.38	5,314.39
Other expenses	27	16,558.97	12,403.55
Total		**74,230.68**	**76,082.76**
Profit before depreciation/amortisation, finance costs and tax		**10,349.41**	**9,508.03**
Less: Depreciation and amortisation expense	12	4,542.04	4,365.04
Finance costs	28	2,636.78	2,830.28
Profit before tax		**3,170.59**	**2,312.71**
Tax expense			
- Current tax		1,265.21	91.52
- Provision for Tax for earlier years / (Excess provision for tax written back)		(78.28)	77.48
- MAT credit entitlement		-	(77.48)
- Deferred tax (Refer note 37)		(377.77)	85.93
Total tax expense		**809.16**	**177.45**
Profit after tax before minority interest		**2,361.43**	**2,135.26**
Minority's share of profit in subsidiary companies		(86.69)	(1,444.85)
Profit/(Loss) for the year		**2,274.74**	**690.41**
Earnings/ (Loss) per share [Nominal value ₹ 5 (March 31, 2015:₹ 5)]	38		
- Basic (in ₹)		8.63	2.63
- Diluted (in ₹)		7.60	2.60

The Notes are an integral part of these Consolidated Financial Statements.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Mumbai, 23 May 2016

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Braja Mishra
Managing Director
DIN No.00007089

S.Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2016

(₹ in million)

		2016	2015
A)	**Cash flow from / (used in) operating activities**		
	Profit / (loss) before tax	**3,170.59**	**2,312.71**
	Adjustments for:		
	Depreciation and amortisation expense	4,542.04	4,365.04
	Interest expense	2,122.34	2,364.64
	Interest income	(1,028.79)	(968.04)
	Loss on sale/discarding of tangible assets (Net)	31.94	28.97
	Loss/(Profit) on sale of investments	(284.88)	100.89
	Dividend income	(24.22)	(35.67)
	Provision for doubtful debts and advances and litigations / disputes (Net)	3.70	(37.65)
	Provision no longer required written back	21.80	86.04
	Employee stock options	99.34	36.47
	Sweat equity	-	28.96
	Exchange adjustments (Net)	(581.19)	(750.67)
	Operating profit before working capital changes	**8,072.67**	**7,531.69**
	Adjustments for:		
	Trade and other receivables	(7,933.06)	(5,097.38)
	Inventories	5,906.22	(9,266.77)
	Trade and other payables	(6,154.99)	16,093.06
	Cash generated from operations	**(109.16)**	**9,260.60**
	Direct taxes paid (net of refunds)	(1,439.52)	(249.34)
	Net cash from / (used in) operating activities (A)	**(1,548.68)**	**9,011.26**
B)	**Cash flow from investing activities**		
	Purchase of fixed assets (including capital work-in-progress)	(1,468.09)	(905.75)
	Sale of fixed assets	41.31	11.52
	Purchase of long-term investments	(63.52)	(9.67)
	Sale / (purchase) of investments (Net)	704.64	3,258.33
	Dividend received	24.22	35.67
	Interest received	934.04	986.98
	Net cash generated from investing activities (B)	**172.60**	**3,377.08**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2016

(₹ in million)

		2016	2015
C)	**Cash flow from / (used in) financing activities**		
	Proceeds from issue of equity shares (including securities premium)	2.05	-
	Repurchase of Non-convertible debentures	(490.00)	-
	Repayment of long-term borrowings	(4,332.57)	(6,077.66)
	Proceeds from long-term borrowings	2,560.22	565.50
	Increase/(decrease) in short-term borrowings (Net)	6,480.12	(2,9 94.58)
	Dividend paid (including corporate dividend tax)	(158.72)	(154.67)
	Interest paid	(2,088.48)	(2,396.84)
	Net cash from / (used in) financing activities (C)	**1,972.62**	**(11,058.25)**
	Net changes in Cash and Cash Equivalents (A+B+C)	**596.54**	**1,330.09**
	Cash and Cash Equivalents at the beginning of the year	2,187.45	857.36
	Cash and Cash Equivalents at the end of the year	**2,783.99**	**2,187.45**

Notes:

1. The Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard 3 on Cash Flow Statements as notified under Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule 2014.

2. Previous year's comparatives have been reclassified to conform with the current year's presentation, wherever applicable.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Mumbai, 23 May 2016

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Braja Mishra
Managing Director
DIN No.00007089

S.Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

1 General Information

Welspun Corp Limited (hereinafter referred to as "the Parent Company" or "the Company") together with its subsidiaries (collectively referred to as "the Group") are engaged in the business of Production and Coating of High Grade Submerged Arc Welded Pipes, Hot Rolled Steel Plates and Coils and Power Generation. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Significant Accounting Policies

I Basis of preparation of Financial Statements

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 the Companies Act 2013 read with rule 7 of Companies (Accounts) Rule 2014 till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financials 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 other relevant provisions of the Companies Act, 2013 and Accounting Standard 30 Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule 2014.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting periods commencing on or after the date of notification i.e. 1 April 2016.

All assets and liabilities have been classified as current or non-current as per the Company and its subsidiaries operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company and its subsidiaries have their ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

II Principles of Consolidation

a) The Consolidated Financial Statements (CFS) of the Group are prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles in India and Accounting Standard-21 on "Consolidated Financial Statements", to the extent possible in the same manner as that adopted by the Parent Company for its separate financial statements by regrouping, recasting or rearranging figures, wherever considered necessary.

b) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses on intra-group transactions.

c) The difference between the cost of investment in the subsidiaries over the Company's portion of equity of the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve.

d) Minority Interest in the net assets of consolidated subsidiaries consist of :

   i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

   ii) The minorities' share of movements in equity since the date, the parent subsidiary relationship comes into existence

e) Investments in associates have been accounted for under AS-23 using equity method whereby the investment is initially recorded at cost, identifying any goodwill/ capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee.

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

f) The consolidated Statement of Profit and Loss reflects the investor's share of the results of operations of the investee.

g) CFS are prepared to the extent possible using uniform accounting policies for transactions and other events in similar circumstances.

h) The CFS includes the Financial Statements of the Parent Company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer / disposal.

Name of the Subsidiaries	Nature of Business	Country of Incorporation	Extent of Holding
Direct Subsidiaries			
Welspun Pipes Limited	Manufacturer of Steel Pipes	India	100% (100%)
Welspun Pipes Inc	SPV for Steel Pipes Business	USA	100% (100%)
Welspun Tradings Limited	Trading in Steel Products	India	100% (100%)
Welspun Mauritius Holdings Limited	SPV for Steel Pipes Business	Mauritius	89.98% (89.98%)
Welspun Wasco Coatings Private Limited (w.e.f. 30th September 2015)	Concrete Coating of Pipes	India	51% (-)
Indirect Subsidiaries			
Held through Welspun Mauritius Holdings Limited			
Welspun Middle East Pipes Company LLC	Manufacturer of Steel Pipes	Kingdom of Saudi Arabia	50.01% (50.01%)
Welspun Middle East Pipes Coating Company LLC	Coating of Pipes	Kingdom of Saudi Arabia	50.01% (50.01%)
Held through Welspun Pipes Inc.			
Welspun Tubular LLC	Manufacturer of Steel Pipes	USA	100% (100%)
Welspun Global Trade LLC	Marketing Company	USA	100% (100%)
Held through Welspun Tradings Limited			
Welspun Middle East DMCC	Marketing Company	Dubai, UAE	100% (100%)

Percentage in brackets pertain to the previous year

i) Associates

The Group has adopted and accounted for Investment in the following Associate in this CFS using the "Equity Method" as per AS-23.

Name of the Company	Nature of Business	Country of Incorporation	Extent of Holding
Red Lebondal Limited @	SPV for Steel Pipe Marketing	Cyprus	---- (25%)

@ Application filed with registrar of companies (Cyprus) for name strike off has been approved.

j) Use of estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates and in such case the difference is recognized when known or materialized.

III Tangible and intangible assets

a) Tangible assets (except freehold land which is carried at cost) are stated at cost of acquisition or construction less accumulated / depreciation amortisation and impairment losses, if any. The cost comprises of its purchase price, any import duties and other taxes (other than those subsequently recoverable from tax authorities), freight, other directly attributable expenses related to the acquisition trial run expenses (net of revenue) and pre-operative expenses including borrowing costs incurred during pre-operational period. Tangible assets which are

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

not ready for their intended use on reporting date are carried as capital work-in-progress.

b) Intangible assets are stated at acquisition cost net of accumulated amortisation and accumulated impairment losses if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

c) Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standards of performance.

d) Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

e) Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

IV Borrowing costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

V Impairment of tangible and intangible assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit). If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

VI Depreciation/Amortisation on tangible and intangible assets

a) In case of holding company and its Indian subsidiaries, consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from 1 April 2014, the companies have realigned the remaining useful lives of its fixed assets, in accordance with the provisions prescribed under Schedule II to the Act. On an overall basis estimated useful lives by major asset classification of the group are as follows:

Assets	Estimated Useful Life
Office Equipment	5 years
Furniture and fixtures	10 years
Computer	3 years except Networking equipments which are depreciated over useful life of 4 years
Vehicles	10 years
Factory Building	30 years
Office Building	60 years
Road, Fencing, etc	Ranging between 3 to 5 years

b) Plant and Machinery is depreciated on straight line method over the useful life ranging between 8 years to 40 years which is different than the life prescribed under Schedule II to the Companies Act 2013 in order to reflect the actual usage of the assets. The estimated useful lives of Plant and Machinery has been determined based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes,

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

manufacturers warranties and maintenance support, etc.

c) Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life over a period of five years.

VII Investments

a) Investments, which are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried lower of cost and fair value.

b) Long-term investments are carried at cost less provision for diminution other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

VIII Revenue recognition

a) Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts rebates sales taxes and excise duties. Export sales are recognised on the date of cargo receipts bill of lading or other relevant documents in accordance with the terms and conditions for sales.

b) Export benefits: Benefits under Focus Market and Focus Product Schemes are recognised on accrual basis. Target Plus / Duty Free Entitlement Certificate Scheme under EXIM policy are recognized when utilized.

IX Other Income

(a) Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

(b) Dividend: Dividend income is recognized when the right to received the dividend is established.

X Inventories

Inventories are valued at lower of cost and net realizable value. The basis of determining cost for various categories of inventories is as follows:

a) Raw materials, stores and spares – Moving weighted average basis.

b) Goods-in-process – Cost of raw materials plus direct labour plus other direct costs and other production overheads.

c) Finished goods – Cost of materials plus direct labour plus other direct costs production overheads and excise duty on such goods.

d) Traded goods – Specific procurement cost and other direct cost.

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

XI Foreign currency transactions

a) Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

c) All monetary assets and liabilities in foreign currency are restated at the end of accounting period.With respect to long-term foreign currency monetary items, the Group has adopted following policy:

i) Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depriciable asset, which would be depreciated over the balance life of the asset.

ii) In other cases, the foreign exchange diference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability. A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

d) Translation and exchange rates

i) Financial statements of overseas non-integral operations are translated as under:

a) Assets and liabilities are translated at the exchange rate prevailing at the end of the year.

b) Revenues and expenses at yearly average rates (except inventories at opening / closing rates as the case may be). Off balance sheet items at year-end rates.

ii) Exchange differences arising on translation of non-integral foreign operations are accumulated in the Foreign Currency Translation Reserve until the disposal of such operations.

XII Derivative instruments and hedge accounting

a) In respect of forward exchange contracts, other than forward exchange contracts in respect of firm commitments and highly probable forecast transactions, the premium or discount arising at the inception of forward exchange contract, is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

b) In respect of forward exchange contracts taken to hedge the risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions and interest rate swaps, the Company has adopted Accounting Standard 30 'Financial Instruments: Recognition and Measurement". Accordingly, forward exchange contracts relating to firm commitments and highly probable forecast transactions and interest rate swaps are fair valued at each reporting date.

c) Changes in the fair value of these hedging instruments that are designated and considered as effective hedges of highly probable forecasted transactions are recognised directly in shareholders' funds under 'Hedging Reserve Account' to be recognised in the Statement of Profit and Loss when the underlying transaction occurs or terminates or ceases to qualify for hedge accounting.

XIII Employee benefits

a) Provident Fund, Employee State Insurance Corporation (ESIC), Pension Fund and other Social Security Funds

The Contribution towards provident fund, ESIC, pension fund and Social Security Funds for certain employees is made to the regulatory authorities where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations apart from the contributions made on a monthly basis.

b) Superannuation Fund

Contribution towards superannuation fund for certain employees is made to SBI Life Insurance Company where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from contribution made on monthly basis.

c) Gratuity

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of Profit and Loss in the year in which they arise.

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

Gratuity Fund is recognized by the income tax authorities and is administered through trustees. The Employee's Gratuity Trust takes group gratuity policies with insurance companies.

d) Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount is expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

XIV Employee stock options scheme

Equity settled stock options granted under "Employee Stock Option Plan" are accounted for as per the accounting treatment prescribed by Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.The intrinsic value of the Option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expenses equal to the unamortised portion.

XV Current and deferred Tax

a) Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

b) Deferred tax is recognised for all the timing differences subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date the company reassesses unrecognised deferred tax assets if any.

c) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

d) Minimum Alternative Tax (MAT) credit is recognized 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. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

XVI Leases

a) **Finance lease**

Assets acquired under finance lease are capitalized and the corresponding lease liability is recognized at lower of the fair value of the leased assets and the present value of minimum lease payments at the inception of the lease. Initial costs directly attributable to lease are recognized with the asset under lease.

b) **Operating lease**

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

XVII Provisions and contingent liabilities

a) Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

b) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

XVIII Cash & cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

XIX Earnings per share

a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period, if any.

b) The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

c) 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 is adjusted for the effects of all dilutive potential equity shares, except when the results would be anti-dilutive.

XX Profit before depreciation/amortisation, finance costs and tax

The Company has elected to present profit before finance costs, tax, depreciation and amortisation as a separate line item on the face of the Statement of the Profit and Loss. In its measurement, the Company doesn't include depreciation & amortisation expenses, finance costs and tax expenses.

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

(₹ in million)

		2016	2015
2.	**Share capital**		
	Authorised		
	304,000,000 (March 31, 2015: 304,000,000) Equity Shares of ₹ 5 each	1,520.00	1,520.00
	98,000,000 (March 31, 2015: 98,000,000) Preference Shares of ₹ 10 each	980.00	980.00
	Total	**2,500.00**	**2,500.00**
	Issued, subscribed and paid up		
	265,226,109 (March 31, 2015: 263,176,080) Equity Shares of ₹ 5 each fully paid up	1,326.13	1,315.88
	Total	**1,326.13**	**1,315.88**

a) Reconciliation of the number of Equity shares outstanding

	2016		2015	
	Number of Equity Shares	₹ in million	Number of Equity Shares	₹ in million
At the beginning of the year	263,176,080	1,315.88	262,948,299	1,314.74
Issued during the year				
– Sweat Equity Shares	-	-	227,781	1.14
– Equity Stock Options	2,050,029	10.25	-	-
Outstanding at the end of the year	**265,226,109**	**1,326.13**	**263,176,080**	**1,315.88**

b) Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share, however the holders of global depository receipts (GDR's) do not have voting rights in respect of shares represented by the GDR's till the shares are held by the custodian. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders 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.

c) Shareholders holding more than 5% shares of the company

Name of Shareholders	2016		2015	
	Number of Equity Shares	Percentage (%)	Number of Equity Shares	Percentage (%)
J P Morgan Chase Bank, NA ADR Account (Custodian and against which GDR have been issued to Insight Solutions Limited)	23,026,000	8.68	23,026,000	8.75
Granele Limited	35,038,889	13.21	35,038,889	13.31
Life Insurance Corporation of India Limited and its Schemes	19,277,980	7.32	19,277,980	7.33
Welspun Wintex Limited	13,336,576	5.02	13,336,576	5.07
Welspun Mercantile Limited	14,477,701	5.46	14,477,701	5.50
Krishiraj Trading Limited	59,979,691	22.61	52,912,858	20.11

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

d) Details of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

Durng the year ended March 31, 2015, the Company issued 227,781 Equity shares of ₹5 each to Managing Director as Sweat equity in compliance with applicable laws including the Securities and Exchange Board of India (Issue of Sweat equity) regulations, 2002. Employee benefits expense includes Nil (Previous year: 28.96 million) on issue of Sweat equity during the year.

e) Refer note 39 for details of share issued under Employee Stock Options Scheme

2.1 Minority Interest - Preference Shares

(₹ in million)

	2016	2015
95 shares of Series 'A' Convertible Preferred Stock ("Convertible Shares" with voting rights) of Welspun Pipes Inc. (USA) issued to Insight Solutions (DE). LP.	1,076.44	1,076.44
Total	**1,076.44**	**1,076.44**

(₹ in million)

		2016	2015
3.	**Reserves and surplus**		
	Capital reserve on consolidation	**152.92**	**152.92**
	Securities premium		
	Balance as at the beginning of the year	7,644.81	7,648.56
	Add/(Less): Premium on account of issue of Sweat equity shares	-	27.82
	Premium on issue of shares under Employees Stock Option Scheme	127.61	-
	Premium on redemption of foreign currency convertible bonds	-	(31.57)
		7,772.42	**7,644.81**
	Debenture redemption reserve		
	Balance as at the beginning of the year	1,142.37	1,142.37
	Add/(Less): Transferred to surplus in statement of profit and loss	-	-
		1,142.37	**1,142.37**
	Statutory reserve		
	Balance as at the beginning of the year	404.58	93.01
	Addition during the year	19.38	311.57
		423.96	**404.58**
	Employees stock options outstanding		
	Share Option Outstanding	135.81	135.81
	Less: Transfer to securities premium on exercise of stock options during the year	135.81	-
		-	135.81
	Less: Deferred employee stock compensation	-	99.34
		-	**36.47**
	Hedging reserve account [Refer note 29(b)]		
	Balance as at the beginning of the year	(423.29)	51.50
	Add: Amount recognised in Hedging Reserve during the Year (Net)	73.22	(603.98)
	Less: Gain / (Loss) Transferred to Statement of Profit and Loss	398.67	129.19
	Balance as at the end of the year	**48.60**	**(423.29)**
	Foreign currency monetary item translation difference account [Refer Note 29(a)]		
	Balance as at the beginning of the year	(418.32)	(509.32)
	Movement during the year	138.90	91.00
		(279.42)	**(418.32)**
	Foreign currency translation reserve		
	Balance as at the beginning of the year	732.89	1,254.66
	Movement during the year	(169.88)	(521.77)
		563.01	**732.89**
	General reserve		
	As per last balance sheet	53.09	53.09
		53.09	**53.09**

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

(₹ in million)

	2016	2015
Surplus in the statement of profit and loss		
Balance as at the beginning of the year	17,346.78	17,290.82
Add/(Less): Adjustment on account of change in useful life of fixed assets as per Companies Act, 2013	-	(249.91)
Deferred Tax on above depreciation adjustments	-	84.93
Profit/(loss) for the year	2,274.74	690.41
	19,621.52	17,816.25
Add/(Less): Appropriations		
Statutory reserve	(19.38)	(311.57)
Proposed dividend on equity shares	(132.61)	(131.59)
Tax on proposed dividend	(27.00)	(26.31)
Tax on dividend of earlier year	(0.48)	-
Total appropriations	(179.47)	(469.47)
Net surplus in the Statement of Profit and Loss	**19,442.05**	**17,346.78**
Total	**29,319.00**	**26,672.30**

* No debenture redemption reserve is created in view of loss during the year

(₹ in million)

	Non-current		Current	
	2016	2015	2016	2015
4. Long-term borrowings				
Secured				
Redeemable non-convertible debentures [Refer note (a) below]	12,938.00	13,428.00	-	-
Non-convertible bonds - City of Little Rock, Arkansas, Series 2007-A [Refer note (b) below]	496.36	500.42	32.47	27.29
External commercial borrowings [Refer note (c) below]	3,087.48	4,037.50	927.57	168.75
Term loans from banks [Refer note (d) below]	2,083.48	4,517.79	1,325.16	1,723.99
Term loan from financial institution [Refer note (e) below]	3,588.70	831.45	262.08	233.36
Unsecured				
Inter-corporate deposit [Refer note (f) below]	1,796.55	2,834.48	-	-
Other loans [Refer note (g) below]	-	10.29	10.29	8.37
Total	**23,990.57**	**26,159.93**	**2,557.57**	**2,161.76**

a) The debentures together with interest are secured by first charge ranking pari passu by way of mortgage / hypothecation of entire immovable and movable tangible assets of the Company, both present and future and second/floating charge on current assets, subject to prior charge in favour of banks for working capital facilities.

(₹ in million)

No. of debentures	Face value (₹)	Redemption date	Rate of interest (p.a.)	2016	2015
5000 (March 31, 2015: 5000)	1,000,000	September 2025	9.55%	5,000	5,000
5000 (March 31, 2015: 5000)	1,000,000	August 2025	9.55%	5,000	5,000
900 (March 31, 2015: 900)	1,000,000	November 2022	11.00%	900	900
528 (March 31, 2015: 528)	1,000,000	September 2019	11.15%	528	528
1510 (March 31, 2015: 2000)	1,000,000	August 2019	11.15%	1,510	2,000
Total				**12,938**	**13,428**

b) **In case of a subsidiary in USA:** Bonds of ₹ 528.83 million (March 31, 2015: ₹ 527.71 million) guaranteed by the Arkansas Development Finance Authority and the Arkansas Economic Development Commission are due through August 2027; payable monthly which carry interest @ 5.75%, secured against property, plant and equipment of the subsidiary.

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

c) External commercial borrowings (ECB) of USD 60.60 million (March 31, 2015: USD 67.3 million) is secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire immovable and movable tangible assets of the Company both present and future. The ECB carries interest of LIBOR plus 3.60% and 4.50%.

The ECB is repayable as follows

(₹ in million)

Repayment schedule	USD (million)	2016	2015
October 2015	2.70	-	168.75
April 2016	4.00	-	250.00*
October 2016	14.00	927.57	875.00
April 2017	4.00	265.02	250.00
October 2017	14.00	927.57	875.00
April 2018	4.00	265.02	250.00
October 2018	14.00	927.57	875.00
April 2019	5.30	351.15	331.25
October 2019	5.30	351.15	331.25
Total	**67.30**	**4,015.05**	**4,206.25**

* Paid during March 2016

d) Term loan from banks

i) **In case of the Company :** Term loan of Nil (March 31 2015: ₹ 1,859.38 million) from bank was secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire movable and immovable tangible assets of the Company and second charge over the entire current assets of the Company both present and future. The loan carried interest of LIBOR plus 5.00%. The loan has been repaid during the current year.

ii) **In case of a subsidiary in USA:** Term loan of ₹ 3,408.64 million (Previous year ₹ 4,382.41 million) from bank carries interest ranging LIBOR plus 2.71 % to 4.46%. The loan is repayable from June 2014 till November 2018.

e) Term loan from financial institution:

In case of subsidiaries in Kingdom of Saudi Arabia : Term loan of ₹ 3,850.78 million (Previous year ₹ 1,064.81 million) is repayable from June 2013 till October 2018.

f) Inter-corporate deposit

In case of subsidiaries in Kingdom of Saudi Arabia : Repayment terms will be decided by the Board of Directors of subsidiaries.

g) Other loans

Loan from Hewlett Packard India Financial Services Private Limited amounting to ₹ 10.29 million (Previous year: ₹ 18.66 million). The loan carries interest rate of 12.03%. The outstanding loan is repayable witin 12 months from the balance sheet date.

(₹ in million)

		2016	2015
5.	**Deferred tax liabilities (Net)**		
	Deferred tax liabilities on account of timing differences in:		
	- Depreciation	6,395.78	6,464.84
	- Others	560.99	462.35
		6,956.77	6,927.19
	Deferred tax assets on account of timing differences in:		
	- Employee benefits	30.58	26.75
	- Provision for doubtful debts and advances and litigations / disputes	120.42	171.17
	- Unabsorbed business losses	1,351.82	1,032.65
		1,502.82	1,230.57
	Total	**5,453.95**	**5,696.62**

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

(₹ in million)

		2016	2015
6.	**Other long-term liabilities**		
	Liability towards claims	662.55	625.00
	Trade advances and deposits	876.00	20.31
	Total	**1,538.55**	**645.31**

(₹ in million)

		2016	2015
7.	**Long-term provisions**		
	Employee benefits		
	- Provision for compensated absences	61.53	54.14
	- Provision for end of service benefits	116.44	90.17
	Mark to market losses on derivative contracts	15.16	9.61
	Other Provisions		
	- Provision for litigation / disputes	271.62	266.30
		464.75	**420.22**

(₹ in million)

		2016	2015
8.	**Short-term borrowings**		
	Secured		
	Buyers' Credit	1,336.17	1,881.51
	Working capital loan from banks		
	- Foreign currency	2,380.02	-
	- Rupee	98.40	2.29
	(Secured by first charge on hypothecation of raw materials, finished goods and goods-in-process, stores & spares and book debts of the Company and second charge on entire immovable and movable tangible assets of the Company both present and future.)		
	Unsecured		
	Short-term loan from banks / financial institutions		
	- Foreign currency	1,865.87	-
	- Rupee	2,714.82	-
	Total	**8,395.28**	**1,883.80**

(₹ in million)

		2016	2015
9.	**Trade payables**		
	(a) Total outstanding due of micro enterprises and small enterprises	5.29	45.56
	(b) Total outstanding due of creditors other than micro enterprises and small enterprises		
	(i) Acceptances	12,415.50	20,687.99
	(ii) Others	3,789.71	3,900.58
	Total	**16,210.50**	**24,634.13**

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

(₹ in million)

		2016	2015
10.	**Other current liabilities**		
	Current maturities of long-term borrowings (Refer note 4)	2,557.57	2,161.76
	Interest accrued but not due on borrowings	658.92	625.06
	Unclaimed dividend	4.15	4.49
	Other payables		
	Creditors for		
	- Capital goods	213.70	38.84
	- Employee benefits payable	183.78	164.30
	Trade advances and deposits	3,631.99	1,774.18
	Statutory dues including provident fund and tax deducted at source	300.05	255.55
	Unamortised premium on forward contract	110.85	64.64
	Liability towards claims	-	1,040.63
	Others	0.78	0.22
	Total	**7,661.79**	**6,129.67**

(₹ in million)

		2016	2015
11.	**Short-term provisions**		
	Provision for employee benefits		
	- Provision for gratuity	29.48	25.39
	- Provision for compensated absences	3.64	2.81
	Other Provisions		
	Proposed equity dividend	132.61	131.59
	Tax on proposed equity dividend	27.00	26.31
	Liquidated damages	-	20.00
	Provision for taxes (Net of advances)	124.12	371.77
	Mark to market losses on derivative contracts	-	475.31
	Other provisions	2.20	1.35
	Total	**319.05**	**1,054.53**

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

12. Fixed assets

	Gross Block					Depreciation / Amortisation							Net Block
	As at 1 April 2015	Additions	Foreign Currency Fluctuations	Disposal	Upto 31 March 2016	As at 1 April 2015	For the year	Foreign Currency Fluctuations	Deductions	Impairment	Transitional depreciation adjusted in retained earnings (Refer note 4 below)	Upto 31 March 2016	As at 31 March 2016
a) Tangible assets													
Land - Freehold	552.58	62.71	17.96	-	633.25	-	-	-	-	-	-	-	633.25
Land - Leasehold	1,562.78	171.46	93.89	-	1,828.13	467.36	111.67	28.08	-	-	-	607.11	1,221.02
Buildings	11,357.82	67.40	321.94	-	11,747.16	2,276.05	378.64	58.76	-	-	-	2,713.45	9,033.71
Plant and Machinery	55,073.30	1,144.30	1,129.52	140.31	57,206.81	19,842.37	3,860.01	380.51	68.76	-	-	24,014.13	33,192.68
Office and other Equipments	1,033.56	56.12	41.24	23.09	1,107.83	646.09	97.78	21.50	22.10	-	-	743.27	364.56
Vehicles	109.83	8.63	3.25	13.34	108.37	64.94	14.46	1.95	12.69	-	-	68.66	39.71
Furniture and Fixtures	275.29	14.42	7.44	19.65	277.50	179.02	29.98	5.86	19.58	-	-	195.28	82.22
Total (a)	**69,965.16**	**1,525.04**	**1,615.24**	**196.39**	**72,909.05**	**23,475.83**	**4,492.54**	**496.66**	**123.13**	**-**	**-**	**28,341.90**	**44,567.15**
b) Intangible assets													
Goodwill	169.84	-	10.20	-	180.04	169.84	-	10.20	-	-	-	180.04	-
Goodwill on Consolidation	4.68		-	-	4.68	-	-	-	-	-	-	-	4.68
Software	566.62	40.09	-	4.33	602.38	442.08	49.50	-	4.34	-	-	487.24	115.14
Total (b)	**741.14**	**40.09**	**10.20**	**4.33**	**787.10**	**611.92**	**49.50**	**10.20**	**4.34**	**-**	**-**	**667.28**	**119.82**
Total (a + b)	**70,706.30**	**1,565.13**	**1,625.44**	**200.72**	**73,696.15**	**24,087.75**	**4,542.04**	**506.86**	**127.47**	**-**	**-**	**29,009.18**	**44,686.97**
Capital work-in-progress													855.10

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

(₹ in million)

	Gross Block					Depreciation / Amortisation							Net Block
	As at 1 April 2014	Additions	Foreign Currency Fluctuations	Disposal	As at 31 March 2015	As at 1 April 2014	For the year	Foreign Currency Fluctuations	Deductions	Impairment	Transitional depreciation adjusted in retained earnings (Refer note 6 below)	Upto 31 March 2015	As at 31 March 2015
a) Tangible assets													
Land - Freehold	510.76	29.46	12.36	-	552.58	-	-	-	-	-	-	-	552.58
Land - Leasehold	1,498.14		64.64	-	1,562.78	348.10	104.24	15.02	-	-	-	467.36	1,095.42
Buildings	11,030.33	107.20	220.29	-	11,357.82	1,623.48	430.09	31.24	-	-	191.24	2,276.05	9,081.77
Plant and Machinery	53,416.88	973.83	770.79	88.20	55,073.30	16,077.69	3,602.36	198.97	50.55	-	13.90	19,842.37	35,230.93
Office and other Equipments	945.31	62.75	26.39	0.89	1,033.56	473.80	122.76	11.95	0.72	-	38.30	646.09	387.47
Vehicles	104.51	7.50	2.05	4.23	109.83	51.30	14.29	1.00	2.15	-	0.50	64.94	44.89
Furniture and Fixtures	254.82	21.49	4.55	5.57	275.29	132.74	42.37	3.00	4.98	-	5.89	179.02	96.27
Total (a)	**67,760.75**	**1,202.23**	**1,101.07**	**98.89**	**69,965.16**	**18,707.11**	**4,316.11**	**261.18**	**58.40**	**-**	**249.83**	**23,475.83**	**46,489.33**
b) Intangible assets													
Goodwill	162.82	-	7.02	-	169.84	162.82	-	7.02	-	-	-	169.84	-
Goodwill on Consolidation	4.68		-	-	4.68	-	-	-	-	-	-	-	4.68
Software	565.77	0.85	-	-	566.62	393.07	48.93	-	-	-	0.08	442.08	124.54
Total (b)	**733.27**	**0.85**	**7.02**	**-**	**741.14**	**555.89**	**48.93**	**7.02**	**-**	**-**	**0.08**	**611.92**	**129.22**
Total (a + b)	**68,494.02**	**1,203.08**	**1,108.09**	**98.89**	**70,706.30**	**19,263.00**	**4,365.04**	**268.20**	**58.40**	**-**	**249.91**	**24,087.75**	**46,618.55**
Capital work-in-progress													800.83

Notes

1. Gross block of Plant and Machinery includes ₹ 63.49 million (Previous year: ₹ 63.49 million) in respect of expenditure incurred on capital asset, ownership of which does not vest in the Company.
2. Refer note 29 (a) for exchange difference capitalized as per amended Accounting Standard -11.
3. Pre-operative expenses of Nil (Previous year: ₹ 14.36 million) have been capitalized with related projects during the year.
4. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from April 1, 2014, the Company and one of its subsidiary has, wherever required, to reflect the actual usage, realigned the remaining useful lives of few assets in accordance with the provisions prescribed under Schedule II to the Act. Consequently, in case of assets which have completed their useful lives (prescribed under Schedule II to the Act), the carrying value (net value) as at April 1, 2014 amounting to ₹ 249.91 million was adjusted to Retained Earnings and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives.

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

(₹ in million)

	2016	2015
13. Non-current investments		
(Valued at cost unless stated otherwise)		
A. Trade Investments - Unquoted		
(i) Associates {Refer Note 1,II (i)}		
Red Lebondal Limited		
Nil (March 31, 2015: 450) Equity Shares of Euro 1 each	-	0.03
Provision for diminution in the value of investment	-	(0.03)
(ii) Other Investments		
Welspun Captive Power Generation Limited		
5,833,499 (March 31, 2015: 5,316,429) equity shares of ₹ 10 each fully paid up	94.56	53.20
19,443,186 (March 31, 2015: 17,720,021) preference shares of ₹ 10 each fully paid up	199.45	177.29
B. Other investments		
Quoted		
i) Standard Chartered Bank PLC Indian Depository Receipt	34.77	34.77
334,331 (March 31, 2015: 334,331) Indian Depository Receipt of ₹ 100 each		
Unquoted		
ii) Welspun Enterprises (Cyprus) Limited	-	0.77
Nil (March 31, 2015: 11,800) equity shares of Euro 1 each		
Less: Provision for diminution in the value of investment	-	(0.77)
Total	**328.78**	**265.26**
(All the above shares and securities are fully paid up)		
Aggregate book value of quoted investments	34.77	34.77
Aggregate book value of unquoted investments	294.01	230.49
Aggregate market value of quoted investments	14.49	33.73
Aggregate provision for diminution in value of unquoted investments	-	0.80

(₹ in million)

	2016	2015
14. Long-term loans and advances		
(Unsecured considered good unless otherwise stated)		
Capital advances		
- Considered good	69.25	45.70
- Considered doubtful	3.68	3.68
Less: Provision for doubtful advances	(3.68)	(3.68)
	69.25	**45.70**
Deposits		
- Related parties	294.10	296.88
- Others	132.57	132.31
	426.67	**429.19**
Other loans and advances		
Advances recoverable in cash or kind	81.16	133.96
Prepaid expenses	2.33	3.83
Balances with government authorities		
- Direct tax	68.90	68.82
- Indirect taxes	468.65	509.58
Less: Provision for doubtful advances	(204.53)	(115.84)
Minimum alternative tax credit entitlement	262.92	262.92
	679.43	**863.27**
Total	**1,175.35**	**1,338.16**

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

		(₹ in million)	
		2016	**2015**
15.	**Other non-current assets**		
	(Unsecured considered good unless otherwise stated)		
	Margin money deposits with banks	26.35	58.02
	Total	**26.35**	**58.02**

		(₹ in million)	
		2016	**2015**
16.	**Current investments**		
	Quoted		
	Bonds	6,230.94	6,827.10
	Unquoted		
	i) Bonds	949.75	956.22
	ii) Mutual funds	182.87	-
	Total	**7,363.56**	**7,783.32**
	Aggregate book value of quoted investments	6,230.94	6,827.10
	Aggregate book value of unquoted investments	1,132.62	956.22
	Aggregate market value of quoted investments *	6,242.91	6,961.81

* Market value for certain investments are as provided by the Company's Investment advisor.

		(₹ in million)	
		2016	**2015**
17.	**Inventories**		
	Raw materials [includes goods-in-transit ₹ 1,916.81 million (March 31, 2015: ₹ 1,304.40 million)]	7,772.44	14,006.14
	Work-in-progress	1,324.70	965.38
	Finished goods	4,578.65	4,718.01
	Stores and spares	2,500.09	2,392.56
	Total	**16,175.87**	**22,082.09**

		(₹ in million)	
		2016	**2015**
18.	**Trade receivables**		
	Unsecured, considered good		
	Outstanding for a period exceeding 6 months from the date they are due for payment	16.57	51.18
	Others	16,201.50	11,249.35
	Unsecured, considered doubtful		
	Outstanding for a period exceeding 6 months from the date they are due for payment	61.98	56.37
	Others	-	1.91
	Less: Provision for doubtful debts	61.98	58.28
	Total	**16,218.07**	**11,300.53**

		(₹ in million)	
		2016	**2015**
19.	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	1.66	2.08
	Balances with banks		
	- Current accounts	2,485.23	2,185.37
	- Deposits having original maturity period of less than three months	297.10	-
		2,783.99	**2,187.45**

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

(₹ in million)

	2016	2015
Other bank balances		
Unclaimed dividend accounts	4.15	4.49
Deposits having original maturity period of more than three months but less than twelve months	3,291.66	28.20
Margin money deposits	1,256.84	1,107.34
Total	**7,336.64**	**3,327.48**

(₹ in million)

	2016	2015
20. Short-term loans and advances		
(Unsecured, considered good unless otherwise stated)		
Deposits	1.99	0.65
	1.99	**0.65**
Other loans and advances		
Advances recoverable in cash or in kind		
- Considered good	311.10	274.59
- Considered doubtful	8.78	8.78
Less: Provision for doubtful advances	8.78	8.78
	311.10	**274.59**
Balance with Government authorities		
- Considered good	1,641.56	2,129.81
- Considered doubtful	1.90	-
Less: Provision for doubtful advances	1.90	-
	1,641.56	**2,129.81**
Export benefits receivable	247.30	659.27
Prepaid expenses	343.03	310.95
Receivable from Related Parties	595.87	-
Receivable towards claim	19.89	40.79
Loans and advances to employees	21.47	21.21
	1,227.56	**1,032.22**
Total	**3,182.21**	**3,437.27**

(₹ in million)

	2016	2015
21. Other current assets		
Interest accrued on		
- Current investments	364.55	310.13
- Fixed deposits	59.53	19.93
- Others	7.97	7.24
Assets held for disposal	22.76	8.40
Other receivables from		
- Related parties	1.06	621.48
- Other parties	440.30	196.35
Mark to Market gains on derivative Contracts	63.76	-
Total	**959.93**	**1,163.53**

(₹ in million)

	2016	2015
22. Revenue from operations		
Revenue from		
Sale of products	82,372.56	82,399.80
Other operating revenues (Refer note 30)	2,277.36	3,793.66
Revenue from operations (Gross)	**84,649.92**	**86,193.46**
Less: Excise duty	1,445.56	1,688.59
Revenue from operations (Net)	**83,204.36**	**84,504.87**

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

(₹ in million)

		2016	2015
23.	**Other income**		
	Interest income on		
	- Current investments	753.80	819.90
	- Fixed deposits	142.31	64.85
	- Others	132.68	83.29
	Dividend income on		
	- Investments	24.22	35.67
	Exchange Difference (net) (Refer Note 37)	-	35.37
	Profit on sale/redemption of		
	- Current / Non-current investments	284.88	-
	Miscellaneous income	37.84	46.84
	Total	**1,375.73**	**1,085.92**

(₹ in million)

		2016	2015
24.	**Cost of materials consumed**		
	Inventory at the beginning of the year	14,006.14	4,723.02
	Add: Purchases	45,025.59	67,403.71
		59,031.73	**72,126.73**
	Less: Inventory at the end of the year	7,772.44	14,006.14
	Total	**51,259.29**	**58,120.59**

(₹ in million)

		2016	2015
25.	**Changes in inventories of finished goods and work-in-progress**		
	Inventories at the end of the year		
	Work-in-progress	1,324.70	965.38
	Finished goods	4,578.65	4,718.01
		5,903.35	**5,683.39**
	Inventories at the beginning of the year		
	Work-in-progress	965.38	1,371.64
	Finished goods	4,718.01	4,555.98
		5,683.39	**5,927.62**
	Total	**(219.96)**	**244.23**

(₹ in million)

		2016	2015
26.	**Employee benefits expenses**		
	Salaries, wages and bonus	5,906.93	4,781.94
	Contribution to provident and other funds	350.54	230.50
	Employee compensation expenses towards ESOP and Sweat Equity [Refer note 2(d) and 39]	99.34	65.43
	Staff welfare expenses	275.57	236.52
	Total	**6,632.38**	**5,314.39**

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

(₹ in million)

			2016	2015
27.	**Other expenses**			
	Store and spares consumed		2,168.91	1,729.05
	Labour charges		925.89	594.78
	Coating and other job charges		698.71	2,217.99
	Power, fuel and water charges		1,310.94	1,102.06
	Freight, material handling and transportation		6,165.69	3,468.83
	Excise duty on (increase)/decrease of finished goods		0.12	(103.81)
	Rent		452.93	579.23
	Rates and taxes		173.35	82.51
	Repairs and maintenance			
	- Plant and machinery		204.10	135.84
	- Buildings		54.86	39.28
	- Others		509.80	322.98
	Travelling and conveyance expenses		311.33	317.09
	Communication expenses		52.59	50.83
	Professional and consultancy fees		569.97	408.00
	Insurance		162.22	192.21
	Directors' sitting fees		4.10	3.66
	Printing and stationery		70.49	61.75
	Security charges		48.76	45.69
	Membership and subscription		38.68	34.83
	Vehicle expenses		15.00	16.92
	Exchange difference (net)		1,569.79	-
	Loss on Sales/Redemption of Investments (Net)		-	100.89
	Loss on sale / discarding of tangible assets		31.94	28.97
	Auditors remuneration		26.80	19.87
	Product compensation and claims		8.00	76.73
	Sales promotion expenses		58.79	47.71
	Liquidated damages		0.74	-
	Commission and discounts on sales		757.44	555.40
	Investment written off	0.80		
	Less: Provision for diminution in value of Investment	(0.80)	-	-
	Provision for doubtful debts (Net)		3.70	-
	Provision for Litigation, disputes and other matters (Net)		-	83.44
	Expenditure towards Corporate Social Responsibility		2.23	2.41
	Miscellaneous expenses		161.10	188.41
	Total		**16,558.97**	**12,403.55**

(₹ in million)

		2016	2015
28.	**Finance costs**		
	Interest expense		
	- Term loans	528.73	768.81
	- Debentures/bonds	1,327.66	1,462.51
	- Working capital	103.21	62.27
	- Others	162.74	71.05
	Amortisation of borrowing cost	-	43.30
	Other borrowing costs	514.44	422.34
	Total	**2,636.78**	**2,830.28**

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

29 Foreign exchange differences

a) The Companies (Accounting Standards) Amendment Rules 2011 has amended the provision of Accounting Standard-11 related to "The effects of changes in Foreign Exchange Rates" vide notification dated 11 May 2011 (as amended on 29 December 2011 and further clarification dated 9 August 2012) issued by the Ministry of Corporate Affairs. Accordingly, the Company has adjusted exchange loss amounting to ₹ 32.51 million (Previous year: ₹ 83.26 million) to the cost of fixed assets and exchange loss of ₹ 190.00 million (Previous year: ₹ 264.35 million) has been transferred to "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" to be amortized over the balance period of such long term liabilities. Out of the FCMITDA, loss of ₹ 328.90 million (Previous year: ₹ 355.35 million) has been adjusted in the current year and balance of ₹ 279.42 million (Previous year: ₹ 418.32 million) has been carried over and included in reserves and surplus.

b) The Group has adopted Accounting Standard-30 as referred to in Note 1 (XII) (b) of the Significant Accounting Policies and accordingly gain of ₹ 48.60 million (Previous year: loss of ₹ 423.29 million) related to foreign exchange difference on Cash Flow Hedges for certain firm commitments and forecasted transactions has been recognized in Shareholders' Funds and shown under Hedging Reserve Account.

30 Other operating revenues

(₹ in million)

	2016	2015
Scrap sales	902.98	1,153.04
Value added tax incentive	777.07	905.46
Export benefits	240.35	903.08
Excess provisions written back	21.80	86.04
Claims	-	90.80
Testing Fees	-	100.21
Others	335.16	555.03
Total	**2,277.36**	**3,793.66**

31 Operating lease

The Group leases office, residential facilities, equipment etc. under operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for eleven months to one twenty months.

(₹ in million)

	2016	2015
Lease rental charges for the year	452.93	579.23
Future lease rental obligations payable (under non-cancellable leases)		
Not later than one year	60.07	12.94
Later than one year but not later than five years	160.58	37.61
Later than five years	113.83	112.84

32 Derivative Instruments outstanding

The Group is exposed to foreign currency fluctuations on foreign currency assets/ liabilities, receivables/ payables denominated in foreign currency. In line with the group's risk management policies and procedures, the Group enters into foreign currency forward contracts, swaps and other derivative contracts to manage its exposure.

The following are outstanding foreign currency forward contracts, swaps and other derivative contracts against the future forecasted receivables/payables and liabilities.

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

(i) Designated Cash Flow Hedges	Currency Pair	2016		2015	
		Notional Amount		Notional Amount	
		Foreign Currency (in million)	₹ million	Foreign Currency (in million)	₹ million
Forward Contracts (Sell)	USD-INR	15.60	1,038.98	23.16	1,474.33
Forward Contracts (Sell)	EUR-USD	2.00	150.93	-	-
Forward Contracts (Sell)	EUR-INR	25.00	1,968.37	-	-
Forward Contracts (Buy)	USD-INR	115.21	7,909.06	50.90	3,320.57
Forward Contracts (Buy)	EUR-USD	46.76	3,351.32	47.05	3,525.46
Forward Contracts (Buy)	EUR-INR	-	-	1.50	107.14
Interest Rate Swap	N.A.	60.60	4,015.05	99.75	6,234.38

(ii) Non-Designated Hedges	Currency Pair	2016		2015	
		Notional Amount		Notional Amount	
		Foreign Currency (in million)	₹ million	Foreign Currency (in million)	₹ million
Coupon Only Swap	INR-USD	64.38	3,000.00	85.83	4,000.00
Coupon Only Swap	INR-JPY	1,833.52	1,000.00	1,833.52	1,000.00

(iii) In addition to the above, the Company has following outstanding foreign currency forward contracts to hedge foreign currency exposure against payable as at balance sheet date.

Fair Value Hedges	Currency Pair	2016		2015	
		Notional Amount		Notional Amount	
		Foreign Currency (in million)	₹ million	Foreign Currency (in million)	₹ million
Forward Contracts (Buy)	USD-INR	100.88	6,889.13	71.85	4,650.60
Forward Contracts (Buy)	EUR-USD	9.75	734.30	-	-

Net Mark to Market (Fair Value) gain recognized in Hedging Reserve as on 31st March 2016 on forward contracts for ₹ 63.76 million and loss on interest rate swap for ₹ 15.16 million is expected to be recycled to the statement of Profit and Loss Account by March 2017 and March 2020 respectively.

33 a) Contingent liabilities not provided for

(₹ in million)

	2016	2015
Claims against the Group not acknowledged as debts	101.26	102.20
Disputed direct taxes	385.35	1,614.61
Disputed indirect taxes	1,377.77	407.11

(i) It is not practicable to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings.

(ii) The Group does not expect any reimbursements in respect of the above contingent liabilities.

b) Supreme Court of India has dismissed an appeal filed by the Commissioner of Customs, Kandla against the CESTAT Order dated May 22, 2014 which had set aside the Order of the Commissioner of Customs, Kandla for custom duty of ₹ 8,609.82 million on account of alleged wrong classification of imported raw materials along with penalty of ₹ 8,609.82 million on the Company and a penalty of ₹205 million on the directors and officers of the Company. On the same matter, a separate proceeding was initiated by Additional Director General of Foreign Trade, Mumbai, wherein the Hon'ble Bombay High Court has already granted interim stay in Company's favour. The matter is awaiting final disposal.

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

c) Capital and other commitments

(₹ in million)

	2016	2015
Capital		
Estimated amount of contracts remaining to be executed on capital account (net of advances)	247.12	199.08
Other		
Performance guarantees / Bid bond given by banks to group's customers / government authorities etc.	10,680.73	11,093.89
Corporate guarantees given by the group	-	1,870.00
Letters of credit outstanding (net of liability provided) for group's sourcing	11,293.24	8,939.00
Custom duty on pending export obligation against import of raw materials	1,241.81	809.28
Commitment given to Welspun Captive Power Generation Limited for purchase of power	478.17	566.19
Other long term commitments	-	2,000.00

34 Taxation

Current income tax is calculated on the results of individual companies in accordance with local tax regulations.

35 Segment reporting

The Group is exclusively engaged in the business of steel products which, in the context of Accounting Standard 17 Segment Reporting, is considered to constitute a single primary segment. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year are all as reflected in the financial statements for the year ended March 31, 2016 and as on that date.

Secondary segments - Geographical segments

(₹ in million)

	2016			2015		
	India	Outside India	Total	India	Outside India	Total
Revenue from operations	19,408.42	63,795.94	83,204.36	17,467.05	67,037.82	84,504.87
Carrying amount of segment assets	55,550.10	42,758.73	98,308.83	59,139.33	39,035.71	98,175.04
Capital expenditure	970.54	672.90	1,643.44	252.91	609.74	862.65

Notes:

a) Segment revenue in the geographical segments considered for disclosure is as follows:

- Revenue within India includes sales to customers located within India.
- Revenue outside India includes sales to customers located outside India.

b) Segment assets include the respective amounts identified to each of the segments and amounts allocated on a reasonable basis.

c) Capital expenditure also includes expenditure incurred on capital work-in-progress and capital advances.

36 Related party disclosures

a) List of parties where control exists: The list of subsidiaries is disclosed in Note 1, II (h) above.

b) Associates

The list of associates is disclosed in note 1, II (i) above

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

c) Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transaction have taken place during the year

Name of other related parties
Welspun India Limited
Welspun Steel Limited
RMG Alloy Steel Limited (Formerly Remi Metal Gujarat Limited)
Welspun Foundation for Health and Knowledge
AYM Syntex Limited (Formerly known as Welspun Syntex Limited)
Welspun Logistics Limited
Welspun Realty Private Limited
Welspun Global Brands Limited
Welspun Projects Limited (merged with Welspun Enterprises Limited wef May 11, 2015)
Welspun Captive Power Generation Limited
Welspun Energy Private Limited
Welspun Enterprises Limited
Mertz Securities Limited
Welspun Anjar SEZ Limited

d) Directors /Key Management Personnel

Name	Nature of Relationship
B. K. Goenka	Chairman
R. R. Mandawewala	Director
Braja Mishra	Managing Director

e) Transactions with related parties for the year ended 31 March 2016

(₹ in million)

	Other related parties	Key management personnel	Total
Sale of goods and services	**88.20**	**-**	**88.20**
	229.41		*229.41*
Other income includes guarantee comission	***9.99***	**-**	***9.99***
	21.34		*21.34*
Dividend income	**21.66**	**-**	**21.66**
	-	-	-
Purchase of goods and services	**365.72**	**-**	**365.72**
	390.50	-	*390.50*
Purchase of fixed assets	**-**	**-**	**-**
	0.61	-	*0.61*
Sale of fixed assets	**-**	**-**	**-**
	2.58		*2.58*
Rent paid	**52.73**	**-**	**52.73**
	52.61		*52.61*
Donation	**2.23**	**-**	**2.23**
	2.41		*2.41*
Release of corporate guarantee	**1,870.00**		**1,870.00**
	1.46		*1.46*
Reimbursement of expenses paid (Net)-recovery / (payment)	**(10.00)**	**-**	**(10.00)**
	25.54		*25.54*
Loans, advances and deposits given	**25.00**		**25.00**
	-		-
Loans, advances and deposits received back	**27.98**	**-**	**27.98**
	52.40	-	*52.40*
Investment in shares	**63.52**		**63.52**
	9.66		*9.66*
Directors remuneration	**-**	**150.63**	**150.63**
	-	*204.65*	*204.65*

* Previous year figures are given in Italics

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

f) Balances with related parties for the year ended March 31, 2016

(₹ in million)

	Other Related Parties	Key Management Personnel	Total
Loans and advances, deposits given	**1,046.94**	**-**	**1,046.94**
	296.88	-	*296.88*
Corporate guarantees given	**-**	**-**	**-**
	1,870.00	-	*1,870.00*
Investment in shares	**259.07**	**-**	**259.07**
	230.49	-	*230.49*
Trade receivables	**0.03**	**-**	**0.03**
	24.91	-	*24.91*
Trade payables	**4.70**	**-**	**4.70**
	41.95	-	*41.95*
Other receivables	**1.06**	**-**	**1.06**
	621.48	-	*621.48*

* Previous year figures are given in Italics

g) Disclosure in respect of transactions which are more than 10% of the total Transactions of the same type with related parties during the year:

(₹ in million)

		Transactions	
		March 31, 2016	March 31, 2015
1)	**Sale of goods and services**		
	Welspun India Limited	49.57	99.93
	Welspun Steel Limited	24.87	117.07
	Welspun Captive Power Generation Limited	0.49	8.67
2)	**Other Income includes guarantee comission**		
	Welspun Energy Private Limited	7.62	16.08
	Welspun Captive Power Generation Limited	2.00	4.65
3)	**Dividend income**		
	Welspun Captive Power Generation Limited	21.66	-
4)	**Purchase of goods and services**		
	Welspun Logistics Limited	-	9.71
	Welspun Captive Power Generation Limited	355.84	370.38
	Welspun Steel Limited	0.77	8.61
5)	**Purchase of fixed assets**		
	Welspun Projects Limited (merged with Welspun Enterprises Limited wef May 11, 2015)	-	0.61
6)	**Sale of fixed assets**		
	Welspun Anjar SEZ Limited	-	-
	Welspun Captive Power Generation Limited	-	2.33
7)	**Rent paid**		
	Welspun Realty Private Limited	49.17	49.13
8)	**Donation**		
	Welspun Foundation for Health and Knowledge	2.23	2.41
9)	**Release of corporate guarantee**		
	Welspun Energy Private Limited	1,270.00	-
	Welspun Captive Power Generation Limited	600.00	-

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

g) Disclosure in respect of transactions which are more than 10% of the total Transactions of the same type with related parties during the year: (Contd.)

(₹ in million)

		Transactions	
		March 31, 2016	March 31, 2015
10)	**Reimbursement of expenses (paid) / recovered (Net)**		
	Welspun Captive Power Generation Limited	0.88	9.48
	Welspun Steel Limited	1.57	2.30
	Welspun India Limited	(4.72)	8.35
	Welspun Enterprises Limited	0.11	5.68
	Welspun Global Brands Limited	(8.43)	(2.91)
11)	**Investment in shares**		
	Welspun Captive Power Generation Limited	63.52	9.66
12)	**Loans and advances, deposits repaid**		
	Welspun Logistics Limited	-	52.40
	Mertz Securities Limited	10.00	-
	Welspun Realty Private Limited	17.98	-
13)	**Directors remuneration**		
	Braja Mishra	150.63	204.65

h) Disclosure of closing balances which are more than 10% of the total closing balance of the same type with related parties as on March 31, 2016

(₹ in million)

		2016	2015
1)	**Loans, advances and deposits given**		
	Welspun Realty Private Limited	266.50	284.48
	Welspun Anjar Sez Limited	595.57	-
2)	**Corporate guarantees given**		
	Welspun Captive Power Generation Limited	-	600.00
	Welspun Energy Private Limited	-	1,270.00
3)	**Other long term commitment**		
	Welspun Energy Private Limited	-	2,000.00
4)	**Investments in shares**		
	Welspun Captive Power Generation Limited	294.01	230.49
5)	**Trade receivables**		
	Welspun Steel Limited	-	24.89
	RMG Alloy Steel Limited (Formerly Remi Metal Gujarat Limited)	0.01	-
6)	**Trade payables**		
	Welspun Captive Power Generation Limited	1.82	38.24
	Welspun India Limited	0.64	2.16
	Welspun Global Brands Limited	1.05	-
	Welspun Steel Limited	1.14	1.54
7)	**Other receivables**		
	Welspun Anjar SEZ Limited	-	595.87
	Welspun India Limited	0.87	1.38

37 Prior period items:

a) Exchange difference (net) for the year ended March 31 2015 includes realized forex gain of ₹ 476.97 million earned by the group in the earlier years on redemption of preference shares invested in overseas subsidiaries reversed from Foreign Currency Translation Reserve.

b) Deferred tax expenses for the year ended March 31 2015 includes ₹ 348.44 million on creation of deferred tax liability during the year on certain GAAP adjustments made in the earlier years relating to an overseas subsidiary. In view of the above, profit after tax for the previous year is higher by ₹ 128.53 million.

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

38 Earnings per share (EPS)

		2016	2015
a)	**Basic**		
	Profit after tax (₹ in million)	2,274.74	690.41
	Weighted average number of equity shares outstanding	263,467,341	262,948,299
	Basic EPS (₹)	8.63	2.63
b)	**Diluted**	263,467,341	265,196,650
	Profit after tax (₹ in million)	2,274.74	690.41
	Less: Reduction in profit on potential conversion of convertible preference shares issued to minority interest holders in a subsidiary	271.17	-
	Adjusted profit after tax (₹ in million)	2,003.57	690.41
	Weighted average number of equity shares outstanding	263,467,341	262,948,299
	Add: Weighted average number of potential equity shares on account of employee stock options	-	2,248,351
	Weighted average number of equity shares outstanding for Diluted EPS	263,467,341	265,196,650
	Diluted EPS (₹)	7.60	2.60
	Face Value per share (₹)	5	5

39 Employee stock options scheme

In respect of options granted under the Welspun Employee Stock Options Scheme, in accordance with the guidelines issued by Securities and Exchange Board of India, the value of options (based on intrinsic value of the share on the date of the grant of the option) is accounted as deferred employee compensation, which is amortized on a straight line basis over the vesting period. Employee benefits expense includes ₹ 99.34 million debited during the year (March 31, 2015 ₹ 36.47 million).

Stock options outstanding as at the year end are as follows:

	Granted during 2014-15
Exercise price	₹ 1
Date of grant	24 December 2014
Vesting period commences on	1 year
Options outstanding at the beginning of the year	2,050,029
Options granted during the year	-
Options exercised during the year	2,050,029
Options lapsed during the year	-
Options outstanding as at 31 March 2016	-

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payments issued by the Institute of Chartered Accountants of India in respect of stock options granted.

The Company's earnings per share would have been as under, had the compensation cost of employee stock options been recognized based on the fair value at the date of grant in accordance with Black Scholes' model.

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

	2016	2015
Profit for the Year (As Reported) (₹ in million)	2,274.74	690.41
Add: Compensation Expenses under ESOS included in the Statement of Profit and Loss (₹ in million)	99.34	36.47
Less: Compensation Expenses under ESOS as per Fair Value (₹ in million)	95.92	35.21
Profit for the Year (Fair Value basis) (₹ in million)	2,278.16	691.67
Basic		
Number of Shares (Weighted average)	263,467,341	262,948,923
Basic Earning / (Loss) Per Share as reported (₹)	8.63	2.63
Proforma Basic Earning/ (Loss) Per Share (₹)	8.63	2.63
Diluted		
Adjusted profit for the Year (₹ in million) (Refer note 38)	2,003.57	690.41
Number of Shares (Weighted average)	263,467,341	265,196,650
Diluted EPS as reported (₹)	7.60	2.60
Proforma Diluted EPS (₹)	7.60	2.60

40 Disclosures mandated by schedule III of Companies Act 2013, by way of additional information Disclosure as at March 31, 2016

Name of the entities	Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)	
	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/(loss)	Amount (₹ in million)
Parent:				
Welspun Corp Limited	53.55	18,354.62	(39.54)	(933.62)
Subsidiary:				
Indian				
Welspun Tradings Limited	1.67	572.08	3.46	81.70
Welspun Pipes Limited	0.00	0.39	(0.00)	(0.03)
Welspun Wasco Coatings Private Limited	0.84	289.30	(0.00)	(0.01)
Foreign				
Welspun Mauritius Holdings Limited, Mauritius (including Welspun Middle East Pipes Company LLC & Welspun Middle East Pipes Coating Company LLC as its subsidiaries)	15.95	5,465.71	11.28	266.33
Welspun Pipes Inc,USA (Including Welspun Tubular LLC & Welspun Global Trade LLC as its subsidiaries)	33.43	11,457.88	114.95	2,714.40
Welspun Middle East DMCC (Subsidiary of Welspun Tradings Limited)	(0.21)	(70.57)	(0.33)	(7.76)
Subtotal		**36,069.41**		**2,121.01**
Inter-company eliminations and consolidation adjustments	(5.24)	(1,795.02)	10.18	240.42
Grand Total		**34,274.39**		**2,361.43**
Minority Interest in equity shares		(2,552.82)		(86.69)
Minority Interest in preference shares		(1,076.44)		-

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

Disclosure as at 31 March 2015

Name of the entities	Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)	
	As % of consolidated net assets	Amount (₹ in million)	As % of consolidated profit/(loss)	Amount (₹ in million)
1	2	3	4	5
Parent:				
Welspun Corp Limited	59.25	18,694.61	(7.36)	(157.07)
Subsidiary:				
Indian				
Welspun Tradings Limited	1.69	531.95	3.93	84.01
Welspun Pipes Limited	0.00	0.42	(0.00)	(0.02)
Welspun Wasco Coatings Private Limited	-	-	-	-
Foreign				
Welspun Mauritius Holdings Limited, Mauritius (including Welspun Middle East Pipes Company LLC & Welspun Middle East Pipes Coating Company LLC as its subsidiaries)	20.50	6,466.47	127.43	2,720.94
Welspun Pipes Inc,USA (Including Welspun Tubular LLC & Welspun Global Trade LLC as its subsidiaries)	27.53	8,685.10	(26.90)	(574.45)
Welspun Middle East DMCC (Subsidiary of Welspun Tradings Limited)	(0.19)	(59.18)	0.72	15.46
Subtotal		**34,319.37**		**2,088.87**
Inter-company eliminations and consolidation adjustments	(8.77)	(2,768.54)	2.17	46.39
Grand Total		**31,550.83**		**2,135.26**
Minority Interest in equity shares		(2,486.21)		(1,444.85)
Minority Interest in preference shares		(1,076.44)		-

41 The company has classified the various benefits provided to employees as under:

I Defined Contributions Plans

(₹ in million)

During the year the Company has recognised the following amounts in the Statement of Profit and Loss	2016	2015
- Employer's Contribution to Provident Fund*	71.28	70.19
- Employer's Contribution to Employees State Insurance*	0.50	0.56
- Employer's Contribution to Employees Pension Scheme*	6.84	4.70
- Employer's Contribution to Superannuation Scheme*	5.22	3.76
- Other Social Security Funds*	60.65	46.05
Total	**144.49**	**125.26**

*Included in Contribution to Provident and Other Funds

II Defined benefit plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

The company operates a gratuity plan managed jointly by Kotak Life Insurance Limited and India First Life Insurance Company Limited. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement, whichever is earlier.

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

		2016 (%p.a.)	2015 (%p.a.)
a.	**Major assumptions**		
	Discount rate	7.99-8.01	7.85-8.01
	Expected rate of return on Plan Assets	8.00-8.01	7.96-8.00
	Salary escalation rate	5.00	5.00

			(₹ in million)
		2016	**2015**
b.	**Change in the present value of obligation**		
	Opening Present value of Obligation	147.22	106.10
	Current service cost	18.91	16.79
	Interest cost	11.71	9.57
	Benefit paid	(15.69)	(8.36)
	Actuarial Loss/ (gain) on obligations	1.69	23.12
	Closing present value of Obligation	**163.83**	**147.22**

			(₹ in million)
		2016	**2015**
c.	**Change in fair value of plan assets**		
	Opening Fair value of Plan Assets	123.68	112.60
	Expected return on plan assets	9.85	5.76
	Actuarial (Loss)/ gain on obligations	(0.80)	13.67
	Contributions	18.00	0.01
	Benefits paid	(15.69)	(8.36)
	Closing Fair Value of Plan Assets	**135.04**	**123.68**

			(₹ in million)
		2016	**2015**
d.	**Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets**		
	Present Value of Funded Obligation	163.83	147.22
	Fair Value of Plan Assets	135.05	123.69
	Funded Status	**135.05**	**123.69**

			(₹ in million)
		2016	**2015**
e.	**Amount recognised in the Balance sheet**		
	Present value of Obligation	163.83	147.22
	Fair Value of Plan Assets	135.05	123.69
	Liability recognised in the Balance sheet and included under Short Term Provisions (Refer Note 11)	**28.78**	**23.53**

			(₹ in million)
		2016	**2015**
f.	**Expenses recognized in the statement of profit and loss**		
	Current service cost	18.91	16.79
	Interest cost	11.71	9.57
	Expected return on plan assets	(9.85)	(5.76)
	Expected return on plan assets	-	-
	Net Actuarial Loss/(gain) recognised in the year	2.49	9.45
	Total Expenses recognized in the statement of profit and loss*	**23.26**	**30.05**

*Included in Employee Benefit Expenses.

NOTES

forming part of the consolidated financial statements as on and for the year ended March 31, 2016

(₹ in million)

		2016	2015
g.	**Major Category of Plan Asset as a % of Total Plan Assets**	100.00	100.00
	Insurer Managed funds		

(₹ in million)

		2016	2015	2014	2013	2012
h.	**Amounts recognised in current Year and previous four Years**					
	Defined Benefit obligation at the end of year	163.83	147.22	106.10	123.38	99.54
	Fair value of Plan Assets	135.05	123.69	112.60	123.38	99.54
	(Surplus) / Deficit	30.12	27.23	(6.50)	-	-
	Experience (gain) / Loss adjustments on Plan Liabilities	1.69	23.11	(43.58)	(60.84)	(60.30)
	Experience (gain) / Loss adjustments on Plan Assets	(0.80)	13.43	(5.10)	16.02	(5.09)

(₹ in million)

		2016	2015
i.	**Expected contribution to the funds in the next year**		
	Gratuity	48.17	43.77

III Other Employee Benefit

The liability for leave entitlement and compensated absences as at year end is ₹ 65.17 million (March 31, 2015: ₹ 56.95 million)

The liability for end of service benefits as at year end is ₹ 116.44 million (March 31, 2015: ₹ 90.17 million)

42 Comparatives

Previous years figures have been regrouped, reclassified wherever necessary to correspond with current year's classification / disclosures.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Mumbai, 23 May 2016

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Braja Mishra
Managing Director
DIN No.00007089

S.Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Corp Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Welspun Corp Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 to 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 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone 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 standards and matters which are required to be included in the audit report.

5. We conducted our audit 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 financial statements are free from material misstatement.

6. 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 auditors' 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. 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.

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 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 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, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered

INDEPENDENT AUDITORS' REPORT

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements 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 the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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.

    (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 has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements.

        ii. The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Mehul Desai

Mumbai — Partner

May 23, 2016 — Membership Number: 103211

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements for the year ended March 31, 2016

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 Corp Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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 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.

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.

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements for the year ended March 31, 2016

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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mehul Desai
Partner
Membership Number: 103211

Mumbai
May 23, 2016

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Welspun Corp Limited on the standalone financial statements as of and for the year ended March 31, 2016

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

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 required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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 regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess 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 wealth tax and cess which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Duty of Excise	0.09	FY 2003-04	High Court, Ahmedabad
		11.16	FY 2012-13	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		235.35	FY 2007-08 to 2011-12	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		90.37	FY 2013-14	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		0.08	FY 2007-08	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		0.10	FY 2013-14	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
Gujarat Sales Tax Act, 1969 and Gujarat Value Added Tax Act, 2003	CST	234.74	FY 2013-14 to 2015-16	Dy. Commissioner Appeal, Rajkot
Gujarat Sales Tax Act, 1969 and Gujarat Value Added Tax Act, 2003	CST	4.17	FY 2008-09	Joint Commissioner of Commercial Tax Appeals, Vadodara
Gujarat Sales Tax Act, 1969 and Gujarat Value Added Tax Act, 2003	Sales Tax/ VAT	769.99	FY 2013-14 to 2015-16	Dy. Commissioner Appeal, Rajkot
		2.05	FY 2000-03	Gujarat Commercial Tax Tribunal
		5.90	FY 2008-09	Joint Commissioner of Commercial Tax, Appeals, Vadodara
Finance Act, 1994	Service Tax	2.02	FY 2008-09 and 2009-10	Additional Commisssioner Central Excise & Customs, Vadodara
		0.77	FY 2012-13	Commissioner (Appeal), Surat
		0.60	FY 2013-14	Commissioner (Appeal), Surat
		1.12	FY 2009-10	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		5.25	FY2009-10 to 2010-11	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		0.59	2006-07 to 2011-12	Custom Excise Service Tax Appellate Tribunal, Ahmedabad
		10.27	FY 2004-05 to 2006-07	Supreme Court, Delhi
Custom Act, 1962	Duty of Customs	8,609.82	FY 2007-08 to 2009-10	Bombay High Court
Income Tax Act 1961	Income Tax	1,676.96	FY 2004-05 FY 2007-08 FY 2008-09 FY 2009-10 FY 2010-11	Commissioner of income tax, (Appeals)

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

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

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 paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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 Accounting Standard (AS) 18, 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 entered into non cash transactions with its director, in compliance with the provisions of Section 192 of the Act.

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

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

Mehul Desai
Partner
Membership Number: 103211

Mumbai
May 23, 2016

BALANCE SHEET

as at March 31, 2016

(₹ in million)

	Notes	2016	2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	1,326.13	1,315.88
Reserves and surplus	3	17,028.51	17,378.73
		18,354.64	**18,694.61**
Non-current liabilities			
Long-term borrowings	4	16,025.48	18,779.61
Deferred tax liabilities (Net)	5	3,038.83	3,448.66
Other long-term liabilities	6	1,538.55	625.00
Long-term provisions	7	340.63	326.44
		20,943.49	**23,179.71**
Current liabilities			
Short-term borrowings	8	1,865.22	1,881.51
Trade payables	9		
- Total outstanding due of micro enterprises and small enterprises		5.28	45.56
- Total outstanding due of creditors other than micro enterprises and small enterprises		13,386.97	21,867.95
Other current liabilities	10	4,150.58	3,499.71
Short-term provisions	11	247.96	751.75
		19,656.01	**28,046.48**
Total		**58,954.14**	**69,920.80**
ASSETS			
Non-current assets			
Fixed assets	12		
- Tangible assets		25,844.43	27,951.74
- Intangible assets		115.02	124.54
- Capital work-in-progress		253.84	229.84
Non-current investments	13	1,780.62	2,514.10
Long-term loans and advances	14	1,038.09	876.50
Other non-current assets	15	26.35	17.62
		29,058.35	**31,714.34**
Current assets			
Current investments	16	7,183.56	7,783.32
Inventories	17	7,922.02	8,272.30
Trade receivables	18	9,824.85	17,407.63
Cash and bank balances	19	1,446.27	1,975.19
Short-term loans and advances	20	3,011.47	2,278.39
Other current assets	21	507.62	489.63
		29,895.79	**38,206.46**
Total		**58,954.14**	**69,920.80**

The accompanying Notes are an integral part of these financial statements.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Mumbai, 23 May 2016

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Braja Mishra
Managing Director
DIN No.00007089

S.Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2016

(₹ in million)

	Notes	2016	2015
Revenue			
Revenue from operations (Gross)	22	39,299.41	51,177.98
Less: Excise duty		1,445.56	1,688.59
Revenue from operations (Net)		**37,853.85**	**49,489.39**
Other income	23	1,284.22	1,474.36
Total		**39,138.07**	**50,963.75**
Expenditure			
Cost of materials consumed	24	21,448.82	31,016.67
Purchases of traded goods	25	6,713.18	9,433.67
Changes in inventories of finished goods and work-in-progress	26	(40.83)	(37.81)
Employee benefits expense	27	1,937.85	1,763.45
Other expenses	28	6,020.64	4,486.90
Total		**36,079.66**	**46,662.88**
Profit before depreciation / amortisation, finance costs and tax		**3,058.41**	**4,300.87**
Less: Depreciation and amortisation expense	12	2,475.26	2,427.78
Finance costs	29	1,926.60	2,128.05
Profit / (Loss) before tax		**(1,343.45)**	**(254.96)**
Tax expense			
- Current tax		-	-
- Provision for Tax for earlier years		-	77.48
Less: MAT credit entitlement		-	(77.48)
- Deferred tax		(409.83)	(97.90)
Total Tax expense		**(409.83)**	**(97.90)**
Profit / (Loss) for the year		**(933.62)**	**(157.06)**
Earnings/ (Loss) per share [Nominal value ₹ 5 (March 31, 2015: ₹ 5)]	43		
- Basic (in ₹)		**(3.54)**	**(0.60)**
- Diluted (in ₹)		**(3.54)**	**(0.60)**

The accompanying Notes are an integral part of these financial statements.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Mumbai, 23 May 2016

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Braja Mishra
Managing Director
DIN No.00007089

S.Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

CASH FLOW STATEMENT

for the year ended March 31, 2016

(₹ in million)

		2016	2015
A)	**Cash flow from operating activities**		
	Profit/(loss) before tax	**(1,343.45)**	**(254.96)**
	Adjustments for		
	Depreciation and amortisation expense	2,475.26	2,427.78
	Interest expense	1,759.68	1,947.48
	Interest income	(935.43)	(965.99)
	Loss on sale/discarding of tangible assets (Net)	31.94	28.97
	(Profit) /Loss on sale/redemption of		
	- Current investments	2.47	100.89
	- Non-current investment in subsidiary	(272.84)	(405.01)
	Dividend income on		
	- Current investments	(21.94)	(33.05)
	Provision for doubtful debts and advances and litigations / disputes (Net)	5.61	(39.59)
	Provision no longer required written back	19.89	44.92
	Employee stock options	99.34	36.47
	Sweat equity	-	28.96
	Exchange adjustments (Net)	331.00	155.23
	Operating profit before working capital changes	**2,151.53**	**3,072.10**
	Adjustments for		
	Trade and other receivables	7,390.35	(12,898.56)
	Inventories	350.28	(2,980.84)
	Trade and other payables	(6,660.71)	15,408.13
	Cash generated from operations	**3,231.45**	**2,600.83**
	Direct taxes paid (net of refunds)	(15.09)	(43.30)
	Net cash generated from operating activities (A)	**3,216.36**	**2,557.53**
B)	**Cash flow from investing activities**		
	Purchase of fixed assets (including capital work-in-progress)	(458.92)	(295.97)
	Sale of fixed assets (Net)	29.76	11.34
	Purchase of long-term investments in subsidiaries	(147.55)	-
	Purchase of long-term investments in Others	(27.78)	(9.67)
	Sale/redemption of long-term investments in		
	- Subsidiary	1,181.65	1,570.97
	Sale of current investments (Net)	597.29	3,258.33
	Loan given to subsidiary & other parties	(1,084.24)	-
	Dividend received	21.94	33.05
	Interest received	885.46	1,002.31
	Net cash generated from investing activities (B)	**997.61**	**5,570.36**

CASH FLOW STATEMENT

for the year ended March 31, 2016

(₹ in million)

		2016	2015
C)	**Cash flow from /(used in) financing activities**		
	Proceeds from issue of equity shares (including securities premium)	2.05	-
	Repurchase of Non-convertible debentures	(490.00)	-
	Repayment of long-term borrowings (Net)	(2,286.50)	(4,679.52)
	Decrease in short-term borrowings (Net)	(47.65)	(444.42)
	Interest paid	(1,794.70)	(2,039.86)
	Dividend paid (including corporate dividend tax)	(158.72)	(154.67)
	Net cash used in financing activities (C)	**(4,775.52)**	**(7,318.47)**
	Net changes in Cash and Cash Equivalents (A+B+C)	(561.55)	809.42
	Cash and Cash Equivalents at the beginning of the year	863.36	53.94
	Cash and Cash Equivalents at the end of the year	**301.81**	**863.36**

Notes:

1. The Cash Flow Statement has been prepared under the "Indirect method" as set out in Accounting Standard 3 on Cash Flow Statements as notified under Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule 2014.

2. Previous year's comparatives have been reclassified to conform with the current year's presentation, wherever applicable.

The accompanying Notes are an integral part of these financial statements.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Mumbai, 23 May 2016

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Braja Mishra
Managing Director
DIN No.00007089

S.Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

1 General Information

Welspun Corp Limited (WCL/the 'Company') is engaged in the business of production and coating of High Grade Submerged Arc Welded Pipes, Hot Rolled Steel Plates and Coils. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Significant Accounting Policies

I. Basis of preparation of financial statements

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 the Companies Act 2013 read with rule 7 of Companies (Accounts) Rule 2014 till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financials 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 other relevant provisions of the Companies Act, 2013 and Accounting Standard 30 Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule 2014.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting periods commencing on or after the date of notification i.e. 1 April 2016.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of assets and liabilities.

II. Use of estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses of the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates and in such case the difference is recognised when known or materialised.

III. Tangible and intangible assets

(a) Tangible assets (except freehold land which is carried at cost) are stated at cost of acquisition or construction less accumulated / depreciation amortisation and impairment losses, if any. The cost comprises of its purchase price, any import duties and other taxes (other than those subsequently recoverable from tax authorities), freight, other directly attributable expenses related to the acquisition trial run expenses (net of revenue) and pre-operative expenses including borrowing costs incurred during pre-operational period. Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress.

(b) Intangible assets are stated at acquisition cost net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

(c) Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standards of performance.

(d) Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

(e) Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

IV. Depreciation / amortisation on tangible and intangible assets

(a) Consequent to the enactment of the Companies Act 2013 (the Act) and its applicability for accounting periods commencing from 1 April 2014, the Company has realigned the remaining useful lives of its fixed assets in accordance with the provisions prescribed under Schedule II to the Act. Estimated useful lives by major asset classification are as follows:

Assets	Estimated Useful Life
Office Equipment	5 years
Furniture and fixtures	10 years
Computer	3 years except Networking equipments which are depreciated over useful life of 4 years
Vehicles	8 years
Factory Building	30 years
Office Building	60 years
Road, Fencing, etc	Ranging between 3 to 5 years

(b) Plant and Machinery is depreciated on straight line method over the useful life ranging between 8 years to 40 years which is different than the life prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of Plant and Machinery has been determined based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

(c) Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life of five years.

V. Borrowing costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

VI. Impairment of assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, assets are grouped at the levels for which there are separately identifiable cash flows (cash generating unit). If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

VII. Investments

(a) Investments which are readily realisable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried lower of cost and fair value.

(b) Long-term investments are carried at cost less provision for diminution other than temporary in the value of the investments such reduction being determined and made for each investment individually.

VIII. Inventories

Inventories are valued at lower of cost and net realizable value. The basis of determining cost for various categories of inventories is as follows:-

(a) Raw materials, Stores and Spares – Moving weighted average basis.

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(b) Work-in-progress – Cost of raw materials plus direct labour plus other direct costs and other production overheads.

(c) Finished goods – Cost of materials plus direct labour plus other direct costs, production overheads and excise duty on such goods.

(d) Traded goods – Specific procurement cost and other direct costs.

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

IX. Foreign currency transactions

(a) Initial Recognition

On initial recognition all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

(b) Subsequent Recognition

As at the reporting date non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items the Company has adopted following policy:

i) Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset which would be depreciated over the balance life of the asset.

ii) In other cases the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset/ liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

X. Derivative instruments and hedge accounting

(a) In respect of forward exchange contracts other than forward exchange contracts in respect of firm commitments and highly probable forecast transactions the premium or discount arising at the inception of forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

(b) In respect of forward exchange contracts taken to hedge the risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions and interest rate swaps the Company has adopted Accounting Standard 30 'Financial Instruments: Recognition and Measurement". Accordingly forward exchange contracts relating to firm commitments and highly probable forecast transactions and interest rate swaps are fair valued at each reporting date.

(c) Changes in the fair value of these hedging instruments that are designated and considered as effective hedges of highly probable forecasted transactions are recognised directly in shareholders' funds under 'Hedging Reserve Account' to be recognised in the Statement of Profit and Loss when the underlying transaction occurs or terminates or ceases to qualify for hedge accounting.

XI. Revenue recognition

(a) Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts rebates sales taxes and excise duties. Export sales are recognised on the date of cargo receipts bill of lading or other relevant

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

documents in accordance with the terms and conditions for sales.

(b) Export benefits: Benefits under Focus Market and Focus Product Schemes are recognised on accrual basis. Target Plus / Duty Free Entitlement Certificate Scheme under EXIM policy are recognized when utilized.

XII. Other Income

(a) Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.

(b) Dividend: Dividend income is recognised when the right to receive the dividend is established.

XIII. Employee benefits

(a) Provident Fund, Employee State Insurance Corporation (ESIC) and Pension Fund

The Contribution towards provident fund, ESIC and pension fund for certain employees is made to the regulatory authorities where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations apart from the contributions made on a monthly basis.

(b) Superannuation Fund

Contribution towards superannuation fund for certain employees is made to SBI Life Insurance Company where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations apart from contribution made on monthly basis.

(c) Gratuity

The Company provides for gratuity a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement death incapacitation or termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Gratuity Fund is recognised by the income tax authorities and is administered through trustees. The Employees' Gratuity Trust takes group gratuity policies with insurance companies.

(d) Compensated Absences

Accumulated compensated absences which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount is expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

XIV. Employee stock options scheme

Equity settled stock options granted under "Employee Stock Option Plan" are accounted for as per the accounting treatment prescribed by Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India as required by the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.The intrinsic value of the Option being excess of market value of the underlying share immediately prior to date of grant over its exercise price is recognised as deferred employee compensation with a credit to employee stock option outstanding account. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option. The options that lapse are reversed by a credit to employee compensation expense equal to the amortised portion of value of lapsed portion and credit to deferred employee compensation expenses equal to the unamortised portion.

XV. Current and deferred Tax

(a) Tax expense for the period comprising current tax and deferred tax are included in the determination of the net profit or loss for the period. Current tax is measured at the amount

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

expected to be paid to the tax authorities in accordance with the taxation laws.

(b) Deferred tax is recognised for all the timing differences subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date the company reassesses unrecognised deferred tax assets if any.

(c) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(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. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

XVI. Provisions and contingent liabilities

(a) Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

(b) Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

XVII. Leases

Operating lease

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

XVIII. Cash & cash equivalents

In the cash flow statement cash and cash equivalents includes cash in hand demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

XIX. Earnings per share

(a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period if any.

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(b) The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus shares other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources.

(c) 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 is adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

XX. Profit before depreciation/amortisation, finance costs and tax

The Company has elected to present profit before finance costs, tax, depreciation and amortisation as a separate line item on the face of the Statement of the Profit and Loss. In its measurement, the Company doesn't include depreciation & amortisation expenses, finance costs and tax expenses.

(₹ in million)

	2016	2015
2. Share capital		
Authorised		
304,000,000 (March 31 2015: 304,000,000) Equity Shares of ₹ 5/- each	1,520.00	1,520.00
98,000,000 (March 31 2015: 98,000,000) Preference Shares of ₹ 10/- each	980.00	980.00
Total	**2,500.00**	**2,500.00**
Issued, subscribed and paid up		
265,226,109 (March 31 2015: 263,176,080) Equity Shares of ₹ 5/- each fully paid up	1,326.13	1,315.88
Total	**1,326.13**	**1,315.88**

a) Reconciliation of the number of Equity shares outstanding

	2016		2015	
	Number of Equity Shares	₹ in million	Number of Equity Shares	₹ in million
At the beginning of the year	263,176,080	1,315.88	262,948,299	1,314.74
Issued during the year				
– Sweat Equity Shares (Refer note 'd' below)	-	-	227,781	1.14
– Equity Stock Options (Refer note 'e' below)	2,050,029	10.25	-	-
Outstanding at the end of the year	**265,226,109**	**1,326.13**	**263,176,080**	**1,315.88**

b) Rights preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share however the holders of global depository receipts (GDR's) do not have voting rights in respect of shares represented by the GDR's till the shares are held by the custodian. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company the holders 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.

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

c) Shareholders holding more than 5% shares of the company

Name of Shareholders	2016		2015	
	Number of Equity Shares	Percentage (%)	Number of Equity Shares	Percentage (%)
J P Morgan Chase Bank NA ADR Account (Custodian and against which GDR have been issued to Insight Solutions Limited)	23,026,000	8.68	23,026,000	8.75
Granele Limited	35,038,889	13.21	35,038,889	13.31
Life Insurance Corporation of India Limited & its Schemes	19,277,980	7.27	19,277,980	7.33
Welspun Wintex Limited	13,336,576	5.02	13,336,576	5.07
Welspun Mercantile Limited	14,477,701	5.46	14,477,701	5.50
Krishiraj Trading Limited	59,979,691	22.61	52,912,858	20.11

d) Details of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

During the previous year, the Company had issued 227,781 Equity shares of ₹ 5 each to the Managing Director as Sweat Equity in compliance with applicable laws including the Securities and Exchange Board of India (Issue of Sweat equity) Regulations 2002. Employee benefits expense includes Nil (Previous year: 28.96 million) on issue of Sweat equity shares.

e) Refer note 44 for details of share issued under Employee Stock Options Scheme

(₹ in million)

	2016	2015
3. Reserves and Surplus		
Securities premium		
Balance as at the beginning of the year	7,644.81	7,648.56
Add/(Less): Premium on account of issue of Sweat equity shares	-	27.82
Premium on issue of shares under Employees Stock Option Scheme	127.61	-
Premium on redemption of foreign currency convertible bonds	-	(31.57)
	7,772.42	**7,644.81**
Debenture Redemption Reserve		
Balance as at the beginning of the year	1,142.37	1,142.37
Add/(Less): Transferred from surplus in statement of profit and loss*	-	-
	1,142.37	**1,142.37**
Employee stock options outstanding		
Share Option Outstanding	135.81	135.81
Less: Transfer to securities premium/Share capital on exercise of stock options during the year	135.81	-
	-	135.81
Less: Deferred employee stock compensation	-	99.34
	-	**36.47**
Hedging Reserve Account [Refer note 31(b)]		
Balance as at the beginning of the year	(435.24)	51.50
Add: Amount recognised in Hedging Reserve during the Year (Net)	96.48	(624.72)
Less: Gain / (Loss) Transferred to Statement of Profit and Loss	416.97	137.98
Balance as at the end of the year	**78.21**	**(435.24)**
Foreign currency monetary item translation difference account [Refer note 31(a)]		
Balance as at the beginning of the year	(418.32)	(509.32)
Movement during the year	138.90	91.00
	(279.42)	**(418.32)**

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

	2016	2015
3. Reserves and Surplus		
General Reserve		
Balance as at the beginning of the year	53.09	53.09
Movement during the year	-	-
	53.09	**53.09**
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	9,355.55	9,835.49
Add/(Less): Adjustment on account of change in useful life of fixed assets as per Companies Act 2013	-	(249.91)
Deferred Tax on above depreciation adjustment	-	84.93
Profit/(loss) for the year	(933.62)	(157.06)
	8,421.93	9,513.45
Add/(Less): Appropriations		
Proposed dividend on equity shares	(132.61)	(131.59)
Tax on proposed dividend	(27.00)	(26.31)
Dividend Distribution Tax on dividend of earlier year	(0.48)	-
Total appropriations	(160.09)	(157.90)
Net surplus in the statement of profit and loss	**8,261.84**	**9,355.55**
Total	**17,028.51**	**17,378.73**

* No debenture redemption reserve is created in view of loss during the year

(₹ in million)

	Non-current		Current	
	2016	2015	2016	2015
4. Long-term borrowings				
Secured				
Redeemable non-convertible debentures [Refer note (a) below]	12,938.00	13,428.00	-	-
External commercial borrowings [Refer note (b) below]	3,087.48	4,037.50	927.57	168.75
Term loan from a bank [Refer note (c) below]	-	1,303.82	-	555.56
Unsecured				
Other loans [Refer note (d) below]	-	10.29	10.29	8.37
Total	**16,025.48**	**18,779.61**	**937.86**	**732.68**

a) The debentures together with interest are secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire immovable and movable tangible assets of the Company both present and future and second/floating charge on current assets subject to prior charge in favour of banks for working capital facilities.

(₹ in million)

No. of debentures	Face value (₹)	Redemption date	Rate of interest (p.a.)	2016	2015
5000 (March 31, 2015: 5000)	1,000,000	September 2025	9.55%	5,000	5,000
5000 (March 31, 2015: 5000)	1,000,000	August 2025	9.55%	5,000	5,000
900 (March 31, 2015: 900)	1,000,000	November 2022	11.00%	900	900
528 (March 31, 2015: 528)	1,000,000	September 2019	11.15%	528	528
1510 (March 31, 2015: 2000)	1,000,000	August 2019	11.15%	1,510	2,000
Total				**12,938**	**13,428**

b) External commercial borrowings (ECB) of USD 60.6 million (March 31,2015: USD 67.30 million) is secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire immovable and movable tangible assets of the Company both present and future. The ECB carries interest of LIBOR plus 3.60% to 4.50%

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

The ECB is repayable as follows

(₹ in million)

Repayment schedule	USD (million)	2016	2015
October 2015	2.70	-	168.75
April 2016	4.00	-	250.00*
October 2016	14.00	927.57	875.00
April 2017	4.00	265.02	250.00
October 2017	14.00	927.57	875.00
April 2018	4.00	265.02	250.00
October 2018	14.00	927.57	875.00
April 2019	5.30	351.15	331.25
October 2019	5.30	351.15	331.25
Total	**67.30**	**4,015.05**	**4,206.25**

* Paid during March 2016

c) Term loan from a bank

Term loan of Nil (March 31 2015: ₹ 1,859.38 million) from bank was secured by first charge ranking pari passu by way of mortgage/ hypothecation of entire movable and immovable tangible assets of the Company and second charge over the entire current assets of the Company both present and future. The loan carried interest of LIBOR plus 5.00%. The loan has been repaid during the current year.

d) Other loans

Loan from Hewlett Packard India Financial Services Private Limited amounting to ₹ 10.29 million (Previous year: ₹ 18.66 million). The loan carries interest rate of 12.03%. The outstanding loan is repayable within 12 months from the balance sheet date.

(₹ in million)

		2016	2015
5.	**Deferred tax liabilities (Net)**		
	Deferred tax liabilities on account of timing differences in:		
	- Depreciation	4,443.78	4,537.05
	- Others	96.70	142.19
		4,540.48	4,679.24
	Deferred tax assets on account of timing differences in:		
	- Employee benefits	30.08	26.75
	- Provision for doubtful debts and advances and litigations / disputes	190.54	171.17
	- Unabsorbed business losses	1,281.03	1,032.66
	Note: Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.		
		1,501.65	1,230.58
	Total	**3,038.83**	**3,448.66**

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

		(₹ in million)	
		2016	**2015**
6.	**Other long-term liabilities**		
	Liability towards claims	662.55	625.00
	Trade advances and deposits	876.00	-
	Total	**1,538.55**	**625.00**

		(₹ in million)	
		2016	**2015**
7.	**Long-term provisions**		
	Provision for employee benefits (Refer note 35)		
	- Provision for compensated absences	53.85	50.53
	Mark to market losses on derivative contracts	15.16	9.61
	Other Provisions		
	- Provision for litigation / disputes (Refer note 41)	271.62	266.30
	Total	**340.63**	**326.44**

		(₹ in million)	
		2016	**2015**
8.	**Short-term borrowings**		
	Secured		
	Buyers' credit	1,336.17	1,881.51
	Working capital loan from banks		
	- Foreign currency	430.65	-
	- Rupee	98.40	-
	(Secured by first charge on hypothecation of raw materials, finished goods and work-in-progress, stores and spares and book debts of the Company and second charge on entire immovable and movable tangible assets of the Company both present and future.)		
	Total	**1,865.22**	**1,881.51**

		(₹ in million)	
		2016	**2015**
9.	**Trade payables**		
	(a) Total outstanding due of micro enterprises and small enterprises (Refer note 30)	5.28	45.56
	(b) Total outstanding due of creditors other than micro enterprises and small enterprises		
	(i) Acceptances	11,933.33	20,687.99
	(ii) Others	1,453.64	1,179.96
	Total	**13,392.25**	**21,913.51**

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

		2016	2015
10.	**Other current liabilities**		
	Current maturities of long-term borrowings (Refer note 4)	937.86	732.68
	Interest accrued but not due on borrowings	345.98	381.00
	Unclaimed dividend	4.15	4.49
	Other payables		
	Creditors for		
	- Capital goods	32.62	38.84
	- Employee benefits payable	26.95	29.80
	Trade advances and deposits	2,427.71	993.54
	Statutory dues including provident fund and tax deducted at source	264.46	214.09
	Unamortised premium and exchange losses on forward contracts	110.85	64.64
	Liability towards claims	-	1,040.63
	Total	**4,150.58**	**3,499.71**

(₹ in million)

		2016	2015
11.	**Short-term provisions**		
	Provision for employee benefits (Refer note 35)		
	- Provision for gratuity	29.45	25.38
	- Provision for compensated absences	3.64	2.81
	Other Provisions		
	Proposed equity dividend	132.61	131.59
	Tax on proposed equity dividend	27.00	26.31
	Liquidated damages	-	20.00
	Provision for taxes (Net of advance tax March 31, 2016 : ₹ 6,965.08 million ; March 31, 2015 : ₹ 6,949.99 million)	55.26	70.35
	Mark to market losses on derivative contracts	-	475.31
	Total	**247.96**	**751.75**

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

12. Fixed assets

(₹ in million)

	Gross Block				Depreciation / Amortisation					Net Block
	As at 1 April 2015	Additions	Disposal	As at 31 March 2016	Upto 31 March 2015	For the year	Deductions	Transitional depreciation adjusted in retained earnings (Refer note 4 below)	Upto 31 March 2016	As at 31 March 2016
a) Tangible assets										
Freehold land	253.70	62.71	-	316.41	-	-	-	-	-	316.41
Buildings	5,999.36	8.86	-	6,008.22	1,298.03	206.96	-	-	1,504.99	4,503.23
Plant and machinery	36,422.15	291.12	126.14	36,587.13	13,577.55	2,175.08	66.16	-	15,686.47	20,900.66
Office and other equipments	349.24	12.51	23.09	338.66	289.80	24.12	22.10	-	291.82	46.84
Vehicles	55.62	1.10	5.41	51.31	32.99	5.34	4.76	-	33.57	17.74
Furnitures and fixtures	151.25	3.87	1.64	153.48	81.21	14.28	1.56	-	93.93	59.55
Total	**43,231.32**	**380.17**	**156.28**	**43,455.21**	**15,279.58**	**2,425.78**	**94.58**	**-**	**17,610.78**	**25,844.43**
b) Intangible assets										
Software	566.90	39.96	4.34	602.52	442.36	49.48	4.34	-	487.50	115.02
Total	**566.90**	**39.96**	**4.34**	**602.52**	**442.36**	**49.48**	**4.34**	**-**	**487.50**	**115.02**
Total (a+b)	**43,798.22**	**420.13**	**160.62**	**44,057.73**	**15,721.94**	**2,475.26**	**98.92**	**-**	**18,098.28**	**25,959.45**
Capital work-in-progress										253.84

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

	Gross Block				Depreciation / Amortisation					Net Block
	As at 1 April 2014	Additions	Disposal	As at 31 March 2015	Upto 31 March 2014	For the year	Deductions	Transitional depreciation adjusted in retained earnings	Upto 31 March 2015	As at 31 March 2015
a) Tangible assets										
Freehold land	224.24	29.46	-	253.70	-	-	-	-	-	253.70
Buildings	5,924.40	74.96	-	5,999.36	899.29	207.50	-	191.24	1,298.03	4,701.33
Plant and machinery	35,682.93	827.42	88.20	36,422.15	11,521.51	2,092.69	50.55	13.90	13,577.55	22,844.60
Office and other equipments	335.74	14.39	0.89	349.24	197.54	54.68	0.72	38.30	289.80	59.44
Vehicles	56.84	3.01	4.23	55.62	28.12	6.52	2.15	0.50	32.99	22.63
Furnitures and fixtures	149.02	7.62	5.39	151.25	62.83	17.47	4.98	5.89	81.21	70.04
Total	**42,373.17**	**956.86**	**98.71**	**43,231.32**	**12,709.29**	**2,378.86**	**58.40**	**249.83**	**15,279.58**	**27,951.74**
b) Intangible assets										
Software	566.04	0.86	-	566.90	393.36	48.92	-	0.08	442.36	124.54
Total	**566.04**	**0.86**	**-**	**566.90**	**393.36**	**48.92**	**-**	**0.08**	**442.36**	**124.54**
Total (a+b)	**42,939.21**	**957.72**	**98.71**	**43,798.22**	**13,102.65**	**2,427.78**	**58.40**	**249.91**	**15,721.94**	**28,076.28**
Capital work-in-progress										229.84

Notes

1. Gross block of Plant and Machinery includes ₹ 63.49 million (March 31, 2015: ₹ 63.49 million) in respect of expenditure incurred on capital asset, ownership of which does not vest in the Company.
2. Refer note 31 (a) for exchange difference capitalised as per revised Accounting Standard -11,
3. Pre-operative expenses of Nil (Previous year: ` 14.36 million) have been capitalized with related projects during the year.
4. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from April 1, 2014, the Company, in previous year, wherever required, to reflect the actual usage, realigned the remaining useful lives of few assets in accordance with the provisions prescribed under Schedule II to the Act. Consequently, in case of assets which had completed their useful lives (prescribed under Schedule II to the Act), the carrying value (net value) as at April 1, 2014 amounting to ` 249.91 million was adjusted to Retained Earnings as at April 1, 2014 and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives.

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

	2016	2015
13. Non-current investments		
(Valued at cost unless stated otherwise)		
A. Trade investments - Unquoted		
i) Wholly owned subsidiaries		
Welspun Pipes Inc.	0.44	0.44
10,001 (March 31, 2015: 10,001) equity shares of USD 1 each		
Welspun Pipes Limited	0.50	0.50
50,000(March 31, 2015: 50,000) equity shares of ₹ 10 each		
Welspun Tradings Limited	50.22	50.22
5,013,402 (March 31, 2015: 5,013,402) equity shares of ₹ 10 each		
ii) Other subsidiaries		
Welspun Mauritius Holdings Limited		
102,089 (March 31, 2015: 102,089) equity shares of USD 1 each	4.70	4.70
23,454,000 (March 31, 2015: 41,154,000) Optionally convertible, Non cumulative, Redeemable preference shares of USD 1 each	1,284.17	2,192.98
Welspun Wasco Coatings Private Limited		
14,755,014 (March 31, 2015: Nil) equity shares of ₹ 10 each	147.55	-
iii) Associates		
Red Lebondal Limited	-	0.03
Nil (March 31, 2015: 450) equity shares of Euro 1 each		
Less: Provision for diminution in the value of investment	-	(0.03)
iv) Other investments		
Welspun Captive Power Generation Limited		
5,833,499 (March 31, 2015: 5,316,429) equity shares of ₹ 10 each fully paid up	63.75	53.20
19,443,186 (March 31, 2015: 17,720,021) preference shares of ₹ 10 each fully paid up	194.52	177.29
B. Other investments - Quoted		
Standard Chartered Bank PLC Indian Depository Receipt	34.77	34.77
334,331 (March 31, 2015: 334,331) Indian Depository Receipt of ₹ 100 each		
C. Other investments - Unquoted		
Welspun Enterprises (Cyprus) Limited	-	0.77
Nil (March 31, 2015: 11,800) equity shares of Euro 1 each		
Less: Provision for diminution in the value of investment	-	(0.77)
Total	**1,780.62**	**2,514.10**
(All the above shares and securities are fully paid up)		
Aggregate book value of quoted investments	34.77	34.77
Aggregate book value of unquoted investments	1,745.85	2,479.33
Aggregate market value of quoted investments	14.49	33.73
Aggregate provision for diminution in value of investments	-	0.80

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

		2016	2015
14.	**Long-term loans and advances**		
	(Unsecured considered good unless otherwise stated)		
	Capital advances		
	- Considered good	54.27	45.70
	- Considered doubtful	3.68	3.68
	Less: Provision for doubtful advances	3.68	3.68
		54.27	**45.70**
	Deposits		
	- Related parties (Refer note 39)	294.10	296.88
	- Others	42.80	46.01
		336.90	**342.89**
	Loans and advances to related parties (Refer note 39)		
	Loan to subsidiary	156.95	-
		156.95	**-**
	Other loans and advances		
	Advances recoverable in cash or kind	81.16	96.32
	Prepaid expenses	2.33	3.83
	Balances with Government authorities - Direct tax	67.11	67.11
	Balances with Government authorities - Indirect tax	280.98	173.57
	Less: Provision for doubtful advances - Indirect tax	(204.53)	(115.84)
	Minimum Alternative Tax credit entitlement	262.92	262.92
		489.97	**487.91**
	Total	**1,038.09**	**876.50**

(₹ in million)

		2016	2015
15.	**Other non-current assets**		
	Margin money deposits with banks	26.35	17.62
	Total	**26.35**	**17.62**

(₹ in million)

		2016	2015
16.	**Current Investments**		
	At cost and fair value, whichever is less:		
	Quoted:		
	Bonds		
	8.97% Andhra Pradesh State Development Loan 2022 Nil (March 31, 2015: 200,000) Bonds of ₹ 100 each	-	20.03
	9.55% Andhra Bank Perpetual 10 (March 31, 2015: Nil) Bonds of ₹ 1,000,000 each	9.99	-
	9.84% Air India Limited 2026 Nil (March 31, 2015: 1) Bond of ₹ 1,000,000 each	-	1.10
	8.79% Bangalore Metro Rail Corporation Limited 2024 Nil (March 31, 2015: 15) Bond of ₹ 1,000,000 each	-	15.08
	11% Bank of India Perpetual Nil (March 31, 2015: 3) Bond of ₹ 1,000,000 each	-	3.21
	9.48% Bank of Maharashtra Perpetual 497 (March 31, 2015: 400) Bond of ₹ 1,000,000 each	540.40	399.88

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

	2016	2015
9.55% Canara Bank Perpetual Nil (March 31, 2015: 90) Bond of ₹ 1,000,000 each	-	88.98
9.51% Corporation Bank of India Perpetual 1,006 (March 31, 2015: Nil) Bond of ₹ 1,000,000 each	1,036.18	-
10.20% Dena Bank Perpetual 527 (March 31, 2015: 564) Bond of ₹ 1,000,000 each	579.86	564.00
8.30% Fertiliser Co. Spl 2023 Nil (March 31, 2015: 32,000) Bonds of ₹ 100 each	-	3.24
9.15% Government of India Loan 2024 Nil (March 31, 2015: 240,000) Bonds of ₹ 100 each	-	26.00
7.72% Government of India Loan 2025 2,000,000 (March 31, 2015: Nil) Bonds of ₹ 100 each	200.40	-
8.33% Government of India Loan 2026 3,000,000 (March 31, 2015: 3,000,000) Bonds of ₹ 100 each	310.65	323.12
8.97% Government of India Loan 2030 1,000,000 (March 31, 2015: 1,000,000) Bonds of ₹ 100 each	109.35	115.32
8.28% Government of India Loan 2032 Nil (March 31, 2015: 35,000) Bonds of ₹ 100 each	-	3.59
7.88% Government of India Loan 2030 1,500,000 (March 31, 2015: Nil) Bonds of ₹ 100 each	150.60	-
7.40% Government of India Loan 2035 Nil (March 31, 2015: 365,000) Bonds of ₹ 100 each	-	34.97
8.30% Government of India Loan 2040 Nil (March 31, 2015: 5,000) Bonds of ₹ 100 each	-	0.46
8.30% Government of India Loan 2042 Nil (March 31, 2015: 5,000,000) Bonds of ₹ 100 each	-	535.00
8.17 % Government of India Loan 2044 1,000,000 (March 31, 2015: 1,500,000) Bonds of ₹ 100 each	102.30	155.88
8.13 % Government of India Loan 2045 500,000 (March 31, 2015: Nil) Bonds of ₹ 100 each	51.23	-
9.80% Gujarat State Petroleum Corporation Limited 2073 141 (March 31, 2015: 81) Bonds of ₹ 1,000,000 each	147.74	83.12
10.45% Gujarat State Petroleum Corporation Limited 2072 221 (March 31, 2015: 195) Bonds of ₹ 1,000,000 each	239.23	210.66
8.20% Housing And Urban Development Corp Ltd 2027 Nil (March 31, 2015: 500) Bonds of ₹ 1,000 each	-	0.54
7.51% Housing And Urban Development Corp Ltd 2028 Nil (March 31, 2015: 1,000) Bonds of ₹ 1,000 each	-	1.03
10.75% IDBI Bank Limited Perpetual 250 (March 31, 2015: 337) Bonds of ₹ 1,000,000 each	263.75	359.44

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

	2016	2015
9.40% Industrial Finance Corporation of India Limited 2025 10,000 (March 31, 2015: Nil) Bonds of ₹ 1,000 each	10.00	-
9.90% Industrial Finance Corporation of India Limited 2027 Nil (March 31, 2015: 2,088) Bonds of ₹ 25,000 each	-	54.75
9.90% Industrial Finance Corporation of India Limited 2032 66 (March 31, 2015: 1,640) Bonds of ₹ 25,000 each	1.74	43.23
9.90% Industrial Finance Corporation of India Limited 2037 1,450 (March 31, 2015: 2,280) Bonds of ₹ 25,000 each	36.96	58.37
9.70% Industrial Finance Corporation of India Limited 2030 Nil (March 31, 2015: 15) Bonds of ₹ 1,000,000 each	-	15.00
9.75% Industrial Finance Corporation of India Limited 2028 116 (March 31, 2015: 332) Bonds of ₹ 1,000,000 each	118.90	345.65
8.65% India Infra Debt Ltd 2026 250 (March 31, 2015: Nil) Bonds of ₹ 1,000,000 each	250.00	-
8.49% Indian Renewable Energy Development Agency 2028 64 (March 31, 2015: 95) Bonds of ₹ 1,000,000 each	65.18	96.76
8.10% Indian Railway Finance Corporation Ltd. 2027 Nil (March 31, 2015: 250,000) Bonds of ₹ 1,000 each	-	269.45
10% Indian Overseas Bank Perpetual 255 (March 31, 2015: 379) Bonds of ₹ 1,000,000 each	254.44	379.52
11.80% IL&FS Transportation Networks Ltd 2024 10 (March 31, 2015: Nil) Bonds of ₹ 1,000,000 each	10.55	-
8.99% Madhya Pradesh State Development Loan 2022 Nil (March 31, 2015: 50,500) Bonds of ₹ 100 each	-	5.06
8.48% National Highways Authority of India 2028 200 (March 31, 2015: Nil) Bonds of ₹ 1,000,000 each	221.80	-
8.14% Nuclear Power Corporation of India Ltd 2027 139 (March 31, 2015: Nil) Bonds of ₹ 1,000,000 each	140.77	-
9.48 % Oriental Bank of Commerce Perpetual 589 (March 31, 2015: 295) Bonds of ₹ 1,000,000 each	649.44	295.00
8.20% Government of India OIL SPL 2024 Nil (March 31, 2015: 50,000) Bonds of ₹ 100 each	-	4.90
8.20% Power Finance Corporation Limited 2022 Nil (March 31, 2015: 1,000) Bonds of ₹ 1,000 each	-	1.05
8.55% Power Finance Corporation Limited 2021 Nil (March 31, 2015: 100) Bonds of ₹ 1,000,000 each	-	100.18
8.70% Power Finance Corporation Limited 2020 13 (March 31, 2015: Nil) Bonds of ₹ 1,000,000 each	13.10	-
8.94% Power Finance Corporation Limited 2028 8 (March 31, 2015: Nil) Bonds of ₹ 1,000,000 each	8.38	-

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

	2016	2015
7.93% Power Grid Corporation of India Limited 2028 9 (March 31, 2015: Nil) Bonds of ₹ 1,000,000 each	9.00	-
8.23% Punjab National Bank 2025 223 (March 31, 2015: Nil) Bonds of ₹ 1,000,000 each	223.00	-
8.06% Rural Electrification Corporation Limited 2023 Nil (March 31, 2015: 733) Bonds of ₹ 1,000,000 each	-	731.22
8.82% Rural Electrification Corporation Limited 2023 Nil (March 31, 2015: 50) Bonds of ₹ 1,000,000 each	-	52.70
7.38% Rural Electrification Corporation Limited 2027 Nil (March 31, 2015: 1,000) Bonds of ₹ 1,000 each	-	1.03
8.27% Rural Electrification Corporation Limited 2022 Nil (March 31, 2015: 10) Bonds of ₹ 1,000,000 each	-	9.88
8.23% Rural Electrification Corporation Limited 2025 Nil (March 31, 2015: 70) Bonds of ₹ 1,000,000 each	-	70.00
8.11% Rural Electrification Corporation Limited 2025 300 (March 31, 2015: Nil) Bonds of ₹ 1,000,000 each	300.09	-
9.65% Reliance Capital Limited 2025 Nil (March 31, 2015: 203) Bonds of ₹ 1,000,000 each	-	203.00
9.00% Rajasthan Rajya Vidyut Utpadan Nigam Ltd 2026 Nil (March 31, 2015: 7) Bonds of ₹ 1,000,000 each	-	7.14
8.74% Rajasthan Rajya Vidyut Utpadan Nigam Ltd 2027 Nil (March 31, 2015: 273) Bonds of ₹ 1,000,000 each	-	268.98
9% SBI Cards & Payments Services Pvt. Ltd 2021 Nil (March 31, 2015: 6) Bonds of ₹ 1,000,000 each	-	6.20
10.20% SREI Infrastructure Finance Ltd Nil (March 31, 2015: 137) Bonds of ₹ 1,000,000 each	-	142.48
8.81% Tourism Finance Corporation of India Limited 2025 1,602 (March 31, 2015: Nil) Bonds of ₹ 1,00,000 each	160.20	-
9.20% Tamil Nadu Generation and Distribution Corporation Limited 2024 Nil (March 31, 2015: 1) Bonds of ₹ 1,000,000 each	-	1.00
11.95 % United Bank of India Perpetual 9 (March 31, 2015: Nil) Bonds of ₹ 1,000,000 each	9.99	-
10.40 % Vijaya Bank Perpetual 3 (March 31, 2015: 726) Bonds of ₹ 1,000,000 each	3.00	717.84
7.50% Water Sanitation Pooled Fund 2020 27 (March 31, 2015: 20) Bonds of ₹ 100,000 each	2.72	2.03
Unquoted:		
i) **Bonds**		
Industrial Finance Corporation of India Limited Deep Discount Bond 2031 28,404 (March 31, 2015: 28,404) Bonds of ₹ 25,000 each	184.63	184.63

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

	2016	2015
Industrial Finance Corporation of India Limited Deep Discount Bond 2032 9,150 (March 31, 2015: 10,150) Bonds of ₹ 25,000 each	59.48	65.98
Industrial Finance Corporation of India Limited Deep Discount Bond 2035 4,795 (March 31, 2015: 4,795) Bonds of ₹ 25,000 each	31.17	31.17
Industrial Finance Corporation of India Limited Deep Discount Bond 2036 2,190 (March 31, 2015: 2,190) Bonds of ₹ 25,000 each	14.24	14.24
Industrial Finance Corporation of India Limited Deep Discount Bond 2033 25,270 (March 31, 2015: 25,270) Bonds of ₹ 25,000 each	166.68	166.68
Industrial Finance Corporation of India Limited Deep Discount Bond 2039 34,460 (March 31, 2015: 34,460) Bonds of ₹ 25,000 each	223.99	223.99
Industrial Finance Corporation of India Limited Deep Discount Bond 2040 41,470 (March 31, 2015: 41,470) Bonds of ₹ 25,000 each	269.56	269.56
ii) Mutual fund		
SBI Premier Liquid Fund - Regular Plan - Growth 1,209.887 Units (March 31, 2015: Nil)	2.87	-
Total	**7,183.56**	**7,783.32**
Aggregate book value of quoted investments	6,230.94	6,827.10
Aggregate book value of unquoted investments	952.62	956.22
Aggregate market value of quoted investments *	6,242.91	6,961.81

* Market value for certain investments are as provided by the Company's Investment advisor.

(₹ in million)

	2016	2015
17. Inventories		
Raw materials [including goods-in-transit of ₹ 1,916.81 million (March 31, 2015: ₹ 1,304.40 million)]	4,087.93	4,339.96
Work-in-progress	797.20	676.93
Finished goods	1,927.64	2,007.08
Stores and spares	1,109.25	1,248.33
Total	**7,922.02**	**8,272.30**
Details of inventories under broad heads		
Raw materials		
H.R. Coils	955.02	590.43
H.R. Plates	1,489.88	2,414.82
M.S. Slabs	1,429.91	965.60
Others	213.12	369.11
Total	**4,087.93**	**4,339.96**
Work-in-progress		
Welded pipes	505.54	656.92
Plates and Coils	291.66	20.01
Total	**797.20**	**676.93**
Finished goods		
Welded pipes	1,753.35	1,562.14
M.S. Plates	121.94	13.17
H.R Coils	52.35	431.77
Total	**1,927.64**	**2,007.08**

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

		(₹ in million)	
		2016	**2015**
18.	**Trade receivables**		
	Unsecured, considered good*		
	Outstanding for a period exceeding 6 months from the date they are due for payment	11.81	27.28
	Others	9,813.04	17,380.35
	Unsecured, considered doubtful		
	Outstanding for a period exceeding 6 months from the date they are due for payment	61.94	56.33
	Less: Provision for doubtful debts	(61.94)	(56.33)
	Total	**9,824.85**	**17,407.63**

* includes receivable from related parties ₹ 3,954.61 million (March 31, 2015: ₹ 14,569.63 million)

		(₹ in million)	
		2016	**2015**
19.	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	0.40	0.22
	Balances with banks:		
	- Current accounts	301.41	863.14
		301.81	**863.36**
	Other bank balances		
	Unclaimed dividend accounts	4.15	4.49
	Margin money deposits	1,140.31	1,107.34
	Total	**1,446.27**	**1,975.19**

		(₹ in million)	
		2016	**2015**
20.	**Short-term loans and advances**		
	(Unsecured considered good unless otherwise stated)		
	Deposits	1.30	0.02
		1.30	**0.02**
	Loans and advances to related parties (Refer note 39)		
	- Subsidiaries	927.57	-
	- Other parties	595.87	-
	Share application money to Subsidiary	-	596.15
		1,523.44	**596.15**
	Other loans and advances		
	Advances recoverable in cash or in kind		
	- Considered good	94.23	82.24
	- Considered doubtful	8.78	8.78
	Less: Provision for doubtful advances	8.78	8.78
		94.23	**82.24**
	Balances with Government authorities		
	- Considered good	1,041.93	843.22
		1,041.93	**843.22**
	Export benefits receivable	247.30	659.27
	Prepaid expense	72.04	44.08
	Receivable towards claim	19.89	40.79
	Loans and advances to employees	11.34	12.62
		1,486.73	**1,682.22**
	Total	**3,011.47**	**2,278.39**

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

		2016	2015
21.	**Other current assets**		
	Interest accrued on		
	- Current investments	364.55	307.91
	- Fixed deposits	17.76	19.48
	- Others	1.17	6.12
	Other receivables from related parties (Refer note 39)		
	- Subsidiaries	9.83	75.98
	- Other parties	1.06	25.61
	Other receivables	-	46.13
	Mark to Market gains on derivative Contracts	93.37	-
	Assets held for disposal	19.88	8.40
	Total	**507.62**	**489.63**

(₹ in million)

		2016	2015
22.	**Revenue from operations**		
	Sale of products		
	- Finished goods	30,511.25	38,446.76
	- Traded goods	7,177.42	10,073.20
	Other Operating Revenues (Refer note 45)	1,610.74	2,658.02
	Revenue from operations (Gross)	39,299.41	51,177.98
	Less: Excise duty	1,445.56	1,688.59
	Revenue from operations (Net)	**37,853.85**	**49,489.39**
	Details of sale of products under broad heads		
	Finished goods		
	Welded pipes	28,595.26	37,608.16
	M.S. Plates	1,567.55	355.30
	H.R. Coils	151.13	215.97
	Steam	31.21	76.71
	Others	166.10	190.62
		30,511.25	**38,446.76**
	Traded goods		
	H.R. Coils	7,166.54	10,073.20
	Others	10.88	-
		7,177.42	**10,073.20**

(₹ in million)

		2016	2015
23.	**Other income**		
	Interest income on		
	- Loan to subsidiary	25.19	2.49
	- Current investments	753.80	819.90
	- Fixed deposits	85.39	60.31
	- Others	71.05	83.29
	Dividend income on		
	- Investments	21.94	33.05
	Profit on sale/redemption of		
	- Non-current investments	272.84	405.01
	Miscellaneous income	54.01	70.31
	Total	**1,284.22**	**1,474.36**

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

	2016	2015
24. Cost of materials consumed		
Inventory at the beginning of the year	4,339.96	1,392.45
Add: Purchases	21,196.79	33,964.18
	25,536.75	35,356.63
Less: Inventory at the end of the year	4,087.93	4,339.96
Total	**21,448.82**	**31,016.67**
Details of raw materials consumed		
H.R. Coils	4,488.01	7,467.87
H.R. Plates	9,501.02	18,119.92
M.S. Slabs	5,796.27	3,490.07
Welding and coating materials	1,532.54	1,620.02
Others	130.98	318.79
	21,448.82	**31,016.67**

(₹ in million)

	2016	2015
25. Purchases of traded goods		
Purchases of H.R. Coils	6,713.18	9,433.67
Total	**6,713.18**	**9,433.67**

(₹ in million)

	2016	2015
26. Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year		
Work-in-progress	797.20	676.93
Finished goods	1,927.64	2,007.08
	2,724.84	**2,684.01**
Inventories at the beginning of the year		
Work-in-progress	676.93	427.95
Finished goods	2,007.08	2,218.25
	2,684.01	2,646.20
Total	**(40.83)**	**(37.81)**

(₹ in million)

	2016	2015
27. Employee benefits expense (Refer note 35)		
Salaries, wages and bonus	1,681.11	1,563.26
Contribution to provident and other funds	81.39	76.99
Employee compensation expenses towards ESOP and Sweat Equity [Refer note 2 (d) & 44]	99.34	65.43
Staff welfare expenses	76.01	57.77
Total	**1,937.85**	**1,763.45**

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

			2016	2015
28.	**Other expenses**			
	Stores and spares consumed		899.24	803.86
	Labour charges		157.33	129.86
	Coating and other job charges		100.94	89.20
	Power, fuel and water charges		811.92	791.51
	Freight, material handling and transportation		1,147.13	778.00
	Excise duty on (increase)/decrease of finished goods		0.12	(103.81)
	Rent		51.23	51.02
	Rates and taxes		105.71	19.53
	Repairs and maintenance			
	- Plant and machinery		79.35	66.97
	- Buildings		22.50	31.17
	- Others		248.27	140.88
	Travelling and conveyance expenses		163.81	175.90
	Communication expenses		14.28	14.40
	Professional and consultancy fees		149.71	155.00
	Insurance		73.31	69.90
	Directors' sitting fees		2.81	2.76
	Printing and stationery		12.57	11.38
	Security charges		33.71	31.51
	Membership and subscription		29.33	25.76
	Vehicle expenses		11.12	13.07
	Exchange difference (Net)		1,563.65	852.57
	Auditors' remuneration (Refer note 37)		11.91	8.59
	Product compensation and claims		8.00	-
	Sales promotion expenses		42.41	29.90
	Liquidated damages		0.74	-
	Commission and discount on sales		195.21	18.90
	Investment written off	0.80		
	Less: Provision for diminution in value of Investment	(0.80)	-	-
	Provision for doubtful debts (Net)		5.61	-
	Provision for litigation, disputes and other matters (Net)		-	83.43
	Loss on sale / redemption of current Investments (Net)		2.47	100.89
	Loss on sale / discarding of tangible assets (Net)		31.94	28.97
	Expenditure towards corporate social responsibility		-	0.77
	Miscellaneous expenses		44.31	65.01
	Total		**6,020.64**	**4,486.90**

(₹ in million)

		2016	2015
29.	**Finance costs**		
	Interest expense		
	- Term loans	258.44	363.70
	- Debentures	1,327.66	1,462.51
	- Working capital	19.63	50.22
	- Others	153.95	71.05
	Other borrowing costs	166.92	180.57
	Total	**1,926.60**	**2,128.05**

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

30 Micro, Small and Medium Enterprises

Disclosure of amount due to suppliers under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)" as at 31 March is as under:

(₹ in million)

	2016	2015
Principal amount due to suppliers under MSMED Act, 2006	2.37	42.79
Interest accrued and due to suppliers under MSMED Act, on the above amount	0.01	0.08
	2.38	**42.87**
Payment made to suppliers (Other than interest) beyond the appointed day, during the year	19.40	47.69
Interest due and payable to suppliers under MSMED Act, for payments already made	0.13	0.12
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	2.91	2.77

31 Foreign exchange differences

a) The Companies (Accounting Standards) Amendment Rules 2011 has amended the provision of Accounting Standard-11 related to "The effects of changes in Foreign Exchange Rates" vide notification dated 11 May 2011 (as amended on 29 December 2011 and further clarification dated 9 August 2012) issued by the Ministry of Corporate Affairs. Accordingly, the Company has adjusted exchange loss amounting to ₹ 37.55 million (Previous year: ₹ 83.26 million) to the cost of fixed assets and exchange loss of ₹ 190.00 million (Previous year: ₹ 264.35 million) has been transferred to "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)" to be amortized over the balance period of such long term liabilities. Out of the FCMITDA, loss of ₹ 328.90 million (Previous year: ₹ 355.35 million) has been adjusted in the current year and balance of ₹ 279.42 million (Previous year: ₹ 418.32 million) has been carried over and included in reserves and surplus.

b) The Company has adopted Accounting Standard-30 as referred to in Note 1 (X) of the Significant Accounting Policies and accordingly gain of ₹ 78.21 million (Previous year: loss of ₹ 435.24 million) related to foreign exchange difference on Cash Flow Hedges for certain firm commitments and forecasted transactions has been recognized in Shareholders' Funds and shown under Hedging Reserve Account.

32 Derivative Instruments outstanding:

The Company is exposed to foreign currency fluctuations on foreign currency assets/ liabilities, receivables/payables denominated in foreign currency. In line with the company's risk management policies and procedures, the Company enters into foreign currency forward contracts, swaps and other derivative contracts to manage its exposure.

a) The following are outstanding foreign currency forward contracts, swaps and other derivative contracts against the future forecasted receivables/ payables and liabilities.

(i) Designated Cash Flow Hedges	Currency Pair	2016		2015	
		Notional Amount		Notional Amount	
		Foreign Currency (in million)	₹ million	Foreign Currency (in million)	₹ million
Forward Contracts (Sell)	USD-INR	15.60	1,038.98	18.16	1,148.29
Forward Contracts (Sell)	EUR-USD	2.00	150.93	-	-
Forward Contracts (Sell)	EUR-INR	25.00	1,968.37	-	-
Forward Contracts (Buy)	USD-INR	67.53	4,654.57	50.90	3,320.57
Forward Contracts (Buy)	EUR-USD	46.76	3,351.32	47.05	3,525.46
Forward Contracts (Buy)	EUR-INR	-	-	1.50	107.14
Interest Rate Swap	N.A.	60.60	4,015.05	99.75	6,234.38

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(ii) **Non-Designated Hedges**

Non-Designated Hedges	Currency Pair	2016 Notional Amount Foreign Currency (in million)	2016 Notional Amount ₹ million	2015 Notional Amount Foreign Currency (in million)	2015 Notional Amount ₹ million
Coupon Only Swap	INR-USD	64.38	3,000.00	85.83	4,000.00
Coupon Only Swap	INR-JPY	1,833.52	1,000.00	1,833.52	1,000.00

(iii) In addition to the above, the Company has following outstanding foreign currency forward contracts to hedge foreign currency exposure against payable as at balance sheet date.

Non-Designated Hedges	Currency Pair	2016 Notional Amount Foreign Currency (in million)	2016 Notional Amount ₹ million	2015 Notional Amount Foreign Currency (in million)	2015 Notional Amount ₹ million
Forward Contracts (Buy)	USD-INR	100.88	6,889.13	71.85	4,650.60
Forward Contracts (Buy)	EUR-USD	9.75	734.30	-	-

Net Mark to Market (Fair Value) gain recognised in Hedging Reserve as on 31st March 2016 on forward contracts of ₹ 93.37 million and loss on interest rate swap of ₹ 15.16 million is expected to be recycled to the Statement of Profit and Loss by March 2017 and March 2020 respectively.

b) As at the Balance Sheet date, following foreign currency exposure is not hedged by a derivative instrument or otherwise:

	2016 USD million	2016 ₹ million	2015 USD million	2015 ₹ million
Receivables	116.73	7,461.68	198.98	12,054.94
Payables / borrowings	189.87	12,579.73	431.60	26,975.13

33 Contingent liabilities not provided for

(₹ in million)

		2016	2015
a)	Claims against the Company not acknowledged as debts	101.26	102.20
	Disputed direct taxes	385.35	1,614.61
	Disputed indirect taxes	1,374.61	407.11

(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings.

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

b) Supreme Court of India has dismissed an appeal filed by the Commissioner of Customs, Kandla against the CESTAT Order dated May 22, 2014 which had set aside the Order of the Commissioner of Customs, Kandla for custom duty of ₹ 8,609.82 million on account of alleged wrong classification of imported raw materials along with penalty of ₹ 8,609.82 million on the Company and a penalty of ₹205 million on the directors and officers of the Company. On the same matter, a separate proceeding was initiated by Additional Director General of Foreign Trade, Mumbai, wherein the Hon'ble Bombay High Court has already granted interim stay in Company's favour. The matter is awaiting final disposal.

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

34 Capital and other commitments

a) Capital commitments

(₹ in million)

	2016	2015
Estimated amount of contracts remaining to be executed on capital account (net of advances)	118.39	130.56

b) Other commitments

(₹ in million)

	2016	2015
Performance guarantees / Bid bond given by banks to company's customers / government authorities etc.	9,924.02	9,596.71
Corporate guarantees given by the company (includes ₹ 10,729.34 million (Previous year: ₹ 9,355.82 million)) for Loans/ Liabilities of subsidiaries. Loans / Liabilities outstanding against these guarantees as per financial statements of subsidiaries aggregate to ₹ 2,917.35 million (Previous year: ₹ 451.54 million)	10,729.34	11,225.82
Letters of credit outstanding (net of liability provided) for company's sourcing	10,537.47	7,162.67
Custom duty on pending export obligation against import of raw materials	1,241.81	809.28
Commitment given to Welspun Captive Power Generation Limited for purchase of power	478.17	566.19
Other long term commitments	-	2,000.00

c) The company has committed to provide continued need based financial support to a subsidiary.

35 The company has classified the various benefits provided to employees as under:

I Defined Contributions Plans

(₹ in million)

During the year the Company has recognised the following amounts in the Statement of Profit and Loss	2016	2015
- Employer's Contribution to Provident Fund*	69.56	68.64
- Employer's Contribution to Employees State Insurance*	0.50	0.56
- Employer's Contribution to Employees Pension Scheme*	6.44	4.29
- Employer's Contribution to Superannuation Scheme*	4.89	3.50
	81.39	**76.99**

*Included in Contribution to Provident and Other Funds

II Defined benefit plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

The company operates a gratuity plan managed jointly by Kotak Life Insurance Limited and India First Life Insurance Company Limited. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement, whichever is earlier.

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

		2016 (%p.a.)	2015 (%p.a.)
a.	**Major assumptions**		
	Discount rate	8.01	7.96
	Expected rate of return on Plan Assets	8.01	7.96
	Salary escalation rate	5.00	5.00

			(₹ in million)
		2016	**2015**
b.	**Change in the present value of obligation**		
	Opening Present value of Obligation	144.36	103.98
	Current service cost	18.41	15.97
	Interest cost	11.49	9.36
	Benefit paid	(15.14)	(8.19)
	Actuarial Loss/ (gain) on obligations	0.91	23.24
	Closing present value of Obligation	**160.02**	**144.36**

			(₹ in million)
		2016	**2015**
c.	**Change in fair value of plan assets**		
	Opening Fair value of Plan Assets	118.98	108.58
	Expected return on plan assets	9.47	5.43
	Actuarial (Loss)/ gain on obligations	(0.75)	13.15
	Contributions	18.00	0.01
	Benefits paid	(15.14)	(8.19)
	Closing Fair Value of Plan Assets	**130.56**	**118.98**

			(₹ in million)
		2016	**2015**
d.	**Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets**		
	Present Value of Funded Obligation	160.02	144.36
	Fair Value of Plan Assets	130.56	118.98
	Funded Status	**130.56**	**118.98**

			(₹ in million)
		2016	**2015**
e.	**Amount recognised in the Balance sheet**		
	Present value of Obligation	160.02	144.36
	Fair Value of Plan Assets	130.56	118.98
	Liability recognised in the Balance sheet and included under Short Term Provisions (Refer Note 11)	**29.46**	**25.38**

			(₹ in million)
		2016	**2015**
f.	**Expenses recognized in the statement of profit and loss**		
	Current service cost	18.41	15.97
	Interest cost	11.49	9.36
	Expected return on plan assets	(9.47)	(5.43)
	Expected return on plan assets	-	-
	Net Actuarial Loss/(gain) recognised in the year	1.66	10.09
	Total Expenses recognized in the statement of profit and loss*	**22.09**	**29.99**

* Included in Employee Benefits Expense

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

		2016	2015
g.	**Major Category of Plan Asset as a % of Total Plan Assets**	100.00	100.00
	Insurer Managed funds		

(₹ in million)

		2016	2015	2014	2013	2012
h.	**Amounts recognised in current Year and previous four Years**					
	Defined Benefit obligation at the end of year	160.02	144.36	103.98	119.18	99.54
	Fair value of Plan Assets	130.56	118.98	108.58	119.18	99.54
	(Surplus) / Deficit	29.46	25.38	(4.60)	-	-
	Experience (gain) / Loss adjustments on Plan Liabilities	0.91	23.24	(40.96)	(60.16)	(60.30)
	Experience (gain) / Loss adjustments on Plan Assets	(0.75)	13.15	(5.00)	16.02	(5.09)

(₹ in million)

		2016	2015
i.	**Expected contribution to the funds in the next year**		
	Gratuity	48.17	43.77

III Other Employee Benefit

The liability for leave entitlement and compensated absences as at year end is ₹ 57.49 million (March 31, 2015: ₹ 53.34 million)

36 Segment reporting

i) The Company is exclusively engaged in the business of steel products which, in the context of Accounting Standard 17 Segment Reporting, is considered to constitute a single primary segment. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year are all as reflected in the financial statements for the year ended March 31, 2016 and as on that date.

ii) Information about Secondary-Geographical Segment

(₹ in million)

	2016			2015		
	Within India	**Outside India**	**Total**	**Within India**	**Outside India**	**Total**
External sales / revenue from operations *	29,239.30	8,614.55	37,853.85	39,174.56	10,314.83	49,489.39
Carrying amount of segment assets	51,029.26	7,924.88	58,954.14	57,533.86	12,386.94	69,920.80
Capital expenditure	452.70	-	452.70	252.68	-	252.68

* Sales within India includes deemed exports of ₹ 10,734.87 million (Previous year: ₹ 22,097.69 million)

Notes:

a) Segment revenue in the geographical segments considered for disclosure is as follows:
- Revenue within India includes sales to customers located within India.
- Revenue outside India includes sales to customers located outside India.

b) Segment assets include the respective amounts identified to each of the segments and amounts allocated on a reasonable basis.

c) Capital expenditure also includes expenditure incurred on capital work-in-progress and capital advances.

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

37 Payment to Auditors

(₹ in million)

	2016	2015
Audit fee	8.60	6.80
Tax audit fee	1.00	1.00
Other services (Certification fees)	2.10	0.58
Out of pocket expenses	0.21	0.21
Total	**11.91**	**8.59**

38 Operating lease

As a lessee:

The Company has significant operating leases for premises and equipments. These lease arrangements range for a period between 11 months and 10 years, which includes both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also includes escalation clauses. The Company has entered into a sublease and such sublease is cancellable and for a period of 1 year with an option of renewal on mutually agreeable terms.

a) With respect to all operating leases:

(₹ in million)

	2016	2015
Lease payment recognised in the Statement of Profit and Loss during the year	51.23	51.02
Sub-lease payments received/ receivable recognised in the Statement of Profit and Loss during the year.	3.90	3.90

b) With respect to non-cancellable operating leases, the future minimum lease payments are as follows:

(₹ in million)

	2016	2015
Not Later than one year	1.52	0.99
Later than one year but not later than five years	1.87	0.81
Later than five years	-	-

39 Related party disclosures

a) Particulars of Subsidiaries

Name of the subsidiaries
Direct subsidiaries
Welspun Pipes Inc.
Welspun Tradings Limited
Welspun Mauritius Holdings Limited
Welspun Pipes Limited
Welspun Wasco Coating Private Limited
Indirect Subsidiaries
Held through Welspun Mauritius Holdings Limited
Welspun Middle East Pipes Company LLC
Welspun Middle East Pipes Coating Company LLC
Held through Welspun Tradings Limited
Welspun Middle East DMCC
Held through Welspun Pipes Inc.
Welspun Tubular LLC
Welspun Global Trade LLC

b) Enterprises over which Key Management Personnel or relatives [refer (d) below] of such personnel exercise significant influence or control and with whom transaction have taken place during the year

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

Name of other related parties
Welspun India Limited
Welspun Steel Limited
RMG Alloy Steel Limited (Formerly Remi Metal Gujarat Limited)
Welspun Foundation for Health and Knowledge
AYM Syntex Limited (Formerly known as Welspun Syntex Limited)
Welspun Logistics Limited
Welspun Realty Private Limited
Welspun Global Brands Limited
Welspun Projects Limited (merged with Welspun Enterprises Limited wef May 11, 2015)
Welspun Captive Power Generation Limited
Welspun Energy Private Limited
Welspun Enterprises Limited
Mertz Securities Limited
Welspun Anjar SEZ Limited

c) Directors /Key Management Personnel

Name	Nature of Relationship
B. K. Goenka	Chairman
R. R. Mandawewala	Director
Braja Mishra	Managing Director

d) Transactions with related parties for the year

(₹ in million)

	Subsidiaries	Other Related Parties	Key Management Personnel	Total
Sale of goods and services	**18,044.60**	**88.20**	**-**	**18,132.80**
	33,474.15	*229.41*	-	*33,703.56*
Interest and other income	**48.37**	**9.99**	**-**	**58.36**
	28.63	*21.34*	-	*49.96*
Redemption of preference shares (including gain for the current year ₹ 272.84 million and for the previous year ₹ 405.01 million)	**1,181.65**	**-**	**-**	**1,181.65**
	1,570.96	-	-	*1,570.96*
Dividend Income	**-**	**19.44**	**-**	**19.44**
	-	-	-	-
Purchase of goods and services	**5.49**	**365.72**	**-**	**371.21**
	3.00	*390.43*	-	*393.44*
Purchase of fixed assets	**-**	**-**	**-**	**-**
	-	0.61	-	0.61
Sale of fixed assets	**8.36**	**-**	**-**	**8.36**
	-	2.58	-	2.58
Rent paid	**-**	**52.65**	**-**	**52.65**
	-	*52.50*	-	*52.50*
Donation paid	**-**	**-**	**-**	**-**
	-	*0.77*	-	*0.77*
Addition to corporate guarantee	**2,317.18**	**-**	**-**	**2,317.18**
	1,052.82	-	-	*1,052.82*

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

	Subsidiaries	Other Related Parties	Key Management Personnel	Total
Release of corporate guarantee	**1,332.00**	**1,870.00**	**-**	**3,202.00**
	7,193.45	*1.46*	-	*7,194.91*
Reimbursement of expenses (Net)-recovery / (payment)	**17.13**	**(10.00)**	**-**	**7.13**
	304.30	*25.54*	-	*329.84*
Loans, advances and deposits given	**1,400.73**	**25.00**	**-**	**1,425.73**
	-	-	-	-
Loans, advances and deposits received back	**350.09**	**27.98**	**-**	**378.07**
	300.21	*52.40*	-	*352.61*
Advances adjusted	**-**	**-**	**-**	**-**
	735.90	-	-	*735.90*
Investment in shares	**147.55**	**27.78**	**-**	**175.33**
	-	*9.66*	-	*9.66*
Directors remuneration	**-**	**-**	**150.63**	**150.63**
	-	-	*204.65*	*204.65*

e) Closing balances as at March 31, 2016

(₹ in million)

	Subsidiaries	Other Related Parties	Key Management Personnel	Total
Loans, advances and deposits given	**1,084.52**	**889.97**	**-**	**1,974.49**
	-	*296.88*	-	*296.88*
Corporate guarantees given	**10,729.34**	**-**	**-**	**10,729.34**
	9,355.82	*1,870.00*	-	*11,225.82*
Other long term commitment	**-**	**-**	**-**	**-**
	-	*2,000.00*	-	*2,000.00*
Investments in shares	**1,487.58**	**259.07**	**-**	**1,746.65**
	2,248.84	*230.49*	-	*2,479.33*
Share application money given	**-**	**-**	**-**	**-**
	596.15	-	-	*596.15*
Trade receivables	**3,954.60**	**0.01**	**-**	**3,954.61**
	14,544.72	*24.91*	-	*14,569.63*
Advances and deposits taken	**1,783.80**	**-**	**-**	**1,783.80**
	2.00	-	-	*2.00*
Trade payables	**14.58**	**3.56**	**-**	**18.14**
	-	*40.41*	-	*40.41*
Other receivables	**9.83**	**1.06**	**-**	**10.89**
	75.98	*25.61*	-	*101.59*

* Previous year figures are given in Italics

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

f) Disclosure in respect of transactions which are more than 10% of the total Transactions of the same type with related parties during the year:

(₹ in million)

		Transactions	
		2016	2015
1)	**Sale of goods**		
	Welspun Tradings Limited	10,798.82	23,258.22
	Welspun Tubular LLC	5,588.22	10,197.91
2)	**Interest and other income**		
	Welspun Pipes Inc	23.76	4.18
	Welspun Middle East Pipe Company LLC	13.74	18.81
	Welspun Energy Private Limited	7.62	16.08
3)	**Redemption of preference shares**		
	Welspun Mauritius Holdings Limited	1,181.65	1,570.96
4)	**Dividend income**		
	Welspun Captive Power Generation Limited	19.44	-
5)	**Purchase of goods and services**		
	Welspun Logistics Limited	-	9.71
	Welspun Captive Power Generation Limited	355.84	370.38
6)	**Purchase of Fixed Assets**		
	Welspun Projects Limited (merged with Welspun Enterprises Limited wef May 11, 2015)	-	0.61
7)	**Sale of Fixed Assets**		
	Welspun Wasco Coating Private Limited	8.36	-
	Welspun Captive Power Generation Limited	-	2.33
8)	**Rent paid**		
	Welspun Realty Private Limited	49.17	49.13
9)	**Donation paid**		
	Welspun Foundation for Health and Knowledge	-	0.77
10)	**Reimbursement of expenses (paid) / recovered (net)**		
	Welspun Tubular LLC	1.54	327.94
	Welspun Tradings Limited	(7.80)	(27.99)
	Welspun Middle East Pipe Company LLC	16.44	16.63
	Welspun Wasco Coating Private Limited	7.12	-
	Welspun Global Brands Limited	(8.43)	(1.19)
	Welspun Captive Power Generation Limited	0.88	9.48
	Welspun India Limited	(4.72)	8.35
	Welspun Steel Limited	1.57	2.30
	AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	0.79	0.65
11)	**Loans, deposit given**		
	Welspun Pipes Inc	1,232.32	-
	Welspun Wasco Coating Private Limited	156.95	-
12)	**Loans, deposit received back**		
	Welspun Pipes Inc	338.36	300.21
	Welspun Logistics Limited	-	52.40

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

		Transactions	
		2016	2015
13)	**Investment in shares**		
	Welspun Wasco Coating Private Limited	147.55	-
	Welspun Captive Power Generation Limited	27.79	9.66
14)	**Advances adjusted**		
	Weslpun Tradings Limited	-	735.90
15)	**Addition of corporate guarantee**		
	Weslpun Tradings Limited	993.83	-
	Welspun Middle East Pipes Company LLC	1,323.35	1,052.82
16)	**Release of corporate guarantee**		
	Welspun Middle East Pipes Company LLC	1,332.00	2,896.00
	Weslpun Tradings Limited	-	2,500.00
	Welspun Pipes Inc	-	1,797.45
	Welspun Captive Power Generation Limited	600.00	-
	Welspun Energy Private Limited	1,270.00	-
17)	**Director's remuneration**		
	Braja Mishra	150.63	204.65

g) Disclosure of closing balances which are more than 10% of the total closing balance of the same type with related parties as on March 31, 2016

(₹ in million)

		2016	2015
1)	**Trade receivables**		
	Welspun Tradings Limited	8.71	4,774.60
	Welspun Tubular LLC	2,338.34	9,768.45
	Welspun Middle East Pipe Company LLC	1,589.86	1.23
2)	**Trade payables**		
	Welspun Captive Power Generation Limited	1.82	38.24
	Welspun Tubular LLC	3.42	-
	Welspun Tradings Limited	5.72	-
	Welspun Middle East DMCC	5.36	-
3)	**Loans, advances and deposits given**		
	Welspun Realty Private Limited	266.50	284.48
	Welspun Pipes Inc	927.57	-
	Welspun Anjar SEZ Limited	595.57*	-
4)	**Share application money given**		
	Welspun Pipes Limited	-	596.15*
5)	**Advances and deposits taken**		
	Welspun Tradings Limited	1,783.80	2.00

* Share application money given to Welspun Pipes Limited (WPL) was advanced by WPL to Welspun Anjar SEZ limited (WASEZ) for purchase of land. During the year pursuant to an agreement, the rights and interest in the receivable from WASEZ in the books of WPL has been transferred to the Company in lieu of issuing shares to the Company against share application money.

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

(₹ in million)

		2016	2015
6)	**Corporate guarantees given (to the extent of outstanding loans amount) Refer Note 34 (b)**		
	Welspun Middle East Pipe Company LLC	1,724.72	205.68
	Welspun Middle East Pipe Coating Company LLC	198.80	245.86
	Welspun Tradings Limited	993.83	-
7)	**Other long term commitment**		
	Welspun Energy Private Limited	-	2,000.00
8)	**Investments held**		
	Welspun Mauritius Holdings Limited	1,288.87	2,197.68
	Welspun Captive Power Generation Limited	258.27	230.48
9)	**Other receivables**		
	Welspun Tubular LLC	-	55.44
	Welspun Middle East Pipe Coating Company LLC	6.48	5.08
	Welspun Middle East Pipe Company LLC	3.35	14.49

40 Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015

(₹ in million)

	Balance as at 31 March		Maximum amount outstanding during the year	
	2016	2015	2016	2015
Loans and advances in the nature of loans to subsidiaries:				
- Welspun Wasco Coating Private Limited	156.95	-	156.95	-
- Welspun Pipes Inc.	927.57	-	1,256.95	-

41 Disclosures pursuant to Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets:

Provision made with respect to Excise duty, Service tax, Value added taxes, Central Sales tax and on other litigations made in accordance with the Company's policy stated in Note 1 (XVI):

Movement in provisions:

(₹ in million)

	2016				
	Excise Duty	Service Tax	Value Added Tax	Other Litigation and Disputes	Total
Opening Balance	138.21	88.45	7.78	31.86	266.30
Provided during the year	-	-	0.15	18.07	18.22
Provision reversed / utilised during the year	(1.99)	-	-	(10.91)	(12.90)
Closing Balance	136.22	88.45	7.93	39.02	271.62

The timing and the amount of cash outflows, if any, that may arise from the above matters are not currently determinable.

Movement in provisions:

(₹ in million)

	2015					
	Excise Duty	Service Tax	Value Added Tax	Central Sales Tax	Other Litigation and Disputes	Total
Opening Balance	60.29	88.38	10.55	1.00	22.65	182.87
Provided during the year	77.92	0.35	-	-	9.21	87.48
Provision reversed / utilised during the year	-	(0.28)	(2.77)	(1.00)	-	(4.05)
Closing Balance	138.21	88.45	7.78	-	31.86	266.30

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

42 Net dividend remitted in foreign exchange

Year of remittance (ending on)	2016	2015
Period to which it relates	2014 - 2015	2013 - 2014
Number of non-resident shareholders	19	19
Number of equity shares held on which dividend was due	48,891,231	48,891,231
Amount remitted (Rs. in million)	24.45	24.45

43 Earnings/ Loss Per Share

		2016	2015
I)	**Loss after tax (₹ in million)**	(933.62)	(157.06)
II)	**Weighted average number of equity shares**		
	a) For Basic (Nos)	263,467,341	262,948,923
	b) For Diluted (Nos)	263,467,341	262,948,923 *
III)	**Earnings/ Loss on Face Value of ₹ 5 each**		
	Basic and Diluted EPS (₹)	(3.54)	(0.60)*

* Employee stock options are anti-dilutive and ignored in the calculation of diluted earnings per share.

44 Employee Stock Options Scheme

a) In respect of options granted under the Welspun Employee Stock Options Scheme, in accordance with the guidelines issued by Securities and Exchange Board of India, the value of options (based on intrinsic value of the share on the date of the grant of the option) is accounted as deferred employee compensation, which is amortized on a straight line basis over the vesting period. Employee benefits expense includes ₹ 99.34 million debited during the year (March 31, 2015 ₹ 36.47 million).

Stock options outstanding as at the year end are as follows:

Exercise price	₹ 1
Date of grant	24 December 2014
Vesting period	1 year
Options outstanding at the beginning of the year	2,050,029
Options granted during the year	-
Options exercised during the year	2,050,029
Options lapsed during the year	-
Options outstanding as at 31 March 2016	-

b) The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payments issued by the Institute of Chartered Accountants of India in respect of stock options granted.

The Company's earnings per share would have been as under, had the compensation cost of employee stock options been recognised based on the fair value at the date of grant in accordance with Black Scholes' model.

	2016
Profit/ (Loss) for the Year (As Reported) (₹ in million)	(933.62)
Add: Compensation Expenses under ESOS included in the Statement of Profit and Loss (₹ in million)	99.34
Less: Compensation Expenses under ESOS as per Fair Value (₹ in million)	95.92
Profit/ (Loss) for the Year (Fair Value basis) (₹ in million)	(930.20)
Number of Shares (Weighted average)	263,467,341
Basic and Diluted Earning / (Loss) Per Share as reported (₹)	(3.54)
Proforma Basic and Diluted Earning / (Loss) Per Share (₹)	(3.53)

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

45 Other operating revenues

(₹ in million)

	2016	2015
Scrap sales	504.74	563.92
Value Added Tax incentive	777.07	905.46
Export benefits	240.35	903.08
Excess provisions written back	19.89	44.92
Testing fees	-	100.21
Others	68.69	140.43
Total	**1,610.74**	**2,658.02**

46 Value of raw materials consumed

	2016		2015	
	₹ million	% of Consumption	₹ million	% of Consumption
Imported	18,298.65	85.31	23,220.95	74.87
Indigenous	3,150.17	14.69	7,795.72	25.13
Total	**21,448.82**	**100.00**	**31,016.67**	**100.00**

47 Value of stores and spares consumed

	2016		2015	
	₹ million	% of Consumption	₹ million	% of Consumption
Imported	175.08	19.47	64.25	7.99
Indigenous	724.16	80.53	739.61	92.01
Total	**899.24**	**100.00**	**803.86**	**100.00**

48 Value of imports on CIF basis in respect of

(₹ in million)

	2016	2015
Raw materials	18,183.30	24,495.09
Capital goods	-	3.94
Stores and spares	62.59	54.77
Traded goods	6,702.61	9,433.67
Coal	6.69	43.29

49 Expenditure in foreign currency

(₹ in million)

	2016	2015
Freight, material handling and transportation expenses	68.20	0.15
Membership and other fees	12.26	7.05
Sales commission	52.98	-
Finance cost (including bank charges)	430.36	710.40
Professional and consultancy fees	24.28	17.66
Coating and other Job work charges	0.35	2.46
Others	61.18	34.64

NOTES

forming part of the financial statements as on and for the year ended March 31, 2016

50 Earnings in foreign exchange

(₹ in million)

	2016	2015
FOB value of exports (including goods-in-transit)	8,556.74	10,203.67
Interest received	23.63	2.48
Testing fees	-	96.73
Guarantee commission	15.48	22.15
Others	0.78	16.31

51 Corporate Social Responsibility expenditure

Gross amount required to be spent by the Company during the year is Nil (March 31, 2015: ₹ 0.77 million which has been contributed to Welspun Foundation for Health and Knowledge).

52 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current years classifications / disclosures.

As per our attached report of even date

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

Mehul Desai
Partner
Membership No. 103211

Mumbai, 23 May 2016

For and on behalf of the Board

B.K.Goenka
Chairman
DIN No.00270175

Braja Mishra
Managing Director
DIN No.00007089

S.Krishnan
Chief Financial Officer

Pradeep Joshi
Company Secretary

WELSPUN CORP
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